DTC advertising spending. DTC advertising spending reduces drug price through
DTC advertising spending contradicts both rationale i.e. The increase in drug price in spite of the decrease in the
ship between DTC advertising spending and drug prices.
increased. No trend was change in DTC advertising spending decreased and the
percent change in drug price increased. No trend was
increase.
percent change in DTC advertising spending decreased and the
change in DTC advertising spending decreased and the
percent change in drug price increased. No trend was
evident from the graphs of the other eighteen drugs. On
There exists an ongoing debate regarding the effect of
direct-to-consumer (DTC) advertising spending on drug
prices. The two opposite views are: (a) increase in DTC
advertising spending would be added to drug prices (b) DTC advertising would increase competition and thus
reduce drug prices.
OBJECTIVE: Explore the relationship of DTC advertising
spending and drug pricing for the top twenty drugs from
1997 to 2000.
METHODS: Top twenty drugs were selected on the basis
of their DTC advertising spending (source: Competitive
Media Reporting, NY) for 1997. For analysis, average
wholesale price (AWP) per unit was used from the Blue
Book AWP Unit pricing. For each of the top twenty drugs,
the following trend graphs were plotted for 1997 to 2000:
(a) the total DTC advertising spending and per unit price
of the drug; (b) the percent changes in the DTC advertis-
ing spending and drug price. The percent change in DTC
advertising spending and drug price for a year was
calculated as percent change from the previous year.
RESULTS: Only sildenafil (Viagra) and sibutramine
(Meridia) showed an increase in the actual drug price with
an increase in the DTC advertising spending. However,
for these two drugs in year 2000, the percent change in DTC advertising spending decreased and the
percent change in drug price increased. No trend was
evident from the graphs of the other eighteen drugs. On
an average DTC advertising spending for most of the
drugs decreased with time while drug prices continued to
increase.
CONCLUSION: Results indicate a very weak relation-
ship between DTC advertising spending and drug prices.
The increase in drug price in spite of the decrease in the
DTC advertising spending contradicts both rationale i.e. DTC advertising spending reduces drug price through
competition or increase in drug price is due to increase in
DTC advertising spending.

IMPACT OF DIRECT TO CONSUMER ADVERTISING—THE CONSUMER SEARCH FOR INFORMATION
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OBJECTIVE: The purpose of this study is to identify
factors associated with consumers’ seeking various infor-
mation sources about medications sought in response to
direct to consumer advertising.
METHODS: In the spring and summer of 1999, the FDA,
Division of Drug Marketing, Advertising, and Commu-
nication conducted a national telephone survey of
adults regarding Direct-to-Consumer (DTC) promotion
of prescription drugs and its effects on visits to the doctor.
In addition to consumer attitudes, opinions and responses
to direct to consumer advertising, the survey also elicited
responses regarding consumer utilization of information
sources such as reference books, 800-telephone number,
and health care providers. There were 1081 total respon-
ents, of whom 769 completed the required questions
regarding information sources. Chi Square analysis
was used to assess associations between consumer
demographic information and the different types of
informational resources that consumers used after
exposure of direct to consumer advertising.
RESULTS: The analysis showed significant associations
(p ≤ 0.05) between gender, race, education, health
status, self-perceived knowledge of health, prescription
medication use, and internet use and many of the
following information resources: reference books, 800-telephone number, primary
doctor, pharmacist, specialist, and nurse. Across all
information sources, female gender, decreased health
status, low education, and higher than average medica-
tion use were the variables that had the strongest associ-
tions. A model was developed depicting the associations
between these findings. Results pertaining to specific
sources will be presented.
CONCLUSIONS: This study evaluated how different
consumers seek information from different sources as a
result of direct to consumer advertising. This study will
assist those interested in identifying and further educat-
ing consumers about their health and novel treatments or
therapies.