

PROS AND CONS OF MARKETING PHARMACEUTICALS ON THE INTERNET

*Ashish Chandra, Xavier University of Louisiana
Susan Casas de Betancourt, Xavier University of Louisiana
Christine Wyble, Xavier University of Louisiana*

ABSTRACT

The Internet has become a major part of our lives. Companies have begun using the Internet as a viable marketing source. Pharmaceutical companies have not been left behind in this evolution. At the same time, herbal products have gained popularity among health care consumers. It has been observed that there are several herbal product related sites on the web. However, there are several pros and cons of marketing pharmaceuticals and herbal products over the Internet. This paper discusses the various pros and cons of marketing pharmaceuticals over the Internet. In particular, the availability of herbal products over the Internet and the regulations and standards related to marketing over the Internet.

INTRODUCTION

We are living in an era of fast growing technology, which only a decade ago was thought of as impossible. The rapid pace of changing computer technology is becoming increasingly difficult for companies to deal with on a daily basis. Organizations are having a hard time keeping up with the impact this evolution is having on its marketing and management strategies. Finding personnel with the technical skills for Internet marketing is, in itself, difficult. In order to compete and stay on the cutting edge of marketing it is imperative to make use of the Internet.

Advertising has played a significant role in defining the consumption patterns and needs for various products and services. In order to accomplish their goals and objectives, companies are constantly looking for ways to effectively promote their products and services to other businesses and directly to consumers. Effective promotion techniques have quite often defined the success or failure of a product. The traditional channels of advertising products consist of television, radio, newspapers, magazines, brochures, pamphlets, billboards, etc. Among these various media, television is perhaps the most effective and the most costly. One of the reasons for its high effectiveness and high cost is the purchasing of air-time, animation, and/or sound effects. Now, in this day and age, the traditional marketing media has serious competitors in the form of the Information Superhighway, also known as the Internet. The Internet provides text materials and other desirable characteristics without the high cost and regulations associated with television advertisements.

THE CHANGING MARKETING SCENARIO

Marketing is perhaps one of the primary reasons that helps organizations succeed in expanding their horizons. Organizations are constantly looking for new channels in which to market their products and services to consumers. Marketers try to utilize the new telecommunication devices and media that are developing. The tactics in marketing their goods and services are beneficial in meeting organizational goals and objectives.

Marketing on the Internet

The Internet is perhaps the fastest growing marketing avenue for marketers of all sorts of products and services. The Internet began its rapid growth in the early 1990s and now almost all Americans are familiar with the vastness of this technology. However, not all are able to access and take full benefit of this valuable resource due to several financial and limited education reasons. The World Wide Web is the most commercial platform on the Internet (Bishop 1996). The ease of navigation on the Internet using this platform has proved itself to be extremely popular among the general consumer. The popularity of marketing over the Internet has been quite evident over the past few years, with stock market prices as proof.

Brief Overview of Pharmaceutical Marketing

Pharmaceutical marketing has changed significantly over the years. Non-prescription drugs have been directly promoted to consumers for a long time now. This is a product which the consumer can purchase without prior approval or a prescription from a physician. Until the early 1980s, prescription drug products were not being promoted directly to consumers. The primary audience for promoting prescription drugs included healthcare professionals such as physicians and pharmacists. The primary technique and/or media used to promote these products included samples and package inserts given to healthcare professionals, advertisements in professionals journals, and similar activities. However, the entire prescription advertising scene changed in the early 1980s when Boots Inc. started promoting its prescription drug Rufen® directly to consumers (Madhavan 1993, Schuler 1984). Since that time, there has been a constant and dramatic increase in the Direct-to-Consumer Advertising (DTCA) efforts of prescription drugs by the pharmaceutical industry. The amount of moneyspent in DTCA by pharmaceutical companies has risen from approximately \$35 million in 1987 to approximately \$600 million in 1996 (Mirken 1996). This information is interesting because these companies are spending such large amounts of money in promoting products directly to consumers, products which cannot be purchased without a prescription from a physician. Pharmaceutical companies must have seen a positive effect from their promotional efforts, otherwise they would not spend millions of dollars on such efforts.

Pharmaceutical Product Advertisements over the Internet

Many pharmaceutical companies have established their Web sites with the intent of attracting consumers. The advertisements of these companies appearing over the

broadcast or in the print media generously invite the consumer to visit their Web site. In an analysis of the Web sites of several pharmaceutical companies, it was observed that, besides the information related to their products, these companies provide information on items such as financial reports, stock prices, involvement in the community, research and development, etc. It has also been observed that there are several product-specific Web sites in existence, and that their Web site addresses are also appearing in the print and broadcast media.

PROS OF MARKETING PHARMACEUTICALS ON THE INTERNET

Like any other form of media, Internet marketing has its pros and cons. Some of the potential pros of marketing prescription and non-prescription pharmaceutical products on the Internet are explored below from three distinct points of view: the consumer, health care professional, and marketer.

Pros for Consumers

Over the past 5-7 years, the Internet has become an extremely viable source of information for consumers. The ease of maneuverability within the Internet has proved itself to be an attractive selling point. Another major advantage is the vast amount of information available for consumers. There are constantly new and innovative sites being developed for consumers by various companies, including some pharmaceutical manufacturers. Consumers seeking information related to pharmaceutical products can get much more detailed information via the Internet than is offered at the physician's office. They have greater amounts of leisure time to digest the information gathered through the Internet. Not only can they obtain single product information, but they can also acquire disease state information. Some sites offer disease state consultation services with regard to pharmacological therapy and compliance. There are various health and disease specific Web sites that compare and contrast various products used for the same disease state. This is beneficial in educating consumers regarding their health. Consumers more knowledgeable about their illness and medications will likely have better compliance and, therefore, a better outcome.

Pros for Health Care Professionals

Easy access to information is a major pro for health care professionals. It has been observed that many health care professionals are searching the web for informational purposes. More timely information is made available over the web, as compared to the lag time experienced in current print media. Current guidelines and protocols for certain disease states are provided by reputable sources such as the National Institute of Health, and the American Diabetes Association on the Internet. Literature sites such as Medline and MedScape are available free of charge over the Internet. Healthcare professionals do not have to go to a library. This is an efficient and convenient tool to utilize for medical information. It also provides access to information related to certain research reports or clinical trials in progress and not yet published. Healthcare professionals can utilize the Web to access information related to products that are available in foreign countries.

Physicians and other healthcare professionals are able to utilize 'chat' rooms to discuss medical issues in real time.

Pros for Marketers

Unlike pharmaceutical product advertising on television or other forms of media, advertising on the Internet has one major advantage -- it can be called 'advertising on demand'. The consumer being able to access information regarding a product when needed by searching the Internet defines advertising on demand. The knowledge of product availability will likely create a greater demand by consumers. Marketers can monitor the number of consumers who visit the Web site and make adjustments regarding links, accessibility, and information.

Pharmaceutical companies advertising on the Internet can utilize all the text, animation, pictures, sound, and other characteristics of a television advertisement, at a significantly cheaper cost. Also, these promotional efforts usually do not have to go through the same rigors that other advertisements must. They can even avoid the censor boards of other countries, because it is up to the consumer to access the company's advertisements, and not the company to necessarily promote it to consumers. The company can also be selective in determining which customers to target for future mailings based on the information gathered regarding consumer demographics. This can be obtained from several commercial companies and/or by having consumers fill in a registration form at the company's Web site for a chance to win a prize. Many companies commonly use this technique.

CONS OF MARKETING PHARMACEUTICALS ON THE INTERNET

This form of pharmaceutical marketing does have some cons regarding various individuals and situations. It is highly unlikely for a company to associate many of the cons of this form of marketing with its products. Some potential cons associated with the marketing of pharmaceuticals on the Internet, as may be perceived by various consumers and professionals, are provided below.

Cons from Consumers Point of View

Information sometimes provided on the Internet is too technical or difficult for the lay consumer to understand. This may result in more confusion to consumers regarding the product for which they are seeking information. It has been observed that along with other relevant product information, an extensive 'side effect' profile of pharmaceutical products is sometimes provided at the product-related Web sites. This sort of information helps to fuel the hypochondriac fire in some consumers. A confused health care product consumer is dangerous in the sense that they will seek alternative treatments, which may not be beneficial to their health.

There may be various Web sites available on the Internet providing information related to the product for which the consumer is seeking information. Some of these Web sites may

be created by nonhealth care professionals who have little knowledge about the pharmaceutical product. The general consumer does not have the knowledge base necessary to determine which Web site is a reputable source. The misinformation may lead the consumer to draw inappropriate conclusions regarding that product and their health, which can lead to deleterious effects.

Cons from Health Professional's Point of View

The information sometimes provided is too simple for the health care professional, as some Web sites are geared to the lay public. Another disadvantage is that some clinical studies described on the Internet do not always contain references to medical literature. No references may affect the credibility of these sites. The determination of reputable sites is a difficult task, because few sites identify their creators and authors. Many of these sites also do not include the date of the last update, hence making it difficult to determine how current the information is.

Consumers observe information on the Internet regarding products to help alleviate their symptoms. This creates a major problem for healthcare professionals because consumers demand unnecessary drugs based on information gathered from pharmaceutical product advertisements. Another related problem is that the consumers may trust the Web sites more than the healthcare professionals. The lack of trust between the consumer and the healthcare professional can create a barrier between seeking health care and receiving professional, treatment.

Cons from Marketing Point of View

At present, television is available to more consumers than the Internet. A certain degree of computer skills and knowledge is required to fully appreciate the benefits of the Internet. This could be another drawback from the marketer's point of view. The Web sites should be easily accessible to consumers and organized to provide information effectively. Web sites with graphics can grasp consumers' attention, but they require a high level of technical expertise, with more time and money involved.

The Web sites are usually not created by healthcare professionals, and thus the authority is absent in determining certain errors. These Web sites should be questionable to consumers. Most companies hire non-medical personnel who have the technical skills needed to create a Web site, but mistakes may occur in transcribing information, thereby going unnoticed.

HERBAL PRODUCT MARKETING

Increased public interest in herbal therapy is riding the wave of an increased health consciousness of the "baby boomer" generation. Baby boomers are aware that conventional drugs, although extremely successful in controlling many disorders, have not cure all diseases. Also, emphasis has shifted more toward disease prevention than treatment. For these and other reasons, more Americans are turning to so-called

"unconventional medicine" (Combest, Nemezc 1997). According to Boulder Colorado researcher, New Hope Communications, Americans spent an estimated \$656 million on herbal remedies in 1995. But industry expert Dr. Varro Tyler of Purdue University believes the category is growing by 20% a year (Mehegan 1996).

Availability of Herbal Products over the Internet

Information on herbal products is severely limited. Lay individuals or product manufacturers usually provide the information themselves. Because of this, the information available is more a marketing tool than an education tool. From the healthcare provider's point of view, the information is usually unreliable and cannot be substantiated with clinical or research studies to support their statements. Having clinical data is usually a prime concern for most health care providers. Before any recommendation is made by health care providers regarding the use and effectiveness of any health care product, including herbal products, clinical data is reviewed.

In recent times, many new herbal product manufacturers and marketers have created their own Web sites. The major problem, as can be seen as a potential danger for the American consumer, is to determine which of these Web sites they should believe. Some of these manufacturers and marketers may be involved in mischievous activities, such as providing bad products or ineffective products, in the name of herbal medicine, to the inexperienced or naive consumer who has a great belief in herbal, or alternative, medicine. Some of these sites are the herbal product companies themselves, which have their origins in third world countries. It is the general perception of most people living in Western society that products coming from these third world countries are of inferior quality and often ineffective. This may or may not be true; hence, there is a significant need to have a mechanism of action to determine the authenticity of these manufacturers. A central database should be created which categorizes the herbal product manufacturers based on various factors including the quality and effectiveness of the product.

Herbal Products as Dietary Supplements

The Food and Drug Administration (FDA) treats herbs as it does foods, meaning that manufacturers are prohibited from putting harmful products on the market. Companies are not required to prove that their products are safe and effective, as drug manufacturers are required. Herbal remedy makers are also prohibited from making specific claims about their products' benefits once they reach the market. Allowed are so-called "structure and function" claims, such as, "it makes you feel better!" but not claims that their remedies cure or mitigate any particular diseases (Mehegan 1996).

REGULATIONS AND STANDARDS RELATED TO MARKETING ON THE INTERNET

Appropriate regulations and standards have yet to be established with regard to marketing on the Internet. However, there is a great deal of debate going on related to what is and what is not considered appropriate. The medium of the Internet is evolving so fast that

rules can become obsolete before the regulatory bodies have a chance to study them (Lewis and Lewis 1997). A brief description about the evolution of the Internet regulation and standardization efforts, as they relate to pharmaceutical marketing on the Internet, are discussed below.

The Evolution of Internet Regulation and Standardization

The Internet resulted from the military's attempt to create a computer network that could survive a nuclear attack. The key to this was decentralized control and authority so that destruction of one or more parts of the network would not result in the collapse of the entire system. Since 1969, computers were linked as mini-networks known today as the "Internet". The sole purpose for creating the Internet is the government's one dilemma, regulation of the information. (*The Healthcare Provider's Internet Tutorial 1998*)

Congress is currently confronting the problem of pornography on the Internet. A new federal law was designed requiring commercial sites on the Web to block access of minors to pornographic material. The American Civil Liberties Union (ACLU) filed an injunction against the federal law which keeps Internet material judged harmful to minors away from children. Different groups, including medical professions, saying it would weaken the constitutional right of guaranteeing free speech (Thomas 1998), also oppose this attempt of regulation. It is thought that once some type of regulation occurs, it will continue to progress to more stringent regulations. Healthcare professionals are among the many that are in opposition of regulation of the Internet. The government will continue to struggle with this issue in the future.

Promotion of Medications on the Internet

The FDA is considering new regulations regarding the promotion of regulated products on the Internet. The older rules do not seem to apply to this rapidly changing medium, with new Web sites launched every three seconds, and many of these from over seas. Lee Peeler, associate director for advertising practices at the Federal Trade Commission, said, "The Internet will have as great an impact on advertising as any event since the introduction of television". Because Web sites are accessible anywhere in the world, it will be very difficult for the FDA to keep United States physicians and consumers from seeing drug and device promotions that are not even permitted in print (Borzo 1996).

A World Wide Web page may be considered advertising, labeling, publishing, educating or broadcasting. Each of these is governed by a different set of FDA rules. This brings up regulatory and marketing uncertainty. The FDA is undetermined whether it will formulate new regulations, issue guidelines, or apply existing rules to the new electronic environment, and so understanding how existing FDA rules apply to the Internet is a legal and regulatory challenge. Manufacturers are holding back from this uncertainty. Few offer hypertext links to other sites because of concerns that other sites might discuss information that manufacturers are not allowed to disseminate to certain audiences. Drug and device makers believe that FDA regulations governing the promotion of medical

products will become less relevant than they are today as the Internet continues to develop at such a fast pace (Borzo 1996).

Bruce Grant, director of content development at a communications company in Pennsylvania, believes controlling what drug makers say on the Internet will put them at a disadvantage compared to other parties, but it will not stop the flow of information. On-line reference books can list off-label uses of drugs, and patient groups can discuss clinical investigations in progress, activities manufacturers are not always allowed to do. Some of the laws controlling the promotion of drugs and devices were written forty to fifty years ago when the FDA could control the flow of information. The FDA is seeking input on how it might control the promotion of regulated products on the Internet (Borzo 1996).

Questions are raised if the FDA should regulate companies With Web sites that link to other Web sites. Responsibility of other links discussing offlabel drug uses is in question. Not being able to link to other sites Would seriously compromise the value of a drug company's Web site. S Smaller companies complain about the expense of monitoring everything discussed at sites with which they directly link. Glaxo Wellcome claims to monitor the activity of such links to insure that they are independent, credible, and balanced. Glaxo Wellcome does not believe the FDA should prevent drug makers from linking to other sites. Some suggest utilizing disclaimers and click-through screens to make it clear where one site begins and the other leaves off. Drug companies should act as guides to help users identify good sites rather than linking with others indiscriminately. Companies linking to another site are implying that users can trust the link as if it was their own. The FDA is considering use of passwords, labeling and disclaimers and warning screens to limit Internet access (Borzo 1996).

Internet Prescription Commerce

The problem of prescription medications sold on the Internet has been recognized by the World Health Organization (WHO). WHO is attempting to produce recommendations on ways individual countries might be able to limit the domestic sale of prescription drug products from abroad in violation of local law. The United States, with combined efforts from Belgium, see the sale of prescription medications over the Internet as a potential minefield for both consumers and medical professionals (Gebhart 1997).

There is also a concern of a growing number of consumers buying pharmaceuticals by mail through Internet advertisements, usually at prices well below the country's prevailing rates. In Belgium, mailorder prescription drug sales has long since been banned so that products may be purchased from a licensed pharmacy to bolster counseling and utilization review. In most countries, including the United States, the sale of mail-order drugs is legitimate, as are advertisements for mail-order pharmaceuticals whether on paper or a computer screen. In practice, it is almost impossible to prevent someone in a different country from seeing an advertisement on the Internet, place an order, or receive medications by mail. It would be even more difficult to monitor the

quality of the product, assuring no misbranding has occurred. The potential for counterfeit drugs is great, provided there is no regulation (Gebhart 1997).

China and Singapore have been reasonably successful at keeping sex and politics out of their corners of the Internet by strictly limiting access to the outside through heavily censored local servers. Stuart Nightingale, the FDA's associate commissioner for health affairs, has pointed out that there is nothing in President Clinton's position that would prevent the United States from sharing information with other countries that might discourage crossborder mail-order drug sales. Enrique Fefer, the coordinator of the WHO's essential drugs and technology program, notes that "a resolution like this generally starts a chain of events that takes quite some time to come to the point of action" (Gebhart 1997).

Ethical Issue versus Legal Issue

One hundred million people have access to the Internet, and many are consumers searching for medical and pharmaceutical information. The consumer takes for granted that information regarding pharmaceutical products is accurate. Some pharmaceutical products may be purchased via the Internet. The fact that there are no standards or regulations restricting information on the Internet brings up ethical issues. It is up to the manufacturers to provide reliable and current information. Medical information is technical and easily confusing to the average consumer. Marketers of pharmaceutical products could take advantage of this and mislead consumers. Misleading consumers by television or radio advertisements results in lawsuits and legal disputes, but there is no penalty with regard to the Internet.

PROJECTIONS FOR THE FUTURE

It is speculated there will be an increased use of the Internet in the future. Schools are offering computer classes to children of much younger ages, as compared to just a few years ago. As the cost of computers and Internet access decline, more and more consumers will utilize the Internet as an information source. Hence, it will be beneficial for companies to promote their products on the Internet. The Internet can also be called the newest direct-to-consumer advertising tool. As more companies plan to take advantage of the Internet as a marketing tool, they should be well aware of the hidden dangers associated with this tool. The government will eventually pass laws to monitor and regulate the advertising practices on the Internet. The Internet will become more user friendly and Web sites will become easier to access. In the near future, many unethical practices in advertising and selling of pharmaceuticals will likely occur. Anytime a lack of regulation exists and money is to be made, unethical practices will arise. The Internet will contribute to the formation of a globally accessible pharmaceutical industry.

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