

# Alcohol advertising, marketing and promotion

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Alcohol and its consumption are an accepted and enjoyable part of Australian culture, with a long history and deep socio-cultural roots. However, attitudes toward alcohol are also complex and ambivalent, and evidence of significant alcohol-related harm to individuals and communities demands a concerted and effective response. Harmful and excessive consumption of alcohol is influenced by a complex set of social, cultural, environmental and economic factors, one of which is the way alcohol is marketed.

Policies addressing alcohol marketing must be viewed and developed in concert with policy reform in a number of areas, specifically alcohol taxation and liquor licensing systems. Harm reduction strategies, public and school-based education and awareness programs, alcohol and drug treatment services, and State and Territory policing must be resourced to support and carry reform.

## VAADA notes that:

- Australians' consumption of alcohol is high by world standards, with consumption estimated at 9.88 litres per capita in 2007 (National Preventative Health Taskforce 2009). While around half of all Australians currently drink at what are termed 'low risk levels', the National Drug Strategy Household Survey conducted by the Australian Institute of Health and Welfare (AIHW) indicates that one in five Australians drink at high risk levels once a month or more (AIHW 2008). There is also a high prevalence of underage drinking.
- Excessive alcohol consumption can result in both short and long term harm. Harmful consumption of alcohol is associated with a set of serious social and public health issues including crime, violence, road accidents, and alcohol-related injury and disease. Estimates suggest the total cost of these harms to the Australian community exceeds \$15billion each year (Collins & Lapsley 2008).
- Although it has been argued that the marketing of alcohol products has only limited influence, primarily on brand choice (market share), there is growing evidence that marketing also influences how people think and feel about alcohol, and levels and patterns of consumption (market size). Moreover, bans on alcohol advertising have been shown to be both an effective and cost-effective public policy measure to reduce alcohol consumption (Saffer & Dave 2002; Doran, Vos & Cobiac *et al* 2008).
- Currently, alcohol advertising in Australia is covered by a number of laws and codes of practice, including the *Advertiser Code of Ethics* and the alcohol advertising-specific *Alcoholic Beverages Advertising Code* (ABAC). The *Advertiser Code of Ethics* applies to all advertisers, while the guidelines set out in the ABAC are the basis for a voluntary system of self-regulation<sup>1</sup> funded and administered by the alcohol industry. The ABAC Scheme does

<sup>1</sup> The system of regulating alcohol advertising in Australia is most commonly referred to as 'self-regulation'. Selected industry bodies contend the term 'quasi-regulation' is a more accurate descriptor, however the Final Report of the Victorian Parliament's *Inquiry into Strategies to Reduce Harmful Alcohol Consumption* discusses both terms at length

not cover all forms of promotion, and despite undergoing a formal review and reform process in 2003-4, its effectiveness continues to be questioned. A 2008 study found the changes had not reduced problems associated with alcohol advertising in Australia (Jones, Hall & Munro 2008, p.29). ABAC remains a voluntary code with limited scope, limited government representation, no means of enforcing panel decisions and no penalties for non-compliance.

- The promotion of alcohol and alcohol products is not sufficiently restricted to preclude young people, including underage children, coming into contact with alcohol-related images and messages. Research shows that young people are regularly exposed to alcohol advertising (Fielder, Donovan & Ouschan 2009). There is growing evidence that, for young people, the cumulative influence of alcohol marketing inculcates pro-drinking attitudes and plays a significant role in their decision to drink, as well as how they drink (Babor *et al* 2003; Jernigan & Mosher 2005; Anderson 2009; Hurtz *et al* 2007). The current regulatory system fails to effectively restrict these opportunities for exposure, and to minimise or eliminate the appeal of the advertising content. This is compounded by the rapidly evolving and prolific use of emerging media and technologies as avenues for promotion.
- Product marketing is increasingly more complex and multi-faceted, utilising an integrated mix of strategies and technologies. These include conventional media like cinema, television and radio, but also the linking of alcohol brands to sports and cultural activities through sponsorship, and web banners and exclusive offers sent via email and SMS, for example. Viral marketing, podcasting and point-of-sale advertising, as well as embedded and incidental advertising through product placement, branded merchandise and competitions, are all outside the scope of existing regulation.
- The alcohol industry has failed to correct serious weaknesses and omissions in Australia's current alcohol advertising regulatory system, with specific regard to minimising targeting, exposure and appeal to children; to compliance, enforceability and panel independence; and regulation scope, coverage and exemptions.
- Current momentum and public concern, together with Federal and State government attention and a strong evidence-base, represent an opportunity to meaningfully address individual and community-wide harms associated with excessive alcohol consumption. The final report of the National Preventative Health Taskforce has similarly identified that a 'unique window of opportunity' presently exists to expand activities related to the prevention of alcohol-related harm, including control and regulation of alcohol advertising. The report also recognised the increasingly solid base of evidence on which to base policy decisions and interventions (National Preventative Health Taskforce 2009).
- There is a point at which the marketing imperatives of the alcohol industry become incompatible with the public health interest (Munro & De Wever 2008). In light of this, and the alcohol industry's failure to effectively self-regulate, alternative models of independent regulation and controls on alcohol advertising and promotion for the Australian context need to be explored and adopted.

and finds that 'self-regulation' is in sufficiently common usage to be an accepted reference for the current system. Evidence put to the Inquiry defined quasi-regulation as '*the range of rules, instruments and standards whereby government influences businesses to comply, but which do not form part of explicit regulation. On a spectrum of regulation, quasi-regulation lies between self-regulation where industry individuals, companies or groups formulate and enforce their own rules and formal legislation or 'black letter law' where government formulates and enforces legislation*' (DCPC 2006 p.400).

### VAADA recommends that:

1. Alcohol advertising and promotions be regulated and monitored by an independent statutory authority
2. Advertising of alcohol in public places (billboards, for example) and on public transport be prohibited, including at tram and bus shelters and at train stations
3. Sponsorship of sport by alcohol companies and brands be prohibited
4. Alcohol companies and brands sponsoring or being associated with youth, cultural or music events and festivals be prohibited
5. Clear restrictions be imposed on point-of-sale and in-venue promotions
6. ABAC be amended to
  - a. close off identified loopholes, including the exemption that permits alcohol advertising during live sport broadcasts
  - b. apply to all forms of promotion, including advertising and marketing via new and emerging media and technologies, and point-of-sale promotions
  - c. set out penalties for advertisements which breach the Code
  - d. make all advertisements subject to pre-vetting by an independent panel
7. Compliance with ABAC be made mandatory
8. An independent panel be established to monitor and adjudicate breaches of ABAC
9. Advertisements for alcoholic beverages be required to include a series of standard warning messages about the potential harms of misuse
10. Further research be undertaken to ascertain the effectiveness and relevance of alternative regulation models, such as the Evin Law (France),<sup>2</sup> for the Australian context.

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<sup>2</sup> In effect since 1991, the Evin Law proscribes alcohol advertising on TV and in cinemas, and sponsorship of cultural or sports events. Advertisements for alcohol are permitted only in adult press, and must not be targeted at young people. Further, the content of advertising is restricted to conveying the qualities of the alcohol product such as origin, composition and means of production, and must include a health warning (Rigaud & Craplet 2004; see also DCPC 2006).

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## Disclaimer

While efforts have been made to incorporate and represent the views of our member agencies, the position and recommendations presented in this Paper are those of VAADA.