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E-Mail Hucksterism, Offensive but Effective

By SAUL HANSELL

Every medium seems to have its signature hucksters, with advertising messages that are annoying, repetitive, improbable — yet somehow successful.

Ads in comic books once promoted Charles Atlas's Dynamic-Tension exercise programs. Late-night television sold Ronco's Veg-O-Matic food choppers. And in today's online world, if an e-mail subject line says, "Does Size Matter?" or "Increase Your Self Esteem," odds are that it involves an offer for pills promising to make your penis larger.

The unregulated herbal pills are highly profitable — they cost as little as \$2.50 a bottle to produce and sell for \$50 or more — and the marketing mechanism is cheap: an elaborate sales effort of millions of unsolicited e-mail messages, or spam, each day.

Carrying medically impossible promises, a few million bottles of the pills are sold annually by at least 50 companies, according to pill makers and dealers, producing revenue of more than \$100 million a year for the so-called male enhancement industry.

"Every man feels he could use a little more sexual power, size and stamina," said Gil Gerstein, co-owner of Eye Five, of Van Nuys, Calif., the maker of VP-RX, one of the most widely advertised brands.

The torrent of such messages is no small factor in a bipartisan push for new federal legislation to restrict unsolicited e-mail.

But as Congress considers laws to crack down on spam, the decentralized structure of the e-mail marketing industry shows how difficult the task will be. Most pill makers, like Eye Five, sell their products indirectly, through thousands of independent affiliates, a technique pioneered online by Amazon.com. A dozen affiliates can end up mailing the same message to similar lists of e-mail addresses, confounding millions of computer users, including women, with multiple copies of messages both inappropriate and unwanted.

The spammers are generally very small outfits, which hide their identities by bouncing their messages off computers in countries with lax regulation. The pill makers are more visible, defending themselves

by insisting that they have strict policies against spamming by affiliates. They concede, though, that spammers often evade those policies.

"It is impossible for us to control the marketing of all aspects of our products," Mr. Gerstein said.

The pills are typically the same cocktail of herbal ingredients — like yohimbé bark and horny goat weed — that are sold in health food stores as sexual stimulants. These ingredients may indeed affect sexual arousal, though not as much as prescription drugs like Viagra, said Dr. John Bancroft, who runs the Kinsey Institute at Indiana University. But they cannot permanently change the size or shape of a body part, he said.

The marketing of products to improve male sexual performance did not start with e-mail. It goes back to the beginning of the mail-order business, when merchandise of this sort was shipped to customers in plain brown wrappers. Men's sex magazines have long carried ads for stimulants like Spanish fly (pulverized blister beetles) and enlargement devices like vacuum pumps.

By now, though, sexual accessories have moved out of the shadows and are discussed on cable television shows like "Sex and the City."

"Our whole industry is growing steadily because it is becoming mainstream," said Ken Thomas, director of marketing for Topco Sales, a leading maker of vacuum pumps and sex toys. (Topco does not sell penis pills, he said, because they do not work.)

Critical to the success of the herbal-pill makers was the approval of [Pfizer's](#) Viagra by the Food and Drug Administration in 1998, and the mass-marketing campaign for the drug. "Pfizer opened the door by putting erectile dysfunction on prime-time television," said Malcolm Casselle, chief executive of Elima Biotronic, the maker of Opus-X, an herbal concoction that is marketed as increasing sexual pleasure.

Mr. Casselle was a founder of NetNoir, a Web site for blacks, and an executive at Pacific Century CyberWorks, the highflying Hong Kong Internet company that crashed in 2001. Sex pills, he said, seemed like a natural opportunity.

"You have a marketplace with no credible players — there is all that spam and late-night infomercials," Mr. Casselle said. "The market is ripe for consolidation, like coffee houses before [Starbucks](#)." The total market for all sorts of herbal sexual pills, he estimates, is \$1 billion to \$2 billion a year.

The first penis enlargement pills were introduced about five years ago by companies like HerbalO, of Chatsworth, Calif., and CP Direct of Phoenix, maker of Longitude. They were sold in men's magazines and on late-night TV, but soon migrated to the Internet, where there are almost no boundaries on taste or language.

Scott Richter, president of OptInRealBig, which sells sexual products, remarked, "A lot of people would be embarrassed and wouldn't walk in to the Walgreen's and say, 'I want to buy penis enlargement pills.' I wouldn't."

The affiliate programs, created first to sell the pills on sexually explicit Web sites, were quickly taken up by senders of spam. People who had lists of e-mail addresses could count on being paid \$20 to \$50 for each pill order, with the distributors providing the graphics and sales pitches used in the e-mail.

"Unfortunately, spam is a cheap game to get into," said Michael Clark, managing partner of Herbal Partners, which sells more than 300,000 bottles a year of Herbal Vigor pills, largely through affiliates. A marketer, he said, could arrange to send millions of spam messages a day through a computer in Eastern Europe for \$1,500 to \$3,000 a month. And a list containing 10 million e-mail addresses can cost just a few hundred dollars.

"That means you only need to take in \$150 a day to break even," Mr. Clark said. "If you can send out 10 million e-mails a day from your bedroom, and you make \$50 a bottle, you can make a decent profit."

Most spammers, moreover, are affiliates for dozens of other kinds of questionable merchandise — cable descramblers, credit-repair schemes and other pills with dubious claims, like coral calcium, human-growth hormone and illegal generic Viagra.

Mr. Richter said the biggest spammers take in \$5,000 to \$10,000 a day selling penis pills. His company and Mr. Clark's Herbal Partners, among others, say they have policies restricting e-mail marketing to people who request it.

"If we have an affiliate and we get even one angry spam complaint," Mr. Clark said, "we will cut them off and stop paying them." But he acknowledged that a spammer with modest technical skills could create a chain of untraceable Web sites so that complaints never made it back to his company.

If hundreds of spammers are mailing to the same lists of names, hasn't every potential customer bought a bottle already?

Not really, Mr. Clark says. "Wouldn't you think that at some point, Pepsi has already reached everybody who would possibly drink Pepsi? But they keep advertising," he said. With the pill messages, "guys delete it and delete it and at some point, they start to wonder."

In addition to spam, there are hundreds of Web sites devoted almost entirely to male enhancement, serving an eager if selective audience. In May, [Overture Services](#), a search-engine advertising firm, counted 117,332 searches for the term "penis enlargement" on its network, which includes [Yahoo's](#) and [Microsoft's](#) search sites — fewer than the 141,267 searches for "New York Yankees" but far more than the 30,568 searches for "New York Mets."

One site, PenisResource.com, was started in 1999 by David Wolfe, who was 17 at the time.

"I needed to make money and I was looking for a very easy, not very competitive market, that had a lot of traffic," Mr. Wolfe recalled in a telephone interview last week.

After selling 35,000 copies of an electronic book he wrote on the subject, he turned to selling pills as a more lucrative activity, signing up for the affiliate program of a company that does business as Albion Medical and sells pills under the Vig-RX brand.

Mr. Wolfe sold his site, which now gets more than 40,000 visitors a week, to the company behind Albion, called Leading Edge Marketing, which Mr. Wolfe says is run from Vancouver, British Columbia. "I decided I would rather not be involved in what isn't the most ethical of industries," he said.

Officials of Leading Edge declined to discuss their business, or even their whereabouts, when contacted through their advertising agency, Soho Digital of New York. Their Web site says they are paying marketing affiliates \$1 million a month, which if true would mean total sales at least two to three times that.

The federal government, meanwhile, is prevented from clamping down on misleading ads for such products because the law excludes nutritional supplements from having to meet the same standards of safety and effectiveness as drugs. As with other herbal supplements, states are beginning to step into the breach by regulating sales claims and practices regarding these pills.

Last year, CP Direct, the creator of Longitude, was shut down by the attorney general of Arizona after users complained that they were being charged for reorders they did not want and were not receiving credit for refunds. The company had generated \$74 million in sales, almost all from Longitude, to more than 350,000 customers over two years.

Still, with all those people buying pills, why don't more men — or their partners — complain about misleading claims of penile enlargement?

Mr. Clark, of Herbal Partners, says that his company has sold several hundred thousand bottles and has had fewer than 50 requests for refunds. One reason is that while the pills do not alter physiology, specialists say the concoctions can have a stimulating effect that some people enjoy.

"Right away, you feel an increased sensation and feeling of sexuality," asserted Mr. Gerstein, who says he took his VP-RX for several weeks. And some pills have been found to illegally include the active ingredient of Viagra.

Dr. Bancroft of the Kinsey Institute said there had been a lot of research into yohimbine, a major ingredient in most of the pill formulas. It is a sexual stimulant, he said, "but it is pharmacologically

rather messy and not as good as newer drugs."

But the biggest reason complaints are so rare may be the desire to avoid embarrassment.

"Who is going to take a penis pill maker to court," asked Kevin Blatt, a former marketing executive at HerbalO, "and go in front of a jury of their peers to say, 'I bought a bottle of pills to enlarge my penis and they didn't work?' "

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