Table of Contents

[Impact of microeconomic principle on Demands 1](#_Toc8208787)

[Benefits of Big Data on different market structure 1](#_Toc8208788)

[Concerns for consumers as big data proliferates 2](#_Toc8208789)

[Purposes do barriers to entry created by the government serve 2](#_Toc8208790)

[Barriers to Entry into pharmaceuticals Industry 2](#_Toc8208791)

[References 3](#_Toc8208792)

# Impact of microeconomic principle on Demands

The microeconomic principles are used to create demand. Companies use the information to create such demands during their market campaign. It is compulsory to purchase online, you must have a valid email address or contact number. Once the customer enters their data company’s database save it according to the interest of the customer. Time to time this data is being used for promotion to attract the customers. So by using the big data technique companies cater their customer for future demand of the product, (Tewari, 2003).

# Benefits of Big Data on different market structure

Monopolistic and oligopoly microeconomic principles are used in this article, “The Ethics of Big Data”. Monopoly is the business in which there are no competitors and only one seller is operating in this market structure. In this market structure, big data provides hardly any benefits because they have a specific class of customers in which they deal. But on the other hand monopolist competition in which different seller and every seller have a different product. These products can have the same or different characters from the other seller. Companies compete imperfectly in this market structure. In an oligopoly, firms realize that their small number produces mutual interdependence. So every company forecast a specific response from its competitors. In this market, only a few firms dominate the market, (Tirunillai, 2014).

# Concerns for consumers as big data proliferates

The consumer has serious concerns about the storage and utilization of data, as the era in which we are living privacy is a very sensitive concern for everyone. Although big data helps a lot to the organization for their future forecast and customer retention insufficient security control and unethical use of data can push the company into a corner. Because stories always occur first than companies. So before companies are going to make marketing strategy they should identify which data is helpful for them and it will not breach the customer privacy.

# Purposes do barriers to entry created by the government serve

Barriers are the ways which keep the organizations to enter into the industry. Monopoly cannot create without barriers. Barriers to entry created by the government service are to reduce the new companies’ entrance into the industry. This will the existing companies to create a monopoly and not to share their revenue and market share.

# Barriers to Entry into pharmaceuticals Industry

* Economies of Scale

It is not easy for the new startup company to produce the same quantity of medicine as the large established companies. They have big already have a large infrastructure and distribution channel.

* Government Regulations

The government can restrict the license requirement or they can limit the purchase of raw material. The government can pass legislation about a specific type of drugs such as supplements etc., (Morton, 2000).

Extension in drug patent after FDA approval

FDA takes a long time for approval after approval companies have a patent right for average 7 to 12 years and big fish comes into profit quickly, and once the patent expires companies sales decrease almost 80%. So the companies who develop the product must have enough time to enjoy the patent rights.

There is a loophole in the USA to extend the patent time, research on children. This will automatically increase six month time period in patent, this can use two times.

Cost and Benefits of Extension of the patent right

The cost could be $11 billion to $12 billion. A single test takes about $100 million, and mostly FDA approves one test out of 10. The patent has good benefits such as companies can forecast their revenue for a specific tenure.

# References

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