



Spirits New Zealand

Submission to the Advertising Standards Authority

Consultation on the Standards for
Advertising and Promotion of Alcohol

August 2019



Introduction

Spirits New Zealand is the national trade organisation representing New Zealand's leading producers, distributors, brand owners, importers and exporters of premium spirits and spirit-based drinks. Our members are Asahi, Bacardi, Beam Suntory, Brown-Forman, Diageo, Hancocks, Lion, Moet-Hennessy and Pernod Ricard. In addition we have three associate members who are Lactinol, EuroVintage and Federal Merchants.

Spirits NZ represents over 96% of spirit industry interests in New Zealand.

We welcome the opportunity to make this submission to the Advertising Standards Authority (ASA) as it looks to review the standard for the advertising and promotion of alcohol. Such a review is both timely and necessary as the ASA works to keep this important standard relevant and measured.

In developing this submission Spirits NZ notes that individual members will also be submitting. We further note that other submitters representing various interests best described as contrary to the current regulation of the sale and supply of alcohol will be using the review process to make certain claims about the impact of advertising and sponsorship on drinking trends and harmful drinking.

As a result this submission will, for the most part, not repeat some of the detail that submitting companies will include on the day-to-day interaction with ASA and the code requirements. This submission will however spend some time detailing the overall environment the code seeks to influence to balance some of the points other submitters might raise.

Finally we would state that, as Spirits NZ members have done under the previous standard, we agree to abide by the principles developed in the new standard.



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Submission – Part 1

As stated in the introduction we feel it important to create an evidence context to assist the ASA as it assesses matters including, but not limited to, the current watershed or the meted level of exposure of youth to advertising messages. The sections below provide some of this context and although by no means an exhaustive description, hopefully serves to illustrate how the proposed Code will 'sit' within a complex socio-cultural framework.

Current Drinking Environment- Context

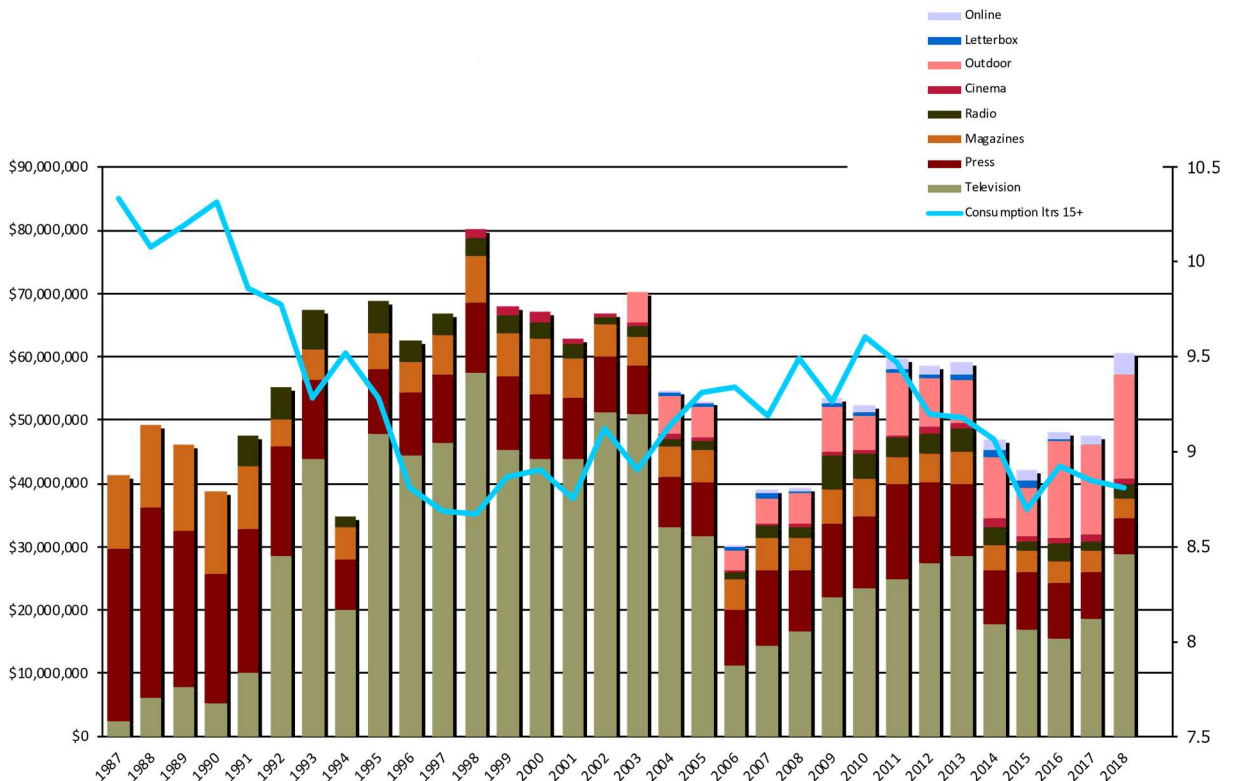
1. By way of context we make the following points –
 - a. Per capita alcohol consumption, measured by alcohol available for consumption, has fallen from a high of 9.6 litres of pure alcohol per capita (15 years and older) in 2010 to 8.8 litres at the end of 2018 (up 1.7% from 2017).¹
 - b. In 2018, of the main categories of alcoholic beverage, the total volume of pure alcohol in:
 - i. beer rose 2.3 percent, to 13 million litres
 - ii. wine fell 1.6 percent, to 11 million litres
 - iii. spirits (including spirit-based drinks) rose 4.6 percent, to 11 million litres.¹
 - c. But, in 2018, the average number of standard drinks available per person was:
 - i. 2.0 standard drinks (per person aged 18+) a day, down 0.6 percent from 2017, following a 1.0 percent decrease in 2017
 - ii. 1.9 standard drinks (per person aged 15+) a day, down 0.4 percent from 2017, following a 0.9 percent decrease in 2017.
 - iii. The above figures are little changed since 2003. ¹
 - d. Harmful consumption among younger drinkers has been decreasing since 2006/07 and increasing for older drinkers for the same period.^{2,3}
 - e. Approximately 80%, on a total population basis, drink moderately. ³
 - f. Underage drinking (15 – 17 year olds) has fallen from 75% in 2006/07 to 57% in 2017/18.⁴
2. These statistics demonstrate that in an environment often reported as supporting a so-called binge drinking culture – particularly for youth – there is a steady fall in alcohol available for consumption and in the statistical prevalence in hazardous drinking (for youth). Furthermore, this fall in consumption and hazardous drinking among younger consumers is against a backdrop of a marked drop in measured underage consumption.
3. This is not to say there is not more work to be done to better understand why youth hazardous drinking is falling so as to be able to accelerate the process but we ask the ASA Code Committee to note that within the environment described above advertising and sponsorship has still been used to legitimately establish brands, sell product and generate revenue for members. We would also ask that when the term 'normalisation' is used to describe how exposure to advertising and sponsorship somehow invigorates the young to

adopt a hazardous drinking culture that the above is used to help measure such a claim.

Advertising, Sponsorship, Drinking and Harm

4. To further illustrate the point made in paragraph 3 above we refer the Code Committee to the following infographic prepared by the Foundation for Advertising Research.

Figure 1 – NZ Annual Liquor Advertising Spend, 2018 Dollars, with Per Capita Consumption 15+⁵



5. We contend Figure 1 illustrates the following points –
 - a. Advertising does not increase the consumption of alcohol. Advertising expenditure in 2017 was 15.2% higher than in 1987 but over the same three decades consumption dropped 14.4%.
 - b. There is no readily discernible correlation between advertising spend and consumption in the longer term. What is clearly seen in Figure 1 is that at time advertising spend has increased per capita consumption has fallen and vice versa – opposite to the effect that others might wish to imply.
 - c. The market share of Digital advertising is miniscule with only 3.2%. This is a dramatically different from advertising for all products where Digital has 36% market share – by far the largest medium.
 - d. There is no correlation between the media type of advertising spend and consumption.

6. The contention that there is a dislocation between the marketing of alcohol and its consumption is also supported by Cody and Jackson (2014)⁶ who, when looking specially at sports sponsorship stated that there is *“little evidence that alcohol promotion contributed directly to alcohol consumption”*.
7. And when considering the impact of advertising and sponsorship on harmful consumption the available literature is mixed. The first point to note is that there is evidence that publication and dissemination bias play an important role in establishing the state of the evidence^{7,8}, and it is less likely for studies finding no relationship to be published and included in reviews than those reporting statistically significant findings⁹.
8. We contend that it is difficult to separate the complex relationship between advertising and sponsorship and the various other factors that may influence youth (in particular) drinking patterns and initiation of alcohol consumption. Additionally, the relative importance of marketing compared to other influences on young people has not been assessed by researchers.¹⁰
9. Notwithstanding the methodological issues mentioned above there have been a number of published studies looking to better understand the relationship between advertising and sponsorship of beverage alcohol on (almost exclusively) adolescents. The results are mixed.

The Relationship Between Marketing Exposure and Drinking Patterns

10. The only meta-analysis of longitudinal studies of alcohol beverage marketing published to date¹¹ had to combine exposure measures and outcome measures among the 12 studies found suitable for inclusion. Exposure to marketing communications was found to have a small but statistically significant effects on:
 - a. Adolescents’ age of initiation of drinking
 - b. Prevalence of a combined outcome measure of any drinking and binge drinking
11. The author noted however the difficulty of accounting for publication bias.
12. Two systematic reviews of the scientific literature published up to 2009,^{10, 12} which both covered the same nine longitudinal studies found weak or non-significant correlations between exposure to marketing and initiation of drinking or frequency of drinking among youth.
13. Two 2017 systematic reviews each looking at slightly different aspects of advertising and promotion and drinking also found missed results.^{13, 14} And for sports sponsorship a 2016 systematic review of cross-sectional studies again had mixed findings – some of positive association and some of no association – regarding adults participating in sports teams sponsored by alcohol beverage producers.¹⁵

14. And lastly it should be noted that studies that use experimental conditions to test short-term effects of advertising also show mixed results, and meta-analysis of these studies did not find an effect on consumption from exposure to beverage alcohol advertising.¹⁶

Would Further Restrictions on Advertising and Sponsorship Impact Harmful Drinking?

15. The short answer to this question is, particularly in a mature and heavily regulated market such as New Zealand, no.
16. Evidence from other jurisdictions supports this contention including:
- a. A recent Cochrane Collaboration systematic review of the evidence around the impact of advertising bans on adult and adolescent alcohol consumption concluded that “there is a lack of robust evidence for or against recommending the implementation of alcohol advertising restrictions”.¹⁷
 - b. In a recent umbrella review of findings on various alcohol control policies, the authors rated the published evidence on restricting marketing of alcohol beverages from real-world settings as ‘uncertain’ and findings from experiments with subjects in a laboratory setting as ‘possibly beneficial in the short-term (limited to a few hours)’.¹⁸
17. And the effectiveness of perhaps the most well-known advertising and sponsorship promotion ban – Loi Évin in France (television advertising banned and no promotion at sporting and cultural events) – has also found mixed results and perhaps some unintended consequences.
- a. A government report concluded in 1999 that the trend of a decrease in total alcohol consumption – which began in the 1970s – had not accelerated after implementation of the Loi Évin. It also noted that, among adolescents, the percentage of occasional drinkers increased as both never-drinkers and regular drinkers decreased in this group.¹⁹
 - b. In a 2015 survey among students in 10th and 12th grades in France, over half reported being exposed to alcohol marketing on billboards, in magazines and newspapers, on the radio, and on the Internet at least once per month in the past year; the lowest reported medium of exposure (17%) was receiving gifts with alcohol brand logos.²⁰

Submission – Part 2

18. Although some SNZ’s members will make individual submissions on the form and content of the proposed Code we make the following comments here.
19. The ASA suggests four questions be used to guide submissions:

1. Do you think there any inconsistencies between the draft code and the current legislation that applies to the advertising and promotion of alcohol? Please provide details.
2. Do you agree with the wording of the draft code? If not, please outline the part or parts you disagree with and explain why.
3. Are there any aspects of alcohol advertising and promotion standards that are not captured in this draft code? Please outline any additions you believe are required and why. (Please check Appendix 1 for issues outside the scope of this Code)
4. Please include any current alcohol advertisements or promotions you consider are problematic and explain why. It would be helpful for you to include a copy of the advertisement or promotion or information on where and when you saw it so that we can source it if you are not able to provide a copy.

Response to Question 1

20. We do not believe there are any inconsistencies between the draft code and current legislation.

Response to Question 2

21. We make the following comments and suggestions on specific aspects of the draft Code:
 - a. *Definitions: Age-Restricted Environment*
Although it is mainly self-evident, but because of reference to online platforms within this definition, the first bullet point might specifically refer to being about physical premises.
 - b. *Rule 1(a): Guidelines, paragraph 2*
We are very supportive of the principle this guideline seeks to support. However, the listed examples of appeal to children such as ‘bright colours’ are a mix of specific items and items broader in scope and interpretation. We would argue that ‘bright colours’ by themselves might not be appealing to children but would be if aligned with some of the other elements listed. We suggest the following wording to clarify this:

The following examples may have appeal to children or young people *when used together or, at times, as standalone elements* - Animation, bright colours, toys, music, animals, cartoons, play scenes / playgrounds, juvenile or adolescent behaviour

c. *Rule 1(a): Guidelines, paragraph 3*

We believe that references to “predominantly adults” in the first sentence and “significant proportion” [of the expected average audience...] later in the Guideline are inconsistent. We recommend that the 25% audience threshold, which is the core of this part of the standard be directly referenced throughout.

We also pose the question as to whether the phrase “significant appeal to children” is too broad and suggest this be changed to “primary appeal to children”.

d. *Rule 1(e): Guideline*

We support the intent of Rule 1(e) but question whether the Guideline is clear enough to have the desired impact. We would suggest the following:

Alcohol advertisements and promotions must not *promote* alcohol or its consumption *in a manner that supports inappropriate behaviour*. *For example this could be behaviours seen as being* brave, tough, daring, aggressive, unruly, irresponsible or antisocial.

e. *Rule 3(a): Guidelines, paragraph 2*

Consider replacing “may be appealing to or distributed to children” with “*are* appealing to...”

Response to Question 3

We do not believe there any aspects of alcohol advertising and promotion standards that are not captured in this draft code.

Response to Question 4

There are no examples that we would attach.

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