

SIX CONTINENTS – ONE GOAL
Promoting responsible beer advertising

An overview of current practice

Issued by the Worldwide Brewing Alliance (2006)

Australian Associated Brewers Inc
Beer Institute (USA)
Beer Wine & Spirits Council of New Zealand
Brewers Association of Japan
Brewers of Canada
Brewers of Europe
British Beer & Pub Association
Cerveceros Latinoamericanos

Introduction

When it comes to the marketing of beer everyone accepts that with rights, come responsibilities.

Successful mainstream brewers account for the majority of alcohol advertising expenditure around the globe and it is they who have taken up the challenge to promote responsible advertising most vigorously. In most countries, it is the brewers that have driven this cultural change, often demonstrating leadership amongst other alcohol beverage producers – notably wine and spirits – in this endeavour.

At a global level, the **Worldwide Brewing Alliance** offers a clear window into the development and implementation of rules to promote responsible alcohol advertising on all continents.

The **Worldwide Brewing Alliance** is an industry network with the active participation of a combination of industry associations who, between them, represent a large number and wide variety of mainstream alcohol advertisers. As a general organising principle, where effective associations are established – producers are represented through that association within the Alliance.

The design of advertising standards at any level – company, country or continent – is conceptually straightforward, falling into two natural halves:

- (a) What are the standards to be applied? *and*
- (b) How are they enforced?

This overview considers these two questions in turn.

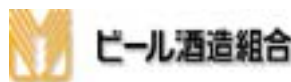
Members of the Worldwide Brewing Alliance who contributed to this overview, included:



Brewers of Canada



The Brewers of Europe



Setting and spreading Standards

There is a great deal of common ground between producers, government and other stakeholders on what issues should be codified within alcohol advertising standards.

Not surprisingly, a shared priority issue for all stakeholders is a desire that alcohol advertising not target young people below the drinking age. This is expressed in all of the standards/codes themselves and often in restrictions on the placement of advertisements.

There are many other common standards concerning drink driving, health claims and excessive consumption.

The European Union has had a considerable impact on the shape of standards worldwide – via the introduction of a Council Directive in 1989¹ which has become known as the ‘Television Without Frontiers’ Directive (TWF).

Article 15 of this document states:

“Television advertising and teleshopping for alcoholic beverages shall comply with the following criteria:

- (a) it may not be aimed specifically at minors or, in particular, depict minors consuming these beverages;*
- (b) it shall not link the consumption of alcohol to enhanced physical performance or to driving;*
- (c) it shall not create the impression that the consumption of alcohol contributes towards social or sexual success;*
- (d) it shall not claim that alcohol has therapeutic qualities or that it is a stimulant, a sedative or a means of resolving personal conflicts;*
- (e) it shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light;*
- (f) it shall not place emphasis on high alcoholic content as being a positive quality of the beverages.”*

These criteria have had an impact far exceeding the original aim – and can be fairly described as a de facto minimum criteria for alcohol advertising world wide: applied in many non-European countries and to all advertising not just television.

Within both the mature market continents of North America and Australasia, there is a noticeable degree of convergence between the TWF concepts and other established non-European Codes, as shown in the table below.

¹ CONSLEG: 1989L0552-30/07/1997

Comparison of EU standards to non-EU standards

EU: TWF Directive, Article 15 (1989)	a.	b.	c.	d.	e.	f.
USA: Beer Institute's Advertising & Marketing Code (2006)	3a-g. 11. 12c, 12d, 12f.	2a, 2d 12b.	4c, 5a, 5b	4b, 4d	2b	*
Canada: CRTC Code for Broadcast Advertising of Alcoholic Beverages (1996)	1b, 1c, 1d.	11, 1m.	1f.	1e.	1h.	1n.
Australia: Alcohol Beverages Advertising Code (1998, 2004)	Aii, Bi,	Di.	Ci,Cii.	Ciii.	Ai, Aiv,G.	E.
New Zealand: Code for Advertising Liquor (2003)	2Ai, 2Aii. 4.	3.	1b, 2c, 2d.	**	1b.	1a.

* Generally, it is fair to observe that 'all beer is low alcohol' when compared to wine or spirits, i.e. the alcohol content of beer is usually less than wine or spirits so '*higher alcohol content*' would be an unlikely marketing pitch for beer in any case.

** Therapeutic claims in New Zealand are strictly governed by law (administered by Food Standards Australia New Zealand) and would comply with the standard set out in Article 15(d).

Within Europe, mechanisms for promoting responsible alcohol advertising are well established and documented in considerable detail in an April 2005 report prepared by Canadean Limited entitled *Responsible Marketing of Alcoholic Beverages in Europe*:

"This second edition of the Canadean Report shows that substantial progress has been and continues to be made: in the alcoholic beverages sector, self-regulatory activity is visible at every level, all over Europe. It takes a variety of forms: setting up or strengthening national and sectoral SRO's, as well as adopting new or expanded industry and company codes, in particular to cover areas outside 'traditional' advertising, such as promotions, websites or sponsorship. Nor is such activity confined to long-established Member States such as Italy, Greece and Portugal: the introductory paragraphs to each chapter of the Report provide clear evidence that in more recent members, too – the Czech and Slovak Republics, Poland, Estonia, Latvia and Lithuania – and in accession countries like Bulgaria, the brewing industry has made great strides, both in setting up codes and in initiating the development of effective self-regulatory systems.²"

A full copy of the Canadean Report is available via the internet at www.brewersofeurope.org under 'publications' and includes profiles of current practise in thirty countries.

² para 5, p10 of the Canadean Report 2

Great strides have also recently been made in organising industry in other regions, with leadership being consistently shown by members of the Worldwide Brewers Alliance, for example:

- o In **Japan**, the Brewers Association of Japan endorsed a new Code in September 2005 under the banner of the Industry-wide Council for Alcohol Consumption – comprising eight alcohol industry associations. This Code focuses heavily on commitments to minimise underage drinking. In June of 2006, the Brewers Association of Japan and ICAP³ will co-host a regional seminar on ‘Best Practices in Self-Regulation’.
- o In South America, moves are afoot to broaden the use of Codes – which currently exist within **Argentina, Brazil, Costa Rica and Chile** – into other brewing nations. These moves are being promoted by the pan-continental brewers association – Cerveceros Latinoamericanos - who have members in fourteen countries.

Whilst active producer associations are a proven, effective conduit for the promulgation of advertising standards, they are not the only conduit.

Although associations are active in setting and spreading standards for unrelated companies, multi-national brewers often operate in a similar manner to set and spreading standards for related companies.

In doing so, they can introduce best practise into areas where other schemes may not currently reach.

An example of this is SABMiller plc, with operations in over 40 countries. The SABMiller plc Code of Commercial Communication complies with all of the EU standards set out in Article 15 of the ‘Television without Frontiers’ Directive, and is:

“in addition to all regulatory and/or self-regulatory requirements, which may already exist in a particular country⁴”.

The company also reports on their efforts to implement the Code:

“To advise employees on the code and to facilitate understanding and compliance, workshops for marketing, sales and corporate affairs staff have been held in South Africa, Botswana, Lesotho, Swaziland, Zambia, Zimbabwe, Mozambique, India, the Czech Republic, Poland, the USA and in the UK. These workshops utilise practical examples of acceptable and unacceptable commercial communication to drive home precisely what is expected from our employees.⁵”

Most other successful multi-national brewers have similar corporate commitments, for example: Carlsberg A/S, Foster’s Group Limited, Heineken N.V. & InBev.

The work of these companies in standards settings complements the strenuous efforts of industry associations across the globe in setting standards for responsible alcohol advertising for companies – both big and small.

³ International Centre for Alcohol Policies

⁴ p6, SAB Miller Alcohol Manifesto, December 2004

⁵ www.SABMiller.com Feb 2006

As well as spreading standards to more and more brewers in more and more countries, the brewers in many of these companies are active in the promotion of responsible advertising to other alcohol sectors.

For example:

The Brewers Association of Japan is an active member of the Industry-wide Council for Alcohol Consumption. The other members are:

- o Japan Sake Brewers Association
- o Nippon Distillers Association
- o Japan Spirits & Liquors Makers Association
- o Japan Wineries' Association
- o Liquor Wholesalers of Japan
- o All Japan Liquor Merchants Association
- o Japan Wines and Spirits Importers Association

In Australia, the Australian Associated Brewers is the current Chair of the Management Committee of The ABAC (Alcohol Beverages Advertising Code) Scheme. The other Committee members in this co-regulatory model are:

- o A government representative
- o Distilled Spirits Industry Council of Australia
- o Liquor Merchants Association of Australia
- o Winemakers Federation of Australia

Enforcing the standards

Whilst all countries may share a commitment to good governance, they do not all share the same opinion of government itself.

Those interested in standards and their enforcement should be cognisant of the real cultural differences on this point, and remain focused on outcomes, rather than structure in the pursuit of responsible alcohol advertising.

To generalise, regulatory schemes fall into one of three categories of schemes: self-regulation, co-regulation or government regulation:

- o The United States of America – through the Beer Institute’s *Advertising and Marketing Code* – provides an example of **self-regulation**.
- o Australia – through The ABAC (*Alcohol Beverages Advertising Code*) Scheme – provides an example of **co-regulation**.
- o Canada – through the Canadian Radio-television and Telecommunications Commission’s (CRTC) *Code for Broadcast Advertising of Alcoholic Beverages* provides an example of **government regulation**, at least for broadcast advertising.

Cultural and historical factors will greatly influence which of these approaches is employed within a particular country and the lines between each can often be blurred, or be in transition, or multiple codes/processes may apply in the same country for different media.

For example, in 1996 the **Canadian** CRTC moved away from any role in the ‘pre-clearance process’ for broadcasting advertising – encouraging the broadcasting industry to take on this role:

“...consistent with the Commission’s continuing efforts to promote a more self-regulatory regime for the broadcasting industry, the Commission considers that it is no longer necessary to involve itself in the pre-clearance process. Instead, the Commission encourages the industry to establish its own pre-clearance mechanism, as has been proposed by the Canadian Association of Broadcasters (CAB).⁶”

Advertising Standards Canada (ASC), the advertising industry’s self-regulatory body, took on the pre-clearance role, reviewing alcohol advertisements before they are broadcast to ensure that they comply with the CRTC’s code. The ASC also handles consumer complaints.

Australia provides an example of a scheme in transition, recently moving from a self-regulatory to a co-regulatory model in 2004 following a government/industry review:

“Australia has a co-regulatory system for alcohol advertising: Guidelines for advertising have been negotiated with government, consumer complaints are handled independently, but all costs are borne by industry.⁷”

Advertising in Australia must also comply with a general advertising Code and separate TV and Radio Codes of Practice – managed by three other industry associations.

⁶ para 3, Public Notice CRTC 1996-108.

⁷ ABAC Annual Report 2004

In the **UK** (as in other countries) some marketing is co-regulated (e.g. advertising by the Advertising Standards Authority) and some is self-regulated (e.g. labelling and 'below-the-line' promotions through The Portman Group.)

In **New Zealand** moves are currently underway to broaden out from an advertising focus to introduce supplementary standards for packaging and promotions.

All of these schemes codify standards for advertising and most set out rigorous processes for assessing advertisements against those standards.

Unavoidably – the judgement about whether a particular advertisement complies with the codified standards will be subjective regardless of who undertakes it. So, where producers are involved in either a self-regulatory or co-regulatory scheme, care is increasingly taken to ensure that those who assess compliance are independent of industry:

In the USA, complaints are referred to the company in the first instance but
“If the proponent is dissatisfied with the response received from a Beer Institute member or a non-member brewer, further consideration may be requested by the Beer Institute Code Compliance Review Board. The Board is composed of individuals with a variety of experience who are independent of the brewing industry.”⁸

In Australia, an Alcohol Beverages Advertising Panel can adjudicate upon complaints and

“No member of the Panel may, at the time of or during the term of his or her appointment to the Panel (a) be a current employee or member of the alcohol beverages industry, or (b) have been an employee or member of that industry during the period of five years prior to the date of his or her appointment.”⁹

A similar prohibition exists in the United Kingdom for the Portman Group's scheme –
“The members and Chair of the Independent Complaints Panel are appointed by the Director of The Portman Group and shall not include any person employed by The Portman Group or by any of its Member Companies.”¹⁰

In addition to (a) codified standards for content (and often placement), (b) public complaint processes and (c) independent adjudication processes, an increasingly common feature of industry schemes is the optional pre-clearance or pre-vetting for member companies.

⁸ Advertising and Marketing Code, Beer Institute, January 2006 Edition.

⁹ The ABAC Scheme, Rules & Procedures

¹⁰ Clause 4.1, Third Edition of the Code of Practice

In summary

This paper represents a high level overview of schemes to promote responsible alcohol advertising around the globe.

The subject falls naturally into two halves:

- (a) Setting and spreading standards, and
- (b) Enforcing standards.

Article 15 of the EU '*Television Without Frontiers*' Directive is increasingly seen as a de facto minimum global standard.

The global brewing industry shares a common goal of responsible commercial communication.

Brewing industry associations are an active and effective conduit for the spread of standards around the globe – both into new countries, and often into other sectors within countries e.g. wine or spirits.

This work is complemented by major multi-national companies promoting internal codes within their own networks.

As a generalisation, schemes for enforcing standards can be categorised as self-regulated, co-regulated or government regulated – and cultural and historical factors will influence the model from country to country.

The outcome of the process is more important than the structure of the process, and independent handling of complaints received is increasingly a key feature of self- and co-regulatory schemes.

Members of the Worldwide Brewing Alliance share a commitment to the promotion responsible alcohol advertising. They have demonstrated a willingness to update regulatory schemes in response to both time elapsing and technology evolving.