

## MARKETPLACE

**Net Interest:** *The best new bells and whistles from online trade show,* **Page B10.**

**Advertising:** *Life insurers seeking to create brand awareness* **Page B12.**

# The Morning After: Sales of Viagra Cool Down

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Just a few short months ago, Pfizer Inc.'s impotence medication Viagra seemed unstoppable. Men of all ages, including many who weren't really impotent, rushed to try the drug when it went on sale in April. By early May, Pfizer had racked

## DRUGS

up 300,000 prescriptions a week, unheard of for a new drug. Some analysts predicted that sales could reach \$10 billion to \$20 billion a year world-wide—many times that of any other drug.

Now Viagra sales have come back to earth, thanks to a cooldown of media hype, fear of side-effects and a managed-care crackdown on reimbursement. Late Tuesday, Pfizer reported Viagra sales of \$141 million world-wide for the third quarter, including \$115 million domestically—a fraction of Viagra's \$411 million sales in the second quarter.

Analysts had known that sales had fallen, but the magnitude of the drop surprised many. "They're not anywhere close to what they were supposed to be," says Hemant Shah, an independent analyst. "We all miscalculated the demand."

What changed? Just ask Freddy Hahne, a 48-year-old artist in San Francisco, who tried Viagra once for fun in the spring. He said it gave him "a nice tingling sensation" and he thought he would try it again soon. Now, he says, the hype is gone, and so is his desire for the experience. "I think it is old technology now," he says.

News of adverse reactions—including deaths—among a small number of Viagra users led Donald Witt to cut back on his Viagra consumption. "I have used it a couple of times since the problems surfaced on the news but I have slowed down," says the 69-year-old retired engineer in Jupiter, Fla. "I'm concerned. But it worries my wife even more than it worries me."

At Men's Health Centers, a chain of impotence-treatment clinics based in Boca Raton, Fla., patients who had switched to

ride: an hour wait for a two-minute ride," says, Seth Koepfel, the clinics' CEO.

Then there's the cost factor. Managed-care companies, which initially didn't have policies on Viagra, started clamping down on reimbursement for the pills, which go for \$8 to \$10 each. In recent months, companies such as Prudential Insurance Co. of America and Humana Inc. decided not to cover Viagra, while other insurers limited coverage to a few pills a month.

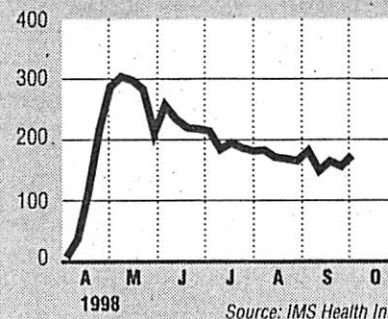
Those changes in HMO policies seem to be having an impact on sales. According to Pfizer, the average size of a Viagra prescription has fallen to six to seven pills, down from 10 to 15 pills when the drug first was sold.

Certainly, Viagra is still doing well compared with the vast majority of new drugs, with about 170,000 prescriptions filled each week, according to IMS Health, a provider of prescription data. Pfizer says that sales, which have stabilized in recent weeks, should grow again as men start to refill prescriptions and doctors start pre-

*Please Turn to Page B9, Column 1*

## The Passion Fades

Weekly U.S. Viagra prescriptions in thousands



Viagra from injectable medications started coming back for injections again. It turns out that some men with premature ejaculation problems prefer the nearly immediate and long-lasting erection produced by the shots, instead of having to wait up to an hour for Viagra to kick in.

"Viagra has a reputation as a Disney

# Morning After: Viagra Sales Cool

*Continued From Page B1*

scribing it in Europe, where it was recently approved.

"There is no reason to be disappointed in the sales. We are not," says Pat Kelly, senior vice president for world-wide marketing at New York-based Pfizer. "There was a honeymoon effect," but now the company is just beginning to see normal usage patterns for the drug.

Pfizer says that the real surprise isn't the decline, but the initial buying binge. Media coverage contributed heavily to the craze. Major newspapers and magazines wrote hundreds of stories on Viagra. Tabloids dubbed Viagra "the love drug," leading to a false impression that it would increase libido and make old men virile youngsters again.

But then men started realizing that the drug, while helpful, doesn't work miracles. "Initially, people thought it was a cure" for impotence, says Stan Kardatzke, a doctor and chief executive of Integrated Medical Resources Inc., a chain of impotence clinics based in Lenexa, Kan. "But it is only a tool" for treating the disease.

"Older men thought this would make them 20 years old again," says Mr. Koeppel of the Men's Health Centers. "But it just doesn't work that way. The emotional and relationship issues [with sex] don't go away."

Richard Roberts, a family physician in Belleville, Wis., has half as many patients on Viagra as he did this spring. He says some men were hoping the drug would fix other problems in their relationships, and once they realized that Viagra only worked on an erection, they stopped taking it. "Some men thought if I make love better, she'll love me better," Dr. Roberts says. "But that didn't happen."

John Weigel is writing only half as many Viagra prescriptions now as he was during the first few months the drug was available. About 10% of the patients who stopped taking it did so because of cost or fear, says Dr. Weigel, a urologist at the University of Kansas Medical Center in Kansas City, Kan. "There are enough things in the literature that have scared some folks off," he says. "You read about

sudden death on this drug so people say they are afraid to take it." Dr. Weigel, however, still thinks Viagra is safe.

The Food and Drug Administration has received reports of at least 100 men suffering serious adverse reactions, such as heart attacks, strokes or death, while taking Viagra. But it isn't clear how many of the problems are actually related to the drug, since most of those men were elderly and had other medical problems. Some patients with problems did take Viagra in combination with nitroglycerin drugs or other nitrates, against package warnings. Both Pfizer and its regulators have said they see no signals that anything is seriously wrong with the medication.

Other urologists, especially those with a large number of older patients, say many men—or their wives—have decided that they don't want to keep up the frenzied pace of their initial Viagra-enhanced days. "A lot of seniors overestimated the amount of sexual interest they would have," says Steven Varady, a urologist in Boca Raton. Adds Stanley Korenman, a reproductive endocrinologist at the University of California at Los Angeles: "Viagra really works, but guys don't have sex as much as they think."

Some sex therapists say patients aren't refilling their Viagra prescriptions because just having a bottle in the medicine cabinet is enough to cure their problem. Some men with "performance anxiety" or other psychologically induced erectile dysfunction can have sex just knowing that Viagra is a room away, says William Granzig, a sex therapist in Winter Park, Fla.

Meanwhile, among urban hipsters who were trying it out as a party pill, Viagra is last season's fashion. Club denizen Brad Moyer used to see other young nightowls down Viagra just for kicks or to combat the erection-squelching effects of other recreational drugs. But these days, his stomping grounds, the New York hot spots Twilo and Sound Factory, are Viagra-free, he says.

"I don't see people doing it or talking about it anymore," the 29-year-old computer programmer says. "The buzz has died."