

Direct-to-Consumer Advertising of Prescription Drugs: Impact on Consumers, Physicians, and Policy

They're everywhere. Turn on the TV, open a magazine, flip around the radio dial – ads for prescription drugs ranging from hypertension and osteoporosis to ED and allergies proliferate. Direct-to-consumer advertising (DTCA) of prescription drugs is big business, and is growing (Donohue, Cevasco, & Rosenthal, 2007). Some have argued that this practice has contributed to rising health costs (KFF, 2003) and provides no real benefit to consumers (Weismann, Bluementhal, et. al, 2004). Pharmaceutical manufacturers and other supporters contend that DTCA provides a valuable educational service to the public, encourages doctor-patient dialog (KFF, 2003), and helps to avoid underuse of medications to treat chronic illnesses; but on the down side, DTCA may also lead to higher costs, and to overuse of some Rx drugs (Donohue, et. al, 2007). So is DTCA a good thing?

Since 1985, when the Food and Drug administration lifted the ban on direct advertising to consumers, pharmaceutical companies have pumped millions of dollars into this effort, first in print, then, starting in 1997, on radio and TV (Spake & Joseph, 2007). Between 1996 and 1999, DTCA was tied to major sales growth for various classes of drugs studied by researchers at the Harvard School of Public Health (KFF, 2003). They found that “for every 10% increase in DTC advertising, drug sales within the classes studied increased by 1%” (KFF, 2003, p. 1), although sales of individual drugs within those classes were not impacted. The KFF report observed that DTCA was responsible for \$2.6 billion of the total escalation of drug expenditures in 2000 (p.4). This trend persists – DTCA spending “will continue to grow at between 9% and 12%

annually through most of the next decade” (KFF, 2003, p. 3). Consumer Reports noted that in 2007, drug companies spent some \$5.375 *billion* [emphasis added] on advertising (Consumer Reports, 2008).

The top 10 drugs with DTC advertising made up just over one-third of all DTC spending in 2001 (KFF, 2003, p. 7). These are typically therapies for chronic conditions, such as asthma, diabetes, or hypertension, and tend to be newer, and more costly, without generic competition or a lengthy proven track record. As of 2005, the pharmaceutical industry was the fifth largest advertiser nationally, behind car companies, retail, telecommunications and financial services (Spake & Joseph, 2007).

They stated that “advertising spending positively correlated with increased in the number of prescriptions written for DTC-advertised drugs, particularly among the 50 most advertised drugs,” (Spake & Joseph, 2007, p. 284). Consumer Reports detailed the cost vs. sales for the top 25 prescription drugs advertised to consumers in 2007 and all, except Rozerem, proved to be a profitable marketing investment (see Table 1).

Table 1.

The 25 biggest DTC Advertisers 2007

Drug	Approved for ¹	DTC advertising 2007 ²	Retail sales 2007 ³	Sales per ad dollar spent
Lunesta	Insomnia	\$294,180,616	\$712,740,000	\$2.42
Ambien CR	Insomnia	\$204,065,972	\$876,028,000	\$4.29
Cymbalta	Anxiety, depression, diabetic neuropathy pain	\$183,336,687	\$1,732,827,000	\$9.45
Lipitor	High cholesterol	\$180,866,960	\$6,165,531,000	\$34.09
Plavix	Stroke risk reduction	\$174,942,656	\$3,082,712,000	\$17.62
Rozerem	Insomnia	\$171,466,210	\$116,658,000	\$0.68

Cialis	Erectile dysfunction	\$151,649,663	\$453,233,000	\$2.99
Vytorin	High cholesterol	\$140,715,035	\$1,938,882,000	\$13.78
Nasonex	Seasonal allergies	\$131,220,183	\$892,534,000	\$6.80
Advair Diskus	Asthma	\$121,197,100	\$3,390,766,000	\$27.98
Boniva	Osteoporosis	\$112,958,755	\$404,109,000	\$3.58
Zetia	High cholesterol	\$110,357,144	\$1,405,066,000	\$12.73
Requip	Restless Legs Syndrome, Parkinson's disease	\$106,271,994	\$407,665,000	\$3.84
Abilify	Bipolar disorder and schizophrenia	\$105,768,412	\$1,781,562,000	\$16.84
Flomax	Enlarged prostate	\$100,969,013	\$1,002,163,000	\$9.93
Nexium	Heartburn and GERD	\$96,960,417	\$4,355,901,000	\$44.92
Valtrex	Herpes and shingles	\$88,409,332	\$1,395,313,000	\$15.78
Spiriva	Chronic obstructive pulmonary disease	\$84,002,514	\$868,226,000	\$10.34
Yaz	Contraceptive pill	\$83,566,746	\$254,592,000	\$3.05
Viagra	Erectile dysfunction	\$83,064,378	\$824,946,000	\$9.93
Lyrica	Fibromyalgia and neuropathic pain	\$70,663,685	\$1,000,069,000	\$14.15
Chantix	Smoking cessation	\$63,979,755	\$764,723,000	\$11.95
Singulair	Asthma and seasonal allergies	\$63,289,786	\$2,863,326,000	\$45.24
Celebrex	Pain from conditions like osteoarthritis	\$55,230,236	\$1,416,084,000	\$25.64
Zyrtec	Seasonal allergies	\$38,476,595	\$1,302,807,000	\$33.86

(Consumer Reports, 2008)

1Consumer Reports Consumer Drug Reference, 2008.

2Data compiled by Nielsen Media research, March 2008.

3Data provided by Drug Topics and Verispan, March 2008.

Direct-to-consumer advertising has the potential to significantly impact health care costs, as well as consumers' well being. "Physicians today are faced with more patients who seek medical treatment based on marketing information than ever before," (Spake & Joseph, 2007, p. 283). They observed a shift in the relationship between doctors and patients, to a less paternal, more consumer-driven association. KFF (2003) noted that "nearly a third (30%) of adults say they have talked to their doctor about a drug they saw advertised" and 44 percent of those got the prescription for that drug; or roughly a 13 percent direct response rate. (KFF, 2003, p. 7).

However, critics, including the insurance industry and some medical associations, contend that DTCA prompts patients to demand higher-cost drugs for conditions that could be treated just as well by lower-cost, more proven therapies (KFF, 2003). Additionally, there is concern that the substantial increase in DTC advertising as a percentage of sales means "consumers must bear these increased costs in the form of higher prices," (Donohue, et. al, 2007, p. 678).

Benefits of DTC Advertising

Supporters of prescription drug advertising argue that it helps to increase public awareness about a variety of health conditions, and encourages patients to seek medical care. This could conceivably reduce the long-term costs of care for certain populations and boost quality of life. (Spake & Joseph, 2007). "In particular, DTC advertising may be especially advantageous for those patients with medical conditions that are stigmatized or produce symptoms that are difficult to recognize" (Spake & Joseph, 2007, p. 284). Proponents also contend that "better informed consumers can be more effective

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