

Research Journal of Pharmaceutical, Biological and Chemical Sciences

Pharmaceutical advertisement in India and role of ASCI.

Tharakram Singh I*, and Renganathan R.

School of Management, SASTRA University, Thanjavur, Tamil Nadu, India

ABSTRACT

Advertisement is very important for manufacturing and service sector in India. Nowadays we come across with lot of advertisement for pharmaceutical products in various media like TV, magazines, Newspaper and hoarding. To safeguard the interest of consumers, Advertising Standard Council of India is playing a vital role in regulating advertising in India. This study analyses the various health and personal care advertisements. This study covers the various advertisements carried from November 2013 to October 2015 pertaining to health and personal care products which referred to ASCI. Decisions taken by the ASCI with regard to these advertisements are dealt in this study.

Keywords: Pharmaceutical industry, Advertisements, ASCI, Misleading advertising, Ethical marketing practices, Industry image.

**Corresponding author*

INTRODUCTION

In India, by 2020 pharmaceutical industry is anticipated to grow to \$55 billion and consumer market which comprises of prescription and over the counter (OTC) is at present projected around \$3 billion USD. Because of the advertisement OTC products like Eno, pudin hara have developed their own room in the market [1]. Nowadays in general advertisements for fairness cream, hair fall cream, slim cream are misleading. For the advertising industry in India, Advertising Standards Council of India (ASCI) is a self-regulatory voluntary organization [2]. In general misleading advertisements with the help of Consumer Complaints Council (CCC) can be brought to ASCI to upheld or not to upheld and subsequently the upheld advertisements will be detached from the media. Main players in the pharmaceutical industry, in order to come out of the disapproval of ASCI, follow proper ethical marketing practices [3]. Advertisements for pharmaceutical products not only present the information but also carry the credibility and brand image of the pharmaceutical company. According to Newell et al (1993), “believability, honesty and expertise” refer to the credibility of a corporate sector [4]. Advertising and marketing industry in India is getting a great support from Government of India. Revenue share of Indian pharmaceutical sub-segments in 2015 for generic drugs, OTC medicines and patented drugs are given in Figure 1. Generic drugs form the largest segment of the Indian pharmaceutical sector, with 70% market share in terms of revenue [5].

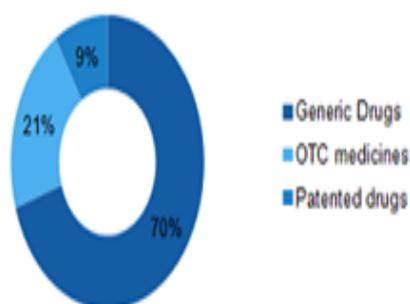


Figure 1- Revenue share of Indian pharmaceutical sub-segments in 2015(%)

Source: Business Monitor International, FCCI Indian Pharma Summit 2014-15, TechSci Research. <http://www.ibef.org/industry/pharmaceutical-india.aspx>

In India drugs pharmaceuticals industry with Rs 1,50,000 crore worth is at present one of the main strong sectors [6].

ASCI (Advertisement Standard Council of India)

Nowadays people are exposed and getting bombarded with various advertisements both for goods and services in various media. We do come across with various advertisements for pharmaceutical products. In India for advertising industry, Advertising Standards Council of India (ASCI) is a self-regulatory voluntary organization, which was found in 1985. Advertisers, Ad agency and media formed this independent NGO, ASCI with the aim of preserving and improving the confidence of the public's in advertising content in India like any other country in the world. According to ASCI content of the Ad should be legal, truthful, and polite and protect the interest of women, children and all the players of the industry. Board of Governors, the Consumer Complaints Council (CCC) and its Secretariat are the members of the ASCI team. The main aim of the ASCI is to safeguard the interest of consumers as well as advertisers by means of controlling the substance of the advertisements in India [7]. After receiving the complaint the ASCI take decision based on the factors mentioned below.

- Misleading advertising
- False advertising
- Indecent advertising
- Illegal advertising

- Advertising leading to unsafe practices
- Advertisements unfair to competition

ASCI incorporates the drugs and magic remedies Act of 1954, [8] 'the drug and cosmetics rules, 1954' which regulates providing the type of advertisements and penalties against any case or reach of any mandate, however it does not provide any essential information context for advertisements in pharmacy that is important considering poorly defined, which are addressed by Organization of pharmaceutical producers of India (OPPI) which provides the guidelines for pharmaceutical marketing and advertisement practices though not mandatory gives good guiding principles.

Research Methodology

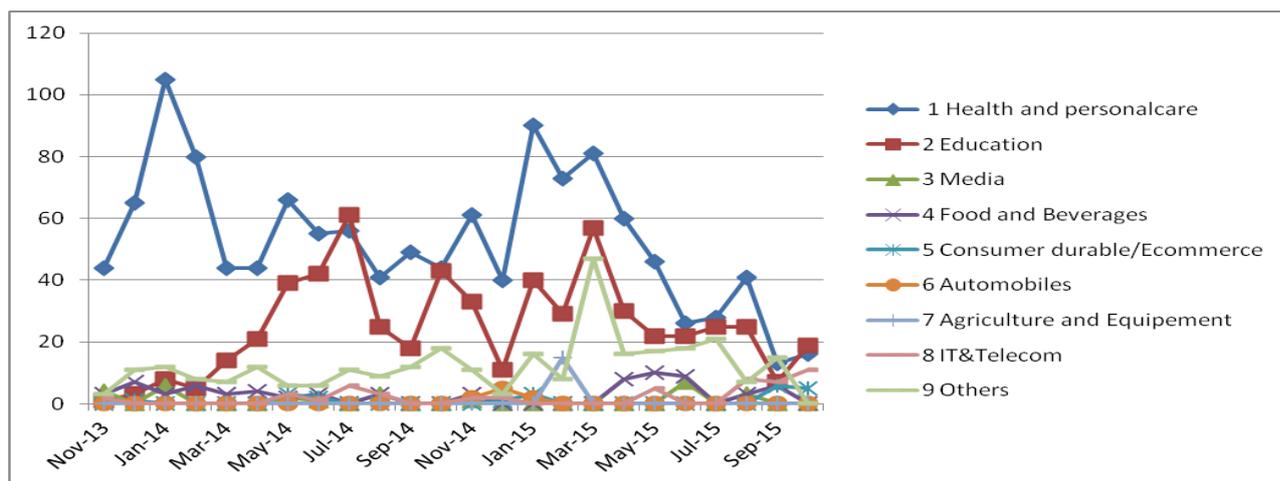
A study was done to know the advertising regulatory machinery of the ASCI and the judgments given by the body against the complaints received, on health care and personal care segments. The judgments of ASCI were studied for the period of 24 months from November 2013 to October 2015, to find out the impact on health and personal care products and services offered. The list of all the judgments given by ASCI during the period was taken for study. Thus the method followed was a census method and no sample was taken. The data used for study is secondary data and is sourced from ASCI.

Findings and implications

Reviewing the complaints received and Upheld complaints by ASCI from the period November 2013 to October 2015 are projected in a diagram

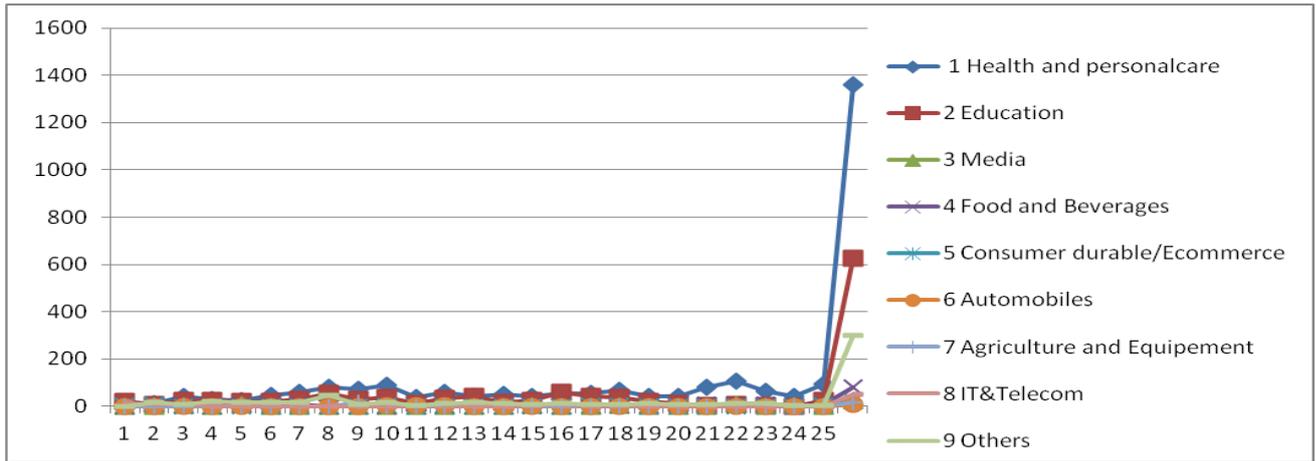
Total complaints acknowledged by ASCI during the period were 3290. Out of which the complaints upheld were 2490. This means 800 complaints were rejected. Almost 76.64% of the complaints were found to be wrong or unethical. This is a disturbing trend and is a clear display of the extent of the unethical advertising in India. In the case of Health and personal care sector it was 55%, which is high compared to the highly regulated western countries. This two year wise trend of advertisement complaints and judgments given by ASCI shows a trend where there is a major spurt in advertising complaints and judgments from April 2015.

The following figures give a graphical representation of the data on judgments given by ASCI during the period of study mentioned.



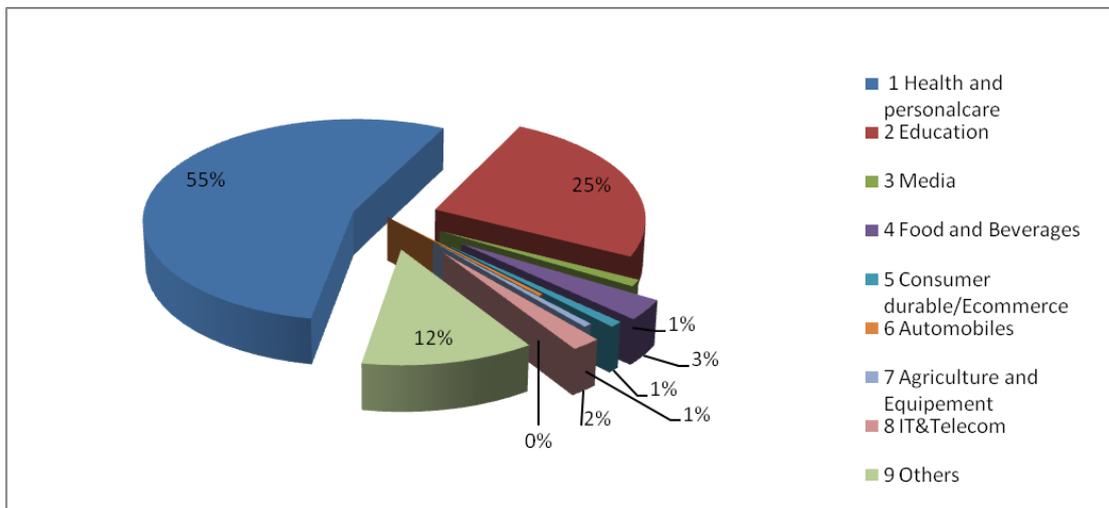
Compiled by the authors from ASCI and various online sources

Figure 2 – Month wise / judgments given by ASCI (Nov-13 to Oct-15)



Compiled by the authors from ASCI and various online sources

Figure 3 – Sector wise total judgments given by ASCI (Nov-13 to Oct-15)



Compiled by the authors from ASCI and various online sources

Figure 4 – Sector wise breakup of judgments given by ASCI (Nov-13 - Oct-15)

It can be inferred that the majority of the complaints are from the following four sectors

- Health and personal care
- Education
- Others
- Food and Beverages

The top two sectors were Health and personal care consisting of about 55% of the complaints followed by Education about 25%.

From the data it is evident that the advertisements that have been found to be unethical are mainly pertaining to the Health and personal care products and are targeted for the household consumers. It is inferred that the pharmaceuticals industry need to cautious about the contents of the advertisement to be disseminated to the public.

The main cause of the complaints is mainly Health treatments, young looking, better health, fairness creams, hair oils and most important is the violation of the Drug & Magic Remedies Act and Chapter 1.1 and III.4 clearly states bogus notion regarding the factual nature of the drug , making false claims or misleading. 100% claims of the drug will cure, no side effects from the drug or the treatment is very successful without any clinical data to substantiate the claims.

Review of the individual advertisements is enforced to understand the message quality that the advertisers use to convey the message in the advertisement clearly. The ASCI only advises the companies to take out the advertisement and in case of noncompliance the complaint is forwarded for action under the law of the land to Ministry of Information and broadcasting or Press council of India. From the data given by ASCI it has been observed that it takes about 4 to 6 weeks from the date of complaint to take a decision by ASCI.

CONCLUSION

If we take the overall view of the data it's clear that it's vital for the industry to be cautious with regard to contents of the advertisements in the country like India. As per the statistics of the advertisement industry in 2012-13 almost 1.04 billion seconds of ads were telecasted [9].

Assuming that ads spot in television for 60 seconds, this translates to approximately about 3600 advertisements per hour being telecasted (assuming advertisement telecast for one hour) on TV channels. Comparing this with 3290 complaints received, it's a small number.

Advertisements for Health and personal care producers' group continued to be ahead with the maximum number of around 2489 grievances from November 2013 to October-15, out of which more than 56% are from Health and personal care category which created a huge negative image [10] for the pharmaceutical industry. In order to contend the competitive pharmaceutical market and also to inculcate their brand name pharmaceutical companies are distinguishing their products by means of advertisement. In order to protect the image major pharmaceuticals have come together. Consumers who are more concerned about their health and wellness insistently look for knowing about the drugs, medicines and therapies. Many pharmaceutical companies consider the importance of OTC advertising to grab the attention of buyers. This will pave the way for buyers to demand the advertised OTC drugs from the pharmacy.

There is an urgent need for defining and establishing clear guidelines in terms of do's and don'ts to be followed by all advertisers. The system has to be designed on the lines of the Indian control and regulation law which very clearly defines the borders of ethical and lawful action and if the person/s found guilty, they have to prove their innocence fairly then the law running after the guilty to prove them guilty.

There is an urgent need and scope for deeper study on Health and personal care products in terms of principles and ethics in Indian context by scholars and their applicability in Indian advertisements. We know all those things which are ethical may not be legal and vice versa. While appreciating the role of ASCI for their control mechanism to safeguard the interest of the stakeholders of the advertisement, it is suggested to strengthen their role further to a great extent.

REFERENCES

- [1] www.mckinsey.com/.../mckinsey%20offices/india/.../india_pharma_2020. India Pharma 2020- McKinsey & Company
- [2] https://en.wikipedia.org/wiki/Advertising_Standards_Council_of_India
- [3] <http://timesofindia.indiatimes.com/india/pharma-companies-team-up-to-clean-industrys-image/articleshow/49445774.cms>, viewed on 10 Jan 2016
- [4] Newell, Stephen J. (1993), "Developing a measurement scale and a theoretical model defining credibility and determining its role as an antecedent of consumers' attitude towards the advertisement,"
- [5] Business Monitor International, FCCI Indian Pharma Summit 2014-15, TechSci Research. <http://www.ibef.org/industry/pharmaceutical-india.aspx>
- [6] <http://businessworld.in/article/2015-Marks-Mixed-Trend-For-Pharma-Sector/29-12-2015-89764/>
- [7] https://en.wikipedia.org/wiki/Advertising_Standards_Council_of_India
- [8] http://www.accmumbai.gov.in/aircargo/pdf/drug_objectional_advertisement_act.pdf, viewed on 12 Jan 2016
- [9] <http://mib.nic.in/WriteReadData/documents/AnnualReport2012-13-English.pdf>
- [10] <http://timesofindia.indiatimes.com/india/Pharma-companies-team-up-to-clean-industrys-image/articleshow/49445774.cms>