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# Upjohn Trying to Turn Around Rogaine Sales : Campaign Planned as Baldness Remedy Fails to Meet Marketing Expectations

May 29, 1989 | From Associated Press



KALAMAZOO, Mich. — When Rogaine was unveiled last September by Upjohn Co. as the first scientifically proven hair-loss remedy, financial analysts envisioned desperate balding men running to doctors for prescriptions.

Today, those analysts--and many consumers--are disappointed, and Upjohn is preparing a new, more aggressive marketing campaign aimed at men whose embarrassment over seeking help for their hair loss may have prevented them from trying the drug.

Upjohn says it is pleased with Rogaine's performance and blames drug industry analysts--some of whom predicted 1989 U.S. sales would top \$300 million--for unrealistic expectations.

### Saw Runaway Success

"Any new product that saw the sales that Rogaine did in the first few months would be deemed an outstanding success," said Upjohn spokeswoman Kaye Bennett. "We expected to succeed in the long run, while the analysts thought it would be a runaway success."

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Disappointed consumers also may have set unrealistic expectations by ignoring Upjohn's warnings that Rogaine wouldn't work for most men.

Though Upjohn does not release sales figures for specific products, drug industry analyst Ronald Nordmann of Paine Webber Inc. estimated domestic sales for Rogaine accounted for \$11 million of the Kalamazoo-based company's \$755 million in net sales for the first three months of 1989.

While Rogaine's sales were more than double those for the fourth quarter of 1988, Nordmann said he interpreted the figures as disappointing.

"The product has certainly been slow out of the starting gate," he said.

There are many reasons for Rogaine's sluggish sales, researchers and hair-loss specialists say. Among them:

- Upjohn's 8-month-old, \$20-million advertising campaign, featuring a man walking along a beach with the "see your doctor" phrase, may have been too low-key and vague.

- The price, about \$50 for a one-month supply and the necessary lifelong commitment to its use.

- Once you stop using Rogaine, any hair you may have grown back will fall out. If the drug has stopped your hair loss, you'll make up for lost time as soon as you quit.

Most baffling, however, is that companies featuring bogus baldness remedies on late-night television

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continue to outsell Rogaine by a ratio of about 10 to one, said Mike Mahoney, president of the American Hair Loss Council.

"The biggest deterrent to Rogaine is that the man has to go to his doctor and admit that he is not comfortable with his hair loss. With the others, he can call a 1-800 number from the privacy of his own home," said Mahoney, whose nonprofit organization provides consumer information on hair-loss treatments.

Upjohn's new marketing campaign will feature a toll-free number. The consumer will be connected with a hair-care specialist to discuss Rogaine and then will receive information on Rogaine via mail.

Like the previous ads, Upjohn still won't refer to the drug by name. Food and Drug Administration regulations prohibit companies from advertising prescription drugs by name unless there also is a full disclosure of any warnings and potential side effects.

Expectations Too High

The company has released few details about its new marketing strategy, but says it's designed to identify and target the market for the drug, which was approved by the FDA last August.

Though analysts see the new campaign as Upjohn's reaction to slow sales, the company insists that the more aggressive campaign always was part of its marketing strategy.

Some of the blame for disappointment with Rogaine's results also lies with the consumer, who may have been expecting too much. Upjohn warned consumers from the start that the tonic wouldn't work at all for most men.

Rogaine, the trade name for a substance called minoxidil, is recommended for men younger than 40 who have been losing hair for 10 years or less and who have an area of baldness 4 inches in diameter or less on the crown of the head.

Clinical trials showed about 39% of men suffering from male-pattern baldness will grow some new hair back or stop losing hair after six to eight months on the drug.

"If you're going to use this stuff, you've got to be patient and use it for a year," said Dr. David Whiting, medical director of the Baylor (University) Hair Research and Treatment Center in Dallas. "Otherwise, you'll never know if it would have worked."

Bert Camp, a railroad engineer in Mineola, Tex., saw results after about three months on Rogaine.

"Since I started using it, I've definitely seen some new hair growing," said Camp, 46. "And for 10 years, I've been using everything that I could get my hands on to stop hair loss."

More Effective on Women

Still, Camp said Rogaine was "too expensive, especially since I'm going to have to use it for the next 20 or 30 years."

At the 2,270-store Rite Aid pharmacy chain in Harrisburg, Pa., a spokeswoman said Rogaine sales had been slower than expected.

Rogaine may almost double its market if the FDA approves it for use by women. Of the 50 million Americans losing their hair, 20 million are women, and clinical trials have found the drug to be slightly more effective on women, Bennett said.

Upjohn also is working on advanced application methods for the alcohol-based solution, which tends to be messy to apply, as well as teaming up with Procter & Gamble Co. on new ingredients designed to increase efficacy and to create new minoxidil products, such as a cream.



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