

Briefing document on beer advertising in Europe



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Executive summary

- ❑ Self-regulation of beer advertising is preferable to further regulation because it is quicker and more effective. It is based on the acceptance and co-operation of the brewing sector, so the regulator rarely finds it necessary to intervene.
- ❑ Self-regulation of beer advertising in Europe comprises a series of national and company voluntary codes of conduct, tailored to local culture but in line with a set of common guidelines produced by The Brewers of Europe.
- ❑ Self-regulation of beer advertising works. 97.5% of beer advertisements in Europe successfully comply with the content provisions of voluntary codes of conduct, and this high standard continues to improve.

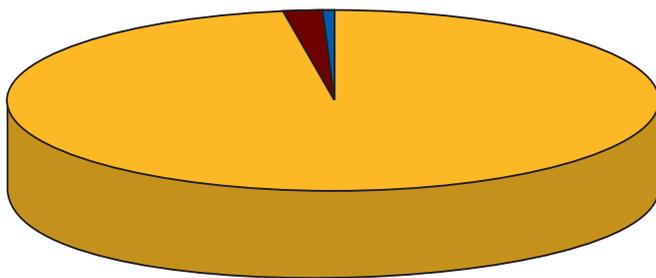
Good progress on European advertising

A recent independent survey of beer advertisements in Europe shows that almost 97.5% successfully comply with the content provisions of voluntary codes of conduct intended to ensure responsible commercial communications that, among other things, do not target minors. Although the brewing sector recognizes that this still leaves room for further improvement, this result demonstrates that self-regulation can and does work.

This news comes at a time when advertising of beer is under renewed scrutiny, for example:

Compliance of beer advertisements with content provisions

	Compliant ads	2077	97,47 %
	Non compliant press ads	40	1,88 %
	Non compliant TV ads	14	0,66 %



❑ The European Commission's Communication on an EU strategy to support Member States in reducing alcohol related harm was published in October 2006, welcomed by the EU Council of Health Ministers in November 2006 and will be debated by the European Parliament, the European Economic and Social Committee, and the Committee of the Regions in 2007.

❑ The EU's Television without Frontiers Directive, which sets European standards, including for alcoholic beverages advertising, is currently being reviewed. A proposal to ban the advertising of alcoholic drinks before 21h00 was put forward by a group of MEPs in December 2006, but it was rejected by the European Parliament.

Introduction

The brewing sector agrees that its commercial communications should neither be directed at young people nor encourage excessive and harmful use of alcohol. And it has already taken effective action to prevent this happening.

Across Europe, the brewing sector has already established and follows strict code provisions for all forms of media, which are designed to ensure that all commercial communications are carried out in a responsible way.

The Brewers of Europe recognises the need for responsibility in all commercial communications, including advertising, sponsorship and promotions. It has produced Guidelines¹ to give practical advice to brewing companies and brewing trade associations, to help them address this challenge and to help ensure that none of their commercial communications cause offence or encourage alcohol misuse.

To demonstrate its commitment even further, The Brewers of Europe has agreed to monitor regularly the efficiency of the self-regulatory codes to which its members are subscribing, by reviewing print and TV advertising over an entire year.

Although the results of the latest monitoring exercise are very good, Europe's brewers are not complacent. Occasional mistakes occur and attract a great deal of attention, although there are in fact a relatively limited number of complaints about advertisements for beer.

The Brewers of Europe is already committed to a further monitoring exercise of advertisements produced in 2006. They are also implementing a self-regulatory 'roadmap' for 2007/8, which aims to ensure that systems are tightened up to guarantee effective self-regulation across every EU Member State.

The role of advertising and self-regulation

Before looking in further detail at self-regulation, it is appropriate to understand why brewers advertise and to clarify the role of self-regulation. Commercial communications play a fundamental role in the success of a free market economy. Marketing promotes competition, encourages innovation and allows consumers to choose between competing brands and to be made aware of new products. Its role is neither to increase alcohol consumption in general nor to increase alcohol misuse.



However, in recent years, European institutions - in particular the health department of the European Commission and the World Health Organisation - have expressed concerns that commercial communications for alcoholic drinks may encourage young people below the legal drinking age to drink, sometimes to excess.

The alcoholic drinks producers have been challenged to demonstrate that self-regulation can ensure responsible commercial communications and work effectively to protect young people. The EU's strategy to support Member States in reducing alcohol related harm, adopted at the end of October 2006, reiterates a call to the industry to market products in a responsible manner.

The European brewing sector has committed itself to effective self-regulation by producing and implementing voluntary codes of conduct in the Member States. These vary from country to country, to reflect the diversity of cultural backgrounds. The Brewers of Europe has however published Guidelines to ensure a set of minimum standards. These tough minimum standards (which cover

¹ "Responsible Commercial Communications: Guidelines for the Brewing Industry" is available on the website of The Brewers of Europe. These guidelines are intended to supplement rather than replace existing national systems.

issues such as alcohol misuse, drinking by minors, drinking and driving, other potentially hazardous activities, medical aspects, presentation of alcohol content, and performance enhancement) go beyond the conditions laid down in the aforementioned Television Without Frontiers Directive. They also cover media other than just TV, such as print, cinema, events, packaging, internet, promotions, sponsorship and interactive marketing.

It is unrealistic to expect self-regulation on its own to solve social problems related to public health, such as underage drinking or alcohol misuse. However, it can play an important part in promoting responsible consumption and ensuring that minors are not targeted by advertising for alcoholic beverages.

The latest monitoring project

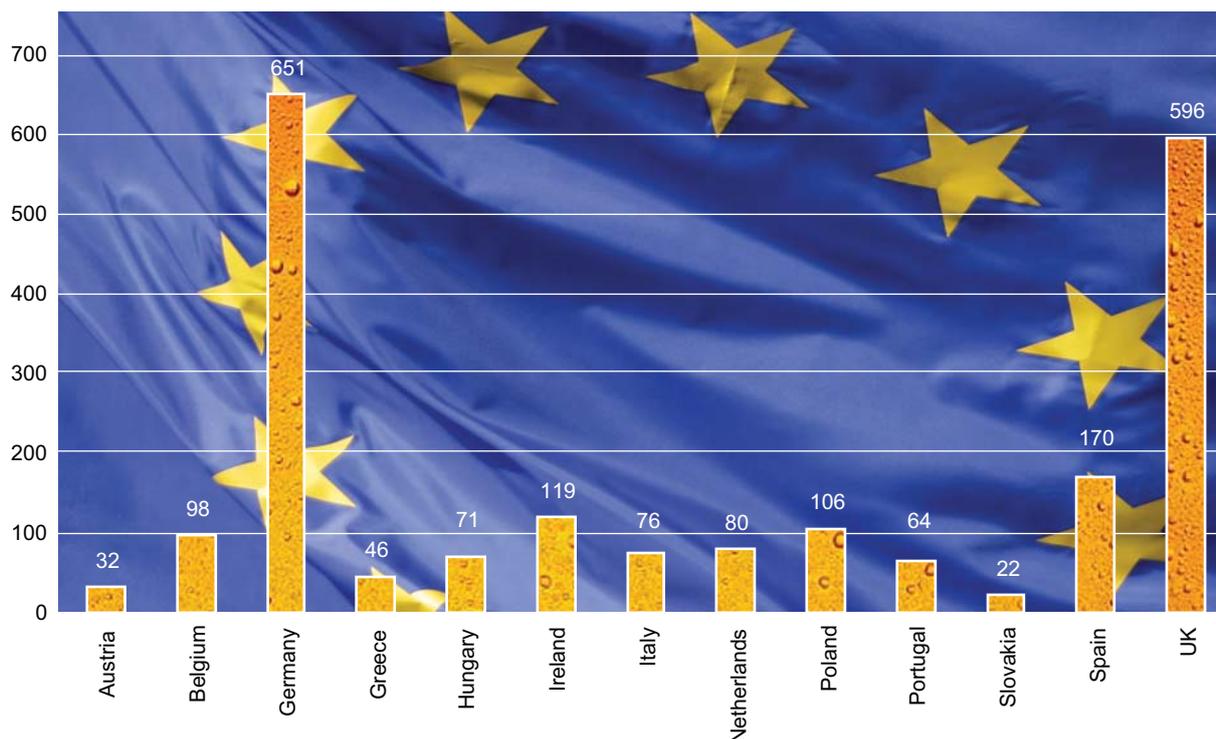
The objectives

The Brewers of Europe is aware that measuring the number of complaints made and upheld about advertisements does not provide a complete picture of the effectiveness of self-regulation and attracts the criticism that people may not know how to complain. The Brewers of Europe therefore wished to actually measure brewers' adherence to the codes of conduct to which they had voluntarily subscribed in the surveyed countries, by looking at advertisements irrespective of whether they had received complaints.

This monitoring exercise provided the members of the Brewers of Europe with an overview of compliance with the rules, underlining the belief that abiding by voluntary rules is as important as abiding by government laws and regulations.

The monitoring exercise, in which some of the major brewers had been involved in the past through The Amsterdam Group, was carried out with the help of the European Advertising Standards Alliance (EASA), whose network of national self-regulatory organisations (SROs) carried out the monitoring.

Number of beer advertisements monitored



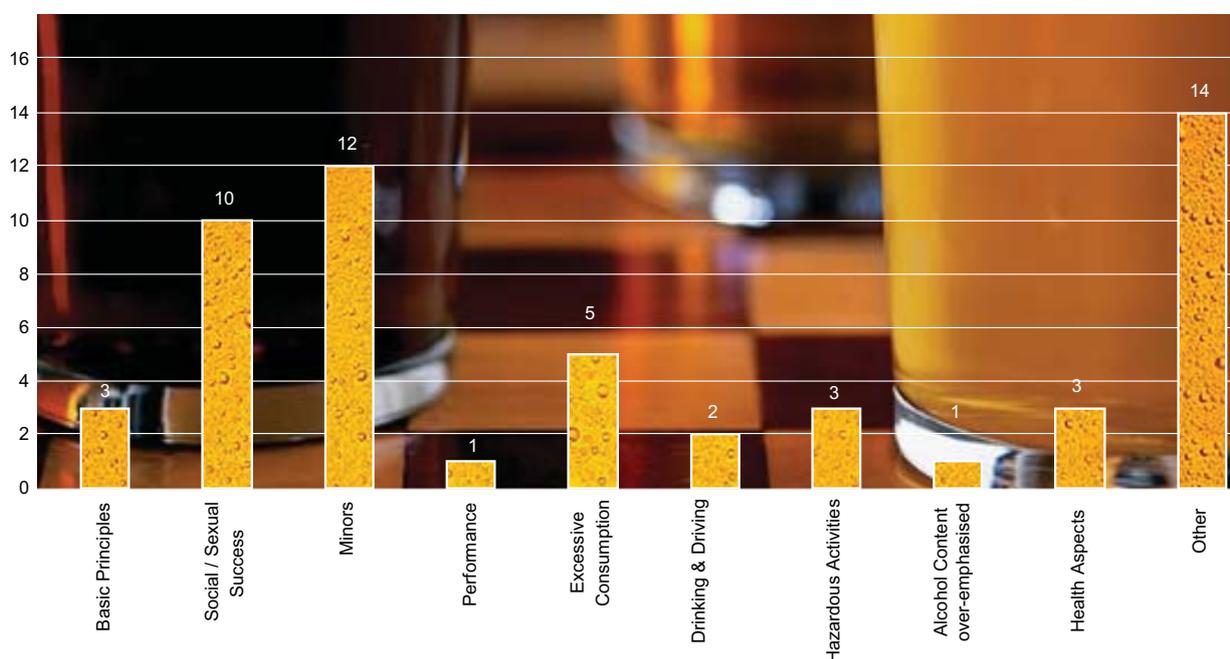
The results

The advertisements collated on Xtreme Information's database from January to December 2005 contained 4,799 advertisements for alcoholic beverages, of which 2,131 were for beer. The beer advertisements were then reviewed by the local self-regulatory organisation (SRO) against the advertising code of which the brewers were signatories.

Of these beer advertisements, 97.5% had content complying fully with the appropriate codes or standards, which represented a slight increase over the previous year (2004), when 96.4% of beer advertisements were judged to comply.

Of the 2,131 beer advertisements surveyed, 37 (1.7%) had received a complaint, of which only two (0.09%) were upheld.

Number of contravening beer advertisements



All the advertisements surveyed were either TV spots or print advertisements, from thirteen EU member states (Austria, Belgium, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain and the UK).

The process

The Brewers of Europe is aware that the whole exercise needed to be credible. Its involvement was therefore purely one of arms-length funding: the advertisements were taken from an independently-collated database, the monitoring was carried out by national self-regulatory organisations and the whole process was verified by independent experts.

Please see below the statements from the two independent reviewers on the entire monitoring exercise for all alcoholic beverages:



Lucien Bouis (Former Director of the BVP - Bureau de Vérification de la Publicité - in France):

- "By random selection, I was able to check the monitoring process to ensure that the work was done in accordance with the pre-defined methodology. [...] EASA provided the answers to any specific questions I had, as well as any additional explanations I asked for, thus enabling me to evaluate the complete results. I noted the speed with which complaints were handled and the low level of complaints received by the SROs (1.2% of all ads monitored were the object of a complaint). I had complete access to all relevant information about the decisions taken by the SROs, including whether copy advice had been given (in countries providing this service), and whether the SRO had ordered the removal of non-compliant ads. I have established that the report provided by EASA corresponds to what was requested and that it includes information that would enable the advertising professionals concerned, if they think it appropriate, to put in place rules based on self-regulatory practices developed by the SROs."²

Jack Law (Chief Executive of Alcohol Focus Scotland):

- "Many thanks for offering Alcohol Focus Scotland once again the opportunity to comment on the advertising monitoring process. It would appear that the process is working well in many respects, and this is to be welcomed. However, there remain some points which I feel are important to highlight. These are:
(1) We note the high volume of advertising in UK and Germany in comparison to the other participating countries, and would be interested to know why would this be so?
(2) While providing the ads per sector information is useful, it would be more helpful to have more information about the frequency of advertising, the different use of types of media by product, and the duration of advertising campaigns.
(3) The overall high level of compliance with the standards is good, but it would be useful to know exactly what is meant by a 'responsible drinking message' by providing examples. If this is solely reference to a website, then it could be arguable whether this on its own constitutes a responsible drinking message.
(4) It is worrying that there is a high level of non compliance around social/sexual issues. Alcohol Focus Scotland would suggest that this merits some further exploration to find out if this is a general issue, or perhaps more typical of some products than others.
(5) The statistics on copy advice requests raise some interesting questions. For example, is there a relationship between non-compliance and seeking copy advice? If there is an adverse relationship, what does the industry propose to do to address this matter?
I trust you will find these comments useful, and look forward to seeing your explanations and responses with the upcoming report for 2007."

For further information on the advertising monitoring project please contact the European Advertising Standards Alliance (Tel: +32 (0)2 513 7806; Email: library@easa-alliance.org).



² This is a free translation of the letter in French. For a copy of the original text please contact The Brewers of Europe.

The Canadean report

Besides the monitoring report, The Brewers of Europe also funded an independent report into the Responsible Marketing of Alcoholic Beverages in Europe. Carried out by Canadean Limited, the report is a fact-based, European-wide review in 30 countries of the regulatory, co-regulatory and self-regulatory mechanisms in place for commercial communications for alcoholic beverages. The report shows that:



- ❑ National self-regulatory rules relating to commercial communications for alcoholic drinks demonstrate a high degree of consistency.
- ❑ In contrast, diversity in cultural, commercial and legal traditions means that the mechanisms for applying self-regulatory standards are not identical in any two countries, but probably also means that they are more appropriate than would be any single, harmonised method.
- ❑ Compliance mechanisms, however, remain uneven and clearly there is work still to be done in terms of strengthening self-regulatory systems in some countries.
- ❑ Substantial progress has been and continues to be made. The report provides clear evidence that self-regulatory activity is not confined to long-established EU Member States and that, in more recent Members too, the brewing sector has made great strides.

Conclusion

The Brewers of Europe and the European brewing sector as a whole have already carried out a great deal of successful work to help ensure that commercial communications are carried out in the most responsible way. Within the legal frameworks that exist to a lesser or greater extent in different countries, self-regulation has been used to agree standards and systems whereby beer advertisements that would not meet those requirements do not reach the market or, should they occasionally do so, are corrected or removed.



The European brewing sector is however aware of certain criticisms of self-regulation and the need for it to be effective, transparent and have full coverage. The Brewers of Europe has also taken note that the European Commission has currently given its support to self-regulation of drinks' advertising, but on the understanding that it meets certain requirements. For these reasons we are continually reviewing the systems to develop them where necessary, including through a European roadmap for the coming two years. In addition, and as a means of judging progress and effectiveness, the advertising monitoring project will be continued and expanded in 2007, when the independent review panel will also be expanded to three.

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