

Strategies to cope with Alcohol Related Problems,
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**Self regulation vs. Statutory
regulation – does it affect
people's alcohol consumption?**

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What is the purpose of marketing?

- Companies are a legal structure to generate a return on capital for shareholders through profits.
- Under company law, Directors are required to act in the interest of the shareholders – meaning generating profits.
- Profits can be generated by lower transaction costs (higher profit margins) and more sales volumes. Marketing tools (advertising, promotion, sponsorships etc.) are designed to drive more sales.
- **Marketing restrictions increase transaction costs and limit the ability to increase sales.**

Why young consumers are so valued by marketers

- Drinking is a learned behaviour and alcohol marketing is designed to create the social and cultural framework for drinking.
- Marketers want to develop relationships with young consumers to build brand loyalty and keep their loyalty through adulthood.
- Association with trend-setting youth is an extremely desirable marketing position, creating a positive image for younger and older cohorts that want to be associated with youth.



Why does alcohol marketing matter?

Advertising is designed to shape behaviour.

- Social messages change 'cognition' (thought processes) and this leads to actions.
- Alcohol advertising modifies cognitions about alcohol.
- Alcohol cognitions affect consumption behaviours including early start of drinking and transitions to high risk drinking.

The AudioVisual Media Directive, 2007

- Article 15 of AVMD covers alcohol advertising. It will be implemented mainly through self-regulatory codes at national level.
- No independent evaluation has been made by the Commission to assess whether Self Regulatory approaches are effective.

Art. 15: Alcohol advertising must NOT...

- *be aimed at minors or show them drinking;*
- *link alcohol to driving or physical performance;*
- *link alcohol and social or sexual success;*
- *claim that alcohol has therapeutic qualities or a means of resolving personal conflicts;*
- *encourage immoderate consumption or be negative about non drinking;*
- *highlight positively the alcoholic strength of drinks.*
- But in reality... many alcohol adverts clearly do not adhere to these rules

Alcohol advertising has become more sophisticated but the themes remain the same..

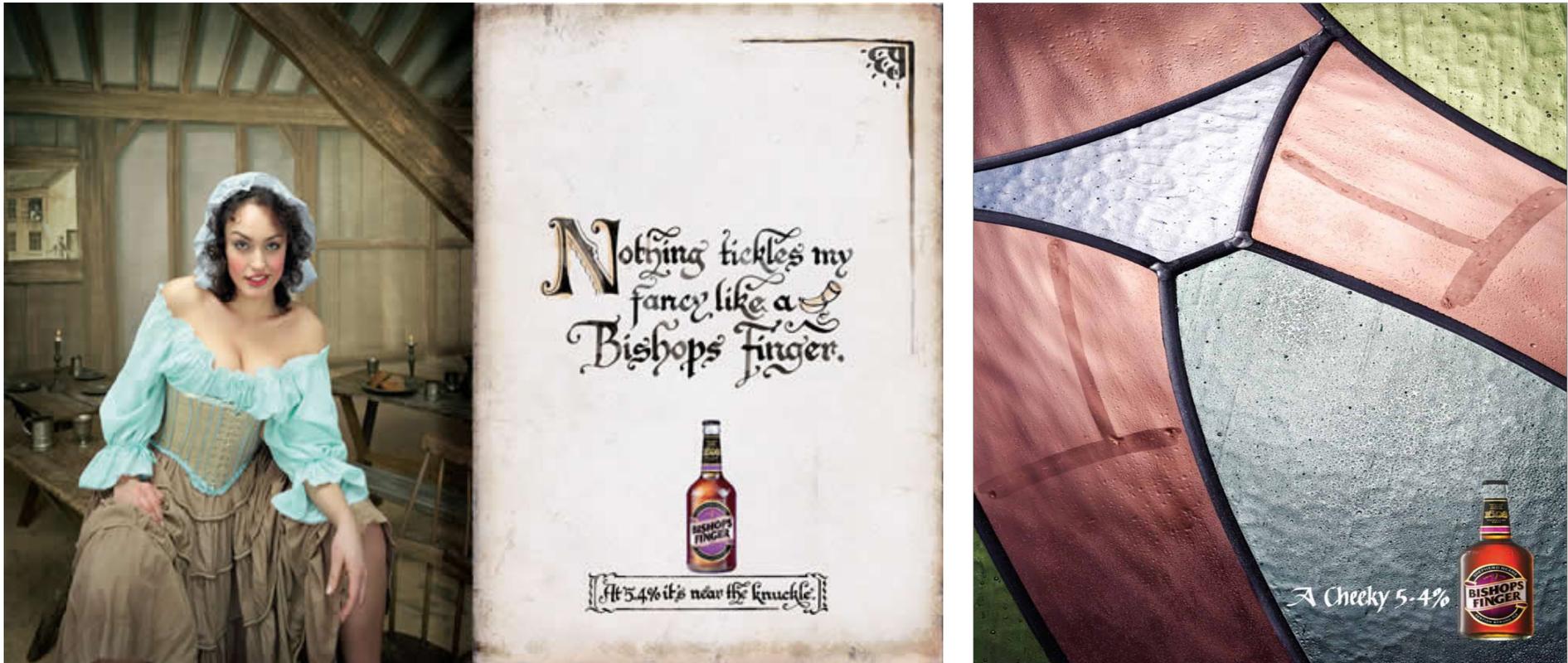


From pre-Self Regulation code adverts to 2006, post-Self Regulation codes.. not much has changed

Self-Regulation requires many preconditions

- It needs a strong legal back-stop to enforce penalties and punish infractions.
- It needs buy-in by all industry players – advertisers, advertising agencies and media outlets.
- It needs regular revision to reflect changes in marketing practice.
- It relies heavily on interpretation of the code, which may differ from country to country.
- Sanctions have to be strong enough to be a deterrent.
- It relies on pro-activeness of consumers, e.g to make a complaint.
- It requires industry to act against their short term interest (more sales) in order to meet longer term goals (a positive reputation and operating environment for the alcohol industry). This creates conflict within a company.

Interpretation of the code is key



Bishops Finger beer ran a series of explicit adverts, one of which was the subject of a successful complaint to the Advertising Standards Authority which ruled that the line "*I love a good session on the Bishops Finger*" and woman's pose, were likely to be seen as linking alcohol with seduction and sexual activity. The advert on the right is their new campaign which is supposed to respect the code.....

Why regulation would work better

- Purpose of regulation is not to protect the interests of commercial freedoms of the industry but to limit social harms, protect public health and vulnerable groups
- Industry is the subject of the law not the author
- Media outlets and advertising agencies can also be held responsible
- Legally binding, all players must comply not just those that have signed up to the code
- Enforceable and serious sanctions
- Flexibility for update, revision can be as flexible as the legislators feel appropriate
- Resources to implement, monitor and enforce are not limited to the willingness of industry to volunteer funds
- Process is transparent, objective and independent, open to input by community groups and organisations

IOGT-NTO values and why it works on alcohol advertising

Our values are:

- A vision of society where alcohol is not central to human relationships
- Positive inter-generational interactions in communities that are open, tolerant and socially inclusive
- Alcohol free community spaces with education, learning and self-development opportunities
- Global solidarity and partnerships

We work through:

- Public advocacy and political engagement actions
- Proactive monitoring and challenging of alcohol industry attempts to subvert the political process and social trends
- Counteracting the commercial communication and messaging about the role of alcohol in society

Why the EU needs to tackle alcohol advertising and marketing

- Alcohol is a product that circulates in the EU internal market. Most alcohol producers are multi-national companies that operate at national, European and global level.
- Their marketing activities are often pan-European and impact many countries. Marketing is increasingly sophisticated, using a broad range of techniques beyond traditional 'advertising'.
- Marketers seek to find the most effective and innovative ways to generate alcohol sales in the competitive, mature European marketplace. This means potential financial gains for companies that can generate sales by pushing the boundaries of self-regulatory codes.
- National regulations are less effective than a strong EU approach to advertising which can cover cross-border marketing.

To regulate or not to regulate...

Current self-regulatory frameworks are insufficient to meet the public policy goals of limiting exposure to alcohol marketing and reducing the impact on drinking behaviour.

The self-regulatory organisations claim that it is an effective system with high levels of compliance. Critics claim that it fails to provide sufficient controls, compliance is not consistent and interpretation of the code is weak and too subjective.

The recent update of the EU legislative framework on audiovisual media did not update the approach to alcohol advertising. This was a missed opportunity. The next chance to revise the legal framework (in +/- 5 years) must not be missed.

Conclusions

It does matter whether the framework for commercial communication on alcohol is regulatory or self-regulatory.

Conclusions, cont

1. Commercial communications on alcohol increase the likelihood that young people start to drink alcohol, and for those already drinking that they will drink more. Commercial communications have both an immediate and a longer term impact.
2. Commercial communications cross borders, and therefore require a response at the level of the European Union and internationally.

Conclusions, cont

3. It is difficult to protect young people from commercial communications, without introducing a complete ban, as has been the case with tobacco.
4. In the longer term, there should be a European Directive to ban all forms of alcohol advertising and marketing through television, radio, cinema, merchandising and sports sponsorship (as is the case with the Directive on tobacco marketing).

Conclusions, cont

5. Pending the introduction of a complete ban, and to avoid the deficiencies of self-regulation, there should be a requirement for statutory regulation of commercial communications at the European and country levels.

Conclusions, cont

6. Pending the introduction of statutory regulation, European and country-based self-regulatory systems should be strengthened forthwith to:
 - a) Provide legal enforcement of restrictions;
 - b) Receive formal commitment of all stakeholders;
 - c) Provide public transparency at every stage of the regulatory process;
 - d) Prevent exposure to non-compliant advertisements;

Conclusions, cont

- e) Provide a transparent and accessible public complaint system;
- f) Create an adjudication committee independent from commercial interests;
- g) Include withdrawal of broadcasting rights and substantial financial penalties as sanctions;
- h) Create monitoring systems independent from commercial interests; and
- i) Ensure up to date coverage of the entire range of forms of marketing practices.

Thank you for your attention!