



# Marketing Norm Perception Among Medical Representatives in Indian Pharmaceutical Industry

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## ABSTRACT

Study of marketing norm perception among medical representatives is an under-portrayed component that deserves further perusal in the pharmaceutical industry. The purpose of this study is to find out the perception of marketing norms among medical representatives. The research design is quantitative and cross sectional study with medical representatives as unit of analysis. Data is collected from medical representatives (n=300) using a simple random and cluster sampling using a structured questionnaire. Results indicate that there is no difference in the perception of marketing norms among male and female medical representatives. But there is a difference in opinion among domestic and multinational company's medical representatives. Educational back ground of medical representatives also shows the difference in opinion among medical representatives. Degree holders and multinational company medical representatives have high perception of marketing norms compare to their counterparts. The researchers strongly believe that mandatory training on marketing norms is beneficial in decision making process during the dilemmas in the sales field.

## KEY WORDS

Medical representatives, ethical behavior, organizational culture.

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## INTRODUCTION

Marketing norms are the set of standards, and policies which are accepted as appropriate by qualified members of a profession. They exert a powerful influence on an individual's behavior in an organization. They can serve to either support ethical conduct [1] or restrain these norms are meant to act as a deterrent to unethical decisions [2, 3, 4, 5]. A study by Dubinsky et al concludes that for some sales persons, boundaries may be their own beliefs and others may not feel capable of deciding how far overboard to go in their selling practices [6].

There are ethical considerations involved in pharmaceutical marketing decisions; mainly in clinical trials, promotion of pharmaceutical products, advertising product factors etc. Such considerations are the focus for increased research attention since these are at the vanguard of marketing activities [7].

Normally, medical representatives work in the sales field wherein they are not in personal contact with their respective managers every day. On an average, managers' work with their respective medical representatives only once or twice a month and hence, medical representatives are not constantly under direct supervision of their work, which may reduce efficient impartation of policies or norms of the company by the managers [8, 9, 10]. In a majority of the medium sized pharmaceutical companies which operates their business in many states of India, there are only one or two first line managers or regional heads per state to supervise their handful medical representatives. Due to their overwhelming workload, these managers could not restrain the representatives in everyday sales. Hence, almost every day, medical representative will face ethical dilemmas while interacting with their customers such as doctors,

or retail chemists or wholesalers with only their values and beliefs as standards [11, 12]. A medical representative with high perception of marketing norms can take ethical decisions whereas a medical representative with low perception on marketing norms have higher chances of taking unethical decisions for increasing their sales. Practically, medical representatives' works autonomously with achievement of their sales target as their own end [5]. Industry reports show that about half of medical representatives lie intentionally to the doctors on sales calls; about one-third make unrealistic promises and one in every five, admits on demanding the doctors to prescribe their products which may not be otherwise needed at that point [13]. Hence it is imperative to study the perception of marketing norms among medical representatives in the pharmaceutical industry.

Previous studies have highlighted a need for more stringent marketing norm or policies than those that are currently available in order to guide the sales representatives. The given marketing norms i.e. standards of behavior, would provide an acceptable boundary within which medical representatives can develop sales tactics [6]. The present study attempts to find out the perception of the marketing norms among medical representatives in the pharmaceutical industry in India. As the previous studies suggested this study has taken into consideration on the difference in perception between the gender, educational background and the type of the company in their perception on marketing norms [14, 15].

In some other marketing professions, established marketing norm will serve as a guide to their sales representatives who face ethical problems to choose the right way [5]. Some sales personnel may recognize that the presence of company-imposed policies which discourages the anticipated irregularities and questionable behaviors. In order to overcome this, a study suggest to develop a strategy that helps in improving

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ethical reasoning to take the form of ethical policies or marketing norms instituted by the superior in the organization [5]. Such policies or marketing norms may include implementation of achievable ethical goals, defining ethical standards, punishing lawbreakers who violate the ethical boundaries, and designating an ethical leader or manager [3, 5, 10].

In order to provide guidance to individuals in marketing and to further enlighten on the marketing norms, academicians work hard to develop models of ethical decision-making [16]. A dependable scale was developed which is based on the American Marketing Association's code of conduct to measure marketing norms commonly known as VRS scale [17]. In this study, a modified VRS scale is used to measure the marketing norms perception of medical representatives. The factors related to product and promotional norms, communication norms and general honesty and integrity norms related items are included. Further, some of the questions in VRS scale were modified and the guidelines of WHO (World Health Organization) and IFPMA (International Federation of Pharmaceutical Manufacturers Association) are also included to meet the objective of this study.

## METHODOLOGY

It is a quantitative and cross-sectional study conducted under non-contrived setting. Data was collected from the medical representatives using a simple random and cluster sampling method ( $n=300$ ). A structured questionnaire was used which consisted of eleven items with a five point Likert scale (from strongly disagree as one to strongly agree as five). The marketing norm perception scale consists of product and promotional norms, communication norms and general honesty and integrity norms items. The study mainly focused on the marketing norms perception of medical representatives and hence the unit of analysis is a medical representative. The data was collected from north, south coastal and central parts of Karnataka state, through personal interviews with a standard questionnaire. The scope of this research focuses on pharmaceutical industries and the products related to allopathic formulations only. Collected data was analyzed using SPSS version 18.0.

### Inclusion criteria

Medical representatives working for domestic and multinational pharmaceutical companies in allopathic formulations with at least a year of experience was selected as study population.

### Exclusion criteria

Medical representatives working for domestic and multinational pharmaceutical companies in Ayurvedic and Homeopathic formulations were excluded from the study.

## RESULTS

Of the 300 medical representatives, 71% (213) were males and 29.0% (87) were females and 214 (71%) are working for domestic pharmaceutical companies whereas 86 (29%) medical representatives are working for multinational pharmaceutical companies.

The marketing norms perception survey instrument was measured for the reliability test which consisted of eleven items. In the marketing norms scale, there is an acceptable correlation between the items. Maximum scale mean if item deleted was 27.287 and maximum scale variance if item deleted was 81.182. The item "Carryout the promotional activities in accurate and responsible manner" showed the highest squared multiple correlation of 0.785. The Cronbach's Alpha value for the marketing norm perception scale was 0.848.

Normality tests were carried out for marketing norms perception scale. Mean for marketing norms perception scale is 22.430 with a standard deviation of 4.06, which indicates consistency in respondents'

response. Cases of Univariate outliers in the dataset were checked using the z-score and found all values were within the data set. In the table 1, all z values of skewness and kurtosis are within the range of -2.58 to +2.58. In this study, missing values were minimal and all the missing values are replaced with the mean values [18, 19].

Independent sample t-test was used to measure the difference in opinion on perception of marketing norms among gender, type of company and educational background of medical representatives. Results revealed that there is no difference in opinion on marketing norms among male and female medical representatives in product and promotion norms  $t(298)= 1.715$ ,  $p= 0.87$ , and in general honesty and integrity norms  $t(298)= 1.715$ ,  $p= 0.194$ , but there is a difference in obligation and disclosure norms  $t(298)= 3.050$ ,  $p= 0.002$ . There is a significant difference in perception on marketing norms in domestic and multinational pharmaceutical company medical representatives in all the case of marketing norms such as product and promotion norms  $t(285)= 11.616$ ,  $p= 0.000$ , in general honesty and integrity norms  $t(277)= 17.487$ ,  $p= 0.000$ , and in obligation and disclosure norms  $t(272)= 12.097$ ,  $p= 0.000$ . In the case of education background, medical representatives are divided into diploma holders and degree holders. Results show that there is a difference in perception on marketing norms in diploma and degree holders. In the case of product and promotion norms  $t(270)= 6.092$ ,  $p= 0.000$ , in general honesty and integrity norms  $t(267)= 7.436$ ,  $p= 0.000$ , and in obligation and disclosure norms  $t(274)= 6.246$ ,  $p= 0.000$ .

## DISCUSSION AND CONCLUSION

This study discovers the marketing norms perception such as product and promotional norms, communication norms and general honesty and integrity norms. There is no difference in the perception of marketing norms in male and female medical representatives in product and promotional norms and communication norms but there is a difference in opinion in obligation and disclosure norms. In the case of promotional and communication norms all the respondents are aware that products and services offered to their customers should be safe and communications about products and services offered should not be deceptive. In addition, they are also have high perception to avoid false and misleading communication and high pressure manipulations or misleading sales tactics to achieve their sales targets. In case of domestic and multinational pharmaceutical companies all the marketing norms are significantly different; this may be due to domestic pharmaceutical company's medical representatives may not be exposed to strict organizational mandates or norms or policies. In addition, in domestic pharmaceutical companies, behaviors by the medical representatives were either ignored or given tacit approval by their managers as long as sales targets are met [20, 21]. Exposure through proper induction or training programs to medical representatives in multinational companies have led to better perception on marketing norms such as product and promotion norms, communication norms and obligatory and disclosure norms [22]. In the case of diploma and degree holders, there is a significant difference in the perception of marketing norms. It may be due to mandatory training on marketing norms for all medical representatives in multinational pharmaceutical companies prior to their first venture into the sales field. In contrast, domestic companies may not set such emphasis nor make it mandatory for their medical representatives [23]. Based on the findings, the researchers strongly recommend that there is a need to communicate the marketing norms especially product and promotion norms, communication norms, general honesty and integrity norms and obligatory and disclosure norms last but not least is price and distribution norms to all the medical representatives in their induction or capsule training. In addition a periodical training is mandatory at least twice a year. This will definitely boost

the self confidence of medical representatives and helps in the decision making process during the dilemmas in the sales field.

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