

ALCOHOL DISTRIBUTION

Graeme Willersdorf, ICAP Consultant, Australiaⁱ

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

Alcohol distribution typically involves three major stages: production, wholesaling, and retailing. The retail stage—including both on- and off-premise venues—forms the main interface between alcohol producers and consumers and comprises the final link in the distribution chain. Recognizing that the way in which alcohol is distributed to consumers can assist in developing approaches for positively influencing community impact, alcohol producers can work with governments, retailers, and community groups to implement harm reduction strategies within the retail and hospitality sectors. This paper reviews the most promising approaches at the retail level.

KEY ISSUES

Four key issues should be considered when analyzing alcohol distribution policies and programs:

- 1) Significant cultural variations exist in the place of alcohol in society and predominant drinking practices (1, 2, 3).
- 2) Like all public policies, alcohol distribution policy strategies can have both intended and unintended outcomes; a comprehensive assessment of a given measure must consider both (4).
- 3) Most retailer-focused policies to reduce harm target all consumers, including the responsibly-drinking majority.
- 4) Alcohol distribution does not occur in a vacuum; the success or failure of interventions at this level often relies on the broader legal framework and support from all stakeholders, including industry members, governments, law enforcement, and the community (5).

RETAILER EFFORTS

Retailer strategies that are well supported, solidly researched, and backed by complementary activities in other areas (e.g., consumer education and law enforcement) are generally more successful than those occurring in isolation (5).

A range of initiatives, commonly introduced to address alcohol-related harms, involves retailers and focuses on:

- point-of-sale advertising;

ⁱ Prior to retirement, **Mr. Willersdorf** was Senior Vice President of Corporate Affairs at the Foster's Brewing Company and an ICAP Board Member.

ⁱⁱ This paper was submitted as a contribution to the WHO public hearing on ways of reducing harmful use of alcohol. It was expanded into a chapter, published in the 2009 book [Working Together to Reduce Harmful Drinking](#): Chapter 6, "Selling and Serving Beverage Alcohol," by Graeme Willersdorf (see www.icap.org/Publications/WorkingTogether).

- partnerships between retailers and other stakeholders, including on health promotion, consumer education, and preventing underage drinking where legal drinking or purchase age exists;
- licensing restrictions on outlet density, types of outlets, days and hours of sale, and other aspects of the retail environment;
- education and training of sellers, servers, and other staff at alcohol-serving establishments.

These measures aim to directly influence consumer behavior around alcohol at the point of purchase. They can also reduce the potential liability for retailers.

In general, there is good evidence to support the involvement of the retail sector in strategies to reduce alcohol-related harms (6). Many factors can influence the outcome of these efforts, including the prevailing political and social climate (7), support from other stakeholders, and consistency in implementation and enforcement. This makes it difficult to generalize about the effectiveness of any individual strategy.

Point-of-sale Advertising

Point-of-sale advertising is a visible marketing strategy targeting consumers at the point of purchase. It can be divided into two categories: promotions (such as volume discounts, happy hours, tastings, and giveaways) and general advertising (such as brand advertising and information on specific beverages). Self-regulation on responsible advertising addresses these types of alcohol marketing; however, it is important to ensure that self-regulatory codes apply all the way down the distribution chain, as the retailers are ultimately responsible for how their products are sold.

Producer-retailer Partnerships

Partnerships between alcohol producers and retailers have been developed in many countries to address specific aspects of alcohol distribution. This has included the development of industry codes and other self-regulatory practices, health promotion and consumer education, and the implementation of targeted strategies to address identified problems within the retail sector, such as preventing the sale of alcohol to intoxicated or underage drinkers (8, 9, 10). Some partnerships also involve other stakeholders, such as government and community leaders (11, 12).

What Can Be Done

While being careful not to run afoul of competition laws, retailers can work together to restrict point-of-sale promotions that may encourage risky drinking, such as certain types of volume discounts and happy hours. Producers can assist governments in encouraging broader support (e.g., through law enforcement) for harm reduction strategies. And, as retailers—small retailers, in particular—often rely on promotional materials from alcohol suppliers, producers can see to it that their point-of-sale promotional materials so provided do not target groups at particular risk for harm.

LICENSING RESTRICTIONS

Effective licensing strategies target specific alcohol-related problems, are culturally-sensitive, and have the broad support of government, law enforcement, the community, and others (13).

Most governments apply some form of licensing restrictions to alcohol-serving establishments, including *when* (the days and times), *where* (the number of venues able to sell alcohol in a

particular area), *how* (the physical environment and hospitality practices), and *what* alcohol can be sold (e.g., wine, beer, spirits, and pre-mixed drinks) (13, 14).ⁱⁱⁱ

The aims of specific licensing restrictions vary; however, most such measures intend to reduce antisocial behavior, violence, and crime. While jurisdictions differ in their approach to licensing practices, typical conditions required to obtain the license to sell alcohol include age, lack of prior criminal record, the payment of a fee, and approval from the community or the law enforcement authorities.

The evidence in support of licensing restrictions is mixed. Some studies have found that extending the hours and days of alcohol sales has resulted in an increase in drink-related problems (e.g., 15); others report little or no increase in harm (16, 17). Research from several countries has linked the density of alcohol retail outlets with some alcohol-related social problems (e.g., 18, 19, 20, 21), but this relationship depends on location, context, and drinking culture (e.g., 22).

Severe restrictions may shift demand to the black market, boosting crime and the popularity of noncommercial beverages (23, 24, 25). There are also some examples of licensing restrictions resulting in discriminatory practices toward vulnerable populations (e.g., remote communities in Australia) (e.g., 26). Addressing harmful drinking in such cases requires greater community involvement in the regulation and administration of licenses and an increased focus on skills training and culturally-appropriate harm reduction practices.

What Can Be Done

The main stakeholders in developing and implementing effective licensing are governments, law enforcement, and retailers; effective measures require their input and the ongoing support of producers. Law enforcement and customs/border control can help minimize the black market. Governments in neighboring jurisdictions can work together to synchronize regulations to reduce the potential for illicit cross-border trade.

SELLER AND SERVER TRAINING

There is good evidence that training programs for alcohol sellers and servers can be successful in minimizing harm when they are of high quality and are combined with strong support from venue management and effective law enforcement (27, 28, 29).

Many programs aim to educate and train sellers and staff at alcohol-serving establishments about standard drink sizes, proper identification checking, recognizing inebriation, not overserving, and dealing (in non-confrontational ways) with individuals who have consumed too much alcohol. In addition to sellers and servers, security personnel should be trained to recognize potential conflicts before they occur and to deal with problems constructively rather than aggressively.

The main emphasis of these efforts is to avoid serving alcohol to minors and intoxicated patrons, thereby reducing the incidence of alcohol-related problems, specifically violence, antisocial behavior, and alcohol-impaired driving. These programs can also reduce liability for the retailer.

Underage Drinking

Although research shows that the main sources of alcohol for young people are family and friends (30, 31, 32, 33), retail venues also play a significant role in supplying alcohol to this segment of the population. Strategies that rely solely on the ability of servers to estimate the age of the

ⁱⁱⁱ For an overview of available research about restrictions on physical alcohol availability, see ICAP Issues Briefing, [Physical Availability of Beverage Alcohol: Monopolies, Licensing, and Outlet Density](http://www.icap.org/PolicyTools/ICAPIssuesBriefings/) (see <http://www.icap.org/PolicyTools/ICAPIssuesBriefings/>).

purchaser are less successful than those emphasizing the need to actually check the age of all customers who could potentially be underage.

However, law enforcement measures on underage purchasing and drinking need to be implemented carefully, as there is some evidence that they can result in young people being reluctant to call the police or ambulance services for alcohol-related problems (34).

Modifying the Drinking Environment

In addition to training staff, retailers can act to minimize the incidence of alcohol-related problems in or around their venues by affecting certain physical characteristics of the drinking environment (35). Such efforts include having clean, attractive, and well-maintained premises and restrooms; providing live entertainment; and creating a physical space that allows easy access to the bar or that provides sitting areas without causing crowding (36, 37, 38). Certain serving practices, such as using safety glass, providing affordable or free non-alcohol options, and offering food may further reduce the incidence of harmful drinking. At least for large-scale events, selling alcohol in open plastic containers (as opposed to closed cans or bottles) appears to reduce both overall drinking and injuries. In addition, promotional materials (e.g., beer mats on tables or posters in bathrooms) can be used to impart advice about safety, moderate drinking, or testing for drugs that may have been added to drinks.

What Can Be Done

Governments can strengthen the role of seller and server training programs by:

- making it a licensing requirement that all staff be trained on regular basis;
- developing national standards for training programs and accrediting individual programs;
- directing law enforcement agencies to monitor breaches of licensing regulations and impose sanctions;
- supporting retailers to provide training for their staff (training can be costly due to high staff turnover);
- providing incentives or recognition for alcohol establishments that are examples of best practice;
- ensuring that all staff involved in alcohol transportation and sales adhere to safety practices.

Retailers can help reduce harmful drinking by developing self-regulatory codes of responsible practice, increasing manager training, and building ties with the law enforcement to ensure the appropriate oversight of regulations.

CONCLUSION

Alcohol distribution policies and practices can influence drinking patterns and the impact of alcohol misuse in the community. The retail sector is key in developing and implementing distribution strategies. Within competition laws, alcohol producers have a limited influence on retail practices, but they can contribute to initiatives led by governments, the local community, and retailers.

Although government regulation has some role to play in alcohol distribution practices, the effectiveness of specific measures in reducing harmful drinking often depends on the context in which they are implemented, including the cultural appropriateness of specific strategies and stakeholder support (39). Most distribution initiatives have both positive and negative outcomes, whether intended or unintended; these must be considered in any evaluation of their overall impact on the community.

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