

The Ethical Nag

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Big Pharma's remarkable powers of persuasion



Do you know why product demonstrators at the grocery store give you those tempting little free food samples when you're out shopping on your way home for dinner? It's because manufacturers and retailers know that free samples result in significantly increased sales. They simply wouldn't be doing this if it didn't work to boost results. The food business is not doing charity work – their goal is to make more money. This free sample strategy is based on a sociological concept called “**the rule of reciprocation**”.

It's also the same concept that pharmaceutical companies rely on when they offer your doctors financial incentives – and even those **free drug samples**. What these companies know is that docs who give out free samples to their patients will almost always ultimately prescribe the same drug when the free samples run out.

In fact, in a 2008 study published in the *Journal of the American Public Health Association*, researchers found increasing evidence suggesting that physicians who rely heavily on free samples are **more likely to prescribe more expensive, brand-name drugs** - even when equally effective, lower-cost alternatives are available. And these free samples cost the pharmaceutical industry about **\$18 billion** every year – that's *billion* with a B.

As **Dr. David Rothman**, president of the *Institute on Medicine as a Profession*, a research group at Columbia University, told the *New York Times*:

“The doctor will say, ‘Here, start on this, and let’s see how it works.’ But the question to the doctor is: If you didn’t have it in your drawer, would that have been your drug of choice? ”

Patients who receive free samples of drugs usually also receive a follow-up prescription for that same brand name drug to continue their treatment. In such cases, explain the study authors, **providing free samples actually increases the costs to the patient**.

It's worth it to drug companies to do this. Last year, the world's 12 largest drug companies made a net profit of about \$80 billion on revenues of \$435+ billion. (Seven of the 12 are headquartered in the U.S.: **Johnson & Johnson, Pfizer, Abbot Laboratories, Merck, Wyeth, Bristol-Myers Squibb** and **Eli Lilly**).

According to a York University study, drug companies **spend almost twice as much on marketing as they do on research and development of new drugs** (24.4% of the sales dollar on promotion, versus 13.4% for R&D).

And here are some ways they spend those marketing budgets:

- **Direct advertising to doctors:** Big Pharma spends billions of dollars every year

- promoting their products to North American physicians, often by hiring physicians recruited as “*thought leaders*” willing to give targeted talks to their peers using company-provided slides and speech notes;
- the distribution of **free drug samples**: North America has one drug rep for every 7.9 physicians – most of whom happily accept \$18 billion worth of free samples annually;
 - the **sponsorship of symposia and medical conventions** by the drug companies: drug and medical-device makers spend \$2 billion every year for more than 300,000 medical seminars and “*training opportunities*” (often in luxury resort locations);
 - the publication of favourable study results in medical journals created by **industry-funded researchers** or **hired medical ghostwriters**, who then arrange for a noted academic or physician to fraudulently claim to be the actual study author;
 - the purchase of such **medical journal article reprints** that are favourable towards their own drugs, to be handed out to doctors by company drug reps during their routine sales calls. The prestigious *New England Journal of Medicine*, for example, once sold 929,400 reprints of a single Merck-funded ‘research’ article they’d published about the now-discredited and dangerous pain drug **Vioxx** – mostly sold directly to the drug’s own manufacturer Merck. Merck’s sales reps then distributed these reprints to physicians on their daily call routes as part of their aggressive Vioxx marketing campaign. Reprint orders from this one ghostwritten Vioxx article brought in more than **\$697,000 in revenue** for the *NEJM*.

Despite considerable social psychology research on the fascinating subject of persuasion and influence, most physicians apparently flat out deny that such research applies to them. Not at all. Absolutely not.

Although they may concede that, yes, *other* docs might be influenced by Big Pharma’s marketing tactics like free dinners, trips, samples, conference courses, cash, drug samples or being recruited as “*thought leaders*” so they’ll be more likely to prescribe their drugs – they themselves are, of course, completely immune to all such influence.

I guess that means that drug companies are somehow wasting that \$18 billion they spend every year on all those doctors who are apparently immune to the persuasive power of free samples.

In fact, **Dr. John Santa**, former medical director of the *Drug Effectiveness Review Project* in Oregon, confirmed the effectiveness of such systemic persuasion in a *Consumer Reports Health* interview:

“Doctors deny it, but the evidence is clear that these financial relationships lead to significant increases in prescribing and sales.”

Consider the work of **Dr. Robert Cialdini**, who wrote the book *Influence: The Psychology of Persuasion*. Dr. Cialdini is particularly famous for his three-year study on the **psychology of compliance**, or what factors cause one person to say yes to another person? He maintains that there are six powerful *“weapons of influence”*, which are:

- consistency
- reciprocation
- social proof
- authority
- liking
- scarcity

Of these tactics, one of the most potent compliance techniques used by Big Pharma on medical doctors is **the rule of reciprocation**, which prompts us to repay what someone has given us.

That’s because, when we are given a gift, we feel indebted to the giver. The anthropologist **Richard Leakey** once wrote that he considers the rule of reciprocation a defining element of what it means to be human, and that we are human only because our ancestors *“learned to share their food and their skills in an honoured network of obligation.”*

In fact, **we will often give back more than we receive** - even when this means clearly unequal exchanges. Dr. Cialdini cites the example of women who allow men to buy drinks for them in bars, and then feel obligated to have sex in return.

And apparently, we don’t even have to request a gift or favour for the rule of reciprocation to be engaged; it can be given uninvited and still be a powerful persuasion tool.

Last month, in response to a [blog post](#) written by **Yves Smith** on *Naked Capitalism*, a reader identified himself only as a former drug rep named “David” who had worked for two years (1999-2001) with Janssen (a subsidiary of drug giant, Johnson & Johnson). He left this telling comment:

“There are very few doctors who are not influenced by drug sales reps. This is a fact. Pharma buys Rx listing from pharmacies and compiles lists of top docs, meaning those who prescribe the most.

“Drug companies target those docs heavily (80/20 rule), and those docs are well aware that they are being courted and play the game accordingly. Believe me when I tell you that it’s a ‘quid pro quo’ game.

“No one will come out and say it, but it’s there. I once expensed a \$3,000 dinner for a few physicians at a very nice restaurant in Santa Fe, New Mexico and my numbers went up. They were grateful and gave me some business.

“And there are always loopholes. There was once a time when you could simply take docs on vacations and buy them gifts, but that was changed to avoid conflicts of interest.

*“So what did Big Pharma do? They simply made the docs pay their way and now **pay them consulting fees to wash the taint of the bribe off.***

“The fact that I was given a car, with a gas card and an expense card with limits for some docs but no real limits for other will tell you the entire story. The costs are really all marketing, and doctors (not all, but many) succumb to the free stuff just like any normal human being. They are bought and sold – you just don’t know it.

“Good luck with your doc because he might seem like he’s being honest but those trips to Aspen as a consultant just might be too nice to give up, so enjoy your marketed drugs that may be as effective as the science they are supposed to be based on.”

Here are some further reasons Big Pharma cultivates these persuasive relationship-building techniques from *Drug Marketing By The Numbers*.

- Favourable change in a doctor’s prescribing habits after spending less than one minute with a drug sales rep: ↑16%
- Prescribing change seen after three minutes with a drug rep: ↑52%

McGill University’s **Dr. Ashley Wazana** in Montréal reviewed 29 studies on doctors’ prescribing behaviour in the U.S., Canada, Holland, New Zealand, and Australia.

In his review, Dr. Wazana noted how a number of other persuasive marketing tools in use by drug companies impacted their targets in the medical profession:

- **free samples, honoraria, and research grants** led doctors to be significantly more likely to prescribe that drug;
- **freebies** also led doctors to request the drug for formularies (hospitals’ official lists of drugs that can be prescribed there);
- hearing a **drug sales rep deliver a presentation** led doctors to recommend “*inappropriate treatment*” more often than other doctors, including treatment that cost more and was more invasive;
- medical residents who heard **drug reps speak at lunch rounds** were more likely to have inaccurate information about drugs on the market;
- doctors who “*occasionally*” attended **Pharma-sponsored meals** were 2-3 times more likely than other doctors to request that the sponsor’s drug be added to a hospital formulary;
- doctors who “*often*” ate these meals were 14 times more likely to do so;
- 85% of doctors said they had some interaction with drug reps, with an average of three to four encounters a month;
- 86% of doctors accepted **free drug samples**, and half got **research grants**
- two out of five doctors attended **company-sponsored meals**, and a similar proportion accepted funding for **travel or lodging** to attend company-

hosted conferences

Let's go back to those innocent-looking free samples. A study reported in the *Journal of Clinical Pharmacology* in 2003 found that **the prime motivation behind the provision of free samples is indeed marketing**, and for these unique reasons:

- samples have a major influence on **physicians' prescribing habits**;
- samples are one of the most effective ways **sales representatives get their foot in the door** to pitch their companies' products;
- the availability of samples is associated with **rapid prescription of the new drug**;
- residents with access to samples were more likely than their counterparts without samples to prescribe heavily advertised products and **less likely to suggest an over-the-counter alternative**;
- the availability of samples may even influence physicians to **prescribe drugs that would not otherwise be their top choice**

A 2008 study published in the *American Journal of Public Health* included a nationally representative survey which found:

- fewer than one-third of all free drug sample recipients were **low-income** (defined as less than 200% of the poverty line)
- by contrast, those in the **highest income** category were most likely to have received free samples.
- **low-income uninsured patients** were less likely to receive free samples than those who had continuous health insurance.

As one physician explained to *The New York Times* in 2009:

"They are not bringing us samples of things we need; they are bringing us things they want us to know about."

A growing number of physicians are **closing their door to drug reps** and their free samples. For example, the University of Michigan Health System has banned free samples altogether, and the University of Pennsylvania and Stanford University medical schools have prohibited staff members from accepting them (though samples can be given to Stanford's pharmacy for use in free clinics).

Patients themselves may be catching on to this common marketing tool – and many don't like it one bit. A survey by the *Consumer Reports National Research Center* of adults who currently take a prescription drug found that:

- the vast majority (81%) object to the **payments and rewards** pharmaceutical companies routinely dole out to doctors because they feel *"these are negatively influencing how they treat patients"*;
- more than two-thirds, or 69 percent, of consumers surveyed said they think

- drugmakers have too much influence** on doctors' decisions about which drug to prescribe;
- half of those polled said they feel doctors are too eager to prescribe a drug rather than consider **alternative methods** of managing a condition;
 - 47 percent said they think **gifts from Big Pharma** companies influence doctors to prescribe certain drugs;
 - 41 percent said they think doctors tend to prescribe **newer, more expensive drugs**;
 - 72 percent were displeased with **payments pharmaceutical companies give to doctors** for testimonials or for serving as a company spokesperson for a given drug.