ALCOHOL ADVERTISING & MARKETING
The Beer Institute and its members take beer advertising very seriously. Beer advertising is among the most iconic in the United States. Our industry is very competitive, yet there are some basic tenets to responsible advertising to which we have all agreed for 80 years. Since 1938, the U.S. beer industry has worked under a self-imposed advertising and marketing code of conduct (1).

Many of the basic concepts from the original development remain the same—appropriate behavior and responsibility—but these are updated and adapted to changing times. The Beer Institute Advertising and Marketing Code (Code) is a dynamic model for self-regulation that adapts to both an ever-changing modern environment as well as consumer insights and government oversight.

The Code’s design allows each company to individually review and address any complaint that may arise, while offering consumers an escalation channel for additional consideration from independent experts—all of which ensure we adhere to our voluntary Code.

The Beer Institute has also created a practical set of Buying Guidelines (Guidelines) to accompany its Code. These Guidelines provide a practical instruction for companies in an evolving media market. The most recent version was issued in November 2018, and updated a number of recommendations, including broadcast and digital media applications.

Well ahead of any advertising spot airing on the radio or television, the Code is activated. Each of the Beer Institute’s member companies has its own individual company code in addition to complying voluntarily with the Beer Institute Advertising and Marketing Code. When a company’s advertising teams begin to build their ads, teams from marketing, legal, and even outside agencies—each of which has been briefed to understand company guidelines and Beer Institute code rules—are involved. The Guidelines provide rules specifically offering direction as to where ads are chosen to air and clear rules that all ad placement aims for exposure to an audience of legal drinking age of at least 71.6 percent. This percentage was created as the 2010 U.S. Census set the 21 and older population in this country at 71.6 percent (2).

Once ad spots are aired, they are open for critique by the public. Any concerns can be expressed directly to the company or through forms available on the Beer Institute website.

HERE’S HOW IT WORKS:

The first stop for any complaint is the sponsoring company. Even if the Beer Institute complaint form is utilized to air the complaint, the Beer Institute will give the company an opportunity to respond.

If the person filing the complaint is not satisfied with the company response, they may request review by the Code Compliance Review Board (CCRB) through the Beer Institute. This group of experts comes together periodically to review the complaint claims and provide guidance on whether the ad violates the Code. The final ruling, along with any company action, is shared with the filer of the compliant.

Every complaint reviewed by the CCRB since 2006 is listed on the Beer Institute website, as well as an online complaint form for those who wish to file a complaint.
IT IS A TESTED AND SUCCESSFUL MODEL

The Federal Trade Commission (FTC) houses the Consumer Protection Agency (CPA), which is the primary government body that provides a periodic public review of alcohol industry advertising placement. Specifically, the CPA reviews the industry’s adherence to our voluntary Code.

The Beer Institute and its members have long supported FTC review. With each review, the FTC shares the results of industry advertising and makes a series of recommendations for continued improvement. Following each review, the Beer Institute has reviewed these recommendations and updated the Code accordingly.

Over the years, the FTC has noted the updates made by the industry and continues to support the self-regulation model:

1999 REPORT

- In the mid-1990s FTC staff investigated the placement of beer ads on cable network programming that has majority underage audiences. The results showed that improvement was needed. The Federal Trade Commission shared that “The companies withdrew the ads from the programming at issue, and the Beer Institute adopted the requirement that demographic data be reviewed periodically to reduce the likelihood that the problem would recur.” (3)

- “In 1997, FTC staff reviewed alcohol web sites, which some industry observers believed were potentially attractive to minors. At the time, it was unclear whether web sites were covered by the industry advertising codes.” Responding to these concerns, the Beer Institute modified its Code to clarify that the Code applied to advertising online. (3)

- “In the last 10 years, the beverage alcohol industry has responded voluntarily to FTC staff investigations with changes to its codes.” Further, the report noted, “It is clear that industry makes a significant effort to comply with the codes’ content standards. Alcohol companies rely on internal marketing and legal personnel, or ad agencies, to identify ad copy that might appeal primarily to children.” (3)

2003 REPORT

- In 2003 “House and Senate Appropriations Committees directed the FTC to study the impact on underage consumers of ads for new flavored malt beverages, and whether the beverage alcohol industry has implemented the recommendations contained in the Commission’s 1999 report to Congress regarding alcohol industry self-regulation.” The investigation found no evidence of targeting underage consumers in the flavored malt beverage FMB market. FMB marketers placed advertisements in conformance with the industry standard that at least 50 percent of the advertisement’s audience consists of adults age 21 and over.” (4)

The Federal Trade Commission (FTC) oversees the Consumer Protection Agency (CPA), which evaluates alcohol industry advertising placement. Through periodic reviews, the FTC assesses industry adherence to voluntary codes. This model, supported by the Beer Institute, has resulted in improvements and ongoing self-regulation. Over time, the FTC has recognized industry efforts and continues to support self-regulation initiatives.
The largest improvements have occurred in the area of ad placement. In 2002, the alcohol companies surveyed achieved 99 percent compliance with the standard that at least 50 percent of the relevant media audience be adults. More importantly, the industry now has committed to adhere to a 70 percent placement standard and to implement post-placement audits.” (4)

2008 REPORT

“IT is evident that the twelve major suppliers have engaged in good faith efforts to respond to the FTC’s earlier recommendations, implementing the 70 percent placement standard for print and broadcast media and adopting systems of external review.” (5)

“In the first half of 2006, more than 85 percent of the aggregate audience for the twelve suppliers’ advertising consisted of adults above the LDA, although some individual companies’ aggregates were a few points lower.” (5)

2014 REPORT - MOST RECENT REPORT

“The Commission continues to support self-regulation of alcohol marketing to reduce underage targeting.” (6)

“Since 1999, the alcohol industry has substantially improved in self-regulation, including adoption on two occasions of higher placement standards, adoption of media buying guidelines and audit provisions, and adoption of systems for third-party review of advertising complaints.” (6)

“In the first half of 2011, 93.1 percent of all measured media combined (including traditional media and online/other digital) met the alcohol industry’s placement standard at the time, which required that 70 percent or more of the audience viewing the ads be 21 years old or older, based on reliable data. Further, because compliance shortfalls were primarily in media with smaller audiences (such as local radio), over 97 percent of individual consumer exposures to alcohol ads were from placements meeting the 70 percent standard. The industry has since adopted a new ad placement standard requiring that 71.6 percent of the audience viewing alcohol ads be 21 years old or older.” (7)

For nearly two decades, the cooperative exchange with the FTC has made the U.S. beer industry Advertising and Marketing Code stronger. We look forward to a continued transparent and successful relationship, with orders expected in 2019.

References

(1) Brewers Almanac. The Brewers’ Code of Practice: 1946 Brewers Almanac.


