

ALCOHOL ADVERTISING ON TELEVISION, 2001-2004: THE MOVE TO CABLE

Executive Summary

The Center on Alcohol Marketing and Youth (CAMY) analyzed the alcohol industry's placement of more than one million television ads, worth almost \$3.5 billion, between 2001 and 2004. The industry placed these ads on broadcast and cable networks as well as on local television.

This analysis shows high levels of underage youth exposure to these ads despite the industry's self-regulation of its marketing and advertising practices¹ and despite repeated public opinion poll findings that parents want their children exposed to less of this advertising.² These conclusions are similar to those of CAMY's published analyses of alcohol advertising placements in mag-

azines for 2001 to 2003 and on radio for 2001 and 2002 and for the summer of 2003.

The findings of CAMY's analysis of alcohol ads on television from 2001 through 2004 underscore recommendations made by the National Research Council and Institute of Medicine (NRC/IOM) in their 2003 report on reducing underage drinking. The NRC/IOM called for further reforms by the alcohol industry to its marketing codes and practices and for independent, ongoing surveillance of underage youth exposure to alcohol advertising by the U.S. Public Health Service.³ The major findings of the CAMY analysis of alcohol ads on television include:

Alcohol ads up dramatically on cable

By every measure—number of ads, dollars spent and ads delivered—underage youth⁴ exposure to alcohol advertising on television from 2001 through 2004 is a story of alcohol companies turning to cable television and its ability to reach specific audiences.

- The number of alcohol ads on cable networks during this period grew 138%, while alcohol spending on cable TV grew 67%.
- During the same period, the number of ads of any kind on cable networks grew only 32%, and spending on these ads grew only 42%. This suggests that alcohol companies

¹ Distilled Spirits Council of the United States, *Code of Responsible Practices for Beverage Alcohol Advertising and Marketing* (Washington, DC: DISCUS, 2003); Beer Institute, *Advertising and Marketing Code* (Washington, DC: Beer Institute, 2003); Wine Institute, *Code of Advertising Standards*, December 2000. Available at http://www.wineinstitute.org/communications/statistics/Code_of_Advertising.htm (cited 11 Nov 2005).

² See, e.g., Roper Center at University of Connecticut, "Drinking and Driving Survey," question 174. In *Public Opinion Online*. Poll sponsored by MADD and Nationwide Insurance, released 29 Sept 2005. Available from LexisNexis. See also Alcohol Epidemiology Program, University of Minnesota, *Youth Access to Alcohol Survey: Summary Report* (Minneapolis: University of Minnesota, 2002), 19-20; Memorandum, "Results of a National Survey of Parents," from Peter D. Hart Research Associates, Inc./American Viewpoint to All Interested Parties, Washington, DC, June 24, 2003. Available at <http://camy.org/research/files/hartmemo0703.pdf> (cited 14 Nov 2005).

³ National Research Council and Institute of Medicine, *Reducing Underage Drinking: A Collective Responsibility*, R.J. Bonnie and M.E. O'Connell, eds (Washington, DC: National Academies Press, 2004), 4.

⁴ For the purposes of this report, "underage youth" are persons ages 12 to 20, and "adults" are persons age 21 and above.

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were moving to cable more rapidly than advertisers in general.

- The number of cable network alcohol ads that were more likely to be seen by underage youth than adults on a per capita basis⁵ rose 97% over the four years.

The sharp growth in alcohol advertising on cable television stands in marked contrast to the modest growth of alcohol advertising on broadcast network television over this four-year period. The number of alcohol product ads on broadcast network television in 2004 was up 17.9% from 2001, and spending was up 7.6% from 2001. However, the number of broadcast network alcohol ads more likely to be seen by underage youth than adults on a per capita basis was down 56% from 2001.

Both beer and distilled spirits increase presence on cable

Both beer and distilled spirits contributed to alcohol advertising's increasing presence on cable television, a medium that claims to be gaining on the reach of broadcast network television and that allows for more precise segmenting of the audience.⁶ Rebuffed in 2002 in an attempt to place advertising on broadcast network television and break a voluntary ban that has been in place for more than 20 years, the distilled spirits industry turned to cable television aggressively in the last four years.⁷

- The number of distilled spirits ads on cable networks grew 5,687% between 2001 and 2004, from 645 to 37,328.
- Distilled spirits spending on cable networks grew 3,392%, from \$1.5 million to \$53.6 million.

At the same time, the beer industry was also increasing its presence on the cable networks. Its growth rate was more modest than that for distilled spirits, given its greater volume of advertising on cable television during the base year of 2001. However, beer continues to dominate alcohol advertising on cable television, as it does on broadcast television.

- The number of beer ads on cable networks grew 113% between 2001 and 2004, from 38,810 to 82,559.
- Beer spending on cable networks grew 54%, from \$137 million to \$211 million.

Little improvement in overexposure of underage youth

Throughout this four-year period, the percentage of alcohol ads on television that were more likely to be seen by underage youth than adults on a per capita basis remained relatively stable, with 23.0% falling into that category in 2004. Again, the sharpest contrast comes between what the alcohol companies were doing on cable networks

versus what they were doing on broadcast networks.

- Overexposing alcohol ads on broadcast networks were down 56% in this period, from 745 to 325.
- Overexposing ads on cable networks were up almost 100%, from 19,615 to 38,683.
- Distilled spirits brands' overexposing ads on cable network and broadcast spot television were up 1,853%, from 592 to 11,563.
- Beer companies' overexposing ads on broadcast network, cable network and broadcast spot television were up 13%, from 39,334 to 44,292.

Alcohol industry's 30% reform unmet on cable

In response to growing criticism of the alcohol industry's then-current threshold of placing ads where 50% or less of the audience was composed of underage youth, the Beer Institute and the Distilled Spirits Council of the United States (DISCUS) announced in September 2003 that their members would begin restricting the placement of ads to venues where legal-age adults made up at least 70% of the audience and underage youth represented 30% or less.⁸ The alcohol industry has largely met this goal on broadcast network television but has made little progress on cable networks. In general, the

⁵ Underage youth are more likely to see on a per capita basis, or be "overexposed" to, a televised ad for alcohol when it is placed on a program where the percentage of underage youth in the audience is greater than the percentage of underage youth in the general population. "More likely to see" (as well as percentage measures of youth overexposure and other comparisons of adult and youth exposure to alcohol advertising in this report) is based on "gross rating points," which measure how much an audience segment is exposed to advertising per capita. Another way of measuring advertising exposure is "gross impressions" (the total number of times all members of a given audience are exposed to advertising). The adult population will almost always receive far more "gross impressions" than youth because there are far more adults in the population than youth. Gross rating points are calculated by dividing gross impressions by the relevant population (e.g. persons 21 and over) and multiplying by 100, thereby leveling the measurement playing field for differently-sized population segments. See Appendix B for a glossary of terms used in this report.

⁶ Cabletelevision Advertising Bureau, "2005 Cable TV Facts: Cable Growth Charts Summary," 3 Feb 2005. Available at http://www.onetworld.org/?module=displaystory&story_id=1154&format=html (cited 14 Nov 2005).

⁷ J. Lafayette, "VH1 Plans to Serve Up Liquor Ads; Viacom-Owned Net One of Few Accepting Spots for Spirits," *Television Week*, Monday, 8 Dec 2003, p. 4; J.B. Arndofer and J. Fine, "Spirit marketers bingeing on cable; Mags most likely to feel hangover," *Advertising Age*, Monday, 20 Sept 2004, p. 1; J.B. Arndofer, "The death of beer: As more young drinkers choose spirits over suds, brewers pay the price, losing share in a nearly \$50B market," *Advertising Age*, 2 May 2005, cover.

⁸ Beer Institute, "FTC Report Highlights Best Practices: Threshold Raised for Advertising Placements," 9 Sept 2003. Available at http://www.beerinstiute.org/pr/pr_090903.htm (cited 14 Nov 2005); Distilled Spirits Council of the United States, "Liquor Industry Strengthens Advertising/Marketing Guidelines: New 70% Adult Demographic, Applies to All Drinks, Includes Public Reports," 9 Sept 2003. Available at <http://www.discus.org/media-room/2003/release.asp?pressid=112> (cited 14 Nov 2005).

percentage of alcohol ads above the 30% threshold—looking at broadcast and cable networks and local broadcast television combined—has remained at the same level from 2001 through 2004.

- **All TV:** The percentage of alcohol ads placed on programs on broadcast network, cable network and broadcast spot television, combined, with more than 30% underage youth has remained constant between 2001 and 2004, around 12%.
- **Broadcast networks:** The percentage of alcohol ads on broadcast network television above the 30% youth threshold dropped from 1.5% in 2001 to a negligible 0.4% in 2004.
- **Cable networks:** The percentage of alcohol ads on cable network television above the 30% youth threshold was 13.4% in 2004, down from 16.3% in 2001. Even so, because

alcohol advertising in this venue greatly expanded during this time, the number of cable network alcohol ads above the 30% youth threshold actually increased to 18,027 in 2004, up from 9,235 in 2001.

Why the Concern

After substantial declines in the 1980s and early 1990s, youth alcohol use has remained flat and at high levels for the past 10 years.⁹ In 2004 approximately 10.8 million 12- to 20-year-olds reported having had a drink in the past month. Of that number, nearly 7.4 million reported binge drinking (defined as drinking five or more drinks on the same occasion).¹⁰ These numbers are essentially unchanged from 2003. Every day, three teens die from drinking and driving, and at least six more die of other alcohol-related causes, including homicide, suicide and drowning.¹¹

Public health research has found that youth exposure to alcohol advertising increases awareness of that advertising,¹² which in turn influences young people's beliefs about drinking, intentions to drink, and drinking behavior.¹³ Brain imaging has revealed that, when shown alcoholic beverage advertisements, teens with alcohol use disorders have greater activity in areas of the brain previously linked to reward, desire, positive affect and episodic recall, with the degree of brain response highest in youths who consumed more drinks per month and reported greater desires to drink.¹⁴ The Federal Trade Commission (FTC) has noted that, "While many factors influence an underage person's drinking decisions, including among other things parents, peers, and the media, there is reason to believe that advertising plays a role."¹⁵

⁹ National Research Council and Institute of Medicine, *Reducing Underage Drinking: A Collective Responsibility*, 37-8.

¹⁰ Substance Abuse and Mental Health Services Administration (SAMHSA), *Results from the 2004 National Survey on Drug Use and Health: National Findings* (Rockville, MD: Office of Applied Studies, 2005), 2.

¹¹ National Highway Traffic Safety Administration, *Traffic Safety Facts 2003* (Washington, DC: National Center for Statistics and Analysis, U.S. Department of Transportation, 2005), table 79; "At least six more die of other alcohol-related causes" calculated using Alcohol-Related Disease Impact (ARDI) data, Centers for Disease Control and Prevention. Data include only deaths for ages 15 to 20. M. Stahre of the Centers for Disease Control and Prevention, e-mail to David H. Jernigan, PhD, 20 December 2004.

¹² R.L. Collins et al., "Predictors of beer advertising awareness among eighth graders," *Addiction* 98 (2003): 1297-1306.

¹³ S.E. Martin et al., "Alcohol Advertising and Youth," *Alcoholism: Clinical and Experimental Research* 26 (2002): 900-906.

¹⁴ S.F. Tapert et al., "Neural response to alcohol stimuli in adolescents with alcohol use disorder," *Archives of General Psychiatry* 60 (2003): 727-735.

¹⁵ Federal Trade Commission, *Self-Regulation in the Alcohol Industry: A Review of Industry Efforts to Avoid Promoting Alcohol to Underage Consumers* (Washington, DC: Federal Trade Commission, 1999), 4.