The Center on Alcohol Marketing and Youth

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Reducing Alcohol Ads Kids See Won't Cost Industry Adult Market

CAMY white paper: Policy change could lower ad costs without reducing adult audience

Washington, DC - The alcohol industry can do a better job shielding America's underage youth from alcohol ads and still direct its advertising to young, legal-age drinkers, according to a white paper released today by the Center on Alcohol Marketing and Youth (CAMY) at Georgetown University.

CAMY's analysis shows that a new standard for the placement of alcohol ads could lead to overall lower advertising costs without reducing the advertising reaching the often-cited 21-to-34-year-old and 21-to-24-year-old demographic markets for the industry. Currently, the alcohol industry trade associations have standards directing their members not to place product ads where the underage audience is greater than 30 percent.

"The needed reform is for the alcohol industry to place its ads where the percentage of youth ages 12 to 20 in the audience is 15 percent or less," said Jim O'Hara, CAMY's executive director. "It's simple math. A 15 percent threshold matches up with the percentage of 12- to 20-year-olds in the general population and eliminates the concern that underage youth are overexposed to alcohol ads."

"It maintains the alcohol industry's right to advertise to adult drinkers over 21. In fact, a 15 percent threshold produces more efficient advertising being delivered to those who can legally buy alcohol products."

The current 30 percent standard reflects the percentage of all persons under 21 in the United States, but, according to the CAMY white paper, by including children ages two to 11, it concentrates youth ad exposure on the 12-to-20-year-old population, those teenagers most likely to drink.

The CAMY analysis, "Striking a Balance: Protecting Youth from Overexposure to Alcohol Ads and Allowing Alcohol Companies to Reach the Adult Market," also found:

- In the first seven months of 2004 as the alcohol industry's current 30 percent threshold went into effect, the magazine advertising of 73 brands exposed more youth (ages 12 to 20) than adults age 21 and over on a per capita basis. On national television during the first 10 months of 2004, six brands exposed youth to more advertising than adults on a per capita basis.

- The 30 percent cap, based on ages two to 20, fails the test of proportionality and fails to reduce underage youth overexposure to alcohol advertising because: 1) it allows for twice as many underage youth, ages 12 to 20, in the advertising audience as in the population; and 2) it allows a high concentration of alcohol advertising to reach the ages-12-to-20 audience. (Two-thirds of the television alcohol advertising reaching the two-to-20-year-old audience is actually concentrated on 12- to 20-year-olds although they make up less than 50 percent of that age group.) This cap also fails to take into account that the standard databases for measuring magazine and radio audiences do **not** include children under 12 years old.

- Using a 15 percent cap, alcohol advertisers can more efficiently deliver alcohol advertising to the legal-age audience than with the current 30 percent cap. In conducting a television advertising reallocation exercise using the 15 percent cap, CAMY found exposure for underage youth, ages 12 to 20, dropped by an average of 19.6 percent when the exercise was done for a target audience of 21- to 34-year-olds, and by 17.3 percent when done for a target audience of 21- to 24-year-olds. In both cases, reduction in young adult exposure was minimal. At the same time, the average cost per young adult reached for the alcohol industry was reduced by 7.9 percent when the target market was 21- to 34-year-olds and by 6.0 percent for 21- to 24-year-olds. In both analyses, a full 79 percent of all national television programming would remain available for alcohol advertising, including *The Super Bowl*, *The Academy Awards*, *The Grammy Awards* and *The Howard Stern Show*.

CAMY commissioned the law firm Axinn, Veltrop & Harkrider, LLP and the media research firm Virtual Media Resources, Inc. to produce the white paper.

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