

ALCOHOL MARKETING

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This paper on alcohol marketing was prepared on behalf of the companies sponsoring the International Center for Alcohol Policies; it is Roger Sinclair's input into the WHO Global Strategy process on areas where industry members can contribute to the reduction of harmful drinking.ⁱⁱ

BEVERAGE ALCOHOL MARKETINGⁱⁱⁱ

Modern marketing developed from the age-old human process of exchange. Mass sales have led to job creation, increased government revenue from taxation, infrastructure construction, and a rapid and unprecedented growth in intellectual capital. Marketers use message arguments to convince consumers in the category to buy their brands in favor of the alternative choices.

However, marketing is not an effective or efficient way to build aggregate consumption of any product. This is particularly the case for beverage alcohol marketers. A considerable body of literature demonstrates that the tools of marketing, especially advertising, are ineffective in building overall category consumption (1). When there is evidence, it is of small effects only (2).

Moreover, the portion of the beverage alcohol industry that employs marketing techniques to build and manage its brands operates in probably no more than one third of the total market.^{iv} The world market for alcohol has both formal and informal components (3, 4, 5). There are relatively few big global brands in the formal sector, many small local brands, and a large volume of locally-produced alcohol beverages, which are not advertised and not subject to taxation (6).

In most developed and some developing countries, governments have consumer protection laws. Industry has also adopted self-regulatory advertising and marketing codes designed to ensure that marketing meets moral and ethical standards; Self-regulatory Organizations (SROs)—nongovernmental organizations with power to create and enforce industry regulations and standards—oversee many of these codes (7, 8).

Through its codes and additional social marketing campaigns, the industry promotes the notion of moderate drinking for adults and abstinence for minors. Much of the experience to date has been in developed markets (e.g., in Europe, Australia, Japan, and the U.S.), where robust systems have been established and include monitoring and enforcement (7, 9). These inclusive systems for responsible marketing can and should be expanded to other markets, especially where

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ⁱⁱⁱ For an overview of available research about beverage alcohol marketing and young people, see ICAP Issues Briefing, [Alcohol Marketing and Young People](#), available at <http://www.icap.org/PolicyTools/ICAPIssuesBriefings/>.

^{iv} The world market for alcohol cannot be measured with any precision because it has both formal and informal components.

alcohol consumption may be rising due to rising incomes and other strong social determinants, in ways that cover all relevant media and domestic as well as global companies.

Government laws and regulations and industry self-regulation can complement each other; some form of co-regulation is becoming the norm around the world (9). This combination retains an overarching government authority but helps avoid the unintended consequences of severe restrictions on marketing (e.g., marketing bans may intensify other aspects of competition, such as price competition). Major industry members are already committed to expanding self-regulation and co-regulation to countries that currently have little or no such control over marketing practices. They are prepared to step up the intensity of these efforts and to set stretch goals to build up the necessary momentum.

WHAT IS BEING DONE

While the SROs and their codes of practice are only indirectly aimed at consumers and their drinking patterns, they impose strict limitations on how code subscribers are permitted to market products. In many instances, codes are supplemented by responsible marketing protocols, developed and adopted by individual companies. The leading members of industry would like to see such codes in action internationally, in both developed and developing markets.

- a. Most codes of responsible marketing, including industry-wide self-regulatory codes, contain provisions that prohibit: the targeting of minors; encouragement to drink excessively; depictions of intoxication; associations with violence; suggestions that drinking improves physical performance, sexual success, or mental ability; and portrayal of drinking in unsafe situations (e.g., drink-driving) (e.g., 7, 9, 10).
- b. Industry members are increasingly supporting SROs and adopting internal codes of responsible communications. Under these codes, pre-placement reviews of all commercial communications are conducted to ensure compliance; training of all staff and external agencies is carried out to sustain awareness of the code provisions. In some cases, code compliance is monitored, enforced, and evaluated through the employment of external, independent chairmanship of the regulatory process.
- c. Having concrete consequences for code noncompliance is critical to robust self-regulation. Measures currently available and in use are: pre-vetting of future campaigns prior to exposure; instant withdrawal of advertisements that breach the codes; and, in some markets (e.g., as in the U.K.), advising retailers to withdraw the offending product from consumer availability. Codes can also rely on peer pressure rather than the threat of punitive action to ensure compliance (e.g., as in the U.S.).
- d. The heterogeneous nature of media audiences make it virtually impossible to exclude completely those who are outside the targeted consumers. Successful schemes adopted by marketers in many countries have been designed to minimize exposure to minors. The U.S. Federal Trade Commission recently commended the industry on its exceedingly high level of compliance with this requirement (11).
- e. Parents and peers are the greatest influence over whether and when a young person drinks (12). To help make this influence positive, the industry has supported a range of social marketing campaigns and consumer education schemes (13, 14, 15).
- f. ICAP has and will continue to convene regional workshops and working groups on self-regulation and responsible marketing practices (7, 16, 17, 18). Arising from these workshops has been a series of commitments by the delegates in the form of joint declarations (e.g., Santiago, Cape Town, and Tokyo declarations to cover South America, Africa, and Asia-Pacific respectively) (16, 17, 18). The declarations are

comprehensive commitments to the creation, adoption, and upholding of responsible marketing practices.

WHAT CAN BE DONE

The industry has a number of substantive proposals:

- a. To complement the data collection by WHO from Member States on advertising laws and regulation, the industry could initiate an international survey of company and industry-wide self-regulatory codes to establish where such practices do and do not exist. Where self-regulatory mechanisms cannot be found, the industry will use its best endeavors (ideally, in conjunction with Member States) to persuade companies operating in those regions to initiate and commit themselves to a self-regulatory regime.
- b. Many countries have company and consumer laws that require marketing communications to conform to basic requirements of truthfulness and accuracy (19). In this context, governments are invited to (and often do) provide input into the voluntary code provisions. Governments that have worked with industry in developing self-regulatory systems can help others by compiling a best practice handbook on implementing codes and supporting them with appropriate policies.
- c. SROs are most effective when they can rely on proper policy frameworks and involve all members of related industry—that is, the producers, related agencies, the media, and the retailers. Commitment by these channel members provide the SRO with powerful response options from warnings, to removal of advertising from the media, to the withdrawal of product from the shelves. The industry can to the best of its ability encourage such commitment by all channel members.
- d. The skill, knowledge, and creativity that marketers employ in promoting their brands can be harnessed to promote the responsible use of their products and to combat misuse. Industry members can continue to build on existing social marketing campaigns for responsible drinking targeted at specific groups of consumers, for example young adults.

COLLABORATION: COMBINED ACTIONS IMPROVE CHANCES OF SUCCESS

The misuse and abuse of its products is as of much concern to the industry as it is to WHO. For that reason, industry members invest considerable resources in countering this problem. They acknowledge that this is a collective and shared effort and submit the following as areas where cooperation with others is necessary.

- a. In marketing, the collection of vehicles employed by marketers to promote the continued use of their brands to consumers is called *integrated marketing communications* (IMC). IMC ranges from the use of mass media (e.g., radio, television, and print) to in-store promotions, public relations, product placements, and the many opportunities associated with digital and electronic communications. A constant watch needs to be focused on this area to identify new marketing approaches and technology as they develop and to ensure that they are suitably covered by responsible marketing codes. There are bodies that monitor this, mainly for the marketing industry. Such bodies could be employed to identify the new means by which alcohol brands are promoted to ensure comprehensive coverage in codes of practice.
- b. The world's media groupings such as Times Warner, News Group, and Bertelsmann rely on advertising for a large part of their income. The alcohol industry is a major contributor to this. An approach to the major world media players by a joint group representing the

- main concerned parties in the campaign against harmful drinking could encourage the media industry to participate in this process in the form of free health promotion space.
- c. The industry offers its expertise, network of branches, and offices to assist governments to introduce self-regulatory bodies and codes where none exist or where they are poorly applied. The major companies in the formal beverage alcohol sector are represented in a large proportion of WHO Member States.
 - d. WHO can establish a multi-stakeholder working group—consisting of NGOs, family psychologists, governments, alcohol marketers, and others—to strengthen existing awareness campaigns on the influence parents and peers have in helping prevent the initiation of drinking by adolescents and in other areas, such as “binge” drinking and alcohol-impaired driving.

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