

DIRECT-TO-CONSUMER ADVERTISING IN THE PHARMACEUTICAL INDUSTRY: AN ANALYSIS OF INFORMATION DISPARITIES

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ABSTRACT

This paper analyzes the impact of direct-to-consumer (DTC) advertising on information disparities among consumers with particular attention focused on the role of economic inequalities. Through an examination of the various debates surrounding the role of DTC and the analysis of its effects on U.S. consumers, positive and negative health care implications are highlighted. Finally, policy options to improve the benefits of pharmaceutical advertising to consumers are suggested.

INTRODUCTION

Direct-to-consumer (DTC) advertising allows for companies to reach out directly to consumers to improve information and awareness of a product. However, DTC advertising use in the pharmaceutical industry has had a history of conflicted views and concerns over its impact on consumer demand for brand name versus generic drugs. The FDA relaxed disclosure requirements for television and radio DTC advertising in 1997, at which point pharmaceutical spending on this form of advertising skyrocketed, going from \$985 million in 1996 to \$4.2 billion in 2005, an increase of 330 percent (Avery, Kenkel, Lillard, and Mathios, 2008). Such significant increase has caused concern regarding content of ads as well as impact advertising information has on consumer health knowledge and prescription requests.

The U.S. is one of only a few countries that permit DTC advertising (Frosch, Grande, Tarn, Kravitz, 2010), suggesting the influence of sharing policy approaches is limited. As a result, information and implications regarding DTC advertising on consumers is also limited and many believe greatly lacking. Disparate views regarding the role of pharmaceutical advertising have emerged, with many seeing it positively as a means of creating a more educated and involved consumer base for health care. Others think of it negatively as a way to manipulate individuals into pressuring their health care contacts for expensive and perhaps even unnecessary pharmaceutical prescriptions.

This paper analyzes the impact of pharmaceutical DTC on information disparities among the public, with particular attention to economic inequalities. Through the examination of the academic and political debate over the role of DTC advertising as well as an analysis of effects such advertising has on the U.S. public, the positive and negative implications DTC advertising

has on health care consumers are highlighted, and policy options to further improve the benefits of pharmaceutical advertising to consumers are introduced.

BACKGROUND

Due to pharmaceutical's unique position as both a consumer product and an integral part of our health care system, prescription drug advertising has been depicted within the field of public policy as both a tool for disseminating essential health information for the supports, and a means of manipulating patients to over-consume prescription drugs. Analyzing both perspectives provides some insight into the polarized views of DTC advertising, and highlights the difficulties in attempting to develop regulations for protecting consumers while allowing sufficient leeway for companies to ethically and effectively promote their products.

DTC advertising exposes patients to additional information on possible health concerns they may be experiencing. Through DTC advertising, consumers are able to associate their own experiences with a particular illness, leading to pointed discussions regarding health concerns and possible measures of suitable care with physicians. Since "studies show that DTC advertising promotes patients' participation in their medical care" (Frosch, Grande, Tarn, Kravitz, 2010) through asking doctors more pointed questions about ailments and concerns patients have. Such dialog can prove invaluable for improving preventative care as patients may bring up concerns at earlier stages due to an advertisement's description of initial symptoms.

Risk is also cited as an inadequate explanation in consumer advertising. Many believe that DTC advertising fails to sufficiently portray the efficacy, risks, and benefits of a drug to adequately equip a consumer to make treatment choices (Joseph, Spake, Finney, 2008). Patients potentially gain from exposure to consumer drug advertising provided they have sufficient information regarding cost and the advertising caters specifically to their health needs. However, lacking information regarding a product's financial burden or the health care applications of a drug, consumers do not have full information to make appropriate decisions.

Finally, DTC advertising is not subject to mandatory FDA review prior to airing. While overarching guidelines and content regulations exist, individual ads do not require official approval (Wilkes, Bell, Kravitz, 2000). As such, consistency in messaging and overall content screening currently does not exist. This proves disconcerting when considering competition between drug providers based on price comparison. When there is a competing drug on the market, advertising may promote competition and lower prices. When no competitors exist, advertising costs may simply be passed on to the consumer (Wilkes, Bell, Kravitz, 2000). More extensive advertising could effectively hurt consumers then, through increasing cost without providing additional health benefits.

DTC advertising has proven beneficial to consumers in many ways, such as information dissemination and further encouraging communication between patients and providers. However, the possible negative implications, specifically concerning the lack of cost transparency and limited understanding of drug interaction on an individual basis, limits customer understanding and communication with their health care professional. Pharmaceuticals have a unique position of being both a health treatment and a consumer good, and as such, must accurately reflect both roles in consumer advertising and to prove effective and conducive to informed product dialog.

INFLUENCE

DTC advertising has also drawn concern from critics who note that it is important to inform patients of treatment options, but it is nearly impossible to effectively target potential consumers through advertising because each individual's health history and needs are essentially unique.

Many argue that “DTC advertising amounts to a large and expensive uncontrolled experiment in population health regulation,” as essentially anyone viewing a prescription drug commercial is exposed to the messaging, yet full analysis or regulation of how individuals interpret the available data remains unavailable (Frosch, Grande, Tarn, Kravitz, 2010). A health care professional’s drug care evaluation for a patient depends on whether, “the health benefits of the drug outweigh the health risks that the drug is with taking” (Wilkes, Bell, Kravitz, 2000). Such decisions then can only be determined with thorough understanding of a patient’s medical history in addition to full, unbiased information regarding a drug’s applications and negative interactions.

Because “DTC advertising viewings gives patients more confidence to discuss health-related concerns with their physicians” (Wilkes, Bell, Kravitz, 2000), patients are more comfortable and thus more inclined to discuss specific health concerns after identifying symptoms or ailments depicted through advertising. Yet the level of information within advertisements is, to many, inadequate for consumers to determine whether to ask for specific medicine requests. Studies have found that “medication requests were significantly less common among patients with low socio-economic status” (Frosch, Grande, Tarn, Kravitz 2010) due to concerns over costs, often not covered in drug advertisements.

Belief that DTC advertising provides insufficient information for both consumers and physicians to adequately determine appropriate prescription decisions can be found in the reaction both groups have to the level of knowledge regarding costs provided within advertisements themselves. Studies note that, “only a fraction of physicians (1.3 percent) and consumers (5.4 percent) feel that ads provide sufficient information about drug costs.” (Frosch, Grande, Tarn, Kravitz 2010) Such low levels of believed understanding regarding the financial burden prescription drugs may have on individuals can then only come from actual decision to prescribe or request prescription. Consumers more sensitive to product price, such as low-income individuals, are potentially left out of discussions regarding drug alternatives due to the limited information available regarding price structure, and therefore potentially less engaged than financially stable consumers in regards to making health care choices for themselves.

A major concern regarding the influence of drug advertisements is that those most exposed to DTC advertising are individuals with limited economic means, and most likely not the intended target audience for the drugs advertised. Research finds that “consumers not working full time potentially saw more advertisements in all of the product categories. The population most exposed to advertisements is the disabled, followed by the retired, and the unemployed” (Avery, Kenkel, Lillard, Mathios, Wang, 2008). Thus, the information provided has limited applicability from the perspective of pharmaceutical companies, but uncertain consequences for viewers most exposed to messaging. Although “to some extent, socio-economically disadvantaged consumers are probably bystanders who see advertisements targeted at advantaged consumers,” (Avery, Kenkel, Lillard, Mathios, Wang, 2008) it is important to investigate whether being a bystander with limited financial means has any impact on an individual’s health care decisions.

DTC advertising provides free of charge health care information to individuals, and “may be able to contribute at least indirectly to reducing health disparities by providing information and raising awareness of health conditions” (Ball, Liang, Lee, 2009). Thus, such marketing approaches may prove particularly beneficial for those who are financially limited or lack adequate health insurance to pursue such information on their own. However, “lower-income consumers reporting higher agreement that prescription drug advertising persuaded them to prefer a brand-name drug (Joseph, Spake, Finney, 2008) leading to concern that those with the most limited means and greatest exposure to advertising are most inclined to pursue higher-cost treatment options due to advertising sway.

Consumers are not the sole decision makers regarding treatment and health care options. Instead, healthcare providers may act as a gatekeeper, particularly regarding price sensitive prescriptions options. However, “DTC advertising may encourage patients to pressure their physicians to switch them from well-studied treatments to new drugs for which knowledge about benefits and risks is more limited” (Wilkes, Bell, Kravitz, 2000). This, coupled with the high level of exposure marginalized people such as the underemployed and disabled experience of DTC advertising, as well as the limited financial information available in pharmaceutical DTC ads (Wilkes, Bell, Kravitz, 2000) makes for a potentially exploitative situation of an already vulnerable population.

POLICY PERSPECTIVE

There is limited understanding of the full impact DTC advertising has on audiences in terms of ultimate prescribing behavior of health care professionals of drug preference of patients. While exposure to DTC advertising of a particular drug is linked to higher prescription levels of that drug, the full causal understanding of such relationships remain unclear due to the complexity of the system and the multitude of individual preferences involved. However, it is clear patients are taking more ownership of their health care as their voices become more prominent in the doctor-patient relationship regarding treatment options. What remains unclear is how patient’s financial limitations factor into decision making and what can be done to further encourage information regarding cost for those who are more price sensitive.

The role of medical professionals within the prescription cycle remains an important step in prescription decisions, and as such, should be used an important research focus in more fully understanding patient reaction to prescription drug advertising. Equipping doctors and other medical professionals with the appropriate analytic tools to more fully decipher the impact DTC advertising has on patients in terms of prescription requests and information retained from advertisements. By monitoring “physician opinions regarding DTC advertising regulation and incorporate this information in their regulation-related planning and physician education,” one can more accurately determine prescription patterns as they relate to the tone and topics of doctor-patient relationships (Huh, Langteau, 2007). Inputting DTC advertising analysis and patient response patterns within general physician studies may allow for the medical field to pay more attention to the advertising information as it becomes available. Such an approach would allow for the medical field to more easily incorporate and account for pharmaceutical advertising trends in relation to prescription behavior.

The pharmaceutical industry requires additional transparency in DTC advertisements to allow consumers to have a full understanding of treatment costs and cheaper, comparable alternatives. Allowing for “price comparisons, detailed explanations of benefits and risks, and discussions of costs” would provide individuals with a full understanding of what treatments entail and industry self governance surrounding these points would allow for companies to retain their individualized approaches and strategies for reaching consumer markets, which may be lost should more uniform governmental regulation be put into place (Wilkes, Bell, Kravitz, 2000).

Finally, federal involvement in new forms of media would allow for greater oversight regarding what enters into the market and how ads across socio-demographic disparities. The FDA, in charge of regulating DTC advertising, “needs additional staff to ensure a level playing field and monitor many of the new forms of media, most notably Internet and other forms of electronic promotion” (Wilkes, Bell, Kravitz, 2000). Added staff is crucial due to the constantly changing and expanding capabilities of media and continuous access people have to advertisements. Additionally, federal level assessment may potentially work to limit any potentially negative

impact on vulnerable populations by ensuring price transparency and informing individuals of generic alternatives.

CONCLUSION

Direct to consumer advertising is a continuously growing form of messaging for pharmaceutical companies with enormous benefits for providing quick and accessible drug information to the public. DTC advertising has shown to increase patient communication with health care professionals regarding symptom concerns and treatment opportunities. However, due to the marketing form's limited history and use in other countries, the full effects on patient drug preferences and prescription habits of doctors remain uncertain. Researchers note that a patient's exposure to drug advertisements has shown to increase preference for the specified drug, although whether it is through patient-physician discussions or through patient lobbying for a particular treatment.

Many note that this form of marketing uses only the most general information to explain drug effects and potential side effects without making the possibility for variation among individuals clear. Additionally, few DTC advertisements contain information regarding costs of treatments or the availability of generic alternatives, potentially skewing consumer preferences to more expensive drug options. This is a particular concern given the high level of advertising exposure of those who are disabled, retired or underemployed, as they are populations with more financial limitations.

Engaging both the medical field and the pharmaceutical industry in order to improve education and data collection efforts on the part of health care professionals will allow for a more thorough understanding of DTC advertising's effects on patient preferences. Meanwhile the pharmaceutical industry must be more upfront about treatment costs to ensure fuller transparency with viewers and improve targeting efforts to reflect those most inclined and financially capable of pursuing particular drug treatments.

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