

Bloomberg School of Public Health

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Donald S. Clark
Federal Trade Commission
Office of the Secretary
Room HB113 (Annex J)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Alcohol Reports: Paperwork Comment;
Project No. P114503

Submitted electronically at:
<https://ftcpublic.commentworks.com/ftc/alcoholstudy2011pra>

Dear Mr. Clark:

The Center on Alcohol Marketing and Youth (CAMY) at the Johns Hopkins Bloomberg School of Public Health submits the following comments in response to the Commission's proposed collection of information from alcohol advertisers regarding compliance with voluntary advertising placement provisions, sales and marketing expenditures, the status of third-party review of complaints regarding compliance with voluntary advertising codes, and alcohol industry data collection practices.

We commend the Commission for collecting the requested information and believe this information is critical to the FTC's performance of its regulatory responsibilities. Given the substantial body of research correlating youth exposure to alcohol advertising and marketing with underage drinking, the information collected will have broad practical utility to persons and organizations interested in furthering the reduction and prevention of underage drinking.

I. Compliance with Industry Self-Regulatory Placement Standards

We commend the Commission's continued efforts to verify industry compliance with the current voluntary 70% placement standard (where at least 70% of the audience is reasonably expected to be above the legal alcohol purchase age of 21 years). We believe seeking data on this question is critical. However, we would also like to bring to the attention of the Commission the latest data from the U.S. Census Bureau with regard to the population, ages 12 to 20. This segment, which is the group at highest risk of underage drinking, is now (according to the most recent U.S. Census estimates) 12.1% of the entire population, and 14.4% of the population 12 and above.¹ These new data once again



underline the reasonableness of a more stringent standard as has been recommended in the past by CAMY and other public health groups. Since the Commission will already be obtaining data regarding the demographics of audiences where alcohol advertising has been placed, the Commission should consider expanding its review to explore the adoption of a new standard limiting advertising to media where no more than 15% of the audience is between the ages of 12 and 20, as recommended in 2004 by the Institute of Medicine's Committee on Developing a Strategy to Reduce and Prevent Underage Drinking.²

As for the Commission's contention in its 2008 report that a 15% standard would leave underage youth, ages 2 to 11, unprotected,³ we respectfully point to the most recent research from CAMY. In its analysis of over 2 million alcohol ad placements on television since 2001, CAMY has found no cases of overexposure among children ages 2-11 where youth ages 12-20 were not also overexposed. Over two-thirds of all TV alcohol advertising exposure to ages 2-20 is among youth ages 12-20, and less than one-third reaches children 2-11. This shows that alcohol advertisers are effectively able to concentrate their underage exposure among teens, allowing them to adhere to weak self-regulatory standards while youth ages 12-20 are exposed more per capita than adults of legal purchase age and above. A similar pattern is observed in local radio markets that measure listening by persons ages 6 and older: two thirds of all exposures are to youth ages 12-20, and only one third to children ages 6-11.

We also believe the Commission should pay close attention to and gather specific data from the experience of Beam Global Spirits & Wine Inc. As the Commission is aware, this company adopted a 25 percent threshold in 2007 for placing its advertising. The company also adopted a maximum standard of 15 percent annual aggregate average by brand and by medium. The move by this company to follow the IOM recommendation of immediately moving to a 25% standard may well prove instructive for the Commission's approach to the entire industry.

We also recommend that the Commission include a brand analysis in its future report. As noted by CAMY in our 2008 letter to Commissioner Kovacics, alcohol companies advertise and market by brand. The 2008 report's contention that 85% of the exposure to alcohol advertising goes to adults is like permitting cars going 75 miles per hour on a highway in a 60 mile per hour zone to speed because cars near them were going only 45 miles per hour. Averaging the speeders and non-speeders does not mean that all drivers were in compliance. The Commission is failing to give itself a complete and accurate picture of the industry's advertising practices by not availing itself of a brand-by-brand analysis.

II. Collection of Advertising and Promotional Expenditures

We have met with Commissioners and Commission staff regularly since 2002 and have maintained the recommendation that the FTC seek advertising and promotional expenditures on an ongoing and regular basis, not just occasionally. We renew that request with this comment. As we have stated in our meetings with the Commission, it needs to seek this advertising and promotional data at least every two years if not every year, as it

does for the tobacco industry. Only with such regularly collected data will the Commission be able to know where it should focus its resources in an efficient manner.

The data collected should include both measured (e.g., radio, television, print, web-based, and outdoor) and unmeasured (e.g., branded merchandise, sports and entertainment sponsorship, product development, point-of-purchase promotion, product placement, college marketing promotion, mobile, and on-premises promotion) marketing activities and expenditures.

III. Data Collection Practices, Including Data Collection with Digital and Social Media Marketing

We recommend that the FTC seek data with regard to the alcohol industry's use of digital and social media in marketing. At least one brand has announced that it will now use social media exclusively in its advertising efforts.⁴ Another alcohol company reported broad, world-wide use of social media for an advertising campaign related to the 2010 World Cup.⁵ Therefore, it is incumbent on the FTC to gather the information necessary for an independent assessment of what regulatory oversight for digital and social media is appropriate.

Recommendations for digital and social marketing data that should be requested by the FTC include, but are not limited to:

- Companies' policies on pre-approval of posts on corporate sponsored social media sites, and the data related to that.
- Companies' policies on personal information obtained about visitors to corporate-sponsored social media sites, and the data related to that.
- Companies' policies on and enforcement activities regarding posts on corporate-sponsored social media sites that violate voluntary advertising codes, and the data related to that.
- Companies' policies on and enforcement activities regarding how bloggers or other third-party posters on internet sites may use trademarked or copyrighted material, and the data related to that.
- Companies' policies on and enforcement activities regarding marketing and promotional statements made by company employees on corporate social media sites, and the data related to that.

Specific questions to be asked that would inform the above general areas of information include but are not limited to:

BRAND WEBSITES

- Do you verify if visitors are of legal purchase age before permitting access to your site?

- What information are you obtaining from visitors to determine if they are of legal purchase age?
- Are visitors able to save their age information so that they no longer need to input their age to enter the site?
- Does your age verification page contain a disclaimer that your site is only intended for those of legal purchase age, and in your best estimation, how prominent is this disclaimer?
- What action does your site take if a visitor enters an age below the legal purchase age?
- Are visitors able to change their date of birth upon re-visiting the site?
- If a visitor initially enters an age below the legal purchase age, what steps does this visitor need to take in order to enter a different date of birth?
- How many visitors did your website receive in 2010?
- How many of these visitors entered an age above the legal purchase age and entered the site?
- How many of these visitors entered an age below the legal purchase age and were denied entry?
- How many visitors who initially entered an age below the legal purchase age entered a different age and were granted access to your site?
- How many pageviews did your website receive in 2010?
- How many visitors were directed to social media content by a link on your website?

SOCIAL MEDIA CONTENT

- On which social media sites do you currently advertise or have accounts?
- How much are you spending on paid advertising on social media sites?
- How much are you spending to manage and update your account(s) on social media sites?
- How many people are involved in managing your social media activities?

- Do the industry voluntary self-regulatory codes apply to brand marketing materials on social media sites?
- Does your brand consider itself responsible for user-generated content on brand profiles on social media sites?
- What information do you collect from users who interact with your brand on social media sites?
- Is it possible that individuals under the legal purchase age are interacting with your brands on social media sites?
- What steps do you take to make sure that individuals under the legal purchase age are not exposed to your content on social media sites?

Thank you for your consideration of our comments. If you have any questions, please feel free to contact the Center on Alcohol Marketing and Youth at 410-502-6579.

Respectfully submitted,

David H. Jernigan
Associate Professor and Director,
Center on Alcohol Marketing and Youth

REFERENCES

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2. National Research Council and Institute of Medicine. *Reducing Underage Drinking: A Collective Responsibility*. Washington, D.C.: National Academies Press; 2004.
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4. Mullman J. Southern Comfort Pours Entire Media Budget Into Digital. *Advertising Age*. 29 July 2009, available at http://adage.com/article?article_id=138202, accessed April 5, 2011.
5. Anheuser-Busch InBev. Anheuser-Busch InBev Reports Second Quarter and Half Year 2010 Results. 2010; available at: http://www.ab-inbev.com/press_releases/20100812_1_e.pdf. Accessed April 5, 2011.