

EUROCARE POSITION PAPER ON ALCOHOL MARKETING



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THE EUROPEAN ALCOHOL POLICY ALLIANCE (EUROCARE)

The European Alcohol Policy Alliance (EUROCARE) is an alliance of non-governmental and public health organisations with around 50 member organisations across 23 European countries advocating the prevention and reduction of alcohol related harm in Europe. Member organisations are involved in advocacy and research, as well as in the provision of information to the public; education and training of community care workers; the provision of workplace and school based programmes; counselling services, residential support and alcohol-free clubs for problem drinkers.

The mission of Eurocare is to promote policies to prevent and reduce alcohol related harm, through advocacy in Europe. The message, in regard to alcohol consumption is “less is better”.

ALCOHOL - A CAUSE FOR ACTION

Alcohol is a key health determinant and is responsible for 7.4% of all ill-health and early death in Europe, which makes it the third leading risk factor after tobacco and high blood pressure. Alcohol harm is disproportionately high among young people (115 000 deaths per year) and harms others than the drinker. 5 million Europeans are born with birth defects and developmental disorders because of their mother drinking during pregnancy. 5-9 million children are living in families adversely affected by alcohol. 10.800 traffic deaths and 20.000 murders involve alcohol in the EU each year. Furthermore, binge drinking among young people is on the rise, with most countries showing an increase from 1995. Alcohol causes measurable inequalities both between and within Member States. Alcohol causes an estimated 90 extra deaths per 100.000 men and 60 extra deaths per 100.000 women in the EU 12 as compared to the EU 15.

Europe plays a central role in the global alcohol market, responsible for a quarter of the world's total production. However, the total tangible cost of alcohol to EU society in 2003 was estimated to be €125 billion (€79bn - €220bn) or €650 per household, equivalent to 1,3% GDP. The costs include areas such as traffic accidents €10bn, crime damage €6bn, crime defensive €12bn, crime police €15bn, unemployment €14bn, health €17bn, treatment/prevention €5bn, mortality crime €36bn, absenteeism €9bn. Although these estimates are subject to a wide margin of interpretation, they are likely to be an underestimate of the true gross social cost of alcohol (excluding benefits)¹.

WHAT IS MARKETING?

Eurocare understand marketing as a mix of sophisticated, integrated strategies, grouped around four main elements: the product, its price, its place (distribution) and its promotion. All four elements have ways of doing marketing, such as product design and brand name (product), pricing strategy and wholesale (pricing), distribution channels and placing within retail establishments (place) and promotional strategy, advertising, sales promotion and public relations (promotion). This mix of marketing strategies makes alcohol marketing a complex issue. When extended to an online reality, the complexity necessarily expands.

Alcohol is a heavy marketed commodity. EGTA estimated a total alcohol advertising spending of the alcoholic sector in Europe of €1755.56 million in 2005, €1677.19 million in 2006 and €1458.39 million in 2007, where TV advertising representing the major share, close to 50% in all yearsⁱⁱ. The alcohol market has showed tendency of a concentration of international corporations, where the market is dominated by a few big companies. A concentrated industry results in higher levels of advertisingⁱⁱⁱ.

WHAT IS THE PROBLEM WITH ALCOHOL MARKETING?

A simple view on alcohol marketing is that advertising primarily works by changing consumer attitudes to a product or by increasing brand salience before changes in behavioural patterns occur. Public health researchers have been assessing the impact of alcohol marketing on consumers and there appears to be a consensus that traditional advertising and other forms of marketing indeed influence children and young people in the direction of increasing the likelihood of their beginning to drink, and on the amount consumed. Three core consequences of alcohol marketing are being confirmed from different kind of research; association between exposure and drinking/alcohol use initiation, increased drinking/alcohol use among drinkers, and frequency of drinking/alcohol use. These findings are confirmed by both individual studies and by systematic reviews of existing literature^{iv}. The Science Group of the European Alcohol and Health Forum is also highlighting the same issues in their report from 2009^v, namely that commercial communications increase the likelihood that adolescents will start to use alcohol and to drink more if they are already using alcohol.

It is also important to pay attention to other factors when it comes to alcohol marketing, which relates to the very core issues of marketing; branding and expression of lifestyle and identity. Alcohol brands and consumption is part of an expression of lifestyle and identity among young people^{vi}. This

is an even more crucial point when linking it with social networks and the possibilities for viral marketing, where consumers actively take part in the marketing as part of their own identity.

TRADITIONAL MARKETING

As previously described, marketing is a complex mixture of different ways of promoting a product. In this paper, traditional marketing refers to the reality off line – and includes TV, cinema and billboards advertisement, product placement, price and sponsorship.

Content and volume of marketing are the issues important in this section. Volume restrictions on alcohol advertisement are predominantly embedded in (national) statutory regulations, while content restrictions are mostly found in non-statutory regulations and self-regulatory codes. These codes are created by the alcohol advertisers themselves^{vii}.

The International Center for Alcohol Policies (ICAP), representing the major alcohol producers, presented in November 2011 their new guiding principles for marketing^{viii}. The codes outlines the guiding principles, such as avoid portrayal of irresponsible consumption, avoid the use of themes, icons, music, games or character that appeal primarily to minors or should not suggest that alcohol can enhance physical, sporting or mental ability or necessarily for social or sexual success. However, research shows that self-regulation of both content and volume is inadequate, and tightening of regulations is therefore needed^{ix}. Regulation should be independent of the alcohol and advertising industries^x.

Approaches to volume restrictions can be both legislative and voluntary. A legislative approach is a ban, and 21 of the 27 of the EU Member States have a partial or complete ban on alcohol advertising on TV (e.g. time and/or product bans).

A voluntary approach to volume restrictions is a threshold in exposure to alcohol advertising. The European voluntary code is set at 30%, which means that no more than 30% of the audience should be minors. The AMMIE project^{xi} is challenging the voluntary code included by many European alcohol producers and/or advertisers about thresholds in exposure to alcohol advertising. This is not a successful approach to reduce the exposure of alcohol marketing to minors, since even though the percentages might be a low number, the amount of minors exposed to the advert is still very large. This is the case with big cultural shows or sport events, where for example the percentage of viewers

ages 6-17 in a cultural show in the Netherlands was only 15.4%, but as many as 362 244 minors were exposed^{xii}.

The time ban is also proven to fail to restrict the volume of alcohol marketing. Numbers from the AMMIE research shows that alcohol producers uses the same amount of money on adverts, and increases the exposure after the allowed hour. The project suggests that to be able to make the time ban effective, an extension till 11 pm of the time ban is needed.

DIGITAL MARKETING

Young Europeans (16-24 years old) spend more time on internet than watching TV^{xiii}. Internet is therefore an important tool for advertisements and branding mechanisms. In 2007, the drinks companies increased their web expenditure by 70%, while traditional forms of advertising declined^{xiv}. Internet is not simply replacing traditional forms of advertisement, but extends existing channels used in the traditional marketing, and introduces new techniques in marketing, such as viral marketing techniques^{xv}.

Four concerns will be addressed in this section; volume, insufficient age control, viral marketing techniques and lack of monitoring opportunities.

The first concern is volume, where there is a non-stop access for exposing marketing messages. In addition, information online is available long-term and on other conditions than when broadcasted on TV, e.g. TV adverts which have been banned can be found online after being banned^{xvi}. The second concern is insufficient age control, where both lack of age control and the efficiency of existing age controls are problematic. TV adverts at YouTube are most popular among the age group 13-17, and content available on other terms than TV where e.g. commercials which have been banned on TV could potentially be available online. On sites with age verification, the process is questionable since there is no way to prevent underage users from entering fictitious date of birth. The third concern is the viral marketing techniques, where consumers are used as active players in the marketing through interactive methods. The development of consumers own alcohol brand related pages and groups on social networking sites brings up many challenges on topics such as regulations, access, rights and ownership of the use of content. User-generated content, where consumers are uploading pictures etc., is an important part of this issue. Lack of monitoring opportunities is the fourth concern addressed. In order to ensure the effectiveness of existing alcohol

marketing regulations, as well as ensure enforcement of regulations, monitoring of alcohol marketing is needed. The alcohol industry recognizes the challenges of online monitoring, where the European Forum for Responsible Drinking (EFRD) acknowledges that branded websites can be monitored, but user generated media that are not controlled by the brand cannot be monitored by the industry itself^{xvii}. This leaves us with the situation where the industry cannot fulfil their own codes of conduct when it comes to removing inappropriate advertisement within 48 hours. Another important issue when it comes to monitoring is the cross boarder nature of internet, where the content crossing borders and the channels and techniques so divers and complex that monitoring is less likely to happen

COMPLEXITY AND SCALE

One approach to tolerate the existence of alcohol marketing is to run public campaigns with a public health message, which balances the messages from the industry. However, this is an unrealistic approach for two reasons; complexity and scale. As shown previous in the document, marketing is a complex mix of different approaches and strategies. The complexity becomes even bigger when addressing digital marketing. So, first to be able to compete with commercial communication in the channels used, and second, to sustain the activity in the same scale as the commercial interests, is something Eurocare regards as very unlikely to expect from a public sector. When looking at the situation today, alcohol marketing messages always outnumber health messages, and industry is able to use more complex ways of communication.

POLICY APPROACHES TO ALCOHOL MARKETING

SELF REGULATION AND CO-REGULATION

Self-regulation and co-regulation are policy approaches where the commercial operators try to regulate themselves to a set of codes agreed on, to make statutory regulation unnecessary. Self-regulation in alcohol marketing addresses both the issue of content (codes of practice, e.g. on social success) and volume (e.g. not more than 30% of the audience under legal drinking age), and is used for both traditional and digital marketing. Self-regulation is most commonly adopted by the industries under threat of governmental regulation. This is particularly the case with regard to commercial sectors that involve products harmful to health, such as tobacco or alcohol.

An example of self-regulation is the common standards of self-regulation from the European Forum for Responsible Drinking (EFRD)^{xviii}, which highlights the focus on promoting responsible drinking and

consistent age checking, together with monitoring of social media sites and remove inappropriate user-generated content. Another example of self-regulation is from UK and the Committee of Advertising Practice-codes.

To date, self-regulation of commercial communications by the alcohol industry has a weak track record for being effective. The alcohol industry is too strongly motivated to bend or circumvent the rules. The experience from UK shows how self-regulation is a weak political tool, where much of the material at alcohol brand websites and social networking sites contravenes the spirit of the CAP Codes, in e.g. appealing to youth, social success, masculinity or femininity^{xx}. In addition to the lack of success of existing self-regulations initiatives, there are additional challenges to the common standards presented by EFRD. As previous outlined in this paper, the issues of volume, insufficient age control, viral marketing techniques and lack of monitoring opportunities stands out as important challenges to address when discussing self-regulation.

STATUTORY APPROACH

An example of a statutory approach is the French law Loi Evin^{xx}, which regulates traditional alcohol marketing. The Loi Evin gives a clear definition of what an alcoholic drink is, and outlines the conditions for commercial communication by defining places and media where advertising is authorised:

- No advertising should be targeted at young people
- No advertising is allowed on television or in cinemas
- No sponsorship of cultural or sport events is permitted

- Advertising is permitted only in the press for adults, on billboards^{xxi}, on radio channels (under precise conditions), at special events or places such as wine fairs, wine museums. When advertising is permitted, its content is controlled:
 - messages and images should refer only to the qualities of the products such as degree, origin, composition, means of production, patterns of consumption
 - a health message must be included on each advertisement to the effect that “l’abus d’alcool est dangereux pour la santé” (“alcohol abuse is dangerous for health”)

Since 1991, a real change in alcohol advertising is observable in France as a result of the Loi Evin: the law has modified the language of advertising which has lost most of its seductive character. For example, it is no longer permissible to use images of drinkers or depict a drinking atmosphere. As a

result the drinker has disappeared from the images which now highlight the product itself. Moreover, the law made it impossible for the American brewer Anheuser Busch to sponsor the 1998 Football World Cup in France, in spite of heavy lobbying of the French government. It is important to note that a new sponsor was found in the Casio company. This example shows that sport does not die without alcohol sponsorship.

WHAT DOES THE PUBLIC SAY?

There is a wide public support for statutory regulation in Europe. Findings from the Eurobarometer report “Attitudes towards alcohol”^{xxii} shows strong support for both a partial ban and health warning messages. 76% of the European Union population would approve a ban on alcohol advertisement targeting young people, and 50% of the respondents answered “agree totally” with this statement. Furthermore, 77% of the European Union population would agree on putting warnings on adverts, in order to warn about of the danger of drinking alcohol in relation to pregnancy and drink driving.

These numbers shows that there is a willingness and support for stronger regulations on alcohol marketing among Europeans.

EUROCARE MAIN CONCERN

This position paper has presented various concerns on alcohol marketing, both in traditional and digital marketing. In the traditional marketing context, both statutory and self-regulatory approaches to allow alcohol marketing under certain conditions have failed to fulfil its purpose. This is the case in e.g. the expectations of less exposure to minors or change of content. On the other hand, the French example of a statutory approach going further in its regulations has proven to be very successful.

Eurocare’s main concerns for the context of digital marketing are volume, insufficient age control, viral marketing techniques and lack of monitoring opportunities. The policy measurements to address these issues are weak and easy to trick, e.g. the age control tools. In addition, there are many grey zones in the online context, such as ownership to content when users upload pictures which can be understood as a marketing technique. The global nature of internet is another important concern. In traditional marketing, Member States have a certain power to monitor and control marketing, while online, the content crossing borders and the channels and techniques so divers and complex that monitoring is less likely to happen.

EUROCARE RECOMMENDATIONS

To secure an effective and comprehensive alcohol policy, Eurocare recommends a statutory approach to regulate alcohol marketing. Eurocare strongly believes that the objective should not only be to control the content and the style of the advertising, but also to reduce the volume of advertising. The regulations must secure systems for monitoring and enforcement of the regulation.

Eurocare believes that the existing French ‘Loi Evin’ provides a framework to the regulation of alcohol marketing which could be accepted as **the minimum standard across the EU**. The European Commission needs to put in place a cross border ban on alcohol marketing, including the internet. Volume and content of marketing, online marketing, sponsorship as well as product placement are vital to address in a regulatory framework. Crucially, in light of technological advances and the increased role of social media in society today, particular focus needs to be placed on regulation of the alcohol marketing in the online environment.

Furthermore, a system for law enforcement has to be addressed in the regulations, as well as a system for monitoring. Without these systems, the law is in risk of being a formal paper with no effect.

RECOMMENDATIONS
Alcohol advertising should only be permitted under precise conditions defined by statutory regulation
When alcohol advertising is permitted, its content should be controlled: <ul style="list-style-type: none"> • Messages and images should refer only to information of the products such as degree, origin, composition and means of production • A health message must be included on each advertisement • Messages should not mention or link to sexual, social and sports related images
Therefore, we recommend: <ul style="list-style-type: none"> • No alcohol advertising on television or in cinemas • No alcohol advertising on internet except at points of sale • No alcohol sponsorship of cultural or sport events • No alcohol advertising should be targeted at young people
Regulations on product placement of alcohol products i.e. films and programs portraying drinking classified as for 18 certificate
A complete removal of intrusive ^{xxiii} and interstitial ^{xxiv} marketing tools such as: social media, apps on mobile phones
A complete removal of alcohol advertising outdoors and in public premises (i.e. athletes’ shirts, bus stops, lorries etc.)
A complete removal of sales promotions such as Happy Hours and Open Bars/Girls Night etc.

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<http://icap.org/LinkClick.aspx?fileticket=yy9eUD%2f0Llk%3d&tabid=36>
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- ^{xiii} EUCAM report (2009) *Alcohol Advertising in new media – Trends in Alcohol Marketing*
- ^{xiv} Oona Brooks (2010) "Routes to Magic' – The Alcoholic Beverage Industry's Use of New Media in Alcohol Marketing" Study from ISM Institute for Social Marketing
- ^{xv} Viral marketing techniques are using consumers actively, where a consumer passes brand values and messages on to other potential consumers
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- ^{xx} Included in the French Act of Public Health. Read more about Loi Evin:
http://www.ias.org.uk/resources/publications/theglobe/globe200401-02/gl200401-02_p33.html
- ^{xxi} The original text limited billboard advertising to the places of production and selling. Later, another law permitted billboard advertising everywhere.
- ^{xxii} Eurobarometer; «attitudes towards alcohol» http://ec.europa.eu/public_opinion/archives/ebs/ebs_272b_en.pdf
- ^{xxiii} Intrusive here defined as behaviour ad that targets your habits and based on your profile using social net, your own emails, cookies, geolocalisation etc, or brings you to change web page by replacing ads by others.
- ^{xxiv} Interstitial here defined as movable ads that appears between two web pages in a plain screen or when you start apps on your smartphone