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Does industry self-regulation protect young people from exposure to alcohol marketing? A review of compliance and complaint studies

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ABSTRACT

Background and Aims Exposure to alcohol marketing is considered to be potentially harmful to adolescents. In addition to statutory regulation, industry self-regulation is a common way to protect adolescents from alcohol marketing exposures. This paper critically reviews research designed to evaluate the effectiveness of the alcohol industry’s compliance procedures to manage complaints when alcohol marketing is considered to have violated a self-regulatory code.

Methods Peer-reviewed papers were identified through four literature search engines: PubMed, SCOPUS, PsychINFO and CINAHL. Non-peer-reviewed reports produced by public health agencies, alcohol research centers, non-governmental organizations, government research centers and national industry advertising associations were also included.

Results The search process yielded three peer-reviewed papers, seven non-peer reviewed reports published by academic institutes and non-profit organizations and 20 industry reports. The evidence indicates that the complaint process lacks standardization across countries, industry adjudicators may be trained inadequately or biased and few complaints are upheld against advertisements pre-determined to contain violations of a self-regulatory code.

Conclusions The current alcohol industry marketing complaint process used in a wide variety of countries may be ineffective at removing potentially harmful content from the market-place. The process of determining the validity of complaints employed by most industry groups appears to suffer from serious conflict of interest and procedural weaknesses that could compromise objective adjudication of even well-documented complaints. In our opinion the current system of self-regulation needs major modifications if it is to serve public health objectives, and more systematic evaluations of the complaint process are needed.

Keywords Advertising, alcohol, alcohol industry, compliance, marketing, self-regulation.

INTRODUCTION

Exposure to alcohol marketing is considered potentially harmful to adolescents [1–3]. For this reason, marketing regulations have been implemented in many countries to restrict exposure, control content and monitor compliance with advertising standards. In addition to statutory regulation, industry self-regulation is one of the most common ways to protect adolescents from alcohol marketing.

Considerable attention has been paid to alcohol advertisement content and exposure, yet relatively little research has been conducted on the procedures used by the alcohol industry to monitor, detect and remove advertisements when violations of a self-regulated alcohol marketing code occur. The International Alliance for Responsible Drinking (IARD), an alcohol industry-funded organization, has promoted the Guiding Principles, which are intended to be a model alcohol self-regulatory marketing code [4]. The Guiding Principles also call for a transparent, readily accessible process for resolving complaints regarding potential violations of a self-regulated alcohol marketing code. However, the Guiding Principles do not outline a framework for a complaint resolution system, leaving it to individual countries or companies to design a system that is efficient (i.e. decisions are made before exposure to non-compliant advertisements occur) and effective (i.e. it identifies potentially harmful content in advertisements with a high degree of reliability and validity).

This paper reviews peer-reviewed papers and grey literature that provide information on the effectiveness of the
alcohol industry’s compliance procedures to manage complaints when alcohol marketing is considered to have violated a self-regulatory code. The importance of such research is highlighted by the fact that the complaint process is the primary means to remove non-compliant advertisements from the exposure environment, although there are exceptions. This review was conducted to: (1) identify current complaint procedures and identify adjudicating bodies; (2) determine the effectiveness of existing processes at removing advertisements non-compliant with a self-regulatory marketing code; and (3) ascertain compliance rates as reported by alcohol or advertising industry sources.

**METHODS**

Four literature search engines, PubMed, Scopus, PsychINFO and CINAHL, were used initially to locate information on the alcohol code compliance review process using the search terms ‘alcohol AND (marketing OR advertising) AND compliance’. Paper reference lists were also viewed to identify additional relevant research papers that did not appear in the search results. Studies were selected for inclusion if they contained information on the (1) procedures used during the complaint process of a self-regulatory marketing system; (2) effectiveness of the complaint process at removing non-compliant marketing materials; or (3) compliance rate of the alcohol industry. There were no date restrictions. Studies were excluded if they were published in a non-English journal or were an editorial, opinion or review paper. Non-peer-reviewed literature produced by public health agencies, alcohol research centers, non-governmental organizations and government research centers was searched for reports focusing on alcohol, alcohol advertising and the alcohol advertising self-regulatory system. Reports generated by national industry advertising associations were also searched for relevant information. Information was abstracted by a doctoral student (J.N.) and verified by the project supervisor (T.B.).

**RESULTS**

PubMed, SCOPUS, PsychINFO and CINAHL returned 34, 76, 25 and 1183 search results, respectively. One relevant paper was located. Three peer-reviewed papers were located by scanning the reference list of a systematic review of alcohol advertisement content and exposure [5]. Seven non-peer-reviewed reports published by academic institutes and non-profit organizations and 20 annual reports published by alcohol advertising review organizations were also identified. Reports were obtained from the following organizations: the UK Advertising Standards Authority (ASA), Alcohol Concern, the Alcohol Marketing Communications Monitoring Body (AMCMB), the Alcohol Marketing Monitoring in Europe (AMMIE) project, the Association to Reduce Alcohol Promotion in Ontario, the Australian Advertising Standards Board (AASB), the Australian Alcohol Advertising Review Board (AARB), the Distilled Spirits Council of the United States (DISCUS), the Enforcement of National Laws and Self-regulation on advertising and marketing of Alcohol (ELSA) project, the European Centre for Monitoring Alcohol Marketing (EUCAM), the European Forum for Responsible Drinking (EFRD), the Marin Institute (now Alcohol Justice) and the US Beer Institute.

**Complaint process**

Typically, a non-governmental organization, watchdog group or an independent citizen prepares a complaint according to a procedure dictated by the industry organization responsible for compliance review. In some cases, industry representatives have filed complaints against competitors’ marketing practices [6]. These complaints may require a written letter or an online submission [7,8]. When a complaint is filed, the complainant is asked to describe why the advertisement violates specific sections of a particular industry self-regulation code. However, once the complaint is filed, the process and procedures vary from country to country and among different industry groups. In some cases, the complaint process has multiple stages. For example, the US Beer Institute requires multiple complaint submissions and confirmations that a complaint was intended to be submitted before a final decision by the Code Compliance Review Board (CCRB) can be made.

A complaint is heard by a review board, which often consists of industry-appointed representatives with a legal or business background. The size of the review board varies from only a few members to larger groups composed of more than 100 members. For instance, complaints made to the UK ASA are adjudicated by the ASA Council. The Council is comprised of 14 individuals; two-thirds are independent of the advertising industry while the remaining members have current knowledge of the advertising sector, although none has public health or substance use backgrounds [9]. The Italian Advertising Review Board consists of 15 individuals with expertise in legal matters, consumer affairs, advertising techniques and communications media [10]. The US Beer Institute uses a three-person panel consisting of a marketing professor, a lawyer and a media production expert, all appearing to have conflicts of interest [11], while the AARB uses a 122-member panel composed of individuals from public health, scientific research, medicine, alcohol and other drug treatment services, law, education, social services and marketing [12].

**Complaint process effectiveness**

Three peer-reviewed papers and eight non-peer reviewed reports that tested the effectiveness of existing complaint
processes at removing non-compliant alcohol marketing communications were located. All research published in the peer-reviewed papers was conducted in Australia. In 1986 and 1987, 16 advertisements determined to violate the advertising code by members of the public were submitted to the Advertising Standards Council, the predecessor to the AASB, and all but one of the complaints were rejected [13]. Between May 1998 and April 1999, 11 complaints were submitted on nine advertisements determined to contain code violations by a panel of university students [14]. It seems that no communications were received by the authors regarding whether or not the complaints were upheld, and it was assumed that the AASB never forwarded the complaints to the review committee. In 2004 and 2005, 14 advertisements pre-determined to contain code violations by an expert panel were submitted to the AASB, and none were upheld [15].

Research published in non-peer-reviewed reports was conducted in North America and Europe. In the European Union (EU), 199 complaints were issued regarding 84 alcohol advertisements to the respective Advertising Code Committees in Bulgaria, Denmark, Germany, Italy and the Netherlands [16,17]. Of the complaints filed, 71% were rejected, 24% were upheld and no decision had been made on 5% of the advertisements at the time of the report. Only five of 47 complaints (10.6%) stating that the advertisement was attractive to youth, as pre-determined by youth rating panels, were upheld. In Denmark, the Alcohol Policy Network submitted 59 complaints against alcohol marketing practices between 2000 and 2005, with more than 50% involving marketing to young people, and 37 were upheld [18]. In Canada, a voluntary pre-clearance process has existed since 1997, and in 1998 44% of 5200 advertisements were approved without modification, 44% were approved but changes were required and 12% were rejected [19,20]. In 2004, there were 230 complaints against Canadian alcohol advertisements and only 24 were upheld [19].

In a Marin Institute (now Alcohol Justice) report investigating 78 complaints on 93 advertisements made to DISCUS from 2004 to 2007, they determined that a majority of complaints (56%) were filed by alcohol-industry representatives, with individuals, third-party organizations and public officials filing all others [6]. Of all complaints, 43 (46%) were upheld and 35 advertisements were either removed from the market-place or the advertiser promised to comply with the DISCUS code in the future. Moreover, complaints filed by the alcohol industry may have been used for corporate gain. For instance, it appears that if a company representative is not on the DISCUS board, advertisements are three times more likely to be found non-compliant than if a company representative serves on the DISCUS board [6]. Complaints generated by industry members were also 12.7 times more likely to be upheld than complaints from non-industry sources. Similar findings have been found in the United Kingdom, where the Portman Group dismissed a complaint against Absolute Vodka alleging that the cartoon characters used on the bottle were attractive to youth, but upheld a complaint against a small brewery which appears to have been similar [21].

**Annual reports**

Annual reports are often published by organizations that review complaints made against alcohol advertisements. The reports summarized here are from Australia, the European Union and the United States. Between 2006 and 2014 the US Beer Institute received 14 complaints from watchdog groups and independent citizens regarding non-compliance of beer advertisements to their Marketing and Advertising Code [22]. After review by the CCRB, only one advertisement was determined to contain a violation, an internet advertisement for the alcoholic-energy drink Sparks. It was removed from the market-place while all other complaints were dismissed unanimously. From 2008 to 2015, DISCUS received 40 complaints on 52 advertisements, with the majority of complaints being made by industry sources (67.5%) [23–28]. In all, 27 complaints were upheld, resulting in 15 advertisements being pulled from the market-place. In Canada only 19 complaints were reviewed in 2012, none of which were upheld [29].

Ireland’s AMCMB has produced annual reports on code compliance of Irish alcohol advertisements since 2006. In 2006 there were 28 exposure guideline violations for advertisements placed on television [30]. By 2011, only one breach of the exposure guidelines was reported, despite more stringent exposure requirements approved in October 2008 [31]. The UK ASA utilizes a pre-clearance process before alcohol advertisements are disseminated. A compliance rate of 99.7% was found among all media in 2009 [32], slightly higher than digital advertisements from other sectors [33]. When complaints are made to the ASA by the public most are upheld at least partially, although no significant damages are imposed on the advertisers [20]. Between 2010 and 2012, the AASB received 304 complaints for 175 advertisements, but only 157 complaints were reviewed by the Adjudication Panel [34–36]. Of the complaints reviewed, 42 (26%) were upheld, at least in part. Another Australian organization, the AARB, received 200 complaints in 2012 and 2013, 104 of which were upheld completely and 32 were upheld in part [12]. The EFRD determined that 249 alcohol advertisements broadcast in 15 European countries in 2006 were non-compliant with local alcohol regulations, including 146 that violated self-regulated marketing codes and 103 that violated the Loi Évin in France [37]. However, only 50 advertisements were the subject of a complaint and only 15 complaints were upheld.
DISCUSSION

The purpose of this paper was to identify current complaint procedures in self-regulatory marketing systems, determine the effects of existing processes at removing non-compliant advertisements from the market-place and report industry compliance rates with existing marketing codes. Current complaint submission systems use non-standardized processes, and in our opinion adjudicators may be trained inadequately or be biased when reviewing advertisement complaints. Only a few systematic evaluations have been published, and these conclude that few complaints, if any, are upheld by industry review boards even for advertisements pre-determined to contain code violations. Industry compliance rates reported in annual reports are typically high, but it is not possible to say whether the complaint process is successful in removing potentially harmful advertising material or that the compliance rates are reliable in the absence of an independent ‘gold standard’. Interestingly, the complaint process may be effective at allowing the industry to engage in anti-competitive behaviors, as complaints may be filed by competing companies.

Code violations can be prevalent [5], and to the extent that formal complaints amount to only a fraction of the advertisements that may have code violations, it is highly unlikely that the current complaint procedures utilized by the alcohol industry result in sufficient monitoring or advertisement modifications to have an impact on public health. Complaints where advertisements have been pre-determined to contain violations are often dismissed and, when upheld, actions against an advertiser typically include promises to comply in the future rather than actual changes in current practices. The literature and data we reviewed revealed no instances of actual penalties being imposed for admitted code violations, other than the removal of an advertisement from further broadcasting. Where financial penalties could be imposed, such as in Italy, potential fines have been characterized as absurdly low, only a few thousand euros, or so high that it would be impractical to implement [10].

The logical consequence of multiple submissions and confirmations required in some instances is that non-compliant advertisements are allowed to be broadcast long after the complaint was filed. When compliance determinations by review committees are finally made, the advertisement may have already been removed from the public for strategic purposes rather than compliance-related reasons. Moreover, according to Jeff Baker, former president of the US Beer Institute, the review panels may have no authority to enforce compliance should an advertisement remain publicly visible [38]. There is some evidence to suggest that a pre-clearance mechanism for alcohol advertisements, in addition to a complaint process, is likely to be more effective than a post-marketing complaint process alone. There is insufficient evidence to determine system efficiency, however. In theory, the use of a pre-clearance procedure would eliminate many efficiency problems.

Another issue is the process of determining the validity of complaints. The industry-appointed review boards appear to have a major institutional conflict of interest in that they are appointed and paid by an industry that could lose considerable revenue if an advertisement complaint is upheld. It seems that most of the review panels are composed of individuals with no public health background. It also appears that none of the boards contain representatives of the vulnerable populations the codes are supposed to protect, and none of the boards were found to use objective review procedures specifically designed to detect code violations [39]. Even if the boards were constituted properly with qualified members, we were unable to find any industry-appointed board that used robust procedures to ensure reliable ratings. Recent research suggests that expert panels charged with using objective rating procedures need to have at least 15 members to achieve optimal levels of reliability [40].

Limitations

Research on the alcohol advertisement complaint process has a number of limitations. Currently, there are few peer-reviewed studies that have performed a systematic evaluation of the process, and these studies were conducted solely in Australia. Research that utilizes advertisements pre-determined to contain code violations is needed. Moreover, the lack of peer-reviewed research necessitated increased reliance upon non-peer reviewed reports from non-profit organizations and industry sources, which may be unreliable.

CONCLUSIONS

In our opinion, the process of determining the validity of complaints employed by most industry groups suffers from serious conflicts of interest and procedural weaknesses that could compromise objective adjudication of even well-documented complaints. Few studies have evaluated the industry’s complaint process systematically and more research is needed. Nevertheless, the results of the current review of the complaint processes established to protect vulnerable populations suggest that the current system of self-regulation needs major modifications if it is to serve public health objectives.

Declaration of interests

None.
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