

## **ADVERTISING**

The Control of Availability theory in regard to beverage alcohol assumes that there is a fixed and unalterable relationship between the total per capita consumption in any community or country and the level of alcohol-related problems. Proponents of this theory contend therefore, that the most effective way of reducing such problems is by reducing consumption. One of the measures proposed to this end is restricting beverage alcohol advertising.

Of late, other areas of concern, partly attributed to advertising and marketing of alcohol beverages, are the consumption of alcohol by those below the legal drinking age, and risky drinking by young people.

### **Impact of advertising**

The body of literature examining alcohol advertising and its impact on different groups of consumers is extensive. There is a lack of conclusive evidence that alcohol advertising increases levels of aggregate consumption among adults or young people (Calfee and Scheraga 1994; Duffy 1991, 1995; Fisher 1993, 1999; Fisher and Cook 1995; Nelson and Moran 1995; Nelson and Young 2001). Furthermore, the literature shows no causal link between alcohol advertising and particular drinking patterns and resulting problems (Fisher 1993, 1999; Fisher and Cook 1995; Simpson *et al.* 1985; Young 1993). Advertising does, however, have a measurable effect on market share for brands and a substitution effect between brands (Gius 1996; Lee and Tremblay 1992; Nelson 1997).

A similar assessment has been reached by independent third party reviews of the literature, such as the one described in the 10<sup>th</sup> Special Report to the U.S. Congress on Alcohol and Health (National Institute on Alcohol Abuse and Alcoholism 2000), which states,

*“When all of the studies are considered, the results of research on the effects of alcohol advertising are mixed and not conclusive”* (p. 422).

Similarly, the Plan for Action on Alcohol Problems prepared by the Scottish Executive (2002) states,

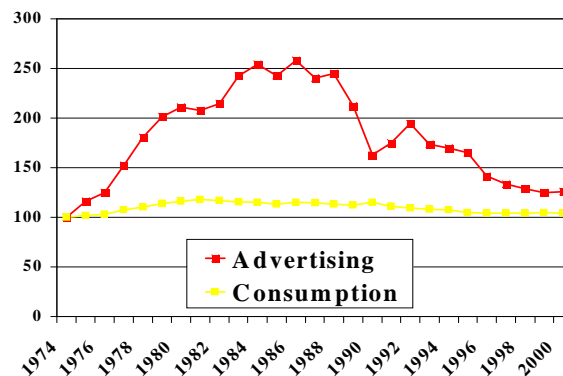
*“Evidence about the effects of advertising on alcohol consumption and alcohol problems is equivocal”* (p. 66).

As the following examples show, market data from a number of countries also support the inconclusiveness of the research literature on the effect of alcohol advertising on aggregate demand for or consumption of beverage alcohol.

- In the Netherlands, Germany and the United Kingdom, alcohol consumption has declined despite increases in advertising expenditure (Calfee and Scheraga 1994).

- Although the amount of advertising for all beverage types has increased dramatically over the past century, data show that the consumption of beer, wine and spirits in the United States has remained relatively constant. In fact, per capita consumption levels for 1998 do not differ dramatically from those of 1900 (Nephew *et al.* 2000).
- Data from the U.S. Bureau of the Census and the Leading National Advertisers Index also show that increases in advertising within individual sectors of the beverage alcohol industry have no impact on consumption. As shown in Figure 1, despite a significant increase in advertising expenditure during the period 1974-1989 by the brewing industry, the beer market has remained constant.

**Figure 1. 1974-2000 Beer advertising vs. per capita beer consumption**  
(Indexed so 1974 Figures=100)



Source: Leading National Advertisers Index; Bureau of the Census.

- Bans on broadcast advertising in Sweden, Denmark, Finland, and Norway have not resulted in a decline in consumption (Nelson 2001; Nelson and Young 2001).
- Despite the repeal of an advertising ban on all types of beverage alcohol in New Zealand in 1992, there was no resulting increase in the consumption of distilled spirits. The already declining spirits market fell even further during the two years following the introduction of broadcast advertising (Distilled Spirits Association of New Zealand 2001).

The lack of a demonstrable positive relationship between advertising and aggregate consumption is not unique to the alcohol market. The experience of other industries with regard to their products is similar.

## **Impact of advertising and marketing on young people**

The impact of alcohol advertising and marketing on young people has received considerable attention. A substantial body of research has been devoted to the respective roles of family, peers, culture, social forces, media, and other significant factors in determining the decision by young people whether or not to drink. The most powerful factors in shaping beliefs and attitudes about drinking are parental and peer influence (Adlaf and Kohn 1989; Fisher 1993; Milgram 2001; Smart 1988; Stockdale 2001). Alcohol advertising, on the other hand, plays only a small role. In fact, there is no compelling evidence of an unequivocal correlation between advertising and either drinking patterns among young people, or rates of abuse (Young 1993). 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 (Houghton and Roche 2001).

It is clear that drinking among young people is one of many risk-taking behaviors and part of a process of experimentation (Costa *et al.* 1999; Plant and Plant 1992). There is also substantial evidence that potentially harmful youthful drinking patterns generally do not continue as responsibilities, such as entering the workforce, marriage, or parenthood, take over and lifestyles change (Adams *et al.* 1990; Fillmore 1988; Fillmore *et al.* 1991; Jessor 1998; Kandel and Logan 1984; MacMahon *et al.* 1994; Plant 2001).

For young people, as well as for adults, alcohol consumption is driven by long-term social trends. In the United States, for instance, the independent 1999 Report of the Federal Trade Commission (FTC) to the U.S. Congress (Evans and Kelly 1999) found that alcohol consumption was lower than it had been in 1980. Among young people, alcohol consumption had also fallen during that period (Johnston *et al.* 2002).

The industry does not condone promotion and advertising of beverage alcohol to those under the legal minimum purchase age. Yet it should be acknowledged that young people are inevitably exposed to beverage alcohol advertising, as they are to advertising for any other consumer product. They are aware of it, and are able to identify and distinguish between alcohol brands, just as they are able to discern brands of other consumer goods. However, the evidence does not support the notion that such awareness increases consumption by young people (Fisher 1993, 1999; Grube 1993).

Evidence of alcohol consumption patterns among young people in a number of countries included in the European School Survey Project on Alcohol and Other Drugs (ESPAD) Report (Hibbell *et al.* 2000) is instructive. In some of the countries included in the study, alcohol advertising has been banned; in others, there is reliance on self-regulation by the industry to ensure responsible advertising. The results from the study show that there is no clear relationship between alcohol advertising, its regulation, and either drinking patterns or problems among youth. Instead, the ESPAD Report points to the importance of culture in determining drinking patterns and problems in different societies.

For example:

- Denmark has a ban on all broadcast advertising except on low alcohol-content products, as well as various restrictions on print and outdoor advertising. At the same time, Denmark has one of the highest reported rates of intoxication among young people.
- Ireland, a country that has banned all spirits advertising in the broadcast media and has imposed restrictions on other beverage types, also has one of the highest reported rates of intoxication among youth.
- Italy, on the other hand, reported one of the lowest rates of intoxication, even though advertising relies heavily on self-regulatory codes.
- Greece, another country with low rates of intoxication among young people, has a combination of voluntary self-regulation, and some legislated regulations.
- Romania, which also shows some of the lowest intoxication rates, all beverage alcohol advertising is explicitly forbidden, reinforcing the conclusion that neither advertising nor restrictions imposed upon it seem to play a role in either drinking patterns or problems.

These examples are consistent with the notion that culture plays a determining role (Heath 1995, 2000).

In summary, no scientific evidence exists to support the notion that beverage alcohol advertising has any significant impact on the rate of alcohol abuse and alcoholism. In fact, all evaluations suggest that advertising is not a contributory force influencing the overall level of alcohol consumption. Hence, the placing of restrictions or bans on advertising as an instrument of public policy with respect to the prevention of alcohol-related damage is highly questionable. Nor has evidence been presented in the literature that supports the contention that alcohol advertisements induce young people to drink. The literature suggests that teenagers begin to drink in response to a set of learned cultural definitions and social expectations. The primary transmitters of these definitions and expectations are parents, other adult role models, and peer group members, all existing within a socio-cultural context of value and belief patterns about alcoholic beverages.

## **Conclusion**

- The goal of advertising is to capture the largest possible proportion of the business of those over the legal drinking age who have already made the choice to drink. Advertising has a measurable effect on market share for particular brands and substitution between brands.
- Advertising has not been shown to increase aggregate consumption by adults or young people.
- A causal link has not been established between alcohol advertising and harmful or excessive drinking patterns and resulting problems

- Banning advertising reduces consumer choice.
- An advertising ban would reduce competition and freeze market shares of existing brands but have little effect on overall consumption.
- Most alcohol beverages are not advertised or strongly promoted. Estimates are that as much as half of all alcohol consumed worldwide is not advertised. Comprehensive advertising and marketing restrictions will not make any difference for these products
- However, due to alcohol's potential for harm if misused, the marketing of alcohol beverages requires careful attention.
- Industry self-regulation, by which it is responsible for monitoring and enforcing its own conduct around the marketing of its products, can be an effective approach to ensuring responsible marketing

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