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Over the past two decades there has been increased interest in corporate responsibility (CSR) and its relation to marketing practice and theory (Maignan and Ferrell, 2004; Polonsky and Jevons, 2006). This paper explores another marketing phenomena emerging from the pharmaceutical industry: condition branding (Angelmar, Angelmar and Kane, 2007; Parry, 2003). Condition branding has been positioned as a form of CSR for the industry, in that it provides education to the general public regarding diseases or conditions. However, the ethical nature of condition branding has been questioned as it is also seen as a deliberate method of increasing markets for pharmaceutical products. This paper raises concerns of consumers and regulators regarding condition branding and disease advertising, and suggests how these practices could be better regulated or modified to reflect the principles of CSR.

Keywords

Corporate, social, responsibility, condition, branding, ethics, marketing

Disciplines

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Corporate Social Responsibility, Condition Branding and Ethics in Marketing

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Abstract

Over the past two decades there has been increased interest in corporate social responsibility (CSR) and its relation to marketing practice and theory (Maignan and Ferrell, 2004; Polonsky and Jevons, 2006). This paper explores another marketing phenomena emerging from the pharmaceutical industry: condition branding (Angelmar, Angelmar and Kane, 2007; Parry, 2003). Condition branding has been positioned as a form of CSR for the industry, in that it provides education to the general public regarding diseases or conditions. However, the ethical nature of condition branding has been questioned as it is also seen as a deliberate method of increasing markets for pharmaceutical products. This paper raises concerns of consumers and regulators regarding condition branding and disease advertising, and suggests how these practices could be better regulated or modified to reflect the principles of CSR.

Introduction

While the term Corporate Social Responsibility (CSR) was coined in the 1950s, the concept has its roots in social contract theory dating back to 1600s (Langer, 2006). CSR has been described as an organisation's social obligation: to pursue policies, make decisions or take actions that are in line with societal objectives and values (Abratt and Sacks, 1988; Robin and Reidenbach, 1987). More recently, CSR has been considered in relation to the groups or stakeholders that are directly or indirectly affected by the activities of the organisation, such as employees, customers, shareholders, suppliers and the local community (Langer, 2006; Maignan and Ferrell, 2004). The benefits of CSR for an organisation can include increased customer loyalty, employee commitment, supplier support and improved corporate reputation (Maignan, Ferrell and Ferrell, 2005). CSR can be seen as part of a greater change in corporate philosophy and practice over the past two decades: the business ethics movement (Weber, 2006). Weber (2006) refers to the mantra "good ethics is good business" which implies that "following high ethical standards is related to – and contributes to – business success" (p.15). Within this movement it is recognised that ethical and socially responsible behaviour can give organisations a competitive advantage, whereas behaviour that creates suspicion or is seemingly contradictory to the organisation's purpose can reduce the chance of business success (Abratt and Sacks, 1988).

Over the past decade, disease awareness advertisements sponsored by pharmaceutical companies have become increasingly prevalent (Mintzes, 2006a). In the US and Canada, these are commonly referred to as 'help seeking advertisements' (Food and Drug Administration, 2004; Mintzes, 2006b), whereas in the UK they are referred to as 'disease awareness campaigns' (Carpenter, 2003). These advertisements or campaigns usually focus on a disease or condition and provide information on symptoms or a range of treatments without mentioning a specific product or brand. They usually refer consumers to websites or other information sources, or encourage them to speak with their doctor. For example, a Pfizer advertisement regarding Alzheimer's disease has appeared in Reader's Digest Magazine in Australia, with a list of potential symptoms and the statement "If you recognise any of these signs or symptoms, check with your doctor" (Pfizer Australasia Pty Ltd, 2004). Disease

awareness advertisements such as these can be considered as a component of a new and broader marketing strategy within the pharmaceutical industry: ‘condition branding’.

In a recent article, Angelmar, Angelmar and Kane (2007) propose that the pharmaceutical marketing paradigm be broadened to include the building of strong condition brands. They define condition branding as “the deliberate management of patient, physician, payer and other stakeholder knowledge about a condition in order to improve how the condition is treated” (p342). This definition suggests that all stakeholders are considered important audiences in condition branding and that the over-riding motivation is improving treatment. It also suggests that condition branding is a form of socially responsible behaviour for the pharmaceutical industry. In a discussion regarding why companies should invest in condition branding, the authors state that, aside from increasing sales and raising the total number of prescriptions, it could be “for ethical reasons, or because they see image benefits” (Angelmar et al., 2007 p. 348). The idea of pharmaceutical marketing practices as a function of improving corporate credibility or reputation has previously been suggested with regard to disease awareness advertising as well as direct-to-consumer advertising (DTCA) for prescription medicines (see for example Bonaccorso and Sturchio, 2002; Carpenter, 2003; Wielondek, 2005). However Parry (2003) positions condition branding more purely as a profit-motivated function. He suggests that “if you can define a particular condition and its associated symptoms in the minds of physicians and patients, you can also predicate the best treatment for that condition” (p.43). Parry (2003) identifies three strategies in condition branding: increasing the importance of a disease; re-defining or reducing stigma relating to a disease; or developing a new condition to create recognition of an unmet need, then introducing the product to meet that need.

Based on these descriptions in the marketing literature, it can be considered that the motivation for condition branding and producing disease awareness campaigns for pharmaceutical companies is three-fold:

1. Increasing the market: create a sense of need for a product (category need) by generating greater knowledge, acceptance or significance of a condition/disease
2. Increasing product awareness: create greater association between the company’s pharmaceutical product and the condition it is designed to treat in the minds of prescribing doctors as well as consumers (with a view to increasing prescriptions)
3. Increasing corporate credibility: position the manufacturer as a socially responsible, trustworthy organisation contributing to the education of consumers and other stakeholders in an effort to improve early diagnosis and/or treatment of conditions/diseases.

One of the few published empirical studies of disease awareness campaigns was documented by t’Jong, Stricker and Sturkenboom (2004) and reports on a campaign sponsored by pharmaceutical company Novartis in the Netherlands that created awareness and heightened the importance of a relatively benign foot fungal condition known as onychomycosis. The study found that as a result of the campaign prescription rates for terbinafine (a product made by Novartis to treat onychomycosis) and onychomycosis-related consultations increased, while prescriptions for the competitor product decreased. t’Jong et al (2004) were critical of the impact of the campaign on the workload of doctors and state that the Dutch Society of General Practitioners (GPs) opposed the campaign as “an unnecessary focus on an unimportant health problem” (p. 931). As such, this condition branding by Novartis achieved increased awareness of a product, as well as increased prescriptions, however it failed to increase corporate credibility. As a result of the campaign, some GPs in the Netherlands

called for a ban on Novartis products (Sheldon, 2002). Novartis has also been criticised in Australia (Hall and Jones, 2007a), the US (Langreth and Herper, 2006), and the UK (Jackson, 2003) for similar campaigns. This leads us to consider whether condition branding, and disease awareness advertising, should be considered as a form of CSR.

Stakeholder concerns

Recent perspectives of CSR consider that the corporation is obligated to consider the groups or actors that are directly or indirectly affected by the activities of that corporation, such as employees, customers, shareholders, suppliers and the local community (Langer, 2006; Maignan and Ferrell, 2004). As part of this approach, organisations adopt a perspective in their strategic planning and operational processes which serves to maximise positive impacts and minimise negative impacts on stakeholders. In the pharmaceutical industry, stakeholders include stockholders, suppliers, contractors, employees, patients, doctors, other healthcare professionals, medical journal editors, clinical researchers, medical educators, healthcare payers, healthcare policy makers, and people who need but do not have access to pharmaceutical products (Weber, 2006). The following section, however, will only consider the practices of condition branding and disease awareness advertising in relation to two stakeholder groups: consumers (including consumer organisations and public health advocates) and regulators (government or industry bodies).

Consumers

In reviewing literature regarding condition branding and disease awareness campaigns, it appears that consumers are concerned that such campaigns will only focus on diseases where there are large and lucrative markets, for example lifestyle conditions such as obesity and hair-loss (Consumers International, 2006; Glatter, 2004). This has been the case for the practice of DTCA, as content analyses of US magazines have found the most advertised products were for chronic, non-life-threatening diseases or lifestyle choices (Holmes and Desselle, 2004; Roth, 1996). A recent Australian survey found that consumers most commonly recalled seeing advertisements in the mass media for erectile dysfunction and weight loss (Hall and Jones, 2007b). There is further concern that these practices can exaggerate the risk or prevalence of a condition (Mintzes, 1998; Mintzes, 2006a) and that this may result in increased community fear and anxiety and unnecessary visits to doctors. A recent example is an Australian disease awareness campaign for genital herpes which stated that “one in 8 of us ... have genital herpes”, however the image was six female symbols, two of which were highlighted red, visually suggesting that one third of Australian women have genital herpes (GlaxoSmithKline, 2006).

Additionally, there is concern when condition branding and disease awareness advertising utilises persuasive techniques to encourage consumers to identify with symptoms such that they may begin to consider normal events (such as mood fluctuations or daily frustrations) as part of a serious health problem (such as a psychiatric disorder) which requires medical treatment (Moynihan and Cassels, 2005). Examples include the advertising of Pre-menstrual Dysphoric Disorder (an extreme form of Pre-menstrual tension) in the US, and the promotion of Social Anxiety Disorder or Social Phobia (an extreme form of shyness) in the US and Australia (Moynihan and Cassels, 2005). An artist recently received some recognition for a parody on pharmaceutical companies medicalising normal life experience (often referred to as ‘disease mongering’). Her campaign for a ‘new’ disorder known as Dysphoric Social Attention Consumption Deficit Anxiety Disorder with symptoms including stress and weight-

gain, coincided with the launch of a 'new' pharmaceutical product, Havidol, and was complete with faux television and print advertisements as well as a website (Burke, 2007).

Regulators

In countries where DTCA of prescription medicines is not allowed - including Australia, Canada, the European Union and the UK - pharmaceutical companies are prohibited from advertising prescription products directly, but can sponsor disease awareness advertisements. These advertisements often fall under the regulation of pharmaceutical industry bodies (self regulation). Such is the case in Australia, where Medicines Australia's voluntary Code of Conduct prohibits advertising branded prescription medicines (in keeping with the Therapeutic Goods Act 1989) but allows for 'patient education' (Medicines Australia, 2006). Patient education is described as educational information on medical conditions and the range of treatments that may be prescribed by a doctor (Medicines Australia, 2006).

Of concern for regulators is when pharmaceutical companies use disease awareness campaigns to directly promote their products to consumers under the guise of education, and evade the ban on DTCA (Gardner, Mintzes and Ostry, 2003; Mintzes, 2006a). There is increasing evidence of pharmaceutical companies using branding techniques (such as special fonts, colours, logos, campaign names and spokes-characters) to create pseudo brands without actually naming the product, and via advertising they create an association between their product and a condition/disease (Hall and Jones, 2007a), for example recent advertisements featuring a tiger character that is synonymous with Viagra. In some instances, these advertisements provide limited disease information but encourage patients to ask their doctor about new available treatments. There is also evidence that disease advertising directed at consumers occurs concurrently with branded campaigns targeting doctors so that doctors can recall (and potentially prescribe) the product when patients discuss the disease advertisement with them (Glatter, 2004; Mackenzie et al., 2007).

Some of these issues, and the consumer concerns described above, have been considered by the Australian Government in a National Competition Review of Drugs, Poisons and Controlled Substances Legislation (Galbally, 2000). The concern that some disease awareness advertisements convey limited educational information, and use branding techniques to convey a product identity, have also been noted by the Medicines Australia Complaints Committee - see deliberations of complaints 676 and 767 in Code of Conduct Annual Reports (Medicines Australia, 2003; Medicines Australia, 2005). Medicines Australia have the opportunity to redress some of these concerns by stipulating more specific and detailed guidelines regarding what constitutes disease awareness advertising or patient education. Other countries, including the UK's Medicines and Healthcare Products Regulatory Agency and the Pharmaceutical Research and Manufacturers Association in the US, have developed detailed guidelines relating to this form of advertising (MHRA, 2003; PhRMA, 2005).

Corporate social responsibility and ethical marketing

Within the pharmaceutical industry there is belief that condition branding and disease awareness advertising is a form of CSR, because it provides consumer education that may lead to early diagnosis and treatment, with potential for other public health benefits (Angelmar et al., 2007; Wielondek, 2005). It has been argued that because ill health is one of the most tangible forms of suffering, the pharmaceutical industry often believes it can link its marketing activities to ethical objectives (Applbaum, 2006). However, Parsons (2007) has examined condition branding as a communication strategy against the 'Five Pillars of Public

Relations Ethics': the objective to do no harm; the objective to do good; telling the truth; maintaining privacy; and fairness and social responsibility. She found that condition branding failed against each of the pillars, with the exception of maintaining privacy, and concluded that disease branding is an unethical marketing communication strategy (Parsons, 2007).

In a review of pharmaceutical marketing in Europe, Consumers International (2006) describe that disease awareness advertising is often disguised as CSR, because it creates consumer demand for drugs for pharmaceutical products, while giving consumers a sense of trust in the advertisers. Polonsky and Jevons (2006) state that CSR should reflect the core value of activities and strategic direction of corporations, and that it should not be an illusive method to improve corporate image or achieve differentiation. Robin and Reidenbach (1987) discuss the concept of CSR being congruent with marketing objectives – as would be anticipated by consumers. They argue that “all of the parts must fit together to produce a logical, internally consistent and easily communicated ethical profile” (page 54). Pharmaceutical companies engaging in condition branding, and framing it as a form of CSR, run the risk of creating considerable consumer skepticism and, as a consequence, reduced corporate credibility. However, companies also have the opportunity to be upfront regarding the purpose of their advertising, such as including some form of generic disclosure that the advertisers make product(s) to treat or prevent the condition advertised.

If industry sponsored disease awareness advertisements were to be considered as a form of CSR, it would be important that the sponsors provide balanced and accurate information regarding important diseases other than those that they produce a treatment for. Wielondek (2005) provides an overview of the declining corporate image of the pharmaceutical industry and the negative impacts of product recalls and DTCA in the US. She suggests that disease awareness campaigns provide an opportunity for the pharmaceutical industry to regain corporate credibility if they are carefully planned and implemented to minimise negative effects. She proposes the opportunity for a disease awareness advertising campaign promoting, for example, diabetes lifestyle improvement programs, in an effort to regain corporate credibility (Wielondek, 2005). There are many other CSR opportunities for pharmaceutical companies, including those unrelated to advertising or provision of disease information. Ross-Wooldridge et al (2004) describe that pharmaceutical companies can become more competitive and develop greater brand equity via socially responsible actions such as providing essential pharmaceutical products to the least developed nations at low cost.

Conclusion

Condition branding and disease awareness advertising are marketing practices increasingly being used by the pharmaceutical industry, however they have the potential to negatively impact upon stakeholders. They could increase consumer fear and anxiety, and unnecessary visits to doctors, and regulators may be concerned with how these practices skirt current guidelines for the advertising of prescription medicines. While these practices have been positioned as a form of CSR within the industry, it is clear that they are at odds with what traditionally constitutes CSR. Disease awareness advertising that might constitute CSR is where the advertiser does not serve to benefit, such as a non-pharmacological behaviour change or prevention campaign. Further research is needed to explore the extent and nature of, as well as consumer attitudes towards, condition branding and disease awareness advertising in order to determine impacts on stakeholders and to inform future regulation.

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