



ALCOHOL ADVERTISING: THE EFFECTIVENESS OF CURRENT REGULATORY CODES IN ADDRESSING COMMUNITY CONCERNS

Issues Paper

December 2012

The Australian National Preventive Health Agency

The Australian National Preventive Health Agency (the Agency) was established on 1 January 2011 by the *Australian National Preventive Health Agency Act 2010*, to strengthen Australia's investment in preventive health and help turn the tide on the rising prevalence of preventable chronic diseases.

The Agency supports the development and implementation of evidence-based approaches to preventive health initiatives. Its initial focus, as requested by Health Ministers, is to target obesity (including physical inactivity), harmful alcohol consumption and tobacco.

In partnership with the Commonwealth and the state and territory governments, the Agency is driving the national capacity for change and innovation around preventive health policies and programs and is committed to improving health outcomes for all Australians. Further information about the Agency can be obtained at www.anpha.gov.au

The purpose of this paper is to provide an overview of alcohol advertising regulation and current issues in Australia and to provide stakeholders the opportunity to present their views to the Agency.

How to make a submission

Any interested person or organisation can make a written submission. Submissions may be long or short and do not have a fixed format. For example, you may wish to provide a short letter outlining your views on the issues paper or an in-depth document. Supporting documents may be provided as attachments.

It is preferable that all submissions are provided as public documents. However, the Agency can accept confidential submissions if requested (for example: submissions containing sensitive information of a personal or commercially confidential nature). If you wish to make a confidential submission, please contact the Agency prior to sending your submission and mark it as confidential.

Submissions will be placed on the Australian National Preventive Health Agency website shortly after receipt, unless the Agency has been informed that the submission is confidential. Submissions will remain on the Agency's website indefinitely. For submissions made by individuals, all personal details other than your name and the state or territory in which you reside will be removed from your submission before it is published on the website.

Where relevant, information contained within the submissions may be referred to in the final report.

To participate in this consultation please provide a written submission by email (preferred) or post to:

Email:	alcoholadvertising@anpha.gov.au
Post:	Australian National Preventive Health Agency GPO Box 462 Canberra ACT 2601
Phone:	(02) 6289 2879

Submissions are due by 28 February 2013

Please include the cover sheet provided on the website with your submission.

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A. OVERVIEW

1. There is increasing public concern within Australia and internationally about the effects of harmful alcohol consumption on individuals and communities, particularly young people. The effect of alcohol advertising and marketing on alcohol consumption, particularly among children and young people, is the subject of continued debate. Advertising (or marketing) is no longer confined to traditional media such as television, print, radio and billboards. Increasingly, marketing is occurring via social media, product placement, point-of-sale promotions, sponsorship of sport and public entertainment events and other communication techniques.
2. The National Preventative Health Taskforce recommended that Australian National Preventive Health Agency (ANPHA) be tasked to “monitor the compliance of the alcohol industry with voluntary codes of practice and other commitments on responsible alcohol advertising”.¹
3. Expert advice indicated that monitoring industry compliance with the Alcohol Beverages Advisory Code (ABAC) would not provide information on the wide range of alcohol marketing not covered by the code, nor other community concerns related to alcohol marketing. Following consultation with ANPHA’s Expert Committee on Alcohol and a number of key stakeholders, it was decided that the Agency’s approach to alcohol advertising should be broadened to review alcohol related regulations on advertising and the effectiveness of these codes in addressing community concerns.
4. This paper seeks to provide background information on the current state of alcohol advertising and marketing, alcohol advertising regulation and associated current issues in Australia and provides stakeholders with the opportunity to present their views to the Agency. The primary focus of the paper is the impact of alcohol marketing on children and young people and the effectiveness of current regulation in addressing community concerns. The Agency recognises that there are a number of factors and stakeholder views that need to be considered when examining this issue.

¹ Australian Government Preventative Health Taskforce (2009) Australia: The Healthiest Country by 2020. Technical Report 3, Preventing alcohol-related harm, a window of opportunity. Commonwealth Government of Australia

1. Alcohol advertising regulation in Australia

5. Australia currently has a quasi-regulatory advertising system for alcohol advertising, at the centre of which is the Alcohol Beverages Advertising (and Packaging) Code (ABAC) Scheme. The ABAC is an alcohol-specific code of practice, which regulates the content of alcohol advertising in various media.
6. In addition to the ABAC, alcohol advertisements must also be consistent with other applicable laws and codes which are outlined in this paper. A brief description of good practice in self regulation in Australia is at Box 1.

Box 1: Good practice and cost effective self-regulation methods

Self-regulation approaches in Australia are broad and cover guidelines, quality management systems, standards, codes, dispute resolution schemes etc. Good practice in self-regulation requires addressing industry specific problems and objectives while improving market outcomes for consumers. Although there is no one specific model, suggested elements of good practice include:

- consultation between industry, consumers and government to help ensure that specific problems and social policy objectives are identified and addressed;
- clarity in the schemes documentation to help industry understand their obligations and assist dispute schemes interpret legal rights;
- consumer awareness of schemes to ensure that consumers know where to lodge complaints;
- a good administrative body to identify issues, collect data, monitor the scheme, enhance credibility and ensure compliance costs are at an effective minimum level;
- a complaints handling and dispute resolution mechanism to address breaches of standards.
- reviews and annual reporting to monitor the scheme and provide transparency; and
- funding arrangements that are transparent and designed so as not to put business at a competitive disadvantage through excessive compliance costs.

Source: Industry Self-Regulation and Consumer Markets, Chapter 6: Good practice and cost effective self-regulation methods. The Treasury, Australian Government <http://archive.treasury.gov.au/contentitem.asp?ContentID=1131>

a. Alcohol Beverages Advertising Code

7. The ABAC Scheme was established in 1998 by the Brewers Association of Australia and New Zealand Inc (BAANZ), the Distilled Spirits Industry Council of Australia Inc (DSICA), and the Winemakers' Federation of Australia (WFA), with the aim of:

...[ensuring] that alcohol advertising will be conducted in a manner which neither conflicts with nor detracts from the need for responsibility and moderation in liquor merchandising and consumption, and which does not encourage consumption by underage persons.²
8. The code outlines standards for alcohol advertisements on television, radio, print and internet; and for the naming and packaging of alcoholic beverages (see Appendix A). Broadly the code states that alcohol advertising:

² The ABAC Scheme: Alcohol Beverages Advertising (and packaging) Code:
[http://www.adstandards.com.au/storage/362aafab852549229b0907cf37987935.ABAC%20Code%20\(at%20November%202009\).pdf](http://www.adstandards.com.au/storage/362aafab852549229b0907cf37987935.ABAC%20Code%20(at%20November%202009).pdf)

- must present a mature, balanced and responsible approach to the consumption of alcohol beverages;
 - must not have a strong or evident appeal to children or adolescents;
 - must not suggest that the consumption of alcohol may contribute to personal, business, social, sporting, sexual or other success;
 - must not depict any direct association between the consumption of alcohol beverages and the operation of vehicles;
 - must not challenge or dare people to consume or sample a particular alcohol beverage;
 - must not encourage consumption that is in excess of, or inconsistent with the Australian Alcohol Guidelines issued by the National Health and Medical Research Council; and
 - must comply with the Advertiser Code of Ethics adopted by the Australian Association of National Advertisers.³
9. The ABAC Scheme is administered by a Management Committee and is fully funded by industry. The Management Committee consists of representatives from each of the peak bodies: the Brewers Association of Australia and New Zealand Inc, the Distilled Spirits Industry Council of Australia Inc, and the Winemakers' Federation of Australia. A Commonwealth Government representative and a representative from the Communications Council Ltd (a national peak body for communications organisations) are also appointed.

b. Alcohol Advertising Pre-Vetting Service

10. The ABAC Scheme includes a pre-vetting service (The Alcohol Advertising Pre-Vetting Service (AAPS)). The AAPS is a confidential, user-pays service that allows advertisers to have their proposed advertisements assessed against the ABAC scheme prior to release.
11. Where an advertisement is deemed to potentially breach any part of the ABAC, the AAPS will recommend that the advertiser amend the advertisement before running the campaign. Where a complaint arises against an advertisement that has been approved by the AAPS, a copy of the determination is provided to the ABAC Complaints Panel.

c. Complaints

12. Complaints about alcohol advertisements are considered by two main regulatory bodies, the Advertising Standards Bureau (ASB) and the ABAC Scheme. Complaints are submitted to the ASB, and are copied to the ABAC Chief Adjudicator, which then triggers a parallel assessment process.
13. The ASB considers the advertisements against the Australian Association of National Advertisers (AANA) Code of Ethics, as well as other relevant and related Codes, while the ABAC Complaints Panel considers the advertisements against the ABAC. If the complaint raises issues solely within the AANA Code of Ethics, such as taste and decency, or sexism and discrimination, the complaint is only considered by the ASB. All other complaints are examined by the ABAC adjudication panel.⁴
14. Advertisers and complainants are usually consulted during the assessment process, and are advised of the determinations by the ASB and ABAC Complaints Panel. However, the ABAC

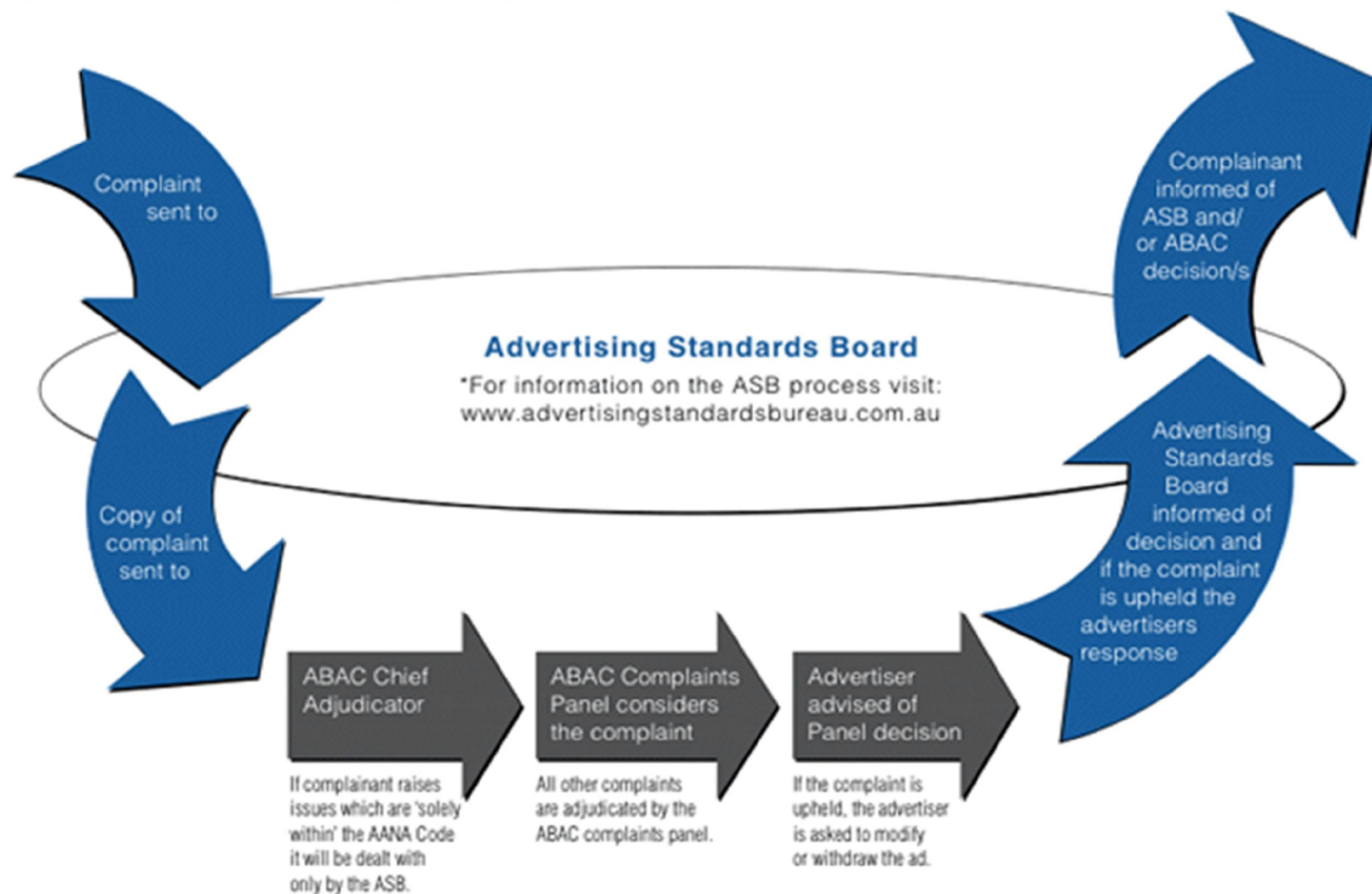
³ Ibid

⁴ ABAC website <http://www.abac.org.au/about/adjudicationpanel/>

Scheme has no legislative framework underpinning the system which means regulators have no power to issue penalties or infringements.

15. The ABAC complaint management system is presented in Figure 1.

Figure 1: ABAC Complaint Management System



Source: ABAC website <http://www.abac.org.au/about/>

d. ABAC adjudication panel

16. The ABAC adjudication panel is responsible for making determinations on the complaints received for alcohol advertisements. The current panel has five members. A minimum of three panel members can adjudicate on a single complaint. One of the three adjudicators must have a professional background related to public health.
17. No person appointed to the adjudication panel may, at the time of, or during the term of his or her appointment to the Panel, be a current employee or member of the alcoholic beverages industry; or have been an employee or member of that industry in the five years prior to their appointment.

ABAC adjudication decisions can be viewed at:
<http://www.abac.org.au/publications/adjudication-decisions/>

e. Changes to the ABAC Scheme

18. The ABAC initially covered television, radio and print advertising (including billboards) however, since its introduction, a number of amendments have been made to include internet and retail or point-of-sale advertisements, as well as alcohol promotions at events. In 2008, provisions were adopted which would extend the code to cover naming and packaging of alcohol beverages.
19. An extensive review conducted by the National Committee for the Review of Alcohol Advertising in 2003 found several weaknesses with the ABAC Scheme. These included: a lack of transparency and public awareness of the scheme; a failure to address public health concerns associated with alcohol advertising; the inability of the scheme to cover 'new media' advertising, such as the internet; and a lengthy and inaccurate reporting process.⁵ In 2004, as a result of this review the Code was expanded and both the Alcohol Advertising Pre-Vetting Service and the formal adjudication process for handling consumer complaints were reformed. The main changes to the scheme are noted below:
 - a government representative was included on the Management Committee;
 - industry coverage was expanded to allow alcohol producers who were not members of BAANZ, DSICA or the WFA to become signatories to the scheme;
 - the code was expanded to cover internet advertising;
 - the Advertising Standards Bureau agreed to send every complaint received in relation to alcohol advertising to the Chief adjudicator (this was not practice prior to the review);
 - a specialist in the public health field was added to the adjudication panel; and
 - the Management Committee members agreed to publish an annual report and make the code available via their websites.
20. These changes, among others, were phased in over time. A summary of these developments can be found in the ABAC publication "*The development of Australia's Alcohol Beverages Advertising (and Packaging) Code*."⁶

⁵ National Committee for the Review of Alcohol Advertising (2003). *Review of the self-regulatory system for alcohol advertising*. State Government of Victoria, Department of Human Services. Accessed 17 December 2012

⁶The development of Australia's Alcohol Beverages Advertising (and Packaging) Code
<http://www.abac.org.au/files/ABACDevelopmentReport.pdf>

2. Other relevant advertising codes

21. In addition to the ABAC, other codes which alcohol advertising must comply with, or which have specific alcohol advertising provisions, include:
- the Commercial Television Industry Code of Practice;
 - the Outdoor Media Association Code of Ethics;
 - the generic Code of Practice that is administered by the Advertising Standards Bureau;
 - the Australian Association of National Advertisers (AANA) Code of Ethics;
 - the Australian Subscription Television and Radio Association (ASTRA) Code of Practice;
 - the Commercial Radio Code of Practice; and
 - the Publishers' Advertising Advisory Bureau's Guiding Principle for Alcohol Beverage Advertising.
22. The Commercial Television Industry Code of Practice (CTICP) restricts the times for which alcohol advertisements can be shown on television to M, MA and AV classification periods (see Box 2), except as an accompaniment to the live broadcast of a sporting event on weekends and public holidays.

Box 2: The Commercial Television Industry Code of Practice

Section 6.7 of the code states that:

A commercial which is a "direct advertisement for alcoholic drinks" may be broadcast:

- 6.7.1 only in M, MA or AV classification periods; or
- 6.7.2 as an accompaniment to the live broadcast of a sporting event on weekends and public holidays.

The **M** classification zones are:

Weekdays (schooldays):	8.30pm – 5.00am 12.00 noon – 3.00pm
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Weekdays and Weekends: (school holidays)	8:30pm – 5.00am
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The **MA** classification zone is all days between 9.00pm and 5.00am.

The **AV** classification zone is all days between 9.30pm and 5.00am.

23. The Outdoor Media Association (OMA) has developed a Code of Ethics which all members must adhere to. This is a voluntary code of ethics that seeks to define the industry's standards and to supplement current obligations under existing law. In relation to alcohol advertising, the code states:

(The OMA) only endorse the display of advertising that adheres to the following advertising industry codes of practice (codes not relating to alcohol have been removed):

- The Alcohol Beverages Advertising Code (ABAC).
- Australian Association of National Advertisers (AANA) Code of Ethics.

24. In addition the OMA requires members to limit the advertising of alcohol products on fixed signs that are within a 150m sight line of a primary or secondary school. It is worth noting that this rule

does not apply where the school is in the vicinity of a pub, club, bottle shop or any other venue that sells alcoholic products.⁷

3. Alcohol Advertising Review Board

25. In March 2012 the McCusker Centre for Action on Alcohol and Youth and the Cancer Council Western Australia launched an independent review board, the Alcohol Advertising Review Board (AARB), to consider consumer complaints in relation to alcohol advertising. In their media release the AARB stated that the new body was an 'independent alternative' to the current self-regulatory system in Australia which it believes is inadequate and ineffective.⁸ Like the ABAC Scheme that AARB does not have any legislative power to issue penalties or infringements. To date the AARB have released two reports on the complaints they have received.⁹

AARB determination reports can be viewed at:

<http://www.alcoholadreview.com.au/articles/determination-reports/>

B. ISSUES

1. Young people and harmful alcohol consumption

26. The misuse of alcohol by children and adolescents is an international concern. Early alcohol initiation (before age 15) and high levels of consumption in adolescence are associated with a range of negative outcomes in both the short and long-term. In the short-term, negative outcomes include: violence, accidents, reckless driving, physical injury, depression, school absenteeism, decreased academic performance, initiation of drug use, suicide, broken friendships, risky sexual behavior, sexual assault and unplanned pregnancies.^{10,11,12,13} In the long-term, heavy alcohol consumption in adolescence has been linked with heavier consumption, alcohol-related harm, poorer mental health and poorer educational outcomes in adulthood.¹⁴ Furthermore, childhood and adolescence are important periods for brain development. During this time the brain is more susceptible to alcohol-induced damage and heavy alcohol consumption can permanently impair brain development.^{15,16}
27. The Australian Guidelines to Reduce Health Risks from Drinking Alcohol recommend: that for

⁷ Outdoor Media Association Guidelines (2009). Accessed 8 May 2012

http://www.apnoutdoor.com.au/Upload/FileStore/Master/media/Alcoholadvertisingguidelines_Mar2009.pdf

⁸ Alcohol Advertising Review Board – media release (2012). *Alcohol advertising to be brought to account by new review board.*

<http://www.alcoholadreview.com.au/resources/Alcohol-Advertising-Review-Board-launch---media-release.pdf> accessed 12 December 2012

⁹ Alcohol Advertising Review Board (2012). First report of alcohol advertising review board.

http://www.alcoholadreview.com.au/resources/AARB-First-report-media-release_FINAL-020812.pdf accessed 12 December 2012 and Alcohol advertising report – children need protection. <http://www.alcoholadreview.com.au/resources/AARB-Alcohol-Advertising-Report---Children-need-protection-FINAL.pdf> accessed 12 December 2012

¹⁰ Best, D., Manning, V., Gossop, M., Gross, S., Strang, J. (2006). Excessive drinking and other problem behaviours among 14-16 year old children. *Addict Behav.* 31: 1424-1435.

¹¹ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism.* 44(3): 229-243

¹² Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia

¹³ Bonomo, Y., Coffey, C., Wolfe, R., et al. (2001). Adverse outcomes of alcohol use in adolescents. *Addiction* 96: 1485 – 1496.

¹⁴ Jefferis, B., Power, C., and Manor, O. (2005) 'Adolescent drinking level and adult binge drinking in a national birth cohort.' *Addiction* 100, pp. 543-549.

¹⁵ Hickie, I. (2009). *Alcohol and the Teenage Brain: Safest to keep them apart.* Brain & Mind Research Institute, University of Sydney, Australia.

¹⁶ Spear L. (2002) Adolescent brain and the college drinker: Biological basis of propensity to use and misuse alcohol. *J Stud Alcohol Suppl* 14:71–81.

children and young people under 18 years of age, not drinking alcohol is the safest option.¹⁷ They further note that:

- Parents and carers should be advised that children under 15 years of age are at the greatest risk of harm from drinking and that for this age group, not drinking alcohol is especially important.
- For young people aged 15–17 years, the safest option is to delay the initiation of drinking for as long as possible.

28. According to the results of a recent survey¹⁸, approximately three in every four Australian secondary students aged between 12 and 17 years had tried alcohol at some time in their lives and 51 per cent had consumed alcohol in the preceding year. The proportion of current drinkers (reporting alcohol consumption in the seven days prior to the survey) increased with age from 8 per cent of 13-year-olds to 37 per cent of 17-year-olds. The proportion of students aged between 12 and 17 years reporting drinking in 2011 was lower than the levels found in the 2008 and 2005 surveys.¹⁹

2. Alcohol marketing

29. The marketing of alcoholic beverages is sophisticated, strategic and multifaceted, with products being marketed through a wide range of traditional media: television, radio and print; and new media: internet advertising, sponsorship of sport and music events, social media, product placement and point-of-sale promotions. The World Health Organization Global Alcohol Strategy considers alcohol marketing and promotion to be:

...any form of commercial communication or message that is designed to increase, or has the effect of increasing, the recognition, appeal and/or consumption of particular products and services. It could comprise anything that acts to advertise or otherwise promote a product or service (p 15)²⁰

30. The alcoholic beverages industry is increasingly globalised, with a few large, multinational companies dominant in the market.²¹ These companies have access to significant resources and large budgets to assist in marketing their products. In 2007, the estimated total alcohol advertising expenditure in Australia was \$128 million;²² however, this figure is likely to be conservative as expenditure on new media, such as sponsorship and point-of-sales promotions, may not have been captured.^{23,24} Anderson *et al* (2009) noted that in the United Kingdom, estimated alcohol advertising expenditure in the mass media (broadcast and print) is £202.2 million; however expenditure on promotion more generally is thought to be closer to £800 million.²⁵

31. The marketing of products is essential for any profit based enterprise and this is no different for the alcohol industry; however, for many years there has been ongoing community debate about the impact of alcohol marketing on children and young people. In particular, there is increasing

¹⁷ National Health and Medical Research (2009). *Alcohol guidelines: reducing the health risks*. Accessed 8 December 2012 from <http://www.nhmrc.gov.au/your-health/alcohol-guidelines>

¹⁸ White, V., Bariola, E. (2012). Australian secondary school students' use of tobacco, alcohol, and over-the counter and illicit substances in 2011. Centre for Behavioural Research in Cancer. The Cancer Council Victoria

¹⁹ Ibid

²⁰ World Health Organization (2010) *Global strategy to reduce the harmful use of alcohol*, WHO press, Switzerland

²¹ Jernigan, D.H. (2009). The global alcohol industry: an overview. *Addiction*. 104: (Suppl.1), 6-12.

²² Australian Government Preventative Health Taskforce (2009) *Australia: The Healthiest Country by 2020*. Technical Report 3, Preventing alcohol-related harm, a window of opportunity. Commonwealth Government of Australia.

²³ Foundation for Alcohol Research and Education (2012). *Alcohol Advertising* (webpage): <http://www.fare.org.au/research-development/community-polling/annual-alcohol-poll-2012/alcohol-advertising/> accessed 10 December 2012

²⁴ de Bruijn, A. (2012). The impact of alcohol marketing, in *Alcohol in the European Union: Consumption, harm and policy approaches*. World Health Organization.

²⁵ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism*. 44(3): 229-243

concern about the proliferation of alcohol marketing into new media and the promotion of alcohol consumption as a part of everyday life.^{26,27,28,29} Furthermore, the ability of current regulatory structures to manage this change in the marketing landscape has been questioned.^{30,31,32}

3. The impact of alcohol marketing on consumption

32. There is disagreement among stakeholders as to whether alcohol marketing influences alcohol consumption, age of alcohol initiation and risky drinking among youth. Historically, research into the effects of alcohol advertising on consumption has taken two main forms: econometric studies (which examine the relationship between overall levels of consumption and marketing expenditure) and consumer studies (which examine drinking knowledge, attitudes and behaviour).³³ More recently several longitudinal studies have been carried out to examine the links between alcohol marketing and consumption among young people.^{34,35} All study types have their strengths and weaknesses.

a. Econometric studies

33. Econometric studies generally consider the relationship between alcohol advertising expenditure and total alcohol sales or per capita alcohol consumption. In these studies alcohol advertising expenditure is used as an approximate measure of the effectiveness of alcohol marketing.³⁶ The results from these studies are mixed; however, in general they demonstrate that alcohol advertising has little or no effect on consumption.³⁷ For example, one 1989 study found that the effect of advertising was 'barely measurable' when compared to the influence of income.³⁸ In contrast, a 2006 study by Saffer and Dave, examining alcohol advertising expenditure in the United States, found that advertising expenditure had a modest effect on the number of adolescents drinking and binge drinking monthly.³⁹ A meta-analysis of 132 studies (Gallet 2007) found a small, but significant, positive association between alcohol advertising and alcohol consumption. This finding, however, was only observed for spirits.⁴⁰

²⁶ Babor T, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham, K, Grube J, Hill L, Holder H, Homel R, Livingston M, Osterberg E, Rehm J, Room R & Ingeborg R (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

²⁷ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism* 47 (4): 486-493.

²⁸ Alcohol Concern (2011). New media, new problem? Alcohol, young people and the internet. <http://www.alcoholconcern.org.uk/assets/files/Wales%20factsheets/New%20%20media.%20new%20problem.pdf> accessed 8 December 2012

²⁹ Mart, S. (2011). Alcohol Marketing in the 21st Century: New Methods, Old Problems. *Substance Use & Misuse*, 46: 889-892

³⁰ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia

³¹ Alcohol Policy Coalition (2011). Position Statement: Marketing and Promotion of alcohol.

http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf accessed 12 December 2012

³² Australian Government Preventative Health Taskforce (2009) Australia: The Healthiest Country by 2020. Technical Report 3, Preventing alcohol-related harm, a window of opportunity. Commonwealth Government of Australia.

³³ Hastings, G., Anderson, S., Cooke, E. and Gordon, R. (2005). Alcohol Marketing and Young People's Drinking: A Review of the Research. *Journal of Public Health Policy*. 26: 296-311.

³⁴ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism*. 44(3): 229-243

³⁵ Smith, L.A and Foxcroft, D, R. (2009). The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: systematic review of prospective cohort studies. *BMC Public Health*,9:51

³⁶ de Bruijn, A. (2012). The impact of alcohol marketing, in *Alcohol in the European Union: Consumption, harm and policy approaches*. World Health Organization.

³⁷ Hastings, G., Anderson, S., Cooke, E. and Gordon, R. (2005). Alcohol Marketing and Young People's Drinking: A Review of the Research. *Journal of Public Health Policy*. 26: 296-311

³⁸ ibid

³⁹ Saffer, H., Dave, D. (2006). Alcohol advertising and alcohol consumption by adolescents. *Health Economics*, 15: 617-637

⁴⁰ Gallet, C.A. (2007). The demand for alcohol: a meta-analysis of elasticities. *The Australian Journal of Agricultural and Resource Economics*. 51: 121 – 135.

34. Several issues have been noted with the methodology of econometric studies.^{41,42} One concerns the accuracy and inclusiveness of data. For example, expenditure data may include traditional media spending, such as television and print, but exclude expenditure on more general promotion, such as point-of-sale advertising or social media marketing.⁴³ This exclusion of more general expenditure may result in an underestimation of the marketing effort.⁴⁴ Econometric studies have examined the purchasing population, but to date, have not analysed the behaviour of sub groups (e.g. young people) within the total alcohol market.⁴⁵ It has also been suggested that the results of econometric studies (those showing little impact on consumption) may reflect “*the diminishing marginal effect of additional advertising expenditure in markets already saturated with both alcohol products and marketing*”; and that results may be different in emerging markets.⁴⁶

b. Cross-sectional studies

35. Cross-sectional consumer studies take a snapshot of advertising exposure and levels of drinking. A number of cross-sectional studies have been conducted, with results generally finding a strong positive correlation between alcohol advertising and alcohol consumption in young people.⁴⁷ For example, a recent Australian study of 1113 adolescents aged 12 to 17 found that exposure to alcohol advertising across a variety of media was strongly associated with drinking patterns (frequency of alcohol consumption in the previous year and recent alcohol consumption).⁴⁸ A New Zealand study of 2538 adolescents aged 13 to 14 years found that exposure to alcohol marketing was associated with drinking by young people.⁴⁹ Notably, this study found that the more active the engagement was with marketing, such as owning branded merchandise, the greater the association with drinking and drinking patterns (drinking frequency and amount, and future drinking intentions).⁵⁰

36. While cross-sectional studies tend to demonstrate an association between alcohol advertising and consumption, it is important to note that the causality cannot necessarily be determined from these studies. That is, it is difficult to determine if advertising precedes drinking uptake or if young people who drink may be more likely to take an interest in advertising.⁵¹

c. Longitudinal studies

37. More recently, several longitudinal studies have been carried out to examine the links between alcohol marketing and consumption among young people. Findings from some of these studies are summarised in Box 3.

⁴¹ de Bruijn, A. (2012). The impact of alcohol marketing, in *Alcohol in the European Union: Consumption, harm and policy approaches*. World Health Organization.

⁴² Babor T, *et al.* (2010). *Alcohol: No Ordinary Commodity in Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

⁴³ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism*. 44(3): 229-243

⁴⁴ Babor T, *et al.* (2010). *Alcohol: No Ordinary Commodity in Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

⁴⁵ Hastings, G, *et al.* (2005). Alcohol Marketing and Young People's Drinking: A Review of the Research. *Journal of Public Health Policy*. 26: 296-311

⁴⁶ Babor T, *et al.* (2010). *Alcohol: No Ordinary Commodity in Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

⁴⁷ Australian Medical Association (2012). *Alcohol Marketing and Young People: Time for a new policy agenda*. Canberra, Australia.

⁴⁸ Jones, S.C and Magee, C.A. (2011). Exposure to Alcohol Advertising and Alcohol Consumption among Australian Adolescents. *Alcohol and Alcoholism*. 46 (5): 630-637.

⁴⁹ Lin, E-Y., Caswell, S., You, R.Q., Huckle, T. (2012). Engagement with alcohol marketing and early brand allegiance in relation to early years of drinking. *Addiction Research*. 20 (4): 329-338

⁵⁰ *ibid*

⁵¹ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism*. 44(3): 229-243

Box 3: Examples from longitudinal studies of long-term effects of exposure to alcohol marketing on drinking behaviour among young people

- Exposure to alcohol marketing increases positive beliefs about alcohol and affects young peoples' perceptions of how much alcohol their peers are drinking.⁵²
- Hurtz *et al* (2007) found "...clear evidence of an association of adolescent drinking with weekly exposure to alcohol advertising in stores and with ownership of alcohol promotional items."⁵³
- Snyder *et al* (2006) found that for those aged 21 years or less, each additional alcohol advertisement seen increased the number of drinks consumed in the previous month by 1 per cent. In addition it was found that each additional dollar spent (per capita) on alcohol advertising increased the number of drinks by 3 per cent. Additionally, youth in markets with high advertising rates demonstrated increases in drinking levels into their late twenties, while for drinkers in markets with fewer advertisements drinking stabilises in their early twenties.⁵⁴
- Stacy *et al* (2004) found that for young people (12 to 13 years old) each one standard deviation increase in alcohol exposure, was associated with a 44 per cent increased likelihood of beer drinking; a 34 per cent increased likelihood of wine/liquor drinking and a 26 per cent increase in the likelihood of drinking three or more drinks on one occasion during the previous 30 days.⁵⁵
- Brand recognition, brand recall and high receptivity to alcohol marketing predict initiation of alcohol use.⁵⁶
- Research suggests that young people (including 10 to 12 year olds) interpret the messages, images and targeting of alcohol advertising in the same way as adults.⁵⁷
- For young people who have not started to drink alcohol, expectations about drinking are influenced by normative assumptions as well as the observation of drinking by parents, peers and models in the mass media. Research has linked exposure to portrayals of alcohol use in the mass media with the development of positive drinking expectancies by children and adolescence⁵⁸.

38. Longitudinal studies are generally considered to be the most effective means of examining alcohol marketing exposure and consumption in young people.⁵⁹ These studies tend to demonstrate that alcohol marketing does influence alcohol consumption, age of alcohol initiation and risky drinking among youth. Furthermore, two systematic reviews of longitudinal studies concluded that alcohol marketing does have an impact on young people.

- Anderson *et al* (2009) conducted a systematic review of 13 longitudinal studies that followed over 38,000 young people. The authors concluded that: "...alcohol advertising and promotion increases the likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol."⁶⁰

⁵² Casswell, S. (2012). Current status of alcohol marketing policy – an urgent challenge for global governance. *Addiction* **107**, 478 – 485.

⁵³ Hurtz, S.Q., *et al* (2007). The relationship between exposure to alcohol advertising in stores, owning alcohol promotional items, and adolescent alcohol use. *Alcohol and Alcoholism* **42**:2 143 – 149.

⁵⁴ Snyder, L.B., Fleming Milici, F., Slater, M., Sun, H. and Strizhakova, Y. (2006). Effects of Alcohol Advertising Exposure on Drinking Among Youth. *Arch Pediatr Adolesc Med.* **160**: 18-24

⁵⁵ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism.* **44**(3): 229-243

⁵⁶ *ibid*

⁵⁷ Alcohol Policy Coalition (2011). Position Statement: Marketing and Promotion of alcohol.

http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf accessed 12 December 2012

⁵⁸ Austen, E., and Knaus, c. (2000) Predicting the potential for risky behaviour among those 'too young' to drink as the result of appealing advertising.

⁵⁹ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁶⁰ Anderson, P., Kochanek, K., and Murphy, R. (2009). Impact of alcohol advertising and other media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism.* **44**(3): 229-243

- A review of 7 cohort studies, following 13,000 young people by Smith and Foxcroft (2009) concluded that: *“...there is an association between exposure to alcohol advertising or promotional activity and subsequent alcohol consumption in young people.”*⁶¹

39. In contrast to the evidence presented above, a 2006 Victorian Parliamentary Drugs and Crime Prevention Committee inquiry into Strategies to Reduce Harmful Alcohol Consumption concluded that *“...the Committee believes any firm links between alcohol advertising and increased or harmful alcohol consumption (particularly among young people) remain inconclusive.”*⁶² This is similar to a finding in the 10th Special Report to the U.S. Congress on Alcohol and Health which stated: *“Taken as a whole, the survey studies provide some evidence that alcohol advertising may influence drinking beliefs and behaviors among children and adolescents. This evidence, however, is far from conclusive (p.422).”*⁶³

40. The alcohol industry has also argued that the evidence linking alcohol promotion and consumption remains inconclusive and that alcohol advertising is not intended to target youth or increase alcohol consumption. The Distilled Spirits Industry Council of Australia (DSICA) argue that alcohol manufacturers advertise not to increase consumption, but to a) increase market share of their product, and b) move consumers onto higher quality products with higher returns.⁶⁴ In addition, it is argued that despite continued increases in spending on alcohol promotion, consumption has remained stable.

41. It is difficult to determine whether alcohol marketing specifically causes people to drink. There is a complex combination of factors that have the potential to influence an individual's drinking. These include a person's upbringing, the drinking behaviours of their parents and peers and pricing and availability issues.⁶⁵ This issue has been highlighted by the International Center for Alcohol Policy (ICAP).

The most powerful factors in shaping beliefs and attitudes about drinking are parental and peer influence. Alcohol advertising, on the other hand, plays only a small role. In fact, there is no compelling evidence of a correlation between advertising and either drinking patterns among young people, or rates of abuse. It is likely that other forces, especially parental and peer influences, play a more significant role and that drinking patterns among young people are much more likely to be influenced by the prevailing culture around alcohol, than by advertising.⁶⁶

42. However, in 2012 the House of Commons Health Committee in the United Kingdom stated:

The Committee is concerned that those speaking on behalf of the alcohol industry often appear to argue that advertising messages have no effect on public attitudes to alcohol or on consumption. We believe this argument is implausible. [The industry] ...must acknowledge the power of its advertising messages and accept responsibility for their consequences.⁶⁷

⁶¹ Smith, L.A and Foxcroft, D, R. (2009). The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: systematic review of prospective cohort studies. *BMC Public Health*,9:51

⁶² Australian Senate (2008). Standing Committee on Community Affairs. Alcohol Toll Reduction Bill 2007 (2008) report.

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=clac_ctte/alcohol_reduction/index.htm

⁶³ National Institute on Alcohol Abuse and Alcoholism (NIAAA). (2000). *Tenth special report to the U.S. Congress on alcohol and health*. Washington, DC: U.S. Department of Health and Human Services. <http://pubs.niaaa.nih.gov/publications/10Report/10thSpecialReport.pdf> accessed 13 December 2012

⁶⁴ Distilled Spirits Industry Council of Australia (2008) Submission to the Senate Standing Committee on Community Affairs. Alcohol Toll Reduction Bill 2007. http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=clac_ctte/alcohol_reduction/submissions/sublist.htm

⁶⁵ Alcohol Concern (2012) Making an Impression: Alcohol Concern Cymru Briefing. London, Alcohol Concern

⁶⁶ International Center for Alcohol Policy, Industry Views on Beverage Alcohol Advertising and Marketing, with Special Reference to Young People: Prepared for the World Health Organization by the International Center for Alcohol Policies on behalf of its sponsors (p.9). <http://www.icap.org/LinkClick.aspx?fileticket=uBV8L5W870U%3d&tabid=105> accessed 13 December 2012.

⁶⁷ House of Commons Health Committee (2012) Third Report, Alcohol Management Strategy - <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmhealth/132/13202.htm>

43. Evidence reviews have concluded that alcohol advertising does have an impact on youth. This is reflected in a 2009 report by the Science Group of the European Alcohol and Health Forum which concluded:

“Based on the consistency of findings across the studies, the confounders controlled for, the dose response relationships, as well as the theoretical plausibility and experimental findings regarding the impact of media exposure and commercial communications, it can be concluded from the studies reviewed that alcohol marketing increases the likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol.”⁶⁸

4. Alcohol marketing in ‘new’ (below-the-line) media

44. The studies discussed above predominantly focus on advertising in the traditional (or above-the-line) media, advertising expenditure and promotional material. However, alcohol marketing is no longer confined to traditional media such as television, print, radio and billboards. Increasingly, marketing is occurring via social media, product placement, point-of-sale promotions, sponsorship of sport and public entertainment events and other communication techniques^{69,70,71} It is now estimated that the majority of alcohol marketing is carried out via below-the-line media.⁷² Evidence for the increasingly broad range of marketing activities was highlighted in the United States recently when a Federal Trade Commission inquiry into alcohol advertising asked alcohol companies to provide marketing expenditure in twenty-two separate categories.⁷³ These categories ranged from television, outdoor and transit advertising, to internet and other digital advertising.
45. Marketing via new media does not necessarily seek to increase consumption of alcohol beverages initially, rather it may seek to ‘normalise’ alcohol and drinking as part of everyday life.⁷⁴ Jernigan and O’Hara (in Nicholls 2012) argue that digital marketing strategies “*have the potential to embed brands in the lives and lifestyles of consumers, creating an intimate relationship and sense of kinship between the brand and the user.*”⁷⁵ Furthermore, promoting the idea of alcohol as part of everyday life, the acceptability of more restrictive policies and practices may be affected.⁷⁶ New media also allows a marketing campaign to be spread across a variety of platforms. A television advertisement may be supported by a website, Facebook page and mobile application (app). This increases the opportunities for individuals, particularly young people, to view, share (potentially to go viral) and interact with the campaign. The wide reach of alcohol marketing in new media is demonstrated in the examples in Box 4.

⁶⁸ Science Group of the European Alcohol and Health Forum (2009). *Does marketing communication impact on the volume and patterns of consumption of alcoholic beverages, especially by young people? - A review of longitudinal studies*. Brussels, European Commission, Directorate-General for Health and Consumers. p.2, accessed 1 May 2012

http://ec.europa.eu/health/ph_determinants/life_style/alcohol/Forum/docs/science_o01_en.pdf

⁶⁹ Jernigan, D.H., (2009). The global alcohol industry: an overview. *Addiction*. 104: (Suppl. 1), 6–12

⁷⁰ Alcohol Policy Coalition Position Statement – Marketing and promotion of alcohol. (2011).

http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf

⁷¹ Australian Medical Association (2012). *Alcohol Marketing and Young People: Time for a new policy agenda*. Canberra, Australia.

⁷² Casswell, S. (2012). Current status of alcohol marketing policy – an urgent challenge for global governance. *Addiction*, 107: 478–485

⁷³ Jernigan, D.H., (2009). The global alcohol industry: an overview. *Addiction*. 104: (Suppl. 1), 6–12

⁷⁴ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism* 47 (4): 486–493.

⁷⁵ *ibid*

⁷⁶ Babor T, *et al.* (2010). *Alcohol: No Ordinary Commodity in Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

Box 4: Alcohol marketing in new media

- As of 30 April 2012 alcohol brands were among the highest engaging⁷⁷ industries on Facebook, second only to automobiles.⁷⁸
- In 2011, Diageo reported that their Facebook fan base had increased from three and a half million to twelve million in the preceding year.⁷⁹
- In January 2011, Bacardi announced that 'it would shift up to 90% of its digital spend to Facebook as it no longer deems dotcom sites relevant.' Between March and September 2011 'likes' for the global Bacardi Facebook page increased by 289% to 1,889,789.⁸⁰
- A Diageo advertisement placed on YouTube.com generated 3 million viewings. A follow-up advertisement has also been viewed 3 million times.⁸¹

a. Sponsorship of sporting and cultural events

46. Sponsorship of sporting events and teams by alcohol companies is commonplace in Australia, from the grassroots to the elite level, with an estimated \$300 million spent by industry every year.⁸² The benefits for companies include: naming rights of events and teams, which raise awareness of the brand; signage on clothing and sports grounds; promotional products and pourage rights. Furthermore, sponsorship of live sport enables companies to take advantage of exemptions that allow alcohol advertising to be shown during televised sporting events.⁸³
47. Alcohol sponsorship is successful in developing and growing brand awareness. For example, the sponsorship of the EURO 2004 football championship by Carlsberg reportedly grew the brand by about 6 per cent worldwide.⁸⁴ Alcohol sponsorship of sport may not only influence the consumption of spectators. A 2008 study of examining the effects of alcohol sponsorship on sportspeople conducted in Australia found that hazardous drinking was more common among those receiving alcohol-related sponsorship than those who reported no alcohol sponsorship.⁸⁵
48. Alcohol sponsorship is not restricted to sport, with music and cultural events also receiving sponsorship. For example, in Australia, the 'Big Day Out' music festival has received sponsorship from a number of alcohol companies.⁸⁶ Hastings (2009) noted that when companies seek sponsorship opportunities, they look for events that are reflective of their target audience.⁸⁷ Music festivals and sporting events generally attract a large number of young people. The sponsorship of sport and cultural events allows alcohol companies to associate their brand with an already engaging event or celebrity. This association with sporting or cultural events may create positive associations and emotional connections with the brand.^{88,89} Babor *et al* 2010 noted that "*alcohol*

⁷⁷ Socialbakers measures the Engagement Rate as the average number of Likes, Comments and Shares per post on a given day divided by the total number of Fans for the page. It reflects the percentage of the Fan base that interacts on average with a post.

⁷⁸ Socialbakers (2012). Finally here! The Biggest Global Social Media Report on Facebook Industries. Accessed 1 May 2012.

<http://www.socialbakers.com/blog/527-finally-here-the-biggest-global-social-media-report-on-facebook-industries/>

⁷⁹ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends. *Alcohol and Alcoholism*. Advance accessed published 23 April 2012.

⁸⁰ *ibid*

⁸¹ Jernigan, D.H., (2009). The global alcohol industry: an overview. *Addiction*. 104: (Suppl. 1), 6–12

⁸² Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁸³ Fitzgerald, R & Jordon, T. (2009) Under the influence, a history of alcohol in Australia, HarperCollins Publishers, Australia

⁸⁴ Babor T, *et al.* (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

⁸⁵ O'Brien, K and Kypros, K (2008) 'Alcohol industry sponsorship and hazardous drinking among sportspeople' 102 *Addiction* 1961, 1962.

⁸⁶ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁸⁷ Hastings, G. (2009). "They'll Drink Bucket Loads of the Stuff": An Analysis of Internal Alcohol Industry Advertising Documents.

Memorandum to the House of Commons Health Committee Report on Alcohol, Session 2009-10: London

⁸⁸ Babor T, *et al.* (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

sponsorship of sports, music and cultural events is a marketing strategy that inserts alcohol brands and products directly into people's enjoyment of leisure activities."⁹⁰

b. Point-of-sale promotions

49. Marketing at the point-of-sale has become increasingly widespread with the expansion of alcohol sales into more retail outlets. Examples of point-of-sale promotions include free gifts with purchase, prominent signage, competitions, price discounts for bulk purchases (e.g. 3 for the price of 2), and sale prices.^{91,92} Point-of-sale marketing also occurs in pubs and clubs, often in the form of 'happy hours' or free merchandise with drink purchases. One recent Australian study found that point-of-sale promotions are almost exclusively related to Ready-to-Drink products.⁹³

c. Company and brand websites

50. The internet is one of the fastest growing marketing communication channels.⁹⁴ Most alcohol companies and brands have a dedicated website. Along with general product information these sites often provide additional features such as interactive games, downloads (e.g. branded screensavers), sport and music sections, forums and competitions.⁹⁵ These sites are not only appealing to young people but are readily accessible, with online searches for games, competitions, screen savers and free give-aways providing links to alcohol websites.⁹⁶ Most sites have low-level security measures to block under-age persons from accessing their site. A common approach is for the person to enter their date of birth and only those who are over 18 years are granted access.

d. Product placement and integration

51. Product placement or integration involves embedding a product, brand name or service within a medium such as film, television, music lyrics and videos or videogames.^{97,98} McCarty and Lowrey (in Shrum (Ed.) 2012) consider product integration to be a continuum from product placement, where a product or brand is seen or mentioned; to product immersion, where a product is an integral part of a storyline.⁹⁹ McCarty and Lowrey note that the presence of a product in a movie or television show alone does not constitute product integration, as there must be an arrangement between the brand owner and media vehicle, to place the product for promotional consideration or payment.¹⁰⁰ This is an important difference, as products do appear in movies and television shows when no such arrangements have been made.¹⁰¹

⁸⁹ Hastings, G. (2009). "They'll Drink Bucket Loads of the Stuff": An Analysis of Internal Alcohol Industry Advertising Documents. Memorandum to the House of Commons Health Committee Report on Alcohol, Session 2009-10: London

⁹⁰ Babor T, et al. (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

⁹¹ Jones, S.C. and Lynch, M. (2007). Non-advertising alcohol promotions in licensed premises: does the Code of Practice ensure responsible promotion of alcohol? *Drug and Alcohol Review*, 26: 477-485

⁹² Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁹³ Jones, S and Smith, K. (2011) The effect of Point of Sale Promotions on alcohol purchasing behaviour of young people in metropolitan, regional and rural Australia. *Journal of Youth Studies*, 14 (8), 885-900

⁹⁴ Gordon, R. (2011) An audit of alcohol brand websites. *Drug and Alcohol Review*, 30, 638-644.

⁹⁵ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁹⁶ *ibid*

⁹⁷ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

⁹⁸ Shrum, L.J. (ed.) (2012) *The psychology of entertainment media, blurring the lines between entertainment and persuasion*, 2nd edition, Routledge, New York

⁹⁹ McCarty, J.A and Lowrey, T.M. (2012). Product Integration: Current practice and new directions. In *The psychology of entertainment media, blurring the lines between entertainment and persuasion*, 2nd edition, Routledge, New York

¹⁰⁰ *ibid*

¹⁰¹ *ibid*

52. Product integration can range from a casual mention in a scene to a brand being a major presence in a movie supported by joint advertising and promotional activities.¹⁰² For example, an estimated \$45 million was spent by Heineken in the latest James Bond film 'Skyfall'. It was reported that this amount covered almost one third of the film's budget and that the sponsorship was necessary for the film's production and release.¹⁰³
53. Studies from the United States have found that product integration is widespread in films and music. A recent study found that the average adolescent in the United States is exposed to 34 alcohol references in popular music daily.¹⁰⁴ While content analyses of over 500 films from the United States found that 83 per cent depicted alcohol use, with 52 per cent referring to specific brands. Of those movies depicting alcohol use, 57 per cent were G or PG rated.¹⁰⁵
54. Attitudes towards product placement seem to be less negative and more tolerant of the practice.¹⁰⁶ The non-commercial and somewhat hidden, secondary nature of product placement makes it inherently different from traditional advertising and this suggests that viewers may process the message differently. Various consumer groups have requested explicit alerts to viewers such as text scrolls at the bottom of screens indicating the paid promotional nature of an appearance of a brand.¹⁰⁷

e. Social media sites

55. The emergence of platforms such as Facebook, Twitter and You Tube have fundamentally changed the nature of digital marketing.^{108,109,110} Facebook offers ad space that companies can purchase to advertise products, sponsored events and brand-related content, while also offering opportunities to interact with people directly through fan pages, competitions and games; all of which are free and easy to use. Many of the alcohol-related fan, event and group pages on Facebook are accessible to users of any age.^{111,112} Advertising guidelines for Facebook state that:

...ads that promote or reference alcohol must: (i) Comply with all applicable local laws, required or recommended industry codes, guidelines, licenses and approvals and (ii) apply age and country targeting criteria consistent with Facebook's targeting guidelines and applicable local laws. Where a user's age or country cannot be determined, the ad must not be displayed to the user.¹¹³

It has been suggested however, that while these guidelines exist, 'age-gating' techniques to restrict underage users, are neither enforced nor monitored.¹¹⁴ Furthermore, as Facebook pages can be created by both alcohol companies and third parties (including individuals) it may be difficult to enforce these guidelines.

¹⁰² *ibid*

¹⁰³ Business Insider <http://www.businessinsider.com/heres-how-james-bonds-relationship-with-product-placement-has-changed-2012-10?op=1#ixzz2Etdqpb3D>

¹⁰⁴ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

¹⁰⁵ *ibid*

¹⁰⁶ *ibid*

¹⁰⁷ Lowry, T & Helm (2009) Blasting away at product placement. *Business Week*, October 26, 4152, p.9

¹⁰⁸ Casswell, S. (2012). Current status of alcohol marketing policy – an urgent challenge for global governance. *Addiction*, 107: 478-485

¹⁰⁹ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism* 47 (4): 486-493.

¹¹⁰ *ibid*

¹¹¹ Mart, S (2011) Alcohol Marketing in the 21st Century: New Methods, Old Problems, Substance Use and Misuse, 46:889-892

¹¹² Alcohol Concern (2011). New media, new problem? Alcohol, young people and the internet. London, United Kingdom.

¹¹³ Facebook Advertising Guidelines, www.facebook.com/ad_guidelines.php accessed 18 December 2012

¹¹⁴ Mart, S (2011) Alcohol Marketing in the 21st Century: New Methods, Old Problems, Substance Use and Misuse, 46:889-892

56. Like Facebook, YouTube allows alcohol companies to develop their own pages; however unlike Facebook there are seemingly no age restrictions on viewers.¹¹⁵ YouTube provides a platform for companies to display recent and previous television advertisements, this may include older advertisements that do not satisfy current broadcasting codes.¹¹⁶
57. The regulation of alcohol advertising on social media sites represents a new challenge for both advertisers and regulators. The internet crosses international boundaries, making the responsibility for advertising placement, content and regulation unclear. In 2012, the Advertising Standards Bureau upheld a complaint against Carlton United Breweries for user comments posted on its VB Facebook page (see Box 5).

Box 5: Advertising Standards Bureau – Case Report 0271/12

In July 2012, the Advertising Standards Board (the Board) upheld a complaint against Carlton United Breweries for user comments posted on its VB Facebook page related to sexual references and coarse language.

In the case report, The Board outlined that:

Under the code, advertising and/or marketing communication means “any material which is published or broadcast using any Medium or any activity which is undertaken by, or on behalf of an advertiser or marketer, and over which the advertiser or marketer has a reasonable degree of control, and that draws the attention of the public in a manner calculated to promote or oppose directly or indirectly a product, service, person, organisation or line of conduct”.

The Board determined that as a Facebook page can be used to engage customers, the Code applies to the content generated by the page creator as well as materials and comments posted by users or friends.

Following the determination, the advertiser reported removing the comments that were the source of the complaint and explained that they had ‘slipped through’ the monitoring process. As a result of the complaint the advertiser advised that they had revisited their guidelines and made a number of changes. It was also noted that work was underway to develop a more tailored approach to social media in relation to the Alcohol Beverages Advertising Code (ABAC)

Source: Advertising Standards Bureau, Case report 0271/12 <http://122.99.94.111/cases/0271-12.pdf>

58. Overseas advertising regulators have responded to these changes with the UK Committee on Advertising Practice extending its regulations to cover digital communications. Similarly in the US, the American spirits industry self-regulator (Distilled Spirits Council of the United States - DISCUS) released an updated code of practice for digital marketing in 2011. The ABAC reported that in 2011 there was a large increase in determinations relating to internet advertisements, including those in social media. The ABAC considers that the Code has remained relevant as advertising techniques evolve.¹¹⁷

5. The impact of ‘new media’ marketing on children and young people

59. To date there has been little research into the impact of advertising in areas such as sports sponsorship, social media and product placement on consumers. It has been suggested that this may be because the public health field has struggled to keep up with the speed and extent of changes in alcohol marketing.¹¹⁸ Most of the past research on alcohol marketing has focused on the more traditional channels such as advertising in print and broadcast media. However, the fast

¹¹⁵ Alcohol Concern (2011). New media, new problem? Alcohol, young people and the internet. London, United Kingdom.

¹¹⁶ *ibid*

¹¹⁷ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report

¹¹⁸ Casswell, S. (2012). Current status of alcohol marketing policy – an urgent challenge for global governance. *Addiction*, 107: 478-485

expanding digital media, which have been less well investigated to date, has been shown to have a strong association with drinking status of young people.¹¹⁹ Some of the research that has been carried out is summarised below.

- A recent survey conducted in the United Kingdom found that a large number of young people do not recognise sponsorship, product merchandise or advertising on social networking sites as alcohol marketing. 51.4 per cent did not recognise official alcohol product Facebook groups as marketing while 49.6 per cent did not recognise alcohol sponsorship on football team shirts as marketing.¹²⁰ Recent research suggest that portraying oneself as a drinker is considered to be a socially desirable component of ones identity in the social networking environment, perpetrating an online culture that normalizes binge drinking.¹²¹
- Several studies have found a link between the ownership of alcohol-branded promotional items and drinking among young people.^{122,123,124}

60. A number of distinct marketing methods are deployed by alcohol brands when using social media and these raise questions regarding the efficacy of reactive regulatory frameworks.¹²⁵ Further research into alcohol advertising and social media is required.

6. Regulation of alcohol advertising and marketing

61. Globally, countries use a wide range of policies to control alcohol advertising and marketing.¹²⁶ Unlike tobacco, there is no international or regional agreement to restrict alcohol marketing. Methods of regulation include: advertising bans, advertising restrictions, statutory regulations, industry self-regulation and co-regulation. Self-regulation or co-regulation, in which the primary responsibility for regulation lies with the alcoholic beverage industry itself, is the most common form of regulation. Few countries have a complete ban on alcohol advertising and promotion; however there are a number of jurisdictions in which legislation restricts advertising in specific media and/or of particular beverages.¹²⁷ Of 132 countries reporting to the World Health Organization in 2008, 72 reported some restriction on alcohol advertising, with 60 reporting no restrictions. The greatest restrictions were in Eastern Mediterranean, Nordic and South-East Asian countries.¹²⁸

62. A commonly cited example of effective alcohol marketing regulation is France's legislation, the Loi Évin (see Box 6). The Loi Évin, passed in 1991, restricts alcohol advertising to billboards, some radio and print media for adults. Furthermore, the advertisements must only contain information about the product, such as its strength and place of production.¹²⁹ There is a complete ban on

¹¹⁹ Lin, E-Y., Caswell, S., You, R.Q., Huckle, T. (2012). Engagement with alcohol marketing and early brand allegiance in relation to early years of drinking. *Addiction Research*. 20 (4): 329-338

¹²⁰ Alcohol Concern (2012) Overexposed and overlooked: Young people's views on the regulation of alcohol promotion. Accessed 26 April 2012 <http://www.alcoholconcern.org.uk/assets/files/Publications/2011/Overexposed%20and%20overlooked.pdf>

¹²¹ Ridout, B., Campbell, A. & Ellis, L (2012) 'Off your Face (book)': Alcohol in online social identity construction and its relation to problem drinking in university students. *Drug and Alcohol Review*, Jan, 31, 20-26.

¹²² Fisher, L.B., Williams Miles, I., Austin, B., Camargo Jr, C.A., Colditz, G.A. (2007). Predictors of Initiation of Alcohol Use among US Adolescents. Findings from a prospective cohort study. *Arch Pediatr Adolesc Med*. 161(10): 959-966

¹²³ McClure, A.C., Stoolmiller, M., Tanski, S.E., Worth, K.A., Sargent, J.D. (2009). Alcohol-Branded Merchandise and it's Association with Drinking Attitudes and Outcomes in US Adolescents. *Arch Pediatr Adolesc Med*. 163(3):211-217

¹²⁴ de Bruijn, A. (2012). The impact of alcohol marketing, in *Alcohol in the European Union: Consumption, harm and policy approaches*. World Health Organization.

¹²⁵ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism*) 47 (4): 486-493.

¹²⁶ World Health Organization (2011). Global Status Report on Alcohol and Health. WHO Library Cataloging-in-Publication Data

¹²⁷ Babor T, et al.(2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press

¹²⁸ World Health Organization (2011). Global Status Report on Alcohol and Health. WHO Library Cataloging-in-Publication Data

¹²⁹ Babor T, et al.(2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press

sponsorship, television and cinema advertisements. While the Loi Évin is highlighted as successful regulation, the impact of the restrictions on reducing alcohol consumption and alcohol-related harm is difficult to assess.

Box 6: The Loi Évin

The articles relating to the Loi Evin can be summarised as follows:¹³⁰

A clear definition of alcoholic drinks is given:

- all drinks over 1.2 per cent alcohol by volume are considered as alcoholic beverages. Places and media where advertising is authorised are defined:
- 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*, 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.

* The text limited billboard advertising to the places of production and selling. Later, another law permitted billboard advertising anywhere that alcohol is sold or served.

63. In New Zealand, as part of the Alcohol Reform Bill, the Law Commission has recommended a three-stage plan over five years to control alcohol promotion, advertising and sponsorship.¹³¹ The three stages are:

Stage one: Makes it an offence to promote any event or activity that encourages excessive alcohol consumption. Promotions specifically targeting young drinkers will also become an offence.

Stage two: Creates a joint committee run by the Ministers of Health and Justice. This will oversee a programme to reduce exposure to alcohol advertising and increase control of advertising content.

Stage three: Restricts the advertising and promotion of alcohol in all media. Eventually, no alcohol advertising will be allowed, except if it gives factual product information.

64. The New Zealand Government has accepted stage one of the Law Commission's recommendations¹³² and are establishing an expert forum on alcohol advertising and sponsorship.¹³³

¹³⁰ Regaud, A., Craplet, M. (2004). The 'Loi Evin': a French exception. The Globe, Global Alcohol Policy Alliance.

http://www.ias.org.uk/resources/publications/theglobe/globe200401-02/gl200401-02_p33.html accessed 13 December 2012

¹³¹ Drug Foundation New Zealand, Advertising and the Alcohol Reform Bill,

<http://www.drugfoundation.org.nz/sites/default/files/NDF15730%20Factsheet%203%20-%20Marketing%20WEB.pdf> accessed on 20 December 2012

¹³² *ibid*

¹³³ Alcohol advertising clampdown, New Zealand News, 24 October 2012 <http://www.radionz.co.nz/news/political/118964/alcohol-advertising-clampdown-voted-down>

7. The effectiveness of current regulatory codes in restricting alcohol marketing exposure to children and young people

65. As previously discussed, there are a number of regulatory codes in Australia relating to advertising to children and/or advertising of alcoholic beverages. Together these codes aim to limit the exposure to, and/or the impact of, alcohol advertising on children and young people. The codes primarily seek to achieve this goal by limiting the times at which alcohol advertisements can be broadcast (e.g. the CTICP), or regulating the content of alcohol advertisements (e.g. the ABAC). Although these codes perform an important function, there is debate as to whether they are effective in achieving their goals and sufficient to prevent children and young people from being exposed to all forms of alcohol marketing. Concerns that have been raised by a variety of stakeholders include:

- the level of exposure to alcohol advertising among children and young people;
 - the CTICP exemption allowing alcohol advertisements to appear during live sport;
- the limited scope of current regulations,
 - inability to cover new media marketing
 - focus on content rather than placement of advertisements
 - lack of regulation associated with sponsorship of sporting and cultural events
 - disagreement on adjudication decisions
- the voluntary nature of the ABAC Scheme; and
- the inability of ABAC to penalise advertisers for breaches of the code.^{134, 135, 136, 137}

a. Exposure to alcohol advertising among children and young people in Australia

66. The available evidence suggests that young people in Australia are exposed to a significant amount of alcohol advertising despite the current regulations in place. Some of this evidence is summarised below.

- In a survey of 1113 adolescents aged 12-17 the majority indicated that they had been exposed to alcohol advertising via a range of media.¹³⁸ Nearly all participants reported seeing alcohol advertising on television (94.2 per cent), followed by advertisements in bottle shops (79 per cent), magazines (74.7 per cent), billboards (60.7 per cent) and the Internet (55.4 per cent).¹³⁹
- A qualitative study with grade 5 and 6 primary school students conducted by Jones *et al* (2010) found that “*young people have a high awareness of the alcohol sponsors and alcohol brands advertised during [sport telecasts].*”¹⁴⁰ Similar brand awareness was found in a recent United Kingdom study of 10 and 11 year old children. The study found that “*...children as young as 10 are familiar with, and can readily identify alcohol company brands and logos as well as characters from alcohol television adverts.*”¹⁴¹

¹³⁴ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia.

¹³⁵ Alcohol Policy Coalition (2011). Position Statement: Marketing and Promotion of alcohol.

http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf accessed 18 December 2012

¹³⁶ Jones, S.C., Hall, D., Munro, G. (2008). How effective is the revised regulatory code for alcohol advertising in Australia? *Drug and Alcohol Review*, 27: 29-38

¹³⁷ Babor T, *et al.* (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

¹³⁸ Jones, S.C. and Magee, C.A. (2011). Exposure to Alcohol Advertising and Alcohol Consumption among Australian Adolescents. *Alcohol and Alcoholism*. 46 (5): 630-637.

¹³⁹ *ibid*

¹⁴⁰ Jones, S.C., Phillipson, L., Barrie, L. (2010). ‘Most men drink...especially like when they play sports’ – alcohol advertising during sporting broadcasts and the potential impact on child audiences. *Journal of Public Affairs*. 10: 59-73

¹⁴¹ Alcohol Concern (2012) Making an Impression: Alcohol Concern Cymru Briefing. London, Alcohol Concern

- A study (Fielder *et al* 2009) found that the 30 most exposed alcohol advertisements on television (November 2005 - October 2006) contained at least one element known to appeal to children, such as animals, pop music or slapstick humour.¹⁴²
- As previously discussed children and young people are increasingly exposed to alcohol advertising via a range of new media such as sponsorship, social media and product placement. While a number of studies and reports have highlighted the extent of this exposure,^{143,144,145} there are few studies examining the effect of new media marketing on consumption patterns in children and young people.

67. The impact of the CTICP exemption, which allows alcohol advertising to be broadcast on free-to-air television at any time during a live sporting event, has been highlighted as a key factor in children and young people's exposure to alcohol advertising.

- In 2007, 44 per cent of alcohol advertisements shown on weekends and weekday public holidays (in the five metropolitan markets of Adelaide, Brisbane, Sydney, Melbourne and Perth) were shown during the day (5.01am – 8.29pm),¹⁴⁶ reflecting the impact of the CTICP exemption. Furthermore, it was noted that this was an increase compared to 2004 – 2005 (44 per cent vs. 38 per cent).
- Donovan and Sinclair examined exposure to alcohol advertisements during the 2008 Bathurst 1000. They found that 117,000 people aged 5-17 watched the telecast, during which time they were exposed to up to 35 minutes of alcohol advertising (visual sponsorship and in-break alcohol advertisements).¹⁴⁷

b. The scope and function of current regulations

68. Current regulations, both in Australia and internationally, have been criticised for being inadequate and too narrow in their scope.^{148,149,150} Specific concerns that have been raised include: the inability of current codes to cover new media marketing; a focus on content rather than placement of advertisements; lack of regulation associated with sponsorship of sporting and cultural events; and community disagreement on adjudication decisions.

69. The proliferation of alcohol marketing into new media presents a challenge for current regulatory codes. Existing codes have been developed with a focus on traditional media and as such they are not well equipped to respond to new marketing methods. This issue was raised by the ABAC Scheme Chief Adjudicator in the ABAC Scheme Annual Report of 2011:

From time-to-time policy issues arise where a complaint raises issues or concerns a marketing activity that falls outside from the type and style of alcohol beverage advertising to which the Code was

¹⁴² Fielder, L., Donovan, R.J., Ouschan, R. (2009). Exposure of children and adolescents to alcohol advertising on Australian metropolitan free-to-air television. *Addiction*. 104: 1157-1165

¹⁴³ Babor T, *et al.* (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

¹⁴⁴ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism* (July/August 2012) 47 (4): 486-493.

¹⁴⁵ Alcohol Concern (2011). New media, new problem? Alcohol, young people and the internet.

<http://www.alcoholconcern.org.uk/assets/files/Wales%20factsheets/New%20%20media.%20new%20problem.pdf> accessed 8 December 2012

¹⁴⁶ Victorian Department of Human Services for the Monitoring of Alcohol Advertising Committee (2009). Alcohol beverage advertising in mainstream Australian media 2005 to 2007: Expenditure and Exposure

¹⁴⁷ Davoren, S.L and Sinclair, C.A. (2012). Children and adolescent exposure to alcohol advertising during Bathurst 1000. *Australian and New Zealand Journal of Public Health*. 36 (1), 90-91

¹⁴⁸ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia

¹⁴⁹ Babor T, *et al.* (2010). Alcohol: No Ordinary Commodity in *Research and Public Policy*, 2nd Edition, UK: Oxford University Press.

¹⁵⁰ Alcohol Policy Coalition (2011). Position Statement: Marketing and Promotion of alcohol.

http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf accessed 18 December 2012

originally directed, namely: that the advertisement is transmitted by a 'traditional' medium of television, radio, print, billboard or via the Internet through a dedicated product website or a banner advertisement on a third party website.¹⁵¹

The ABAC Scheme does not purport to apply to all forms of marketing activity undertaken by alcohol beverage producers and suppliers, but rather only extends to advertising.¹⁵²

Box 7: The ABAC Scheme and new media

As outlined in the 2011 ABAC Scheme Annual Report, the ABAC Adjudication Panel was asked to consider the issue of product placement; specifically the placement of Midori within a music film clip of an American pop band that was available, and widely viewed, through the internet file sharing site YouTube. The panel concluded that:

*"[the] product placement was not an 'ad' within the meaning of the ABAC Scheme and hence the Panel could not make a substantive decision as to whether the clip's portrayal of the use of the alcohol product was consistent with ABAC Standards (p.7)."*¹⁵³

This example demonstrates the limitations of the current scheme. The ABAC Chief Adjudicator noted product placement is an important issue and *"worthy of serious consideration as to whether a regulatory approach should be adopted to control the practice in Australia."*¹⁵⁴

70. There is limited evidence relating to regulation and alcohol marketing in new media. An audit of alcohol brand websites conducted by Gordon (2011), found that some website content would be in breach of current regulatory codes (those that cover traditional alcohol marketing).¹⁵⁵ Similar findings were made by Carroll *et al* (2005) when reviewing the 2004 changes to the ABAC Scheme. Carroll *et al* reported that *"the evidence from this preliminary study suggests that there is currently content on alcohol beverage websites which appears inconsistent with the content and spirit of the revised ABAC."*¹⁵⁶

71. In addition to the concerns noted above, Nicholls (2012) argues that the limited scope of existing regulation allows social media marketing to embed brand awareness and encourage normalisation of drinking as part of everyday life, without violating regulatory codes.¹⁵⁷ This is because marketing campaigns can develop a brand through discussions and conversations which do not explicitly reference drinking.¹⁵⁸

c. Content vs. placement of advertisements

72. Voluntary codes on alcohol advertising generally focus on advertising content rather than the volume and/or placement of advertising.^{159,160} Children and young people are exposed to a significant amount of alcohol marketing, the effect of which has been shown to be cumulative.¹⁶¹

¹⁵¹ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report <http://www.abac.org.au/files/ABAC2011AnnualReport.pdf> accessed 17 December 2012

¹⁵² *ibid*

¹⁵³ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report <http://www.abac.org.au/files/ABAC2011AnnualReport.pdf> accessed 17 December 2012

¹⁵⁴ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report <http://www.abac.org.au/files/ABAC2011AnnualReport.pdf> accessed 17 December 2012

¹⁵⁵ Gordon, R. (2011) An Audit of alcohol brand websites. *Drug and Alcohol Review*, 30, 638-644

¹⁵⁶ Carroll, T., Stewart, C., King, E. and Taylor, J. (2005). *Consistency of Alcohol Advertising and Promotion on the Internet with the Revised Alcohol Beverages Advertising Code*. Department of Health and Ageing. Sydney

¹⁵⁷ Nicholls, J. (2012). Everyday, Everywhere: Alcohol Marketing and Social Media – Current Trends *Alcohol and Alcoholism* 47 (4): 486-493.

¹⁵⁸ *ibid*

¹⁵⁹ Babor T, *et al.* (2010). *Alcohol: No Ordinary Commodity in Research and Public Policy*, 2nd Edition, UK: Oxford University Press

¹⁶⁰ Australian Medical Association (2012). *Alcohol Marketing and Young People: Time for a new policy agenda*. Canberra, Australia

¹⁶¹ *ibid*

Thus, the volume of advertising is an important consideration when considering the effectiveness of regulation.

73. In Australia, there are some restrictions on the placement of alcohol advertisements in certain media. For example, the Outdoor Media Association (OMA) requires members to limit the advertising of alcohol products on fixed signs that are within a 150m sight line of a primary or secondary school; while the CTICP restricts the times for which alcohol advertisements can be shown on television. However, the CTICP exemption allowing alcohol advertising during live sport and a failure of the OMA to always address breaches of their code¹⁶² undermine the effectiveness of these regulations.
74. There is currently no regulation that restricts the volume or placement of alcohol advertisements on the Internet. Given the increasing use of the Internet as a marketing medium this is an area that requires further examination. This lack of regulation can result in advertisements for alcoholic beverages appearing on internet sites that are readily accessible and frequently used by children and young people.
75. The ABAC Panel has referred this issue to the Management Committee, questioning whether the placement of alcohol advertisements on the Internet should be covered by the ABAC Scheme.¹⁶³

d. Sponsorship of sporting and cultural events

76. Sponsorship of sporting event, sporting teams, cultural and music events by alcohol companies is commonplace in Australia. The ABAC Scheme currently contains standards for the promotion of alcohol at events (see Appendix A); however, it does not specifically address sponsorship of sport and cultural events. The lack of regulation relating to sport and event sponsorship and the associated exemption for alcohol advertising during live sport is frequently raised as an area of concern when considering the effect of alcohol advertising on children and young people.^{164,165,166,167}
77. The ABAC Scheme Chief Adjudicator noted this issue in the 2011 ABAC Annual Report. The report highlighted that a number of complaints raised the issue of sponsorship; however, it considered that while sponsorship activity is a 'legitimate question of public policy', it is the place of industry, health advocates, the community and government to address.¹⁶⁸

e. Community concerns and expectations

78. The Australian Association of National Advertisers (AANA) Code for Advertising & Marketing Communications to Children states that "*advertising or marketing communications to children must*

¹⁶² *ibid*

¹⁶³ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report <http://www.abac.org.au/files/ABAC2011AnnualReport.pdf> accessed 17 December 2012

¹⁶⁴ Australian Government Preventative Health Taskforce (2009) Australia: The Healthiest Country by 2020. Technical Report 3, Preventing alcohol-related harm, a window of opportunity. Commonwealth Government of Australia.

¹⁶⁵ Alcohol Policy Coalition (2011). Position Statement: Marketing and Promotion of alcohol. http://alcoholpolicycoalition.org.au/http://alcoholpolicycoalition.org.au/wp-content/uploads/2009/11/Marketing-and-Promotion-of-Alcohol_FINAL_210611.pdf accessed 18 December 2012

¹⁶⁶ Jones, S.C., Hall, D., Munro, G. (2008). How effective is the revised regulatory code for alcohol advertising in Australia? *Drug and Alcohol Review*, 27: 29-38

¹⁶⁷ Jones, S.C., Phillipson, L., Barrie, L. (2010). 'Most men drink...especially like when they play sports' – alcohol advertising during sporting broadcasts and the potential impact on child audiences. *Journal of Public Affairs*. 10: 59-73

¹⁶⁸ Management Committee of the ABAC Scheme (2011) The ABAC Scheme Annual Report <http://www.abac.org.au/files/ABAC2011AnnualReport.pdf> accessed 17 December 2012

not contravene prevailing community standards".¹⁶⁹ While this statement does not expressly relate to alcohol advertisements it is important to ascertain if the current regulatory standards for alcohol advertising are meeting community expectations.

79. Previously, Free TV Australia and the Advertising Standards Bureau have highlighted that there are a low number of complaints received in relation to alcohol advertising.¹⁷⁰ It should be noted, however, that Free TV Australia only accepts complaints in relation to the CTICP. There is some evidence that knowledge of the ABAC Scheme among the general population is low and that this may contribute to a lack of complaints;¹⁷¹ however, public awareness of the Advertising Standards Bureau is reasonably high¹⁷² and the ABAC complaints process can be found easily online.
80. A recent poll exploring Australian attitudes and behaviours related to alcohol, reported that 68 per cent of respondents believed alcohol advertising and promotion influenced the behaviour of people under the age of 18. In regards to alcohol advertising on television, 64 per cent supported a ban on alcohol advertising before 8.30pm and 4 per cent identified the Advertising Standard Bureau as the organisation to direct their complaints to.¹⁷³
81. Concern has been raised in relation to the ABAC Scheme being voluntary in nature and the fact it is unable to penalise advertisers for breaches of the code. It is worth noting that all BAANZ, WFA and DSICA members abide by the Scheme – which represents nearly all advertisers. ABAC is unable to penalise the advertisements of non-signatories.

¹⁶⁹ Australian Association of National Advertisers (2009). *Code for Advertising & Marketing Communications to Children*. <http://www.aana.com.au/data/Documents/Codes/AANACodeforAdvandMktngCommtoChildrenAugust2009.pdf> accessed 18 December 2012 – the Code further defines prevailing community standards as: "...the community standards determined by the Advertising Standards Board as those prevailing at the relevant time, and based on research carried out on behalf of the Advertising Standards Board as it sees fit, in relation to Advertising or Marketing Communications to Children."

¹⁷⁰ Australian Senate (2008). Standing Committee on Community Affairs. Alcohol Toll Reduction Bill 2007 (2008) report. http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=clac_ctte/alcohol_reduction/index.htm

¹⁷¹ Australian Medical Association (2012). Alcohol Marketing and Young People: Time for a new policy agenda. Canberra, Australia

¹⁷² Advertising Standards Bureau (2012). *Community perceptions research 2012 – overview* <http://www.adstandards.com.au/storage/2899879fe516062936d15b2eacdc700a.Research%202012%20-%20overview.pdf> accessed 18 December 2012.

¹⁷³ Foundation for Alcohol Research and Education (2012) Annual Alcohol Poll: Attitudes and Behaviours <http://www.fare.org.au/research-development/community-polling/annual-alcohol-poll-2012/>

C. QUESTIONS ARISING

These are some of the themes and issues on which the Agency seeks feedback:

Effectiveness	<ul style="list-style-type: none">• Examples of where alcohol advertising regulation works effectively or otherwise.• How effective is current alcohol advertising regulation in Australia in reducing the exposure of alcohol advertising / marketing to children and young people?
Scope	<ul style="list-style-type: none">• Are there areas in which the scope of alcohol related advertising regulations should be broadened?• What are the practicalities involved in whether a more expanded scheme can self-regulate effectively?
Management	<ul style="list-style-type: none">• Are the current management arrangements appropriate for managing a code and associated regulations for an issue of significant social concern? Please explain why or why not.• Are the public health inputs and considerations sufficient? Please explain why or why not.
Other	<ul style="list-style-type: none">• What other aspects of the alcohol advertising regulations in Australia are critical to consider?

Appendix A

The Alcohol Beverages Advertising Code

Part 1—Standards to be applied to advertisements for alcohol beverages.

Advertisements for alcohol beverages must:

- a) Present a mature, balanced and responsible approach to the consumption of alcohol beverages and, accordingly:
 - i) must not encourage excessive consumption or abuse of alcohol
 - ii) must not encourage underage drinking
 - iii) must not promote offensive behaviour, or the excessive consumption, misuse or abuse of alcohol beverages
 - iv) must only depict the responsible and moderate consumption of alcohol beverages.
- b) Not have a strong or evident appeal to children or adolescents and, accordingly:
 - i) adults appearing in advertisements must be over 25 years of age and be clearly depicted as adults
 - ii) children and adolescents may only appear in advertisements in natural situations (e.g. family barbecue, licensed family restaurant) and where there is no implication that the depicted children and adolescents will consume or serve alcohol beverages
 - iii) adults under the age of 25 years may only appear as part of a natural crowd or background scene.
- c) Not suggest that the consumption or presence of alcohol beverages may create or contribute to a significant change in mood or environment and, accordingly:
 - i) must not depict the consumption or presence of alcohol beverages as a cause of or contributing to the achievement of personal, business, social, sporting, sexual or other success
 - ii) if alcohol beverages are depicted as part of a celebration, must not imply or suggest that the beverage was a cause of or contributed to success or achievement
 - iii) must not suggest that the consumption of alcohol beverages offers any therapeutic benefit or is a necessary aid to relaxation.
- d) Not depict any direct association between the consumption of alcohol beverages, other than low alcohol beverages, and the operation of a motor vehicle, boat or aircraft or the engagement in any sport (including swimming and water sports) or potentially hazardous activity and, accordingly:
 - i) any depiction of the consumption of alcohol beverages in connection with the above activities must not be represented as having taken place before or during engagement of the activity in question and must in all cases portray safe practices and
 - ii) any claim concerning safe consumption of low alcohol beverages must be demonstrably accurate.

- e) Not challenge or dare people to drink or sample a particular alcohol beverage, other than low alcohol beverages, and must not contain any inducement to prefer an alcohol beverage because of its higher alcohol content
- f) Comply with the Advertiser Code of Ethics adopted by the Australian Association of National Advertisers.
- g) Not encourage consumption that is in excess of, or inconsistent with the Australian Alcohol Guidelines issued by the NHMRC.
- h) Not refer to the ABAC Scheme, in whole or in part, in a manner which may bring the scheme into disrepute.

Internet advertisements

The required standard for advertisements outlined in (1)(a) to (h) above applies to internet sites primarily intended for advertising developed by or for producers or importers of alcohol products available in Australia or that are reasonably expected to be made available in Australia, and to banner advertising of such products on third party sites.

Retail advertisements

Advertisements which contain the name of a retailer or retailers offering alcohol beverages for sale, contain information about the price or prices at which those beverages are offered for sale, and which contain no other material relating to or concerning the attributes or virtues of alcohol beverages except:

- i) the brand name or names of alcohol beverages offered for sale
- ii) the type and / or style of the alcohol beverages offered for sale
- iii) a photographic or other reproduction of any container or containers (or part thereof, including any label) in which the alcohol beverages offered for sale are packaged
- iv) the location and / or times at which the alcohol beverages are offered for sale and
- v) such other matter as is reasonably necessary to enable potential purchasers to identify the retailer or retailers on whose behalf the advertisement is published must comply with the spirit and intent of the code but are not subject to any process of prior clearance.

Promotion of alcohol at events

Alcohol beverage companies play a valuable role in supporting many community events and activities. It is acknowledged that they have the right to promote their products at events together with the right to promote their association with events and event participation. However, combined with these rights comes a range of responsibilities. Alcohol beverage companies do not seek to promote their products at events which are designed to clearly target people under the legal drinking age.

This protocol commits participating alcohol beverage companies to endeavour to ensure that:

- all promotional advertising in support of events does not clearly target underage persons and as such is consistent with the ABAC standard

- alcohol beverages served at such events are served in keeping with guidelines, and where applicable legal requirements, for responsible serving of alcohol (which preclude the serving of alcohol to underage persons)
- promotional staff at events do not promote consumption patterns that are inconsistent with responsible consumption, as defined in the NHMRC Guidelines
- promotional staff do not misstate the nature or alcohol content of a product
- promotional staff at events are of legal drinking age
- promotional materials distributed at events do not clearly target underage persons
- promotional materials given away at or in association with events do not connect the consumption of alcohol with the achievement of sexual success
- promotional materials given away at or in association with events do not link the consumption of alcohol with sporting, financial, professional or personal success
- promotional materials given away at events do not encourage consumption patterns that are inconsistent with responsible consumption, as defined in the NHMRC Guidelines
- A condition of entry into giveaways promoted by alcohol companies at or in association with events is that participants must be over the legal drinking age; and prizes given away in promotions associated with alcohol beverage companies will only be awarded to winners who are over the legal drinking age.

Third parties

At many events alcohol companies limit their promotional commitments to specified activities. This protocol only applies to such conduct, activities or materials associated with events that are also associated with alcohol beverage companies.

Alcohol beverage companies will use every reasonable endeavour to ensure that where other parties control and / or undertake events, including activities surrounding those events, they comply with this protocol. However non-compliance by third parties will not place alcohol beverage companies in breach of this protocol.

Public education

This protocol does not apply to or seek to restrict alcohol beverage companies from being associated with conduct, activity or materials that educate the public, including underage persons, about the consequences of alcohol consumption and the possible consequences of excessive or underage consumption.

Part 2—Standards to be applied to the naming and packaging of alcohol beverages

1 The naming or packaging of alcohol beverages (which is also referred to within these standards as “product material”) must:

- a) present a mature, balanced and responsible approach to the consumption of alcohol beverages and, accordingly:
 - i) must not encourage excessive consumption or abuse of alcohol

- ii) must not encourage under-age drinking
 - iii) must not promote offensive behaviour, or the excessive consumption, misuse or abuse of alcohol beverages
 - iv) must only depict the responsible and moderate consumption of alcohol beverages
- b) not have a strong or evident appeal to children or adolescents and, accordingly
- i) adults appearing in product material must be over 25 years of age and be clearly depicted as adults
 - ii) children and adolescents may only appear in product material in natural situations (e.g. family barbecue, licensed family restaurant) and where there is no implication that the depicted children and adolescents will consume or serve alcohol beverages
 - iii) adults under the age of 25 years may only appear as part of a natural crowd or background scene
- c) not suggest that the consumption or presence of alcohol beverages may create or contribute to a significant change in mood or environment and, accordingly:
- i) must not depict the consumption or presence of alcohol beverages as a cause of or contributing to the achievement of personal, business, social, sporting, sexual or other success
 - ii) if alcohol beverages are depicted as part of a celebration, must not imply or suggest that the beverage was a cause of or contributed to success or achievement
 - iii) must not suggest that the consumption of alcohol beverages offers any therapeutic benefit or is a necessary aid to relaxation
- d) not depict any direct association between the consumption of alcohol beverages, other than low alcohol beverages, and the operation of a motor vehicle, boat or aircraft or the engagement in any sport (including swimming and water sports) or potentially hazardous activity and, accordingly:
- i) any depiction of the consumption of alcohol beverages in connection with the above activities must not be represented as having taken place before or during engagement of the activity in question and must in all cases portray safe practices
 - ii) any claim concerning safe consumption of low alcohol beverages must be demonstrably accurate
- e) not challenge or dare people to drink or sample a particular alcohol beverage, other than low alcohol beverages, and must not contain any inducement to prefer an alcohol beverage because of its higher alcohol content
- f) not encourage consumption that is in excess of, or inconsistent with the Australian Alcohol Guidelines issued by the NHMRC.
- g) not refer to the ABAC Scheme, in whole or in part, in a manner which may bring the scheme into disrepute.

2 These standards, (Part 2 (1) (a)–(g)), apply to the naming and packaging of all alcohol beverages supplied in Australia, with the exception of the name of any product or a trademark which the

supplier can demonstrate, to the satisfaction of the Adjudication Panel, had been supplied for bona fide retail sale in the ordinary course of business in a state or territory of Australia prior to 31 October 2009.