

Direct to consumer advertising



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DTCA of prescription drugs has increased enormously over the past decade in the United States and New Zealand, the 2 countries where it is legal. In 2005, more than \$4.2 billion (US) was spent on DTCA in the United States, and Americans spent an average of 16 hours watching televised drug advertisements-far more time than they spent with family doctors. Mintzes (2009)

Whereas advertising for non-prescription pharmaceuticals has been directed to consumers for decades, direct-to-consumer (DTC) advertising for prescription drugs is a relatively recent phenomenon. Regulation of pharmaceutical advertising varies significantly around the globe. Diehl et al (2008)

Currently, direct-to-consumer advertising is only allowed in the US and New Zealand, but is banned throughout Europe and the rest of the world. Diehl et al (2008)

Despite the ban, a number of pharmaceutical companies have already begun to conduct consumer-targeted campaigns in the EU, which comply with current restrictions (Hone & Benson 2004). Like KSA Diehl et al (2008)

In the next part, I will start with academic review of marketing communication tools and advertising in general.

2.2 Marketing Communications tools

Marketing Communication

Marketing communications as defined by Kotler (2007) are the means by which firms attempt to inform, persuade, and remind consumers directly or indirectly about the products and brands that they sell. They are considered the voice of the brand and by which the companies can build a relationship with customers.

Marketing communications mix consists of six major modes of communication, and according to Kotler (2007) it can be classified to mass or personal communications. Mass communications are advertising, public relation and publicity, events, and sales promotion. While, personal communications are personal selling and direct marketing.

In this paper, I will focus on advertising, public relations and publicity, and direct marketing.

2. 2. 1 Personal Selling

Personal selling is a face to face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders. For example, sales presentation, sales meeting, and samples.

2. 2. 2 Direct Selling

Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customer without using marketing middlemen. These channels include catalogs, mailing, telemarketing, TV shopping, e-mail, or internet to communicate directly with customers.

2. 2. 3 Sales Promotion

Sales promotion is a variety of short term incentives to encourage trial or purchase of a product or service. For example, coupons, lotteries and gifts. On the contrary, sales promotion is the appropriate tool, if the intention is to deliver quicker results, thus, it could be thought of as a short term incentive to stimulate sales (Sandhusen, 2008), however, despite the fact that it has taken over advertising in recent years, if used more frequently it may have a damaging impact on the brand being promoted.

2. 2. 4 Events

Events and experiences are company sponsored activities and programs designed to create daily or special brand related interactions. For example, sports, festivals, arts, factory tours, and company museum.

These marketing communications must be integrated to deliver a consistent message and achieve the strategic positioning.

2. 2. 5 Public Relations and Publicity

Public relation and publicity is a variety of programs designed to promote or protect a company image or its individual products. For example, press kits, speeches, seminars, annual reports, charitable donations, publications, community relations, lobbying, identity media, and company magazine.

Public relations carries identical definition as that for advertising except for the part of being paid by the company, and on the contrary, public relation

has a distinctive quality over advertising, which is being perceived as more credible (Sandhusen, 2008).

The appeal of public relations is based on three distinctive qualities; high credibility than ads, ability to catch buyers off guard who prefer to avoid salespeople and advertisements, and the potential for dramatizing a company or a product.

Many companies are turning to marketing public relations (MPR) to support corporate or product promotion and image making.

The old name of MPR was publicity, which was seen as the task of securing editorial space – as opposed to paid spaces – in print and broadcast media to promote a product, service, idea, place, person, or organization.

MPR goes beyond simple publicity and plays an important role in assisting in the launch of new products, assisting in repositioning of a mature product, building interest in a product category, influencing specific target groups, defending products that have encountered public problems, and building the corporate image in the way that reflects favourably on its products.

2. 2. 6 Advertising

Advertising as claimed by Pickton & Broderick (2006) is considered as the senior element of the marketing communications mix which defined as the use of paid mass media, by an identified sponsor, to deliver marketing communications to target audiences to persuade or influence an audience. Whereas media is considered as the carriers of message that it should include TV, radio, press, posters, direct mail and the internet.

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Advertising according to the media and the purpose can be classified into many types. For example, based on the type of media there are many types of advertisement like television ads, press and magazine advertisements, posters, radio, internet and out of home advertising which includes billboards, transit, street furniture, and alternative outdoor like cinema advertising, stadium advertising, and airport advertising (Wilson, et al., 2008).

In addition to the previous classification, Eldridge (1958) argued that according to the purpose of the advertising there are three different kinds. The first one is the immediate action advertising like that of retail food advertising, special deals and coupon offers that push customers to take immediate actions. Whereas the second category is the awareness advertising like the announcements of a new product or model. As an example of this category is that of direct-to-consumer advertising of the pharmaceutical products, especially “ See your doctor“ campaigns that increase public awareness for new products or even refreshing the customer memory toward old product. Finally, the third category is the creation or change of an image advertising which is considered the most difficult category to be measured. For example, campaigns that made by oil companies to improve their images as environment pollutants through increasing their social responsibilities.

There is some confusion between advertising, direct marketing, and public relation. (Tamer)

Advertising has a lot of advantages. As mentioned in Leicester (2009) it can reach mass audiences through media and press. In addition it is able to

reach mass audiences selectively like advertising in specialized magazines. Moreover, it has low unit cost, efficient and effective at reaching large audiences. In addition to the previous advantages, as claimed by Eechambadi and Naras V. (1994), it is expected to change perceptions, maintain awareness, reinforce brand loyalty, encourage switching, or influence frequency of purchase.

After showing the different types and advantages of advertising in the next part I will present how advertising works. As mentioned by Miller, et al., (1998) over the past several decades most advertisers and academics believed that advertising primarily worked by changing consumer attitudes toward a brand through the (Awareness, Interest, Desire & Action) AIDA model. This simple model says that awareness of a brand precedes interest, which in turn precedes desire and action. Thus, awareness plays a role in this theory, it is primarily a gatekeeper.

However, Pickton & Broderick (2006) argued that, advertising works through three ways. The first way considers the concepts of advertising as a strong or a weak force. Advertising seen as a strong force suggests that it has a direct and positive impact on sales through persuading people to buy, creating and building brands, differentiating between brands and increasing sales. While those see advertising as a weak force suggests that advertising works through maintaining brand values and defending market share, so its effect on sales is therefore less direct.

A second way considers the concept of salience which is the sum total of brand attributes, not any single element, that creates a positive attitude

towards the brand. The goal is not so much how well your brand is regarded, but how many consumers regard your brand well. In this way, brand shares are maintained.

The third approach is a simple causal hierarchy of effects that claimed by Vakratsas and Ambler (1999) which is little changed in its essentials from the AIDA model. In this approach, consumers change their minds about a product, then they change their attitude, and then they act. In other words, the process begins with cognition, which translates to affect, which then translates to behaviour. The purpose of advertising in that model is primarily to drive trial by inserting the brand into the consumer’s head and keeping it there.

To increase the advertising effectiveness, it is better to use advertising in more than one media to gain the advantages of each one. For example, the most effective “ see your doctor“ campaigns usually use more than one media, like TV, radio, posters, flyers and internet.

- 2. 3 Overview of DTCA

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- 2. 3. 1. Definition of DTCA

Direct-to-consumer advertising (DTCA) is the promotion of prescription drugs through newspaper, magazine, television and internet marketing. Drug companies also produce a range of other materials, including brochures and videos, that are available in doctors’ offices or designed to be given to patients by medical professionals or via patient groups. Vann(2010)

The only two developed countries where DTCA is currently legal are the U. S. and New Zealand. While banned elsewhere, the drug industry is mounting major lobbying campaigns to have DTCA allowed in Europe and Canada.

Vann(2010)

DTCA advertising is just one strand in the marketing and PR efforts of drug companies to promote brand-name prescription drugs. Some aimed at potential consumers are video news releases for use in television news bulletins and programs. Vann(2010)

Prescription drug advertising is very different from any other type of product advertising in that the product cannot be purchased without the cooperation of others (doctor, pharmacist, insurer, health maintenance organisations, etc.) and thus the purpose of advertising is different from most other product advertising. Becker et al, (2005)

The advertisers want consumers to do one of the following; seek more information, talk to a doctor about the drug, talk to a pharmacist about the drug and tell family and friends about the drug. Basically, what consumers are expected to do after viewing prescription drug ads is to seek information and talk to others. Becker et al, (2005)

- 2. 3. 2. A History of DTCA

The idea of DTCA started in the early 1980s when some of pharmaceutical companies decided to find a new model of promotion rather than the traditional one that rely on promotion for physician. They started firstly with

public relations techniques rather than paid advertising as mentioned by Donohue and Julie (2006).

From the 1950s to the early 1980s, no pharmaceutical companies were running product-specific ads in the mass media. Then, two product marketing campaigns broke with tradition and pursued a marketing strategy that depended on consumers' taking a more active role in prescribing decisions. In 1981, Boots pharmaceuticals used print and television ads to promote Rufen, a prescription pain reliever. The marketing strategy was to position Rufen as a cheaper alternative to the leading brand. Donohue and Julie (2006)

In the early 1980s most pharmaceutical companies avoided DTCA of prescription drugs, according to a survey conducted in 1984 of pharmaceutical marketing executives. Pharmaceutical executives argued that DTCA would hurt the doctor-patient relationship, confuse an unsophisticated public, and lead to higher drug costs. Donohue and Julie (2006)

The increased use of DTCA in the early 1990s may have been related to the introduction of "lifestyle" drugs for which no market yet existed like hair restoration products or those requiring consumers to self-identify, either because physicians feel uncomfortable discussing the product like drugs that treat erectile dysfunction. Donohue and Julie (2006)

In 1997, The Food and Drug Administration (FDA) relaxed its rules on mass media advertising for prescription drugs. This action made it easier for pharmaceutical companies to promote their products in 30- or 60-second TV
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ads without giving detailed medical information on the indications, potential side effects, or proper use. Findlay and Steven (2002)

Pharmaceutical firms, which in 1984 had feared the impact of DTCA on the doctor-patient relationship, now argued that prescription drug advertising empowered consumers. The president of the Pharmaceutical Research and Manufacturers of America stated, “ Direct-to-consumer advertising is an excellent way to meet the growing demand for medical information, empowering consumers by educating them about health conditions and possible treatments”. Donohue and Julie (2006)

- 2. 3. 3. Why pharmaceutical companies might use DTCA?.....

There are several factors in the prescription drug industry that might induce manufacturers to advertise directly to consumers.

In general, certain characteristics of the market, the disease to be treated, the stage of the product life cycle (PLC) and the drug treatment itself.

Sheffet et al, (1990)

As the size of the potential market increases, so does the probability that manufacturers will advertise to medical professionals and consumers, because the larger the potential market for a drug treatment, the lower the cost per treatment to advertise. For example, the current broadcasting and print media advertising for ulcer treatments is aimed at a large potential market. In the case of a drug to treat a disease that afflicts far fewer people (e. g., hemophilia), it is unlikely that DTC advertising would be used because

of the high cost of reaching the relatively small number of people in that market. Sheffet et al, (1990)

The stage of the PLC will also influence the likelihood that a firm will participate in DTC advertising. In a mature product category, a function of advertising is to allow a firm to differentiate its product from competing brands. Early in the PLC, advertising is more likely to increase the relative size of the total market. A unique characteristic of the prescription drug industry is that the stages of the PLC are significantly dictated by the patent structure. A firm whose brand is protected by a patent has a greater incentive to increase the total market size than a firm whose product is competing in a stable, mature market. Sheffet et al, (1990)

The nature of the disease and the frequency of treatment will also affect the attractiveness of DTC advertising for a particular drug. For example, a disease that requires constant long-term medication (e. g., Dilantin for epilepsy), will have the same patient population in the market for years. Sheffet et al, (1990)

2. 4 The role of DTC advertising in the healthcare system.....

2. 4. 1 ‘ push/pull’ strategic mix:.....

The introduction of DTC advertising brought the consumer into the brand stimulation equation, eroding some of the physician’s market control and giving prescription drug manufacturers more control of the marketplace. Where once the manufacturer was at the total mercy of the physician, DTC

advertising put the prescription drug manufacturer in a position to exert some influence in the patient-doctor relationship. Becker et al, (2005)

pharmaceutical industry has traditionally used a “ push” strategy to promote their products but report that there has been a break from this traditional “ push” strategy to a more aggressive “ pull” strategy. Parker et al, (2003)

Therefore, pharmaceutical companies advertising shifted from a ‘ push promotion’ strategy to a combination of a ‘ push/pull’ strategic mix. Becker et al, (2005)

2. 4. 2 Doctor-Patient Relationship.....

During the past two decades, there has been an irreversible change in the nature of the doctor-patient relationship. Patients are seeking much more medical information and are actively participating in decisions affecting their health. Wolfe (2002)

in terms of the impacts on doctor-patient relationships, on the positive side, Peyrot, Alperstein, Van Doren, and Poli (1998) found that media exposure and awareness of DTCA appeared to be associated with higher consumer drug knowledge and greater levels of discussion with physicians regarding treatment, this leading to strengthening of the relationship between doctor and patients (Bonaccorso and Sturchio, 2002). Reast et al, (2008)

Conversely, Mechanic (1996), in line with prior research by Perri and Nelson (1987), took the position that the relationship between doctor and patient would be undermined by the increasing “ consumerization” of the doctor-patient relationship, and various studies have pointed to potential conflicts in

the relationship between doctor and patient, with undue pressure on doctors to prescribe advertised drugs (Foley and Gross, 2000; Mintzes et al, 2002; Prince, 2003), and patients considering switching doctors if specific drug requests are denied (Kravitz, 2000). Reast et al, (2008)

The irritation felt by many physicians when patients approach them after seeing a direct-to-consumer advertisement may derive from the fact that such advertisements, with their powerful, emotion-arousing images and frequently unbalanced information on safety and effectiveness, mislead patients into believing that drugs are better than they actually are. Wolfe (2002)

This puts physicians in a quandary, facing 3 conflicting ethical obligations. First, physicians aim to “do no harm.” Second, physicians seek to maintain and develop a strong doctor-patient relationship because it enhances future care and health outcomes, in addition to patient satisfaction. Third, physicians have a duty to ensure fair allocation of health care resources and avoid wasteful expenditure. Murray et al, (2003)

We found that physicians find responding to inappropriate requests time-consuming and that they often seem to acquiesce to such requests as long as the patient is not harmed. Furthermore, more doctors perceive the effect on the relationship as beneficial than harmful, but this is dependent on physicians doing what the patient wants. Murray et al, (2003)

DTCA can have good and bad effects on quality of care, the doctor-patient relationship, and health service utilization. The benefits might be maximized, and the harms minimized, by increasing the accuracy of information in

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advertisements; enhancing physicians' communication and negotiation skills; and encouraging patients to respect physicians' clinical expertise. Murray et al, (2003)

2. 4. 3 Do Ads Really Drive Pharmaceutical Sales?.....

The reviewed research finds that DTCA leads to increased demand for the advertised drug. Atherly and Rubin (2009)

Evidence suggests that direct-to-consumer advertising of prescription drugs increases pharmaceutical sales and helps to avert underuse of medicines and leads to potential overuse. Donohue, Cevalco and Rosenthal (2007)

2. 5 Overview of the global doctors` attitude toward DTCA

Increasingly consistent US, New Zealand and UK medical opinion

While a USA study prior to the boom in DTCA had found that physicians were broadly supportive of advertising to consumers (Petroshius et al. 1995), more recent evidence with very few contradictions now suggests that many USA physicians are unhappy with DTCA (Reast et al., 2004).

The picture within New Zealand, on balance, cautiously supported the continuation of DTC advertising (Reast et al., 2004).

UK physicians also as mentioned by Reast et al., (2004) opposed to the introduction of DTCA, which they feel is unethical, and is likely to have various negative impacts. Concern was expressed about DTCA causing damage to physicians` relationship with pharmaceutical companies, and

perhaps more importantly, damage to their relationship with patients (Reast et al., 2004).

- 2. 5. 1 The USA Situation.....

Medical opinion towards DTC within the USA, having apparently been quite supportive prior to the rapid expansion of DTC in the mid- 1990s (Petroshius et al. 1995), appears now to be hardening. A US study, published in the Journal of Family Practice in 1997, found that 80% of surveyed members of the American Academy of Family Physicians believed that DTC was not a good idea and 84% expressed negative feelings about television DTC advertising (Mitka 2003).

In contrast, the FDA study, a survey of 500 general practitioners (GPs) and hospital doctors, found a much more positive view of DTC advertising, whereby 37% said the overall impact of DTC advertising on their patients and practice had a somewhat positive effect, 28% said that there was no effect at all, and 27% said that DTC advertising had a somewhat negative effect. Only 3% felt it had a very positive effect and 5% said it had a very negative effect (Thomaselli 2003). Reast et al, (2004)

There have been a substantial number of published studies on DTCA in the USA. These include a Harvard Medical School report by Weissman et al. (2004). This national study of 643 physicians on events where patients discussed advertised drugs found both positive and negative effects on patients and physician practices. Positive effects were: improved communication (67%), patient education (70%) and improved compliance (46%). Negative effects included: patients led to seek unnecessary

treatments (80%) and a perceived lack of balance in risk/benefits (80%).

Auton and Frank (2006)

- 2. 5. 2 The New Zealand and Australia Situation

In New Zealand also, opposition to DTC remains high among physicians, with recent high-profile reports from New Zealand's top medical schools condemning the practice (Scrip 2003). Reast et al, (2004)

Despite this, a review of physician opinion conducted by the New Zealand Ministry of Health in 2001 (Hoek & Gendall 2002) found that doctors' groups acknowledged both the benefits and issues associated with DTC advertising.

A qualitative research study conducted in New Zealand by Maubach and Hoek (2005) suggests that doctors' views are complex. Doctors were found to have serious concerns about DTCA but also saw some benefits from it.

Respondents viewed favourably DTCA's ability to increase awareness of certain medical conditions. However, there were concerns about the poor level of information provided and many doctors spent time dispelling incorrect patient perceptions. There was also concern that risk information was not felt to be balanced. The majority did not support a ban on DTCA but nearly all considered that stricter regulation was required. Auton and Frank (2006)

A study of attitudes towards DTCA in Australia by Miller and Waller (2004) found that four factors were important: information, quality, credibility and price. Auton and Frank (2006)

DTCA is banned in Australia but the pharmaceutical industry is still lobbying to have the ban lifted, despite the strong opposition of doctors and consumer groups. Auton and Frank (2006)

- 2. 5. 3 The European Situation

There is little published quantitative research concerning the attitudes towards DTC of European health professionals, but Reast and Carson (2000) conducted a rare survey into UK physician opinion towards DTC soon after the start of generic “ see your doctor” campaigns in Europe, in 1999. The exploratory study of 68 GPs and hospital doctors, a partial replication of the USA study by Petroschius et al. (1995), found UK physicians highly opposed to the concept and likely impacts of DTC advertising, 62% disagreeing with the ethics of DTC advertising, and 72% opposing the introduction of DTC advertising in Europe.

Seeing certain benefits of a limited introduction of DTC communication, the European Commission presented plans to the European Parliament in November 2002, allowing further information on three chronic disease conditions (Aids, diabetes, and asthma) to pass directly to consumers. While the European Commission plans were rejected, educational “ see your doctor” campaigns, carrying the manufacturers name and logo, but not the product brand name, are still allowed. Reast et al, (2004)

In the UK disease-awareness campaigns are being mounted by pharmaceutical companies in conjunction with patient organisations through sponsorship and grants which recognises UK and EU law prohibiting

pharmaceutical companies undertaking activity which is deemed to be promoting a prescription-only medicine to the public. Auton and Frank (2006)

Pfizer launched a £30 million Europe-wide male impotence disease-awareness campaign, including sponsorship of a St Valentine's Day radio and press campaign, in conjunction with the Impotence Association. Reast et al, (2004)

- 2. 5. 4 The Middle East Situation

Actually, after a lot of research, I did not find any articles talk about DTCA in Middle East.

DTCA is banned in Australia but the pharmaceutical industry is still lobbying to have the ban lifted, despite the strong opposition of doctors and consumer groups. Auton and Frank (2006)

There is little published quantitative research concerning the attitudes towards DTC of European health professionals, but Reast and Carson (2000) conducted a rare survey into UK physician opinion towards DTC soon after the start of generic “ see your doctor“ campaigns in Europe, in 1999.

2. 6 Critical views of doctors' attitudes towards DTCA

Recent surveys of physicians indicate that even though many still oppose the practice of DTCA in general, they also point to some positive effects.

Donohue and Julie (2006)

2. 6. 1 Why DTCA is viewed as positive by doctors?

Supporters claim that DTC advertising has an educational value. It may cause consumers to seek advice on diseases or problems that have been previously undiagnosed, thus creating a more informed consumer (Parker et al, 2003).

In addition, it can play an important role in improving healthcare by giving consumers the information they need to discuss medical symptoms and treatment options with their doctors. Becker et al, (2005)

Moreover, DTCA is necessary to provide pharmaceutical firms with an incentive to develop prescription drugs to treat new ailments, such as severe acute respiratory syndrome (SARS), or more effective treatments for established ailments and conditions. Research and development costs are high, but pharmaceutical firms have only a limited amount of time in which their prescription drugs are patent-protected. As regulatory approval times have lengthened, the amount of time that pharmaceutical firms have to recoup their research and development costs before being faced with competition from generic versions of their drugs has decreased (Meek 2001). Therefore, pharmaceutical firms believe that creating consumer awareness of patent-protected prescription drugs is the quickest way to increase sales. Main et al, (2004)

Supporters further claim that DTC advertising will lead to improved products and lower prices as pharmaceutical firms compete for consumer patronage in the open market. In this view, more knowledgeable consumers will select the best treatment available; thus, bans on DTC advertising deprive

consumers of information needed to make the best choice (Meek 2001).

Main et al, (2004)

Furthermore, as mentioned by Auton and Frank (2006), a national study of 643 physicians found positive effects were: improved communication (67%), patient education (70%) and improved compliance (46%).

Finally, to summarize the benefits of DTCA, the Pharmaceutical Research and Manufacturers of America (PhRMA) in 2005 announced approval of new industry guidelines for DTC advertising. The fourteen principles outlined in these guidelines are based on the premise that:

“ DTC advertising of prescription medicines can benefit the public health by increasing awareness about diseases, educating patients about treatment options, motivating patients to contact their physicians and engage in a dialogue about health concerns, increasing the likelihood that patients will receive appropriate care for conditions that are frequently under-diagnosed and under-treated, and encouraging compliance with prescription drug treatment regimens.” Royne and Myers (2008)

2. 6. 2 Why DTCA is viewed as negative by doctors?

Critics of DTC advertising maintain that prescription drugs differ from other products and, therefore, should not be advertised in a similar way to increase consumption. Instead of being sold to increase profits, prescription drugs should be sold only when a doctor believes the medication will be the best way to reduce a patient’s suffering (Findlay 2001).

In addition, DTCA intrudes into the doctor-patient relationship and confuses patients by representing promotional messages as educational (Wolfe 2002). Further, opponents believe that DTC advertising increases demand for more expensive medications and medicalizes normal human experience (Mintzes 2002), rather than providing consumers with information needed to make better health-care decisions. Critics also contend that the increase in patient requests for advertised medications (Peyrot et al. 1998) leads to preference toward branded, advertised prescriptions over more affordable and effective treatments (Dyer 2002; Findlay 2002).

Some also argue that such advertising is inappropriate because patients are not in a position to diagnose conditions or judge the relative safety, effectiveness and appropriateness of alternative treatments. This practice can lead to prescription drug misuse and abuse (Becker et al, 2005).

In addition, evidence on clinical outcomes is often inadequate when drugs first come on to the market, at times leading to false impressions. COX 2 inhibitors (Vioxx), for example, were widely believed to be safer than other non-steroidal anti-inflammatories when first launched. An assessment of the full experience of serious adverse events in comparative trials suggests the contrary. Mintzes and Barbara (2002)