

Patient Learning and Advertising in the Diffusion of Cox-2 Inhibitors

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Objective

- To describe how patient satisfaction and drug advertising affect the diffusion of Cox-2 inhibitors

Preliminary Findings

➤ Risk Neutral Model:

- Both learning across patients and learning within patients play an important role in explaining drug diffusion
- Advertising has little or no impact on explaining drug diffusion

Comments/Questions

- Good approach to explain how patient learning affects prescription behavior
 - Model both across-patient and within patient learning
 - Unique data set
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Comments/Questions

➤ Model:

- Informational effects of advertising is not captured in the model
- Advertising enters the utility function directly – persuasive effects
- Assume that doctors prior belief on the distribution of patient heterogeneity is the same as the actual distribution – explanation?

Comments/Questions

➤ Identification/estimation

- Identifying risk aversion parameter – what are the functional form restrictions?
- Estimating the model when $\gamma = 0$
- Patient learning data could be correlated with advertising data – does this introduce a bias?