

Discussion of “Bad-drug ads or killer ads: the effects of drug injury advertising on viewers’ health outcomes” by Sylvia Hristakeva

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The Dark Side of Advertising

Broad concern that marketing activities—like advertising—induce consumers to make suboptimal decisions

- ▶ Buy things you later regret...

▶ Or (as in this case) not buy things that enhance your utility

Deceptive advertising is particularly worrying in the healthcare context studied here

▶ Law firms advertise to recruit clients for lawsuits against pharma companies ▶

Paper finds that drug injury ads reduce prescriptions of anticoagulants, increase hospitalizations for related ailments

Takes endogeneity of advertising seriously, link to important public health outcomes, transparent about identification assumptions, focus on confidence intervals rather than simply point estimates

Comments

Many things to like about this paper!

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Questions around interpretation:

▶ Evidence for misperceptions ▶ Put

another way: are ads deceptive?

▶ What kind of advertising are drug companies engaged in – *do* they downplay the risks?

▶ Fundamental challenge: patient beliefs over benefits and risks are not measured

▶ Welfare implications

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Understanding perceptions and welfare key for policy implications

e.g., PSAs that offer a more balanced perspective on drug costs and benefits