

SPECIAL REPORT: AS BABY POWDER CONCERNS MOUNTED, J&J FOCUSED MARKETING ON MINORITY, OVERWEIGHT WOMEN

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FILE PHOTO: A bottle of Johnson and Johnson Baby Powder is seen in a photo illustration taken in New York, February 24, 2016. REUTERS/Shannon Stapleton/Illustration/File Photo

LOS ANGELES (Reuters) - Pressure was mounting on Johnson & Johnson and its signature Baby Powder.

In 2006, an arm of the World Health Organization began classifying cosmetic talc such as Baby Powder as “possibly carcinogenic” when women used it as a genital antiperspirant and deodorant, as many had been doing for years. Talc supplier Luzenac America Inc started including that information on its shipments to J&J and other customers.

J&J, meanwhile, looked for ways to sell more Baby Powder to two key groups of longtime users: African-American and overweight women. The “right place” to focus, according to a 2006 internal J&J marketing presentation, was “under developed geographical areas with hot weather, and higher AA population,” the “AA” referring to African-Americans.

“Powder is still considered a relevant product among AA consumers,” the presentation said. “This could be an opportunity.”

In the following years, J&J turned those proposals into action, internal company documents show. It distributed Baby Powder samples through churches and beauty salons in African-American and Hispanic neighborhoods, ran digital and print promotions with weight-loss and wellness company Weight Watchers and launched a \$300,000 radio advertising campaign in a half-dozen markets aiming to reach “curvy Southern women 18-49 skewing African American.”

These are only some of the more recent examples of J&J’s decades-long efforts to offset declining Baby Powder sales amid rising concern about the health effects of talc, based on a Reuters review of years of J&J print, radio and digital advertising campaigns and thousands of pages of internal marketing documents and email correspondence.

Adults have been the main users of Johnson’s Baby Powder since at least the 1970s, after pediatricians started warning of the danger to infants of inhaling talc. As adults became ever more crucial to the brand – accounting for 91 percent of Baby Powder use by the mid-2000s – J&J honed its powder pitches to court a variety of targeted markets, from teen-focused ads touting the product’s “fresh and natural” qualities, to promotions aimed at older minority and overweight women.

Today, women who fall into those categories make up a large number of the 13,000 plaintiffs alleging that J&J’s Baby Powder and Shower to Shower, a powder brand the company sold off in 2012, caused their ovarian cancer or mesothelioma.

Many of the ovarian cancer lawsuits have blamed the disease on perineal use of J&J cosmetic talcs – a claim supported by some studies showing an association between such use and increased cancer risk. The most recent cases have alleged that J&J’s talc products contained asbestos, long a known carcinogen.

In an investigation published Dec. 14 [here](#) Reuters revealed that J&J knew for decades that small amounts of asbestos had occasionally been found in its raw talc and in Baby Powder and Shower to Shower, based on test results from the early 1970s to the early 2000s – information it did not disclose to regulators or the public.

J&J challenged the findings of the Reuters report, describing them as inaccurate and misleading.

BABY POWDER “EVERYWHERE”

Krystal Kim, a 53-year-old African-American, was one of 22 plaintiffs whose case in St. Louis resulted in a jury verdict last summer of \$4.69 billion against J&J. Kim said Baby Powder and Shower to Shower were household staples among her family and friends when she was growing up in New Jersey. Kim played baseball as a teenager, she said, and her mother told her to apply Baby Powder to avoid being “the stinky girl.”

“Every time I took a shower, I put Baby Powder on,” recalled Kim, whose ovarian cancer, first diagnosed in 2014, is now in remission. “I put it on my panties, on my clothes, everywhere.”

J&J is appealing the St. Louis verdict. The company did not respond to requests for an interview with Chief Executive Officer Alex Gorsky or any other executive to discuss the company’s marketing of cosmetic powders.

In an emailed response to questions from Reuters, J&J said its Baby Powder is safe and asbestos-free. It noted that the company's marketing over the years has been directed at many demographics and groups, and that "we're proud pioneers of the practice of multicultural marketing." It also pointed out that some Baby Powder ads have featured the cornstarch version of Baby Powder, the safety of which isn't questioned.

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Reports by Bloomberg News, the New York Times and the Post and Courier of Charleston, South Carolina, have cited some internal J&J documents revealing the company's focus on African-American and overweight women at certain times. But the full timeline and scale of the marketing efforts, particularly those aimed at teenage girls, in minority communities and through organizations such as Weight Watchers, are reported here for the first time.

Most businesses know the demographic profiles of those who buy their products and, as a matter of course, direct their marketing at those groups. Some – fast-food companies and soft-drink makers, for example – have courted minority customers to increase sales among heavy users at times of growing public concern about the possible health effects of their products.

In a lawsuit filed in Mississippi state court in 2014, Mississippi Attorney General Jim Hood alleges that J&J failed to warn consumers of the risks associated with its talc products and accuses the company of implementing a "racially targeted strategy" for selling Baby Powder after J&J became aware of health concerns. The company focused its marketing on "minority communities expected to be more likely to use the talc products," Hood claims in the lawsuit.

J&J denied the allegations and last year filed a motion for summary judgment in the suit, arguing that the case involved matters of federal law, beyond the state's purview. A judge in December denied J&J's motion, a move the company has appealed. The case is scheduled for trial later this year.

In its response to Reuters' questions, J&J said: "Suggesting that Johnson & Johnson targeted a particular group with a potentially harmful product is incredibly offensive and patently false."

"DEEP, PERSONAL TRUST"

Sold continuously since 1894, Johnson's Baby Powder accounted for less than 1 percent of J&J's \$81.6 billion in revenue last year, but it is deemed critical to the company's family-friendly image. An internal J&J marketing presentation from 1999 refers to the baby products division, with Baby Powder at the core, as J&J's "#1 Asset," grounded in "deep, personal trust."

Beginning in the 1950s, however, a series of case studies published in medical journals pointed to the dangers of breathing in talc. Pediatricians took notice. By the late 1950s, a third of them were recommending cornstarch or oil to treat diaper rash and chafing "because there is no dangerous dust" in them, according to an internal J&J report.

A report in the June 1966 edition of the American Journal of Diseases of Children, citing the deaths of three children who inhaled large amounts of talcum powder, concluded there was "no justification" for using the product on babies because it has "no medicinal value."

By 1974, more than 60 percent of Johnson's Baby Powder sales were "attributable to adults" who used it on themselves, according to a J&J analysis.

Losing the connection to the product's namesake – babies – left J&J eager to cultivate other markets.

Beginning in the 1970s, J&J ran ads clearly intended to woo young women, in addition to its traditional marketing aimed at families with babies. "You start being sexy when you stop trying," was the line from an ad that appeared in Seventeen magazine in 1972. The photo shows a young woman stroking a young man's curly blond hair.

"It's a feeling you never outgrow," is how an ad in Family Circle magazine from the mid-1980s put it, with a photo of a bottle of Baby Powder next to a teddy bear alongside the mirrored reflection of a young woman.

In 1989, advertising firm Young & Rubicam submitted a plan to J&J to "initiate a high level of usage" among young women to "augment the weakening baby link." Under the plan, ads in style magazines like Seventeen, YM, Glamour and Mademoiselle would try to convince teen girls that Johnson's Baby Powder, "applied daily after showering, is a simple, feminine way to smell clean and fresh during the day." Young & Rubicam, now known as VMLY&R, declined to comment on the document and referred questions to J&J.

Baby Powder sales continued to fall throughout the 1980s and early 1990s. Since health professionals had already recommended against using talc on infants, a 1986 internal report warned, a "last straw" safety concern could lead consumers to abandon the product altogether.

As early as 1992, the company keyed in on the sales potential with minority women. A J&J memo that year mentions "high usage" rates for Baby Powder of 52 percent among African-Americans and 37.6 percent among Hispanic customers – and notes that women of both ethnicities use the product more than the general population.

The memo suggests investigating "ethnic (African American/Hispanic) opportunities to grow the franchise," while referring to "negative publicity from the health community on talc," including "inhalation, dust, negative doctor endorsement, cancer linkage." Portions of that memo were cited in reports from Bloomberg and the New York Times.

STAGNATING SALES

By 2006, the company was recognizing that "consumers do not see a need for powder," according to a sales presentation that year. Baby Powder shipments had been "stagnating" in recent years, the presentation said, and it was essential to "find a new business model" that "strategically and efficiently targets high propensity consumers."

Those groups, according to the presentation: African-Americans, nearly 60 percent of whom used Baby Powder by this time, compared to about 30 percent for the overall population; overweight people; and fitness-conscious people looking to lose weight.

It was also in 2006 that the International Agency for Research on Cancer (IARC), an arm of the World Health Organization, classified perineal use of talc as “possibly carcinogenic,” saying available research provided “limited evidence” it caused cancer in humans. That came about 20 years after IARC classified “talc containing asbestiform fibres” as “carcinogenic to humans,” its highest-risk classification.

After the IARC’s 2006 move, talc supplier Luzenac America started including a note about the agency’s latest classification on a chemical safety document accompanying shipments to all customers, including J&J. Under a heading that reads “carcinogenic status,” the document says IARC “has concluded that perineal use of talc-based body powder is possibly carcinogenic to humans.”

In a deposition for one of the ovarian cancer cases tried in St. Louis, a Luzenac America executive, Shripal Sharma, said the company felt it was important to add what he referred to as a warning to the safety document. Asked whether Luzenac knew that J&J did not pass on this warning, Sharma said: “It is not our job to tell our customers what to do with their products.”

In a statement to Reuters, Imerys Talc America Inc, as Luzenac is now known, said: “Talc’s safe use has been confirmed by multiple regulatory and scientific bodies,” echoing J&J’s response.

Through an Imerys spokeswoman, Sharma declined to comment.

Two years after the IARC classification, J&J sought proposals for an “African American agency” to develop marketing campaigns for the company’s baby products line. A 2008 document sent to prospective agencies summed up the situation: “Johnson’s Baby Oil and Baby Powder products, while traditionally used only on babies, are today primarily consumed by adult AA women for use on themselves.” One way to reverse the brand’s decline, it said, was by “speaking to AA consumers with a more relevant message with the most effective media vehicles.”

“ETHNIC CONSUMERS”

That year, the company contracted with a North Carolina marketing firm, Segmented Marketing Services Inc, which says it specializes in targeted promotions to “ethnic consumers.” The firm would distribute 100,000 gift bags containing Baby Powder and other Johnson’s baby products in African-American and Hispanic neighborhoods in Chicago, according to a contract with J&J.

Run by African-Americans who had been executives at Procter & Gamble Co and Quaker Oats, Segmented Marketing Services has said in past press releases and its own marketing publications that it hands out millions of free product samples and promotional offers through national networks of more than 10,000 African-American and Hispanic churches, and tens of thousands of “beauty salons, barber shops, entertainment venues and healthcare networks.”

The company published an advertorial in 2008 prepared for distribution with Johnson’s baby products in which the firm’s founders, Sandra Miller Jones and Lafayette Jones, said they “welcome” J&J as a partner.

“When caring rituals started in infancy continue through adulthood, a person’s self-confidence and even faith in the world are often strengthened,” the pamphlet said. “Whether in the gym, at work, at church or at the beach, Johnson’s Baby Powder helps grown-ups feel more comfortable in their own skin.” It came with a coupon for \$1 off Baby Powder.

Lafayette Jones and Sandra Miller Jones did not respond to calls, emails and LinkedIn messages seeking comment.

J&J also launched campaigns to boost sales of Baby Powder to “curvy Southern women” and athletic adults who want to smell fresh, according to company documents. It advertised in Weight Watchers magazine and offered promotions through the Lane Bryant clothing chain for plus-size women and Curves, a women’s fitness and weight-loss franchise. Marketing plans also included ads to run in Southern Living magazine and during the Style Network show “Ruby,” a reality TV series that documented an obese Georgia woman on a mission to lose weight.

A 2009 presentation laying out the “Powder media plan” highlights that it will reach 31 million people “in the South (hot climates/overweight states),” and that “43% of our plan will focus on the top 10 overweight states in the nation.”

A 2009 ad in Weight Watchers magazine suggests readers “bust stress with a midday workout” and then “stay fresh post-exercise by applying Johnson’s Baby Powder.”

Internal J&J marketing emails before the Weight Watchers campaign ran discuss whether the women featured are heavy enough to resonate with the intended audience. “Can you ask WW if they have any images of slightly bigger women? They don’t have to be super curvy, but a little bigger than the current image would be preferable,” wrote Grace Lee, a J&J brand manager, to others at the company and ad agency Lowe New York.

Weight Watchers, now known officially as WW International Inc, declined to comment on the campaign. Lee & Interpublic Group of Companies Inc, which owns the former Lowe New York, didn’t respond to requests for comment.

SUMMER SUCCESS

The Weight Watchers campaign was successful, according to a 2009 internal J&J recap, which showed that sales of Baby Powder at Wal-Mart shot up as much as 9 percent during the summer months when the ads ran from the same months a year earlier, reversing a decline.

J&J’s overall Baby Powder media advertising budget increased to a proposed \$495,000 for 2010, up 71 percent from \$288,000 in 2009, driven by more dedicated spending toward promotions for overweight women.

The company in 2010 launched a radio campaign in the South targeting “Curvy Southern Women 18-49 Skewing African American.” A presentation from TMPG, a marketing agency that handles promotions with radio DJs, said the campaign made more than 18 million impressions on the target audience through ads and promotions on “urban adult contemporary” radio stations in Southern markets, including Dallas; Atlanta; Nashville; Mobile, Alabama; and Jackson, Mississippi.

The presentation slides feature some photos of plus-size African-American women holding Baby Powder samples at “targeted station events” that also included spa giveaways and “Baby Powder Stay Cool Cash.” TMPG did not respond to requests for comment.

In a 2010 email, Debra DeStasio, a J&J promotions and marketing manager who oversaw the baby products line at the time, gave the green light to two proposed radio stations for the campaign in Dallas, saying “we are good with those general market stations that have good Hispanic reach and good AA reach.” In another 2010 email, she said the DJs will be the Baby Powder “brand ambassadors,” charged with “communicating our message, encouraging listeners to call in to talk about how they use Baby Powder and driving to retail where appropriate.”

All the radio promotions would be “based on the weather,” she wrote. “If it’s hot and humid, we’ll run that week. If it’s rainy or colder, we won’t.”

DeStasio, who now works as a promotions and marketing manager at Bristol-Myers Squibb Co, did not respond to requests for comment.

J&J’s spending on Baby Powder promotions – coupons, discounts, and samples – came to about \$1.2 million in 2008 and again in 2010, almost half of it directed at overweight and minority women. By 2011, the company cut back its promotional spending to \$752,000, mostly aimed at the general consumer market.

In 2013, a jury found J&J negligent in the first case ever to claim that regular use of Baby Powder for feminine hygiene caused ovarian cancer. The jury didn’t award monetary damages, but the verdict spawned a cascade of similar lawsuits.

Of the eight ovarian cancer cases that have gone to trial so far, four have resulted in verdicts for plaintiffs and one for the company. Three other verdicts against J&J were overturned on appeal.

In 12 trials of cases claiming that asbestos in talc caused plaintiffs’ mesothelioma, J&J was cleared of liability in five, and plaintiffs won three, resulting in a total of \$172 million in damages. Four others resulted in hung juries and mistrials.

J&J is appealing all the verdicts against it.

Meanwhile, J&J has pulled back from marketing specifically to minority and overweight women. A 2015 presentation makes no mention of minorities, suggesting the brand “target adults, with a focus on men.”

Plaintiffs’ lawyers and other advocates have become more vocal in criticizing the targeted marketing campaigns. In its most recent newsletter, the National Council of Negro Women, a women’s leadership group with about 30,000 members, drew attention to the issue with an essay penned by civil-rights lawyer Ben Crump, who is representing some Baby Powder plaintiffs.

In an interview, Janice Mathis, the council’s executive director, said: “Lots of products target African-Americans. That’s marketing 101: Go where our customers are. What has me disturbed about this is that you didn’t give any caveat to the customers, once you knew there was a possibility there was some danger.”

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