

Drug Source & Price Analysis

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The Global Drug Survey is the world's biggest annual drug survey. It has been over the years translated into 10 languages, with a high response of 100,000 people from around the world each year. The sample expanded

from initial focus on clubbers and "party drug use", to "monitoring of alcohol, e-cigarettes, emerging drugs of abuse, as well as prescription medications" (Globaldrugsurvey.com, 2017).

Objectives

The principal aim of the project was to find out whether drugs bought from Dark Web markets are cheaper to those bought from street dealers, or other offline sources.

Previous research showed that due to a number of factors, cryptomarkets are more expensive in general than traditional dealers. However, none of these studies considered the country of residence and the weight when comparing the two sources previously mentioned. In the same order, none of these studies adjusted for purity, which is expected to be higher on cryptomarkets than on offline markets, nor did they adjust for the higher weights expected to be bought from online markets.

Characteristics of the marketplace

That make costs higher

1. Vendors must pay a 'bond' to the marketplace to sell
2. Interception (loss) likely higher online than offline (taxing, theft)
3. Shipping costs: more involved in packaging for postal delivery
4. Shipping costs: postage if included in price of drug

That make costs lower

1. Economies of scale (online can transact with more costumers than offline)
2. Reduced search costs (customers can easily locate alternative vendors)
3. Reduced information asymmetries (customers can compare prices across vendors)

	Known / trusted dealer (not online)			Unknown / street dealer (not online)		
	Mean	Median	Count	Mean	Median	Count
Australia	16.96	17.50	113	17.24	17.50	39
Canada	6.34	6.40	82	8.36	7.00	19
Denmark	8.78	7.92	36	11.48	12.50	12
Germany	7.00	6.00	534	8.66	10.00	199
United Kingdom	9.11	9.22	231	11.22	12.00	56
United States	13.44	14.00	121	13.71	14.00	19
Country	Darknet market vendor, located in my own country			Darknet market vendor, located outside my own country		
	Mean	Median	Count	Mean	Median	Count
Australia	12.69	13.40	29	4.21	3.67	3
Canada	5.37	4.30	3	5.80	5.80	1
Denmark			0	6.42	3.20	7
Germany	4.54	4.00	91	3.74	3.08	34
United Kingdom	5.30	4.80	47	3.03	3.00	21
United States	8.59	7.60	29	4.53	3.80	11

Drug source and price analysis.

Limitations

The population comprised in the survey is mostly formed of people that are interested and/or have used certain substances in the past 12 months. In result, participants' characteristics will differ from the wide population, and thus affecting the representativeness of the sample.

The survey is self reported, which means that answers might be exaggerated, respondents may be too embarrassed to reveal some details. Subjects are also likely to forget pertinent details. These type of studies are also highly biased by the person's feelings at the time they filled the questionnaire: a sad person will tend to fill the questionnaire more negatively, while a person that feels good will likely complete it more positively.

As per other studies presented in the literature review, the findings in this report are not adjusted for purity, which is expected to be higher on cryptomarkets, nor for the higher weights expected on dark web marts.

Results and Conclusion

The hypotheses were indeed proven, drugs on the online market were found to be cheaper on the majority of countries and variables. However, the limitations such as as the low count of some countries for some drugs should not be ignored.

