

Cross border alcohol marketing and strategies to respond

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AP19, 2022



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Many alcohol producers are large global corporations

The world's 10 largest alcohol corporations, 2020

	Name of company (country of registration)	Sales (USD)	Profits (USD)	
1	Anheuser-Busch InBev (Belgium)	52.3 B	9.1 B	
2	Diageo (United Kingdom)	16.8 B	3.9 B	
3	Heineken (Netherlands)	26.8 B	1.2 B	
4	Kweichow Moutai (China)	11.3 B	6.2 B	
5	Pernod Ricard (France)	10.6 B	1.6 B	
6	Asahi Group Holdings (Japan)	19.2 B	1.3 B	
7	Kirin Holdings (Japan)	17.8 B	547.1 M	
8	Carlsberg (Denmark)	9.9 B	984.8 M	
9	Wuliangye Yibin (China)	5.2 B	2 B	
10	Constellation Brands (United States)	8.3 B	-11.8 M	



DIAGEO POSTS GROWTH IN ALL REGIONS AS SALES JUMP 16%

PUBLISHING DATE
January 31, 2022

CATEGORIES

BEVERAGES AMERICAS ASIA EUROPE MIDDLE EAST AFRICA NEWS OCEANIA



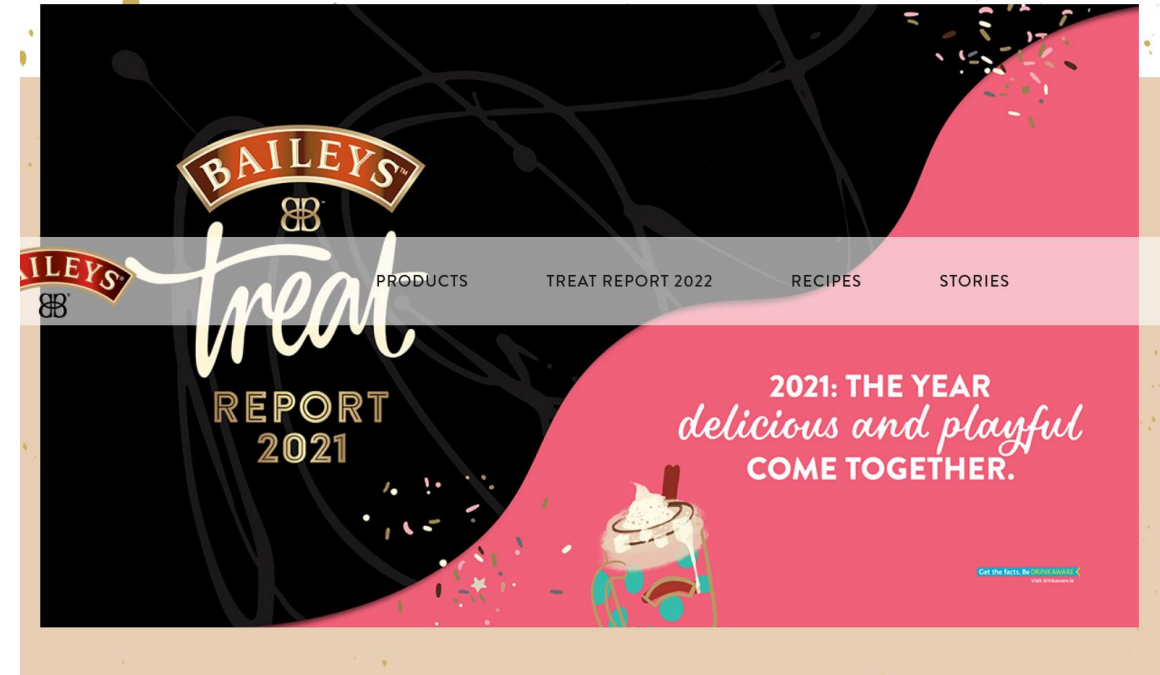
Source: H1 FY22 Diageo Internal Information.
For additional information on non-GAAP measures, please see financial/legal appendix.



Driven by increased spend on marketing

- “Some years ago it was a brand that was struggling to grow and we now have Baileys growing 24%. It’s not your liqueur at Christmas occasion, or Mother’s Day, or the gift you give to your grandmother. It is now all about everyday treats, which is a much bigger market than spirits or alcohol,” he explained.
- “Rather than the big ad at Christmas and at Easter, we are now on 24/7.”

Baileys Treat Report 2021



Brands & campaigns are often global

- Marketing a nexus between
 - Producers/brands,
 - Media channels
 - increasingly digital platforms
 - Events
 - eg Formula One; football world cup
 - Intermediaries
 - Ad agencies, data brokers (AI)



Budweiser Nigeria ✓
@BudweiserNG

That's a king right there!

← **Tweet**

Can you guess how much he won on this episode?

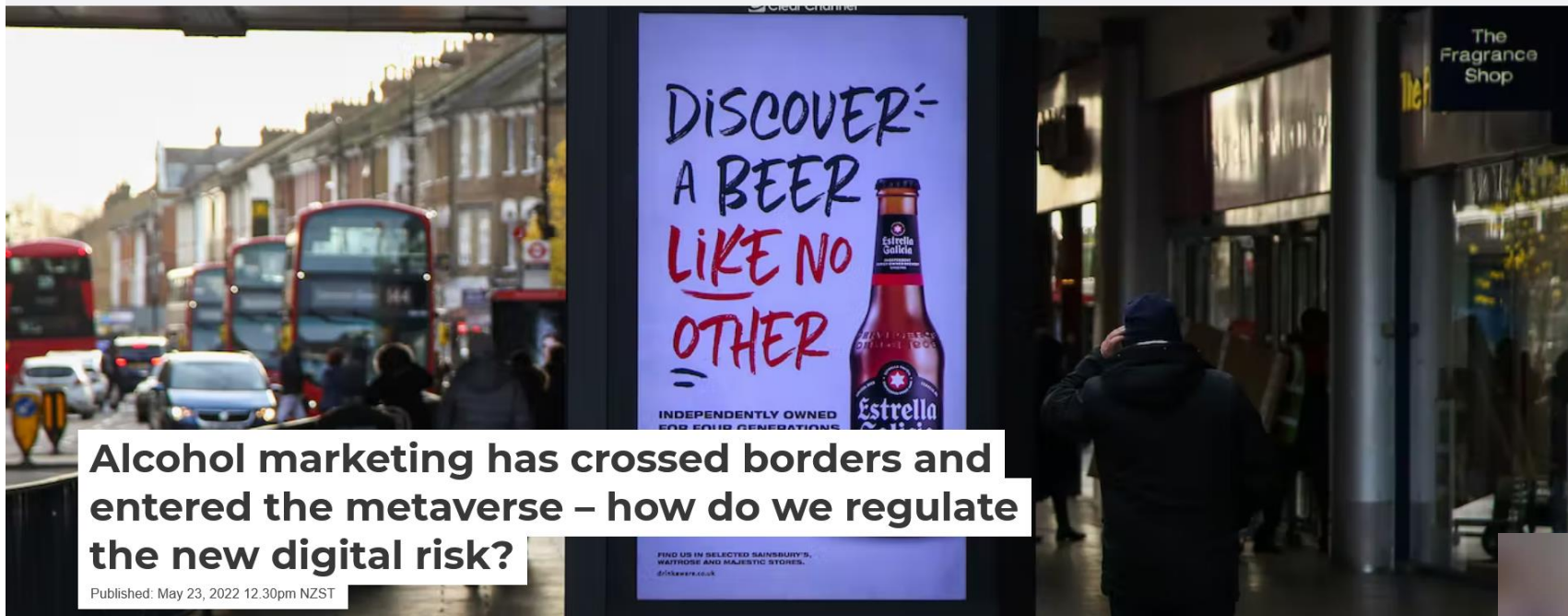
[#BudweiserKingsOfFootballShow](#)



- Digital media has expanded cross border marketing

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Alcohol marketing has crossed borders and entered the metaverse – how do we regulate the new digital risk?

Published: May 23, 2022 12.30pm NZST



Digital platforms are built on advertising

- Google – 70% global revenues from ads on own services
- Facebook – 98.5% from ad business
- Digital ads now more than half of ad spend globally
- Digital ad global spend 2021
 - comparable to total tax revenue of Canada in 2019
 - Increases projected
- Huge corporations own the platforms



Build up of concern: government and NGO

- Increasing criticism of platforms
 - Hate speech/violence
 - Biometric data
 - Misinformation
 - Pornography
 - Bias in ads
 - challenge by U.S. Dept of Justice to META re 'look alike audiences' in contravention of Fair Housing Act
- But not much focus on targeted marketing of unhealthy products



Current trends in regulation of digital platforms

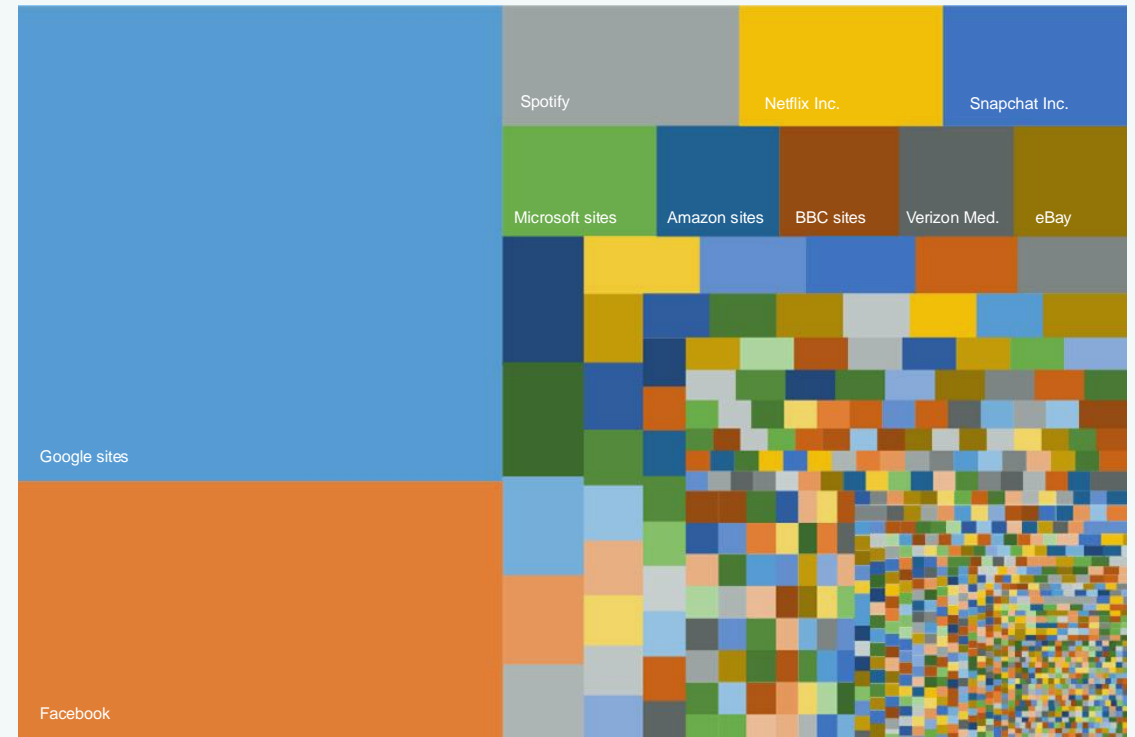
- Use of existing legislation
 - Too slow, cannot meet needs of dynamic platform changes and breadth of problematic conduct (Australian Competition and Consumer Commission)
- Competition law
- Privacy law
- Consumer Protection



Competition (anti trust) law

- Size and power of platforms has led to anti trust/ competition law challenges
 - The platforms are designed to make it difficult to leave or control own data
 - Use of data to manipulate consumers to make purchase choices

Fig. 8. Consumer time spent on top online properties in February 2020, United Kingdom



Source: CMA (2020). Reproduced by permission of the Competition and Markets Authority (www.gov.uk/government/organisations/competition-and-markets-authority) under Open



Privacy legislation

- E.U. and California legislation among the earliest
- Industry developed work arounds to target without personal data
 - Micro segments/Look alike audiences
 - Belgium court ruled technology to identify 'privacy compliant target groups' is not compliant with EU GDPR
- Digital Services Acts in EU and UK
 - Moves to protect children from use of personal data such as ethnic status



Consumer protection

- Unfair trading practices, eg ‘dark patterns’
 - design elements that deliberately obscure, mislead, and coerce users into making unintended and possibly harmful choices

COMMENT & ANALYSIS

Websites using ‘dark patterns’ to manipulate users – is it time to regulate?

6:47 pm on 15 October 2021

Share this     

By Cherie Lacey and Alex Beattie of **THE CONVERSATION**

Analysis - More than half of the most popular New Zealand websites may be unfairly manipulating visitors, according to our latest research into the use of "dark patterns" in sites with a ".co.nz" domain name.



NGO advocacy

In 2021 an international coalition called on EU and US to ban ads that rely on ‘systematic commercial surveillance’ of internet users to target ‘relevant ads’



“Current trends in research and advocacy on alcohol marketing

- Consensus on impacts on young: drink earlier, drink more
- Focus moving beyond children
 - Increasingly more focus on the technology targeting ads heavier using young adults and to vulnerable consumers
 - To recognise impacts on those with drinking problems:

“Ads pop up all the time on social media and despite blocking them more just appear – it triggers me massively”



Need for regulation specific to alcohol products

- United Nations calls for bans or comprehensive restrictions on alcohol marketing and describes it as a cost effective ‘best buy’ policy for national governments.
- Many countries only have partial restrictions eg control of content or hours of exposure and adding ‘internet’ to the channels covered by these does not work
- Some specific efforts, eg:
 - Make influencer ads transparent
 - Finland re alcohol in social media but evaluations suggest did not reduce marketers’ ability to increase consumers engagement
 - [Katainen](#), [Kauppila](#), [Svensson](#), [Lindeman](#), [Hellman](#) *Journal of Studies on Alcohol and Drugs*, 81(1), 39–46 (2020).
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WHO Alcohol Action Plan 2022 – 2030.

- Includes a request to the WHO Secretariat:
- “Promote and support international collaboration in addressing cross-border alcohol marketing, advertisement and promotion, with a focus on the public health risks associated with new cross-border marketing practices.”



Internal document: WHO Less Alcohol Unit, 2022

What is needed?

- Comprehensive and well-enforced national bans on all forms of alcohol marketing.
- International agreement (code) to support uptake of national bans and respond to cross-border marketing.
- Guidance for trade and investment agreement to support uptake of national bans and respond to inter-country, sub-regional and regional marketing.

Aim

Develop a code on marketing of alcoholic beverages drawn up under the auspices of article 23 of the WHO Constitution

Scope

- Strengthen multilateral and cross-sectoral actions
- Strengthen national responses
- Expand the evidence base

Stakeholders

- Countries
- UN bodies
- Academia
- Civil society organizations



- In summary: real change will need:
 - Comprehensive product regulation against alcohol marketing
 - Regulation of digital platforms to allow monitoring and enforcement to ensure laws are complied with
- Momentum is growing and alcohol industry expects further regulation against marketing but will require focused global advocacy effort to achieve



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