

Getting the facts right on

Alcohol advertising and consumption

Advertising for alcoholic beverages is regularly under government scrutiny. Regulating and reducing the visibility of alcoholic beverages is seen as a convincing public health policy measure to reduce alcohol-related harm.

Contrary to the general belief, **alcohol advertising does not create the desire to consume**, therefore **banning advertising will not significantly reduce overall consumption**, and **alcohol-related harm will not automatically decline**.

This document aims to provide an effective toolkit to address questions surrounding alcohol advertising and its effects on consumption.

K E Y P O I N T S

Does advertising for alcoholic beverages influence consumption?

- Advertising for alcoholic beverages does not create consumption
- In a mature market, the purpose of marketing is to differentiate among individual branded products – it aims to increase market share

Does alcohol marketing influence young people?

- There is very little scientific evidence that advertising influences young people – parental and peer approval are actually much more influential
- The current legislative framework, along with effective advertising self-regulation, ensures that young people under the legal purchase age are not targeted by alcohol marketing

Are advertising bans effective to reduce consumption?

- Virtually all scientific evidence demonstrates that alcohol advertising bans have no impact on overall alcohol consumption
- Experience in a number of countries (Canada, Norway...) confirms their ineffectiveness

Why should alcohol advertisers be trusted to “self-regulate”?

- Self-regulation does not replace statutory regulation, it complements an existing framework of law
- A balanced and proportionate policy mix ensures that advertising is legal, decent, honest and truthful, while remaining free to the tax payer, dynamic, responsive and flexible
- Sectoral and company-specific codes ensure that rules are tailored to the needs of all types of advertising, ensuring responsible advertising of alcoholic beverages

Does advertising for alcoholic beverages influence consumption?

Does alcohol marketing influence young people?

Are advertising bans effective to reduce consumption?

Why should alcohol advertisers be trusted to "self-regulate"?

KEY POINTS

- Advertising for alcoholic beverages does not create consumption in mature markets
- The purpose of marketing is to encourage competition between brands – it increases market share

The real link between advertising of alcohol beverages and consumption

Advertising of alcoholic beverages does not have a significant impact on overall consumption in a mature market

Most of the literature to date does not point to a significant causal link between advertising and alcohol consumption, let alone harmful consumption.

The determinants of individual behaviour are difficult to establish, but it is agreed that the factors are numerous and their interrelation complex. Many scientific studies conclude that parental education and peer pressure are much more influential.

The role of advertising

In a mature market, the purpose of marketing is to encourage competition between brands, not to influence consumption of a product category. An increase in car advertising, for instance, will not lead to an increase in car purchases. It will however influence car buyers to choose between different brands and models.

Evidence indicates that while advertising does not increase overall consumption of alcoholic beverages, it does have a measurable impact on market share for brands and substitution between brands.

Marketing and advertising create brand awareness. In a mature market such as the one for alcoholic beverages, it merely encourages competition between brands, which is both stimulating for the economy and beneficial for consumer choice.

What is a mature market?

A mature market is one which has reached a certain state of stability marked by the absence of significant growth.

The market for alcoholic beverages has been a mature market for a long time in almost all countries of the world. Demand is stable, with no signs of major evolution.

The lack of evidence on a link between advertising and consumption

The available literature on the influence of alcohol advertising on consumption is inconclusive and unreliable

Why? Because there are no studies of alcohol advertising which can effectively trace the "effect" of an ad from exposure through purchase to subsequent consumption behaviour.

There is no reliable research which demonstrates a causal link between advertising and consumption. Without such demonstration, it is impossible to conclude legitimately that advertising induces specific behaviours.

Advertising is a progression through various stages. Behaviours are only influenced by advertising at the end of a 9-step process, beginning with exposure to the ad, and moving through paying attention to it, reacting favourably, comprehending it, agreeing with it, sorting and retaining its content, remembering it, deciding upon it and behaving in accordance with this decision. At any step of this tenuous process the causal chain can be broken. Most available literature is unable to demonstrate a direct causality throughout these 9 steps.

Discussing the merits of several public health research studies, Nelson finds that '*substantial shortcomings are found in the studies, which preclude a causal interpretation*' (Nelson, 2011).

Does advertising for alcoholic beverages influence consumption?

Does alcohol marketing influence young people?

Are advertising bans effective to reduce consumption?

Why should alcohol advertisers be trusted to “self-regulate”?

Inconclusive and contradicting science

The literature on the influence of advertising on alcohol consumption is lengthy and mostly contradicting. For every study finding a positive correlation between advertising and alcohol consumption, there is another one contradicting the sample, the methodology or the conclusions. Virtually all econometric, cross-sectional, and case studies have found that marketing has no or only modest effects on alcohol consumption (Broadbent, 2008; Neslon and Young, 2008; Nelson, 2007; Gallet, 2007; Lariviere et al, 2000; Duffy, 1999). The majority of available studies find that advertising does not **target** adolescents. But beyond the question of “target” three groups of scientists have reviewed the evidence on **exposure**, reviewing a nearly similar series of longitudinal studies assessing whether exposure to alcohol marketing is related to youth alcohol consumption.

Their findings are highly contradicting:

Anderson et al. reviewed 13 studies (only two of which stem from Europe), and found that *‘twelve of the thirteen studies concluded an impact of exposure on subsequent alcohol use, including initiation of drinking and heavier drinking amongst existing drinkers’*.

Smith & Foxcroft reviewed a quasi-similar body of literature and observed that *‘the effect of alcohol portrayals and advertising on the drinking behaviour of young people is a matter of much debate’*. This review shows a modest relationship between exposure to marketing and drinking among young people: the strength of the association varies between individual studies. Furthermore, the authors highlight that all reviewed studies *‘fall short of the current [methodological] recommendations as set out in the STROBE statement’**. Finally, this study concludes with a question: *‘Does this systematic review provide evidence that limiting alcohol advertising will have an impact on alcohol consumption amongst young people? Not directly: (...) we cannot rule out that the effects demonstrated in these studies are due to residual confounding’*.

Finally, **Nelson** reviewed a body of literature almost identical to the one reviewed by Anderson et al. and Smith & Foxcroft. He concludes that a *‘brief review demonstrates that the evidence on alcohol advertising and youth is mixed, contradictory and inconclusive’*. Although *‘studies present a conflicting set of results [...they] are cited in an uncritical manner’*. In a 2010 comprehensive review of all the literature – not only the longitudinal ones – Nelson finds that there is evidence of a *‘selection bias in the interpretation and use of results by researchers and health policy interest groups. [...]’*. Most research claiming to evidence a causal link indeed rely on a “cherry picking” selection of literature – often excluding “neutral” or negative studies – the ones which do not find evidence. A main conclusion of Nelson’s meta-analysis is that *‘the effect of alcohol marketing on adolescent drinking is modest, but the evidence indicates that it may not exist at all for mass media and other exposures’*.

* The STROBE statement is a standard of research aiming at strengthening the reporting of observational studies in epidemiology. It consists of a series of check-lists for each type of research. www.strobe-statement.org/

Anderson P., de Bruijn A., Angus K., Gordon R. and Hastings G. 2009. Impact of alcohol advertising and media exposure on adolescent alcohol use: a systematic review of longitudinal studies. *Alcohol and Alcoholism*.

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*.

Nelson J. P. 2008. Reply to Siegel et al: alcohol advertising in magazines and disproportionate exposure. *Contemporary Economic Policy*, 26(3): 493-504.

Nelson, J.P. 2010. Alcohol Marketing, Adolescent Drinking and Publication Bias in Longitudinal Studies: A Critical Survey using Meta-Analysis. *Journal of Economic Surveys*, published online on 23 August 2010.



KEY POINTS

- There is no scientific evidence demonstrating a positive causal link between exposure to advertising and young people’s drinking patterns
- The principal influences on youth drinking are parents and peers

The impact of alcohol marketing on young people’s drinking patterns

The balance of evidence does not support a direct causal link between alcohol advertising and young people’s drinking levels

To this day, there is no conclusive scientific evidence that links alcohol advertising to underage consumption. At best, some researchers were able to provide evidence of a correlation between consumers’ desire to drink and their exposure to advertising.

Most studies on the influence of advertising on young people merely reveal an awareness of generic types of alcoholic beverages (part of popular culture like Champagne or white wine).

The factors that influence consumer attitudes and drinking behaviours

Marketing has only a limited role to play in shaping young people’s attitudes

Studies have shown that the principal influences on youth drinking are parents and peers. Donovan’s review of the risk factors for adolescent alcohol initiation concluded that *‘the most consistent antecedent risk factors for starting to drink in adolescence were parental and peer approval and models for drinking.’*¹

The most recent study of *‘the effect of alcohol advertising (...) drinking behaviour in young people’* concluded that *‘alcohol expectancies, family history, peer influence and personality characteristics may act as confounders in the relationship between exposure to advertising and (...) subsequent alcohol use’*² Over 15 years of peer review concur with the above (Williams, 1995).

1. Donovan, J.E. 2004. *Adolescent alcohol initiation: a review of psychosocial risk factors*. Journal of Adolescent Health, 35(6):529.e7-18.

2. 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*.

The rules protecting children and young people

The current EU legislative framework lays down a series of provisions to protect children and young people from exposure to alcohol advertising. The **EU Audiovisual Media Services Directive (2007)** prohibits advertising for alcoholic beverages aimed “specifically at minors”, and the **2001 Council recommendation** prohibits references to youth culture and ads featuring children or underage people.

In addition to this legal framework, advertisers have voluntarily agreed to a number of detailed rules specifically for minors, including on the content of their advertising, and the media used for commercial communication. Alcohol advertisers have committed not to advertise in media “of particular appeal” to underage audience. This means that any media with more than 30% share of underage audience does not contain alcohol advertising.



KEY POINTS

- Virtually all scientific evidence demonstrates that alcohol advertising bans have no impact on overall alcohol consumption
- Experience in a number of countries (Canada, Norway...) confirms their ineffectiveness

The ineffectiveness of alcohol advertising bans

Alcohol advertising bans are ineffective to reduce alcohol consumption

Why? Most scientific evidence to date has proven that advertising bans are ineffective to reduce primary demand for alcohol.¹ An international study on broadcast bans analysed the effects of advertising bans in 17 OECD countries between 1977 and 1995.² Results indicate that advertising bans have not led to the decrease of alcohol consumption or alcohol abuse. Other economic and cultural factors appear more important as determinants of drinking patterns.

The French advertising ban: Loi Évin

A 1999 report by the French Parliament evaluating the effectiveness of France's advertising ban ('Loi Evin'), concluded that no effect on alcohol consumption could be established.³ The slow decline in alcohol consumption was deemed not to be correlated with the Loi Evin and attributed to other factors. This view is shared by the French National Association of prevention of alcoholism and addiction (ANPAA), which concedes that the effects of the law are indeed "weak".⁴

1. WHO – Juhani Letho. *Approaches to alcohol control policy* – WHO Europe publications– 1995.

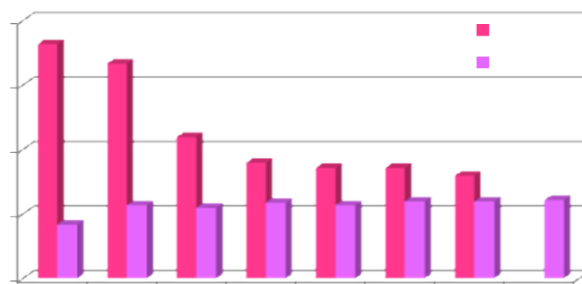
2. Nelson, J.P. & Young, D.J. 2001. Do advertising bans work? An international comparison. *International Journal of Advertising*, 20(3), 273-296.

3. Berger, G. et al. La Loi relative à la lutte contre le tabagisme et l'alcoolisme: rapport d'évaluation. *La Documentation Française*, 106.

4. The 'Loi Evin': a French exception, Dr. Alain Rigaud, Président Association Nationale de Prévention en Alcoologie et Addictologie (ANPAA).

Alcohol consumption: Italy vs Norway

Norway has strictly no advertising for alcoholic beverages, but consumption has been steadily increasing. In Italy, where alcohol advertising is permitted, consumption is decreasing:



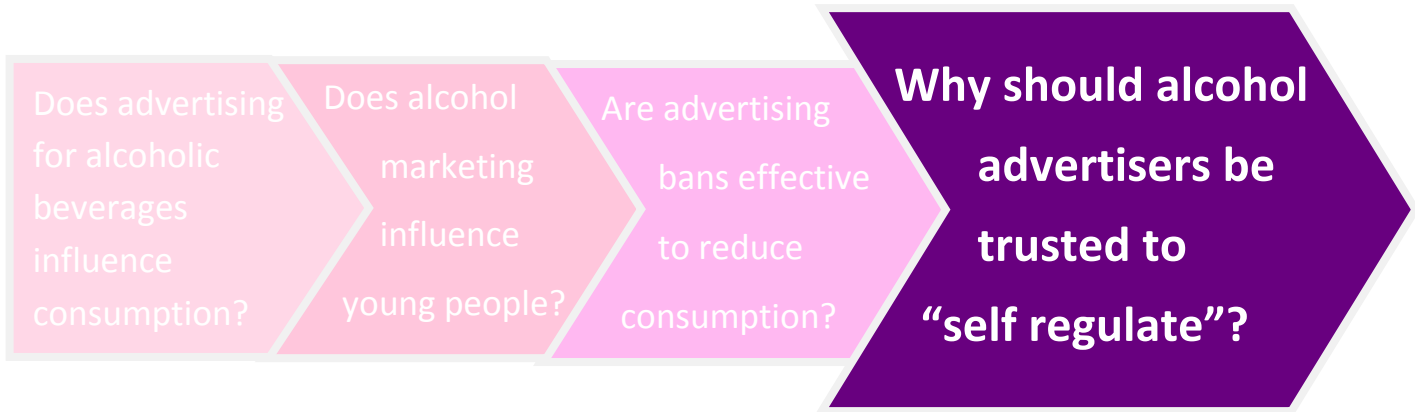
Alcohol consumption, liters per population aged 15+, OECD.

The Canadian advertising ban: a case-study

Several studies of the effects of alcohol advertising bans have been conducted in Canada, where some provinces have imposed advertising bans and subsequently lifted them. In Manitoba, a 7-year long beer advertising ban did not reduce beer sales, which have indeed increased.¹ In Saskatchewan, a study concluded that *'the change in legislation regarding alcohol advertising produced neither an abrupt permanent nor a gradual permanent effect on the pattern of total volume of sales. (...) Advertising does not (...) affect total consumption.'*²

1. Ogborne, A.C. & Smart, R.G. 1980. Will restrictions on alcohol advertising reduce alcohol consumption? *British Journal of Addiction*, 75, 293-296.

2. Makowsky, C.R. & Whitehead, P.C. 1991. Advertising and alcohol sales: a legal impact study. *Journal of Studies on Alcohol*, 52(6), 555-567.



KEY POINTS

- Self-regulation does not replace statutory regulation, it complements an existing framework of law
- A balanced and proportionate policy mix ensures that advertising is legal, decent honest and truthful, while remaining free to the tax payer, dynamic, quick and flexible
- Sectoral and company-specific codes ensure that rules are tailored to the needs of all types of commercial communication, ensuring responsible advertising of alcoholic beverages

The current rules for alcohol advertising

Advertising for alcoholic beverages is already framed by legislation

At European level, the regulatory framework lays down broad rules for alcohol advertising. The **EU Audiovisual Media Services (AMS) Directive (2007)** prohibits advertising for alcoholic beverages aimed “specifically at minors” or encouraging “immoderate consumption of such beverages”. In addition, the **2001 Council recommendation** prohibits references to youth culture, ads featuring children or underage, and references to social, sexual or sporting success.

At national level, most European countries have regulated advertising of alcoholic beverages.

The legislative framework is complemented by tailored self-regulation

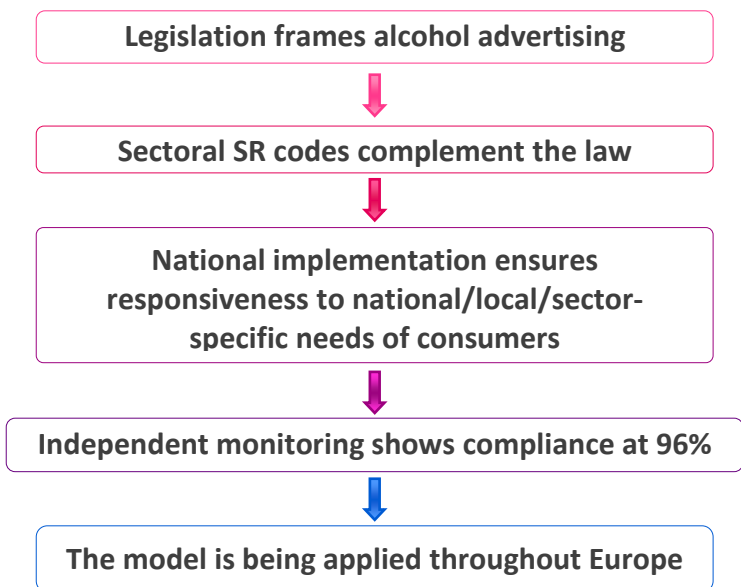
Most European countries complement their legislation with a national self-regulatory framework for advertising. It isn’t an alternative to legislation, rather a tailored complement by which the advertising industry polices itself.

In addition, the alcoholic beverage sectors have adopted specific industry codes of conduct for their advertising. The spirits producers of Europe (CEPS), for instance, have all agreed to abide by the **EFRD Common Standards for Commercial Communications**, a series of detailed rules for advertising, including provisions on minors, associations with social or sexual success, etc.

The rationale of advertising self-regulation

Self-regulatory is an effective means to adjust broad legal rules to a specific sector, company or type of beverage

Self-regulatory codes apply and complement the broad legal principles to the advertising of a sector, a company, or a type of beverage. Codes allow the industry to impose a level-playing field and sanction for breaches to commonly agreed rules (from ‘naming and shaming’ to statutory legal redress), while remaining free to the tax payer, dynamic, quick and flexible.



This successful model is supported by EU legislation (AMS Directive) and by EU policy-makers (European Commission Advertising Roundtable, 2006).

Bibliography

- Atkin, C.K. 1993. Effects Of Media Alcohol Messages On Adolescent Audiences. *Adolescent Medicine*, 4(3), 527-542.
- Barnes, J.C. & Barnes, J.G. 1979. Does Advertising Increase Alcohol Consumption? *Journal of Advertising Research*, 19, 19-29.
- Beccaria, F. 2001. The Italian debate on alcohol advertising regulation. *Contemporary Drug Problems*, 28(4), 48-50.
- Broadbent, T. 2007. Does Advertising Create Demand? *World Advertising Research Centre Report*.
- Broadbent, T. 2008. Does Advertising Grow Markets? More evidence from the United Kingdom. *International Journal of Advertising*, 27, 745-770.
- Calfee, J.E. & Scheraga, C. 1994. The influence of advertising on alcohol consumption: a literature review and an econometric analysis of four European Nations. *International Journal of Advertising*, 13, 287-310.
- Donovan, J.E. 2004. Adolescent alcohol initiation: a review of psychosocial risk factors. *Journal of Adolescent Health*, 35(6), 529.e7-18.
- Duffy, M.H. 1995. Advertising in demand systems for alcoholic drinks and tobacco: a comparative study. *Journal of Policy Modeling*, 17(6), 557-77.
- European Advertising Standards Alliance. 1997. Advertising self-regulation in Europe. *European Advertising Standards Alliance*, 2nd Edition.
- Fisher, J.C. 1993. Advertising, alcohol consumption and abuse: a worldwide survey. Westport, CT. *Greenwood Press*.
- Furnham, A. 2002. *Growing up with Advertising*. London: The British Library.
- Gallet, C.A. 2007. The Demand for Alcohol: A Meta-Analysis of Elasticities. *Australian Journal of Agricultural and Resource Economics*, 51(2), 121-135.
- Grube, J.W. & Waiters, E. 2005. Alcohol in the media, content and effects on drinking beliefs and behaviours among youth. *Adolescent Medicine Clinics*, 16, 3227-343.
- Henry, H. 1996. Does Advertising Affect Total Market Size? *Admap*, 16-19.
- International Center for Alcohol Policies. Industry Views on Beverage Alcohol Advertising and Marketing with Special Reference to Young People. *Prepared for the World Health Organization by ICAP on behalf of its sponsors*.
- International Center for Alcohol Policies. 2001. Self-regulation of beverage alcohol advertising. *ICAP Reports* 9.
- Jernigan, D and O'Hara, J. 2005. Alcohol advertising and promotion. *In Eds*, 625-653.
- Lariviere et al, 2000. Modeling the demand for alcoholic beverages and advertising specifications. *Journal of Agricultural Economics*, 22(2), 147-162.
- Lee, B. & Tremblay, V.J. 1992. Advertising and the United States Market Demand for Beer. *Applied Economics*, 24(1), 69-76.
- Leppanen, K., Sullstrom, R., Suoniemi, I. 2001. Effects of economic factors on alcohol consumption in 14 European countries. *Nordisk Alkohol & Narkotikatidskrift (Nordic Studies on Alcohol and Drugs)*, 18, 22-34.
- Lintonen, T.P. & Konu, A.I. 2004. The misperceived social norm of drunkenness among early adolescents in Finland. *Health Education Research*, 19(1), 64-70.
- Luik, J.C. & Waterson, M.J. 1996. Advertising and Markets: A Collection of Seminal Papers. *Oxford: NTC Publications Ltd*.
- Makowsky, C.R. & Whitehead, P.C. 1991. Advertising and alcohol sales: a legal impact study. *Journal of Studies on Alcohol*, 52(6), 555-567.
- Milgram, G.G. 2001. Alcohol influences: the role of family and peers. In: E.Houghton and A.M. Roche, Eds, *Learning about drinking*. Philadelphia: Brunner-Routledge, 85-108.
- Nelson, J.P. 1997. Broadcast Advertising And US Demand For Alcoholic Beverages. *System-Wide Estimates With Quarterly Data*, Washington, DC, Federal Trade Commission.
- Nelson, J. 1999. Broadcast Advertising and US Demand for Alcoholic Beverages, *Southern Economic Journal*, 65(4), 774-790.
- Nelson, J.P. & Young, D.J. 2001. Do Advertising bans work? An international comparison. *International Journal of Advertising*, 20(3), 273-296.

- Nelson, J.P. 2001. Alcohol Advertising and Advertising Bans: A Survey of Research Methods, Results, and Policy Implications, in *Advances in Applied Microeconomics. Volume 10: Advertising and Differentiated Products*, Baye, M.R. & Nelson, J.P., Editors, JAI Press and Elsevier Press: Amsterdam.
- Nelson, J.P. 2006. Alcohol advertising in magazines: Do beer, wine, and spirits ads target youth? *Contemporary Economic Policy*, 357-69.
- Nelson, J.P. 2007. Alcohol advertising bans, consumption and control policies in seventeen countries – 1975-2000. Available at Social Science Research Network (SSRN).
- Nelson, J.P. & Young, 2008. Effects of youth, price, and audience size on alcohol advertising in magazines. *Health Economics*, 17, 551-556.
- Nelson, JP, 2010. What is learned from longitudinal studies of advertising and youth drinking and smoking? A critical assessment. *International Journal of Environmental Research and Public Health*, 7: 870-926.
- Nelson, J.P. 2010. Alcohol Marketing, Adolescent Drinking and Publication Bias in Longitudinal Studies: A Critical Survey using Meta-Analysis, *Journal of Economic Surveys*, published online on 23 August 2010.
- Ogborne, A.C. & Smart, R.G. 1980. Will restrictions on alcohol advertising reduce alcohol consumption? *British Journal of Addiction*, 75, 293-296.
- Saffer, H. 1997. Alcohol advertising and motor vehicle fatalities. *The Review of Economics and Statistics*, 79(3), 431-442.
- Saffer, H. & Dave, D. 2004. Alcohol consumption and alcohol advertising bans. *Applied Economics*, 21, 901-912.
- Saffer, H. & Grossman, M. 1987a. Beer taxes, the legal drinking age, and youth motor vehicle fatalities. *Journal of Legal Studies*, 16, 351-374.
- Schultz, D.E. 2006. Challenges to study on alcohol advertising on effects on youth drinking, Archives of Pediatric vehicle fatalities. *Journal of Legal Studies*, 16, 351-374.
- Smart, R. 2006. Limitations of study on alcohol advertising effects on youth drinking. *Archives of Pediatric Adolescent Medicine*, 857-858.
- Smart, R.G. 1988. Does alcohol advertising affect overall consumption? A review of empirical studies. *Journal of studies on alcohol*, 49, 314-323.
- Smart, R.G. & Cutler, R.E. 1976. The alcohol advertising ban in British Columbia: problems and effects on beverage consumption. *British Journal of Addiction*, 71(1), 13-21.
- Smith & Foxcroft, 2009. The effect of alcohol advertising, marketing and portrayal on drinking behavior in young people: systematic review of prospective cohort studies. *BMC Public Health*, 9:51.
- Snyder, L. August 2006. Limitations of Study on Alcohol Advertising Effects on Youth Drinking. *Reply, Archives of Pediatrics & Adolescent Medicines*.
- Stockdale, J. 2001. The Role of the Media. In: E.Houghton and A.Roche, Eds., *Learning about alcohol*. Philadelphia, PA: Brunner/Routledge.
- Unger, J., Johnson, C. & Rohrback, L. 1995. Recognition and liking of tobacco and alcohol advertisements among adolescents. *Preventative Media*, 24, 461-466.

Getting the facts right

prepared by CEPS – the European Spirits Organisation, and the European Forum for Responsible Drinking (EFRD)



<http://www.europeanspirits.org/>



<http://www.eprd.org/>

May 2011