

# 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 practices<sup>1</sup> and despite repeated public opinion poll findings that parents want their children exposed to less of this advertising.<sup>2</sup> 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.<sup>3</sup> 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 youth<sup>4</sup> 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

<sup>1</sup> 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](http://www.wineinstitute.org/communications/statistics/Code_of_Advertising.htm) (cited 11 Nov 2005).

<sup>2</sup> 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).

<sup>3</sup> 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.

<sup>4</sup> 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 basis<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup>

- 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.<sup>8</sup> The alcohol industry has largely met this goal on broadcast network television but has made little progress on cable networks. In general, the

<sup>5</sup> 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.

<sup>6</sup> 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](http://www.onetworld.org/?module=displaystory&story_id=1154&format=html) (cited 14 Nov 2005).

<sup>7</sup> 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.

<sup>8</sup> Beer Institute, "FTC Report Highlights Best Practices: Threshold Raised for Advertising Placements," 9 Sept 2003. Available at [http://www.beerinstitute.org/pr/pr\\_090903.htm](http://www.beerinstitute.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.<sup>9</sup> 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).<sup>10</sup> 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.<sup>11</sup>

Public health research has found that youth exposure to alcohol advertising increases awareness of that advertising,<sup>12</sup> which in turn influences young people's beliefs about drinking, intentions to drink, and drinking behavior.<sup>13</sup> 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.<sup>14</sup> 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."<sup>15</sup>

## About This Report

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The Center on Alcohol Marketing and Youth at Georgetown University ([www.camy.org](http://www.camy.org)) monitors the marketing practices of the alcohol industry to focus attention and action on industry practices that jeopardize the health and safety of America's youth. Reducing high rates of underage alcohol consumption and the suffering caused by alcohol-related injuries and deaths among young people requires using the public health strategies of limiting the access to and the appeal of alcohol to underage persons. The Center is supported by grants from The Pew

Charitable Trusts and the Robert Wood Johnson Foundation to Georgetown University.

CAMY commissioned Virtual Media Resources (VMR) to analyze all of the alcohol product advertising on television from 2001 through 2004. VMR is a media research, planning, market analysis and consulting firm based in Natick, Massachusetts, serving communications organizations and marketers in a wide variety of market segments and media. VMR was established in 1992 to provide

an independent research firm serving advertising agencies and has grown to service over 100 clients across the United States and Canada in retail, publishing, financial, automotive, public health and other fields.

This report is based on industry-standard data sources and methods that are available to ad agencies and advertisers as they make their decisions about where to place their advertising.

This report only covers alcohol product

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

<sup>10</sup> 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.

<sup>11</sup> 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.

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

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

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

<sup>15</sup> 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.

advertising. Virtual Media Resources staff viewed all commercials to ensure that they were appropriately classified by type as corporate, event, “responsibility,” or product. The Center on Alcohol Marketing and Youth publishes separate reports on alcohol industry “responsibility” advertising.<sup>16</sup> This report does not include alcohol product advertising bought directly on local cable systems or cable interconnects, because the standard industry sources licensed for this report do not include these data. Because distilled spirits advertisers, faced with a voluntary ban on their advertising by the four major broadcast networks, have made particular use of these channels, this report understates their presence on television. The report also does not include advertising data from Spanish-language television networks, such as Univision and Telemundo.

The measures in this report are standard to the advertising research field but may not be familiar to the general reader. “Reach” refers to the number or percentage of a target population that has the opportunity to see an ad or a campaign through exposure to selected media. “Frequency” indicates the number of times individuals are exposed to an ad or campaign and is most often expressed as an average number of exposures. “Gross rating points,” or “GRPs,” measure how much advertising exposure is going to a particular population on a per capita basis. For example, the measure of 100 GRPs indicates that the population received an average of one exposure per person (although this could have come from 50% of the population seeing the advertising two times). GRPs are the

mathematical product of reach and frequency: if the reach is 80% and the average frequency is 2.5, then the GRPs total 200. GRPs thus provide a comparative measure of per capita advertising exposure. They incorporate both how much advertising exposure exists and how much of a particular population was likely to have viewed that exposure. Further information on sources and methodology used may be found in Appendix A. Appendix B provides a glossary of advertising research terminology.

## Data Sources

Advertising occurrence and audience data came from TNS Media Intelligence and Nielsen Media Research. TNS Media Intelligence (formerly known as CMR, or Competitive Media Reporting) tracks advertising occurrences and expenditures for television, magazines, radio and other media for all product categories. TNS tracks advertising on seven national broadcast networks, on 48 national cable networks, and on local television in 101 markets. Expenditure data is provided to TNS by television networks and stations and by advertising agencies. Nielsen Media Research, a division of VNU, measures television audiences for national networks and in 210 local or “spot” markets (designated market areas, or DMAs). Nielsen measures national audiences using a sample of approximately 10,000 households. Local audiences are measured using different methodologies; local market samples depend on market size and range from 400 to 800 households. In seven markets, Nielsen uses “people meters” (set-top devices that allow viewers to register

their presence by clicking a button) to measure audience size and composition; in 49 markets, Nielsen uses a combination of set meters (set-top boxes that record television tuning) to determine household ratings and written diaries to determine audience composition; in 154 markets, Nielsen deploys written diaries only to determine both audience size and composition. Local market diaries are only used during the “sweeps” months, typically in February, May, July and November.

## Acknowledgements

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Stu Gray, Former Senior Vice President, Director of Media Resources, BBDO New York; Former Member of the Board of Directors of the Advertising Research Foundation

Joni Sims, Media Researcher and Consultant; Former Partner at Ogilvy & Mather/Mindshare and Former Senior Client Executive at Nielsen Media Research

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<sup>16</sup> Center on Alcohol Marketing and Youth, *Drops in the Bucket: Alcohol Industry ‘Responsibility’ Advertising on Television in 2001* (Washington, DC: Center on Alcohol Marketing and Youth, 2003); Center on Alcohol Marketing and Youth, *Fewer Drops in the Bucket: Alcohol Industry ‘Responsibility’ Advertising Declined on Television in 2002* (Washington, DC: Center on Alcohol Marketing and Youth, 2004); Center on Alcohol Marketing and Youth, *Alcohol Industry ‘Responsibility’ Advertising on Television, 2001 to 2003* (Washington, DC: Center on Alcohol Marketing and Youth, 2005).

# I. Alcohol Advertising on Television, 2001-2004: An Overview

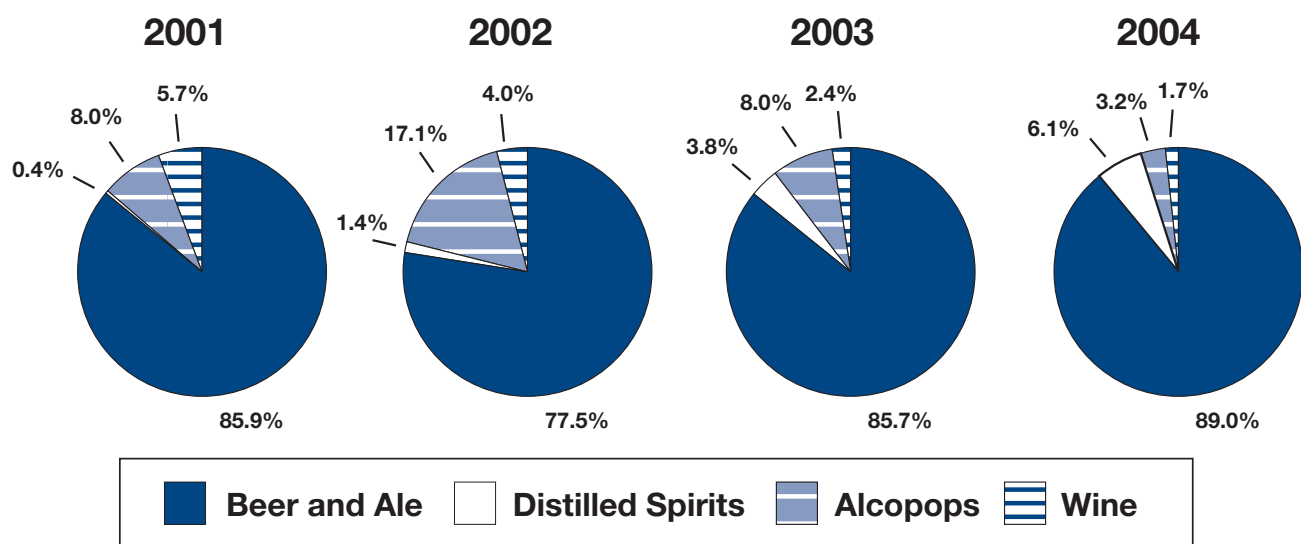
Spending on alcohol advertising on television grew from \$774 million to \$915 million between 2001 and 2004 and totaled almost \$3.5 billion during this period. Constant all through this time was the pouring of alcohol advertising dollars into cable networks, where spending increased 67%—from \$172 million to \$288 million—for a total of \$879 million during this period, compared to slightly more than \$2 billion spent on placing ads on broadcast networks. Alcohol advertising spending on broadcast network television spiked to \$568 million in 2002. A similar spike occurred in alcohol advertising spending on local spot television in 2002, when that advertising reached \$161 million. However, alcohol ad spending on local television has been falling since then and was down to \$104 million in 2004, for a total of \$518 million during these four years. (See Table 1.) Throughout this period, beer advertising dominated alcohol spending on television, accounting for as much as 89% in 2004. Spending on television advertising by the distilled spirits industry showed significant growth, from 0.4% of total television alcohol ad dollars in 2001 to 6.1% in 2004. (See Figure 1.)

**Table 1: Alcohol Spending and Ads on Television, 2001 - 2004**

	2001		2002		2003		2004	
	Ads	Dollars	Ads	Dollars	Ads	Dollars	Ads	Dollars
Broadcast Network TV	5,205	\$485,793,300	6,066	\$568,028,000	4,856	\$456,604,800	6,137	\$522,561,900
Cable Network TV	56,628	\$172,094,105	97,822	\$198,319,289	112,569	\$220,744,085	134,994	\$288,104,185
Broadcast Spot TV	130,590	\$115,848,066	178,385	\$161,568,282	169,226	\$135,832,274	125,655	\$104,493,060
<b>Total</b>	<b>192,423</b>	<b>\$773,735,471</b>	<b>282,273</b>	<b>\$927,915,571</b>	<b>286,651</b>	<b>\$813,181,159</b>	<b>266,786</b>	<b>\$915,159,145</b>

Source: TNS Media Intelligence, 2001 - 2004

**Figure 1: Television Ad Spending, 2001-2004**



Source: TNS Media Intelligence, 2001 - 2004

Distilled spirits ads and dollars spent increased each year between 2001 and 2004, reflecting the turbulence in the alcohol marketplace, where distilled spirits appear to be gaining ground and beer seems to be struggling to maintain its position.<sup>17</sup> (See Table 2.) Ads and dollars spent for beer went up and down over this period (reflecting, at least in part, increased spending in Olympics years). The number of alcopops<sup>18</sup> ads and the dollars spent on them declined in 2003 and 2004 after increasing between 2001 and 2002.

The overall increase in alcohol ad dollars on television bought a correspondingly increased number of ads, from 192,423 in 2001 to 266,786 in 2004, but down from a high of 286,651 in 2003. (See Tables 1 and 2.) Much of this growth occurred with alcohol advertisers increasing their presence by 138% on cable networks, from 56,628 ads in 2001 to 134,994 in 2004. Meanwhile, alcohol ads on broadcast networks increased modestly, from 5,205 in 2001 to 6,137 in 2004, after a dip to 4,856 in 2003. Alcohol ads on broadcast spot television declined over this period, from 130,590 to 125,655. As with dollars, beer ads dominated alcohol ads on television, accounting for 74% in 2004. At the same time, distilled spirits ads increased their presence, growing from 1.7% in 2001 to 14.5% in 2004.

**Table 2: Alcohol Ads and Spending by Product Type, 2001 - 2004**

2001						
Beverage Type	Ads	% Ads	Dollars	% Dollars		
Beer and Ale	141,238	73.4%	\$665,018,079	85.9%		
Distilled Spirits	3,236	1.7%	\$2,948,096	0.4%		
Alcopops	22,538	11.7%	\$61,794,568	8.0%		
Wine	25,411	13.2%	\$43,974,728	5.7%		
<b>Total</b>	<b>192,423</b>	<b>100.0%</b>	<b>\$773,735,471</b>	<b>100.0%</b>		
2002						
Beverage Type	Ads	% Ads	Dollars	% Dollars	Ads	Dollars
Beer and Ale	195,668	69.3%	\$719,112,594	77.5%	38.5%	8.1%
Distilled Spirits	15,246	5.4%	\$12,798,335	1.4%	371.1%	334.1%
Alcopops	36,320	12.9%	\$158,563,331	17.1%	61.2%	156.6%
Wine	35,039	12.4%	\$37,441,311	4.0%	37.9%	-14.9%
<b>Total</b>	<b>282,273</b>	<b>100.0%</b>	<b>\$927,915,571</b>	<b>100.0%</b>	<b>46.7%</b>	<b>19.9%</b>
2003						
Beverage Type	Ads	% Ads	Dollars	% Dollars	Ads	Dollars
Beer and Ale	219,469	76.6%	\$696,879,982	85.7%	12.2%	-3.1%
Distilled Spirits	30,974	10.8%	\$31,221,476	3.8%	103.2%	143.9%
Alcopops	22,068	7.7%	\$65,329,190	8.0%	-39.2%	-58.8%
Wine	14,140	4.9%	\$19,750,511	2.4%	-59.6%	-47.2%
<b>Total</b>	<b>286,651</b>	<b>100.0%</b>	<b>\$813,181,159</b>	<b>100.0%</b>	<b>1.6%</b>	<b>-12.4%</b>
2004						
Beverage Type	Ads	% Ads	Dollars	% Dollars	Ads	Dollars
Beer and Ale	196,941	73.8%	\$814,765,993	89.0%	-10.3%	16.9%
Distilled Spirits	38,663	14.5%	\$55,484,960	6.1%	24.8%	77.7%
Alcopops	11,586	4.3%	\$29,007,189	3.2%	-47.5%	-55.6%
Wine	19,596	7.3%	\$15,901,003	1.7%	38.6%	-19.5%
<b>Total</b>	<b>266,786</b>	<b>100.0%</b>	<b>\$915,159,145</b>	<b>100.0%</b>	<b>-6.9%</b>	<b>12.5%</b>

Source: TNS Media Intelligence, 2001-2004

<sup>17</sup> See, e.g., J.B. Arndofer, "The death of beer;" M. Warner and S. Elliot, "Frothier Than Ever: The Tall Cold One Bows to the Stylish One," *New York Times*, Monday, 15 Aug 2005, sec. C, p. 1.

<sup>18</sup> "Alcopops" are also referred to as "low-alcohol refreshers," "malternatives" or "flavored malt beverages." Many of the brands in this category, which includes brands such as Mike's Hard Lemonade and Smirnoff Ice, have alcohol contents of between 4% and 6%, similar to most traditional malt beverages. Alcohol and Tobacco Tax and Trade Bureau (TTB), "Notice No. 4—Flavored Malt Beverages and Related Proposals," *Federal Register* (March 24, 2003): 14293.

## II. The Alcohol Industry Moves to Cable Television

Rebuffed in 2002 from ending a decades-old voluntary ban of distilled spirits advertising on broadcast networks, distilled spirits marketers led by Diageo plc promised an aggressive move to cable networks and to local broadcast television and local cable interconnects.<sup>19</sup> From 2001 to 2004, the number of distilled spirits ads on cable networks increased 5,687%, from 645 to 37,328. Distilled spirits advertisers' spending on cable networks increased 3,392%, from \$1.5 million to \$53.6 million. At the same time, beer marketers substantially increased their advertising on cable networks. The number of beer ads was up 113% during this period, from 38,810 to 82,559, and beer spending on cable networks increased 54%, from \$137 million to \$211 million. (See Table 3.)

**Table 3: Alcohol Ads and Spending on Cable Networks, 2001-2004**

Beverage Type	2001		2002		2003		2004	
	Ads	Dollars	Ads	Dollars	Ads	Dollars	Ads	Dollars
Beer and Ale	38,810	\$137,060,643	51,054	\$125,398,141	63,845	\$155,080,252	82,559	\$210,757,924
Distilled Spirits	645	\$1,534,502	9,635	\$10,875,368	29,396	\$30,239,377	37,328	\$53,585,231
Alcopops	5,130	\$16,350,976	17,310	\$38,122,234	9,500	\$20,453,262	7,429	\$14,157,997
Wine	12,043	\$17,147,984	19,823	\$23,923,546	9,828	\$14,971,194	7,678	\$9,603,033
<b>Total</b>	<b>56,628</b>	<b>\$172,094,105</b>	<b>97,822</b>	<b>\$198,319,289</b>	<b>112,569</b>	<b>\$220,744,085</b>	<b>134,994</b>	<b>\$288,104,185</b>

Source: TNS Media Intelligence, 2001-2004

The increase in alcohol advertising on cable television between 2001 and 2004 appears to be an across-the-board phenomenon. For instance, all of the major program categories show significant increases in the amount of alcohol advertising dollars spent on them, with the "slice-of-life," or "reality" program category far and away the leader. (See Table 4.)

**Table 4: Alcohol Spending by Program Type on Cable Networks, 2001-2004**

Program Type	2001	2002	2003	2004	% Change 2001 to 2004
Sports	\$104,492,532	\$99,711,515	\$126,471,557	\$148,844,865	42.4%
Movie	\$18,055,936	\$25,049,425	\$19,915,171	\$28,049,362	55.3%
Variety	\$8,082,806	\$19,629,870	\$14,949,663	\$22,305,004	176.0%
Drama	\$9,586,227	\$11,039,649	\$11,391,296	\$19,874,160	107.3%
Documentary/Salute/Tribute	\$4,375,854	\$6,350,651	\$7,458,318	\$11,941,991	172.9%
Talk	\$4,812,958	\$6,240,642	\$8,919,705	\$11,294,115	134.7%
Entertainment Magazine	\$6,231,374	\$7,234,921	\$6,249,881	\$8,553,144	37.3%
Slice-of-Life	\$341,790	\$1,700,543	\$2,942,149	\$7,138,483	1988.6%
News	\$3,531,934	\$5,613,456	\$4,366,979	\$6,108,475	72.9%
Instruction/Advice	\$1,786,785	\$3,667,622	\$4,929,198	\$6,083,325	240.5%
Sitcom	\$4,132,334	\$5,343,486	\$6,454,592	\$5,906,837	42.9%
Game Show	\$1,932,214	\$1,559,201	\$1,922,092	\$5,221,143	170.2%
Music Video & Entertainment	\$833,693	\$657,019	\$852,061	\$932,230	11.8%
Award/Pagent/Parade/Celebration	\$494,491	\$460,781	\$866,095	\$719,136	45.4%
All Other Program Types*	\$275,201	\$453,458	\$494,584	\$574,613	108.8%
Unclassified/Unknown	\$3,127,976	\$3,607,050	\$2,560,744	\$4,557,302	45.7%
<b>Total</b>	<b>\$172,094,105</b>	<b>\$198,319,289</b>	<b>\$220,744,085</b>	<b>\$288,104,185</b>	<b>67.4%</b>

Source: TNS Media Intelligence, 2001-2004

\* includes program types with under \$500,000 in reported 2004 cable TV spending

<sup>19</sup> See, e.g., G. Khermouch and K. Capell, "Spiking the Booze Business: Diageo's bold tactics could upend the industry in the U.S.," *Business Week*, 19 May 2003, p. 77; H. Chura and W. Friedman, "Diageo creates net for \$200M in TV ads," *Advertising Age*, 31 May 2002, p. 3; H. Chura and K. MacArthur, "Leveling the playing field: Diageo bucks convention, markets spirits like soda," *Advertising Age*, 13 October 2003, p. 3.

This across-the-board increase in spending on alcohol ads is also seen when the data are analyzed from a network perspective: 24 of the 32 cable networks that had alcohol advertising in 2001 had more revenues from it in 2004 than in 2001. (See Table 5.)

**Table 5: Alcohol Spending on Cable Networks, 2001-2004**

<b>Network</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>% Change 2001 to 2004</b>
The Arts & Entertainment Network	\$2,906,756	\$3,577,157	\$2,544,728	\$805,358	-72.3%
American Family	\$348,420	\$86,699	\$3,460	\$0	-100.0%
American Movie Classics	\$0	\$763,113	\$361,513	\$420,161	N/A
Animal Planet	\$199,037	\$11,662	\$30,793	\$182,027	-8.5%
Black Entertainment Television	\$1,335,124	\$1,724,836	\$2,567,000	\$2,879,505	115.7%
Bravo	\$685,404	\$2,075,765	\$2,883,274	\$2,928,131	327.2%
Country Music Television	\$0	\$383,037	\$12,239	\$854,356	N/A
CNBC	\$985,496	\$161,054	\$31,730	\$1,088,090	10.4%
Cable News Network	\$904,953	\$790,169	\$930,528	\$1,734,290	91.6%
Comedy Central	\$8,862,319	\$21,431,146	\$14,923,909	\$15,714,506	77.3%
Court TV	\$14,035	\$315,545	\$773,747	\$1,336,761	9424.5%
Discovery Channel	\$1,461,368	\$1,570,627	\$1,311,804	\$9,114,195	523.7%
E! Entertainment Television	\$9,388,567	\$13,068,257	\$13,992,359	\$22,414,310	138.7%
ESPN 2	\$6,333,278	\$7,184,962	\$9,321,662	\$10,559,103	66.7%
ESPN Classics	\$0	\$732,515	\$624,064	\$1,036,671	N/A
ESPN	\$79,742,212	\$71,190,707	\$80,095,348	\$87,373,288	9.6%
Fox News	\$63,512	\$163,203	\$32,981	\$680,255	971.1%
Food Network	\$1,042,092	\$1,573,209	\$1,105,966	\$2,124,870	103.9%
FX	\$5,278,748	\$9,071,103	\$14,547,421	\$19,223,821	264.2%
Galavisión	\$0	\$711,941	\$3,419,699	\$3,547,513	N/A
Golf Channel	\$34,452	\$1,379,178	\$2,735,618	\$3,589,886	10320.0%
Game Show Network	\$192,246	\$160,604	\$3,055	\$402,222	109.2%
House & Garden Television	\$500,403	\$1,011,703	\$1,099,574	\$350,887	-29.9%
Headline News	\$52,043	\$884,754	\$203,533	\$409,708	687.2%
Lifetime for Women	\$1,920,512	\$2,113,267	\$820,347	\$717,805	-62.6%
MSNBC	\$510,143	\$955,190	\$1,122,370	\$1,177,408	130.8%
Music Television	\$0	\$0	\$3,641	\$0	N/A
Nickelodeon	\$295,245	\$0	\$0	\$0	-100.0%
Outdoor Life Network	\$0	\$711,553	\$2,672,908	\$2,546,289	N/A
Oxygen	\$0	\$236,744	\$1,736,911	\$1,916,919	N/A
Sci-Fi Channel	\$3,482,256	\$2,243,812	\$2,129,084	\$3,375,890	-3.1%
Speed Channel	\$0	\$509,564	\$2,245,106	\$3,553,857	N/A
Spike TV	\$1,920,471	\$3,503,543	\$5,517,761	\$10,212,151	431.8%
Turner Broadcasting System	\$10,775,751	\$9,122,004	\$4,614,873	\$9,234,627	-14.3%
The History Channel	\$822,768	\$1,767,791	\$1,869,706	\$2,510,650	205.1%
The Learning Channel	\$801,910	\$3,430,101	\$3,198,150	\$2,473,313	208.4%
Turner Network Television	\$14,735,659	\$15,793,361	\$23,956,236	\$32,856,242	123.0%
Cartoon Network	\$0	\$0	\$2,271	\$0	N/A
Travel Channel	\$274,248	\$848,455	\$754,137	\$2,629,829	858.9%
The Weather Channel	\$0	\$0	\$0	\$501	N/A
USA Networks	\$5,831,453	\$2,915,324	\$3,616,112	\$9,927,033	70.2%
Video Hits-1	\$10,393,224	\$14,000,933	\$12,123,782	\$14,871,892	43.1%
Women's Entertainment	\$0	\$144,701	\$804,685	\$1,329,865	N/A
<b>Total</b>	<b>\$172,094,105</b>	<b>\$198,319,289</b>	<b>\$220,744,085</b>	<b>\$288,104,185</b>	<b>67.4%</b>

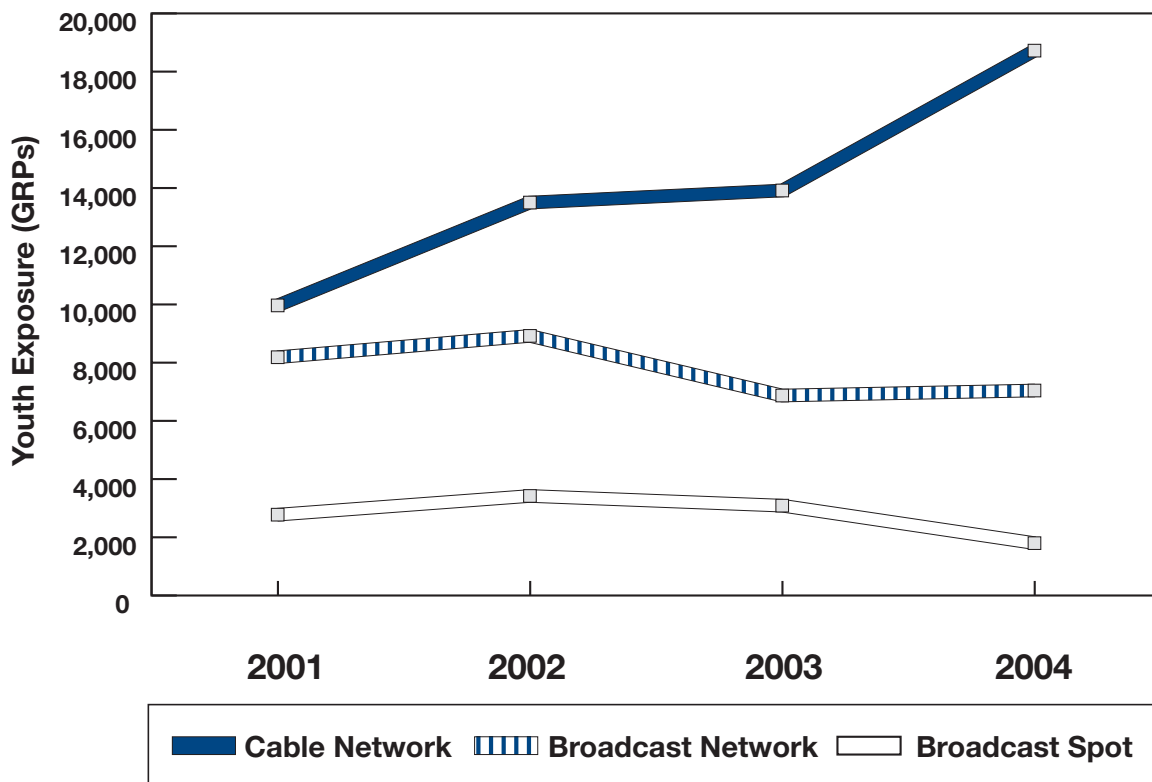
Source: TNS Media Intelligence, 2001-2004



### III. Focus on Youth Exposure Shifts to Cable

Gross rating points (GRPs) provide a measure of exposure to advertising. GRPs are the mathematical product of reach and frequency and provide a comparative measure of per capita exposure to advertising. Between 2001 and 2004, alcohol companies consistently delivered more advertising exposure to youth on cable networks than on broadcast networks. Tracking the GRPs delivered to the 12-to-20 age group over this period shows that the GRPs delivered to youth ages 12 to 20 declined on broadcast networks—from 8,187 to 7,043—and increased on cable networks—from 9,967 to 18,721. (See Figure 2.) In practice this meant that in 2001, youth ages 12 to 20 saw a little more than one alcohol ad for every two seen by adults age 21 and older on broadcast networks (8,187 youth GRPs versus 14,805 GRPs for adults age 21+); that ratio had dropped to a little less than one for every two by 2004 (7,043 youth GRPs versus 15,564 GRPs for adults age 21+). (See Table 6, Ratio 12-20/21+.) However, on cable television alcohol companies exposed youth ages 12 to 20 to three ads for every four seen by adults in 2001 (9,967 youth GRPs versus 13,306 GRPs for adults age 21+) and increased that ratio to nearly four for every five by 2004 (18,721 youth GRPs versus 23,872 GRPs for adults age 21+).

**Figure 2: Shift in Youth Ages 12 to 20 Exposure to Cable**



Sources: TNS Media Intelligence 2001, 2004; Nielsen Media Research 2001, 2004

**Table 6: Gross Rating Points on Broadcast, Spot and Cable Television, 2001 and 2004**

**2001 Cable Network TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	38,810	\$137,060,643	7,659	10,878	9,029	0.85	0.70
Distilled Spirits	645	\$1,534,502	135	199	200	0.68	0.68
Alcopops	5,130	\$16,350,976	1,195	1,532	1,462	0.82	0.78
Wine	12,043	\$17,147,984	977	1,810	2,615	0.37	0.54
<b>Total</b>	<b>56,628</b>	<b>\$172,094,105</b>	<b>9,967</b>	<b>14,418</b>	<b>13,306</b>	<b>0.75</b>	<b>0.69</b>

**2001 Broadcast Spot TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	98,033	\$90,013,836	2,197	3,523	3,321	0.66	0.62
Distilled Spirits	2,591	\$1,413,594	22	44	52	0.43	0.50
Alcopops	16,972	\$17,117,892	408	634	624	0.65	0.64
Wine	12,994	\$7,302,744	150	284	509	0.29	0.53
<b>Total</b>	<b>130,590</b>	<b>\$115,848,066</b>	<b>2,777</b>	<b>4,485</b>	<b>4,506</b>	<b>0.62</b>	<b>0.62</b>

**2001 Broadcast Network TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	4,395	\$437,943,600	7,079	11,786	12,479	0.57	0.60
Distilled Spirits	-	\$0	-	-	-	-	-
Alcopops	436	\$28,325,700	582	934	974	0.60	0.62
Wine	374	\$19,524,000	526	958	1,351	0.39	0.55
<b>Total</b>	<b>5,205</b>	<b>\$485,793,300</b>	<b>8,187</b>	<b>13,678</b>	<b>14,805</b>	<b>0.55</b>	<b>0.60</b>

**2004 Cable Network TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	82,559	\$210,757,924	12,261	17,322	15,313	0.80	0.71
Distilled Spirits	37,328	\$53,585,231	4,663	6,451	5,758	0.81	0.72
Alcopops	7,429	\$14,157,997	977	1,386	1,242	0.79	0.70
Wine	7,678	\$9,603,033	820	1,254	1,560	0.53	0.65
<b>Total</b>	<b>134,994</b>	<b>\$288,104,185</b>	<b>18,721</b>	<b>26,414</b>	<b>23,872</b>	<b>0.78</b>	<b>0.71</b>

**2004 Broadcast Spot TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	108,588	\$97,157,869	1,664	3,056	2,950	0.56	0.54
Distilled Spirits	1,335	\$1,899,729	26	54	65	0.39	0.48
Alcopops	3,944	\$3,179,792	54	101	110	0.49	0.53
Wine	11,788	\$2,255,670	55	101	194	0.29	0.55
<b>Total</b>	<b>125,655</b>	<b>\$104,493,060</b>	<b>1,799</b>	<b>3,312</b>	<b>3,319</b>	<b>0.54</b>	<b>0.54</b>

**2004 Broadcast Network TV**

Beverage Type	Ads	Dollars	GRPs			Ratio	
			Ages 12-20	Ages 21-34	Age 21+	12-20/21+	12-20/21-34
Beer and Ale	5,794	\$506,850,200	6,727	12,757	14,935	0.45	0.53
Distilled Spirits	-	\$0	-	-	-	-	-
Alcopops	213	\$11,669,400	233	445	453	0.51	0.52
Wine	130	\$4,042,300	83	132	176	0.47	0.63
<b>Total</b>	<b>6,137</b>	<b>\$522,561,900</b>	<b>7,043</b>	<b>13,333</b>	<b>15,564</b>	<b>0.45</b>	<b>0.53</b>

Sources: TNS Media Intelligence 2001, 2004; Nielsen Media Research 2001, 2004

With broadcast networks banning distilled spirits advertising, distilled spirits advertisers concentrated their spending on cable networks, and nearly all of their GRPs for ages 12 to 20 were on that medium. But for beer as well, there has been a noticeable shift to cable: 45% of its 12-to-20 GRPs were on cable in 2001, and that percentage rose to 59% of its 12-to-20 GRPs in 2004. The beer industry's exposure of underage youth to its advertising on cable networks is even more noticeable when contrasted with its broadcast network advertising. In 2001, beer advertisers delivered 8% more GRPs to youth ages 12 to 20 on cable networks than on broadcast networks (7,659:7,079), but by 2004 that disparity had grown to 82% more (12,261:6,727). (See Table 6.)

Another way to express exposure to advertising is to discuss it in terms of reach and frequency. "Reach" is the number or percentage of a population that has the opportunity to see an ad through exposure to selected media. "Frequency" is the number of times individuals are exposed to an ad and is commonly expressed as an average number of exposures. As can be seen in Table 7, the most striking change in alcohol advertising on television between 2001 and 2004 is the increasing reach of distilled spirits advertising to the underage audience (from 49% in 2001 to 73% in 2004), along with an increasing frequency of ads (from 3.2 ads on average to 64.7). This occurs in the context of the increased alcohol advertising on television raising the frequency of exposure to alcohol advertising for all age categories.

**Table 7: Reach and Frequency of Alcohol Ads on Television, 2001-2004**

2001						
Beverage Type	Ages 12-20		Ages 21-34		Age 21+	
	Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	89%	190.2	94%	278.5	96%	259.7
Distilled Spirits	49%	3.2	62%	3.9	67%	3.8
Alcopops	86%	25.4	91%	34.1	93%	32.8
Wine	86%	19.2	91%	33.6	95%	47.3
<b>Total</b>	<b>90%</b>	<b>232.6</b>	<b>94%</b>	<b>345.1</b>	<b>96%</b>	<b>339.5</b>
2002						
Beverage Type	Ages 12-20		Ages 21-34		Age 21+	
	Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	90%	200.1	94%	293.6	96%	274.3
Distilled Spirits	69%	12.7	78%	16.3	82%	16.4
Alcopops	88%	58.8	93%	84.4	95%	75.5
Wine	84%	21.4	89%	36.8	93%	54.4
<b>Total</b>	<b>90%</b>	<b>286.6</b>	<b>95%</b>	<b>422.6</b>	<b>96%</b>	<b>413.6</b>
2003						
Beverage Type	Ages 12-20		Ages 21-34		Age 21+	
	Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	90%	201.3	94%	299.3	96%	285.6
Distilled Spirits	70%	36.0	78%	50.7	82%	45.0
Alcopops	85%	27.6	91%	37.2	93%	32.6
Wine	76%	11.7	83%	19.4	90%	26.4
<b>Total</b>	<b>90%</b>	<b>266.1</b>	<b>94%</b>	<b>393.3</b>	<b>96%</b>	<b>379.3</b>
2004						
Beverage Type	Ages 12-20		Ages 21-34		Age 21+	
	Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	90%	229.6	94%	352.5	96%	347.4
Distilled Spirits	73%	64.7	79%	82.0	84%	69.6
Alcopops	80%	15.8	86%	22.5	90%	20.1
Wine	79%	12.2	85%	17.6	89%	21.6
<b>Total</b>	<b>90%</b>	<b>306.2</b>	<b>94%</b>	<b>457.7</b>	<b>96%</b>	<b>445.9</b>

Sources: TNS Media Intelligence 2001-2004; Nielsen Media Research 2001-2004

## IV. Overexposure of Youth Remains Constant But Is Lower on Broadcast Network

Youth overexposure to alcohol advertising occurs when youth are over-represented in the audience viewing an alcohol ad relative to their presence in the general population, and thus are more likely per capita to see the ad. Almost half (44%) of youth exposure to alcohol ads on television in 2004 came from overexposing ads. Because television—particularly broadcast television—reaches a very wide audience, the rest of youth exposure to alcohol advertising on television came on programming where youth were not over-represented in the viewing audience.

CAMY's analysis of the overexposure of youth to alcohol advertising on television shows that it has remained relatively constant between 2001 and 2004, dropping from a high of slightly above 25% in 2001 and staying at or above 23% since then. (See Table 8.)

**Table 8: Overexposing Ads and Dollars and Associated 12-20 Gross Rating Points, 2001-2004**

Year	Overexposing Ads			Overexposing Dollars			Ages 12-20 GRPs		
	Ads	% Total Ads	% Change vs Prior Year	Dollars	% Total Dollars	% Change vs Prior Year	GRPs	% Total 12-20 GRPs	% Change vs Prior Year
2001	48,624	25.3%	-	\$116,461,737	15.1%	-	9,049	43.2%	-
2002	66,924	23.7%	37.6%	\$122,717,929	13.2%	5.4%	11,162	43.2%	23.3%
2003	66,384	23.2%	-0.8%	\$115,464,627	14.2%	-5.9%	10,816	45.3%	-3.1%
2004	61,354	23.0%	-7.6%	\$113,718,330	12.4%	-1.5%	12,130	44.0%	12.1%

Sources: TNS Media Intelligence, 2001-2004; Nielsen Media Research, 2001-2004

The alcohol industry has significantly cut back on the number of overexposing ads on the broadcast networks, from 745 in 2001 to 325 in 2004. At the same time, the industry has increased the number of overexposing ads on the cable networks, where audience segmentation is more likely. The percentage of overexposing 12-to-20 GRPs coming from broadcast network ads has fallen from 18.3% in 2001 to 3.6% in 2004; at the same time, cable's percentage has risen from 65.4% to 89.2%. (See Table 9.)

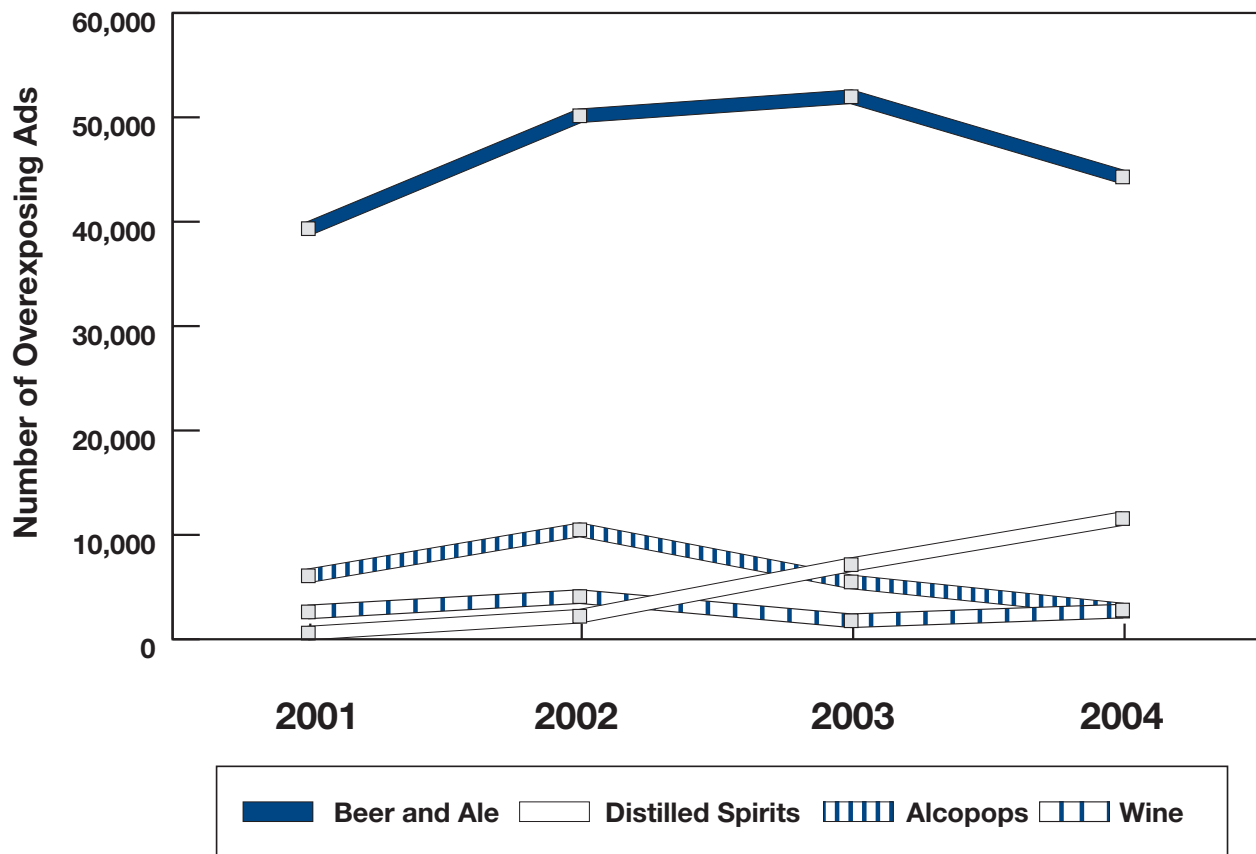
**Table 9: Alcohol Ads and GRPs Overexposing Youth by Medium, 2001-2004**

2001						
Media	Overexposing Ads	% of Total Ads	% of Overexposing Ads	Overexposing 12-20 GRPs	% of Total 12-20 GRPs	% of Overexposing 12-20 GRPs
Broadcast Network TV	745	14.3%	1.5%	1,656	20.2%	18.3%
Cable Network TV	19,615	34.6%	40.3%	5,923	59.4%	65.4%
Broadcast Spot TV	28,264	21.6%	58.1%	1,471	53.0%	16.3%
<b>Total</b>	<b>48,624</b>	<b>25.3%</b>	<b>100.0%</b>	<b>9,049</b>	<b>43.2%</b>	<b>100.0%</b>
2002						
Media	Overexposing Ads	% of Total Ads	% of Overexposing Ads	Overexposing 12-20 GRPs	% of Total 12-20 GRPs	% of Overexposing 12-20 GRPs
Broadcast Network TV	641	10.6%	1.0%	1,198	13.4%	10.7%
Cable Network TV	28,950	29.6%	43.3%	8,169	60.5%	73.2%
Broadcast Spot TV	37,333	20.9%	55.8%	1,795	52.5%	16.1%
<b>Total</b>	<b>66,924</b>	<b>23.7%</b>	<b>100.0%</b>	<b>11,162</b>	<b>43.2%</b>	<b>100.0%</b>
2003						
Media	Overexposing Ads	% of Total Ads	% of Overexposing Ads	Overexposing 12-20 GRPs	% of Total 12-20 GRPs	% of Overexposing 12-20 GRPs
Broadcast Network TV	526	10.8%	0.8%	865	12.6%	8.0%
Cable Network TV	30,159	26.8%	45.4%	8,287	59.6%	76.6%
Broadcast Spot TV	35,699	21.1%	53.8%	1,664	53.9%	15.4%
<b>Total</b>	<b>66,384</b>	<b>23.2%</b>	<b>100.0%</b>	<b>10,816</b>	<b>45.3%</b>	<b>100.0%</b>
2004						
Media	Overexposing Ads	% of Total Ads	% of Overexposing Ads	Overexposing 12-20 GRPs	% of Total 12-20 GRPs	% of Overexposing 12-20 GRPs
Broadcast Network TV	325	5.3%	0.5%	442	6.3%	3.6%
Cable Network TV	38,683	28.7%	63.0%	10,818	57.8%	89.2%
Broadcast Spot TV	22,346	17.8%	36.4%	870	48.4%	7.2%
<b>Total</b>	<b>61,354</b>	<b>23.0%</b>	<b>100.0%</b>	<b>12,130</b>	<b>44.0%</b>	<b>100.0%</b>

Source: TNS Media Intelligence 2001-2004, Nielsen Media Research 2001-2004

Within the product categories, the placement of overexposing ads shows a general increase for both beer and distilled spirits between 2001 and 2004, although beer had fewer in 2004 than in 2003. (See Figure 3.)

Figure 3: Growth in Overexposing Ads, 2001-2004



Sources: TNS Media Intelligence 2001-2004; Nielsen Media Research 2001-2004

## V. The 30% Industry Threshold in Practice

In September 2003, the National Research Council and Institute of Medicine were poised to release their landmark study on the nation's failure to reduce underage drinking, and the Federal Trade Commission (FTC) was set to release a second report requested by Congress on the alcohol industry's marketing practices. It was then that the trade associations for the beer and distilled spirits industries finally responded to the FTC's 1999 recommendation to reduce the number of underage persons exposed to their advertising. Both the Beer Institute and DISCUS announced at that time that their members would from then on place ads on television and radio and in magazines only where at least 70% of the audience was of legal drinking age.

The industry has been able to stay within that threshold on broadcast network television, with only 27 ads exceeding the threshold in 2004, the first full year after the industry announced its reform. On the other hand, alcohol ads on cable networks exceeding the 30% underage youth threshold remained constant between 2003 and 2004 in terms of percentage—13.4%—and actually increased in number as the volume of alcohol ads increased on cable networks.<sup>20</sup> There was also little progress toward staying within the threshold on broadcast spot: the percentage and number of alcohol ads on this programming exceeding the 30% threshold were virtually the same in 2004 as in 2001.

<sup>20</sup> For more information on measuring audiences exceeding the 30% threshold, see Center on Alcohol Marketing and Youth, *Striking a Balance: Protecting Youth from Overexposure to Alcohol Ads and Allowing Alcohol Companies to Reach the Adult Market* (Washington, DC: Center on Alcohol Marketing and Youth, 2005), 20-1.

**Table 10 - Alcohol Ads Exceeding 30% Threshold, 2001-2004**

	2001	2002	2003	2004
<b>Total Ads</b>	192,423	282,273	286,651	266,786
Ads > 30%	23,151	34,525	34,927	31,470
% of Ads	12.0%	12.2%	12.2%	11.8%
<b>Broadcast Network</b>	5,205	6,066	4,856	6,137
Ads > 30%	207	197	121	27
% of Ads	4.0%	3.2%	2.5%	0.4%
<b>Broadcast Spot</b>	130,590	178,385	169,226	125,655
Ads > 30%	13,709	20,014	19,764	13,416
% of Ads	10.5%	11.2%	11.7%	10.7%
<b>Cable Network</b>	56,628	97,822	112,569	134,994
Ads > 30%	9,235	14,314	15,042	18,027
% of Ads	16.3%	14.6%	13.4%	13.4%

Sources: TNS Media Intelligence 2001-2004; Nielsen Media Research 2001-2004

## Teen Programming Still Popular with Alcohol Advertisers

In its 1999 report, the FTC looked at whether alcohol advertisers placed ads on the 15 programs most popular with teens ages 12 to 17.<sup>21</sup> In 2001, CAMY found alcohol advertising on 13 of the 15 programs most popular with teens, and, in 2002 and 2003, found alcohol ads on all 15 of the 15 most popular programs.<sup>22</sup> This trend held steady in 2004, with alcohol ads again on all 15 of the 15 programs most popular with teens ages 12 to 17.<sup>23</sup>

**Table 11: Alcohol Advertising on the 15 Programs Most Popular with Teens**

Rank	Network	Program	2004 Alcohol Ads		
			Ads	Dollars	Spot/Network
1	CBS	CSI	114	\$1,802,938	Spot, Network
2	WB	ONE TREE HILL - WB	5	\$1,285	Spot
3	CBS	SURVIVOR: VANUATU	13	\$30,103	Spot
4	ABC	LOST	24	\$838,847	Spot, Network
5	ABC	EXTREME MAKEOVER:HM ED-8P	69	\$95,449	Spot
6	ABC	DESPERATE HOUSEWIVES	24	\$284,262	Spot, Network
7	WB	SMALLVILLE - WB	49	\$83,667	Spot
8	CBS	CSI: MIAMI	74	\$690,368	Spot, Network
9	WB	GILMORE GIRLS - WB	4	\$11,592	Spot
10	NBC	E.R.	105	\$1,465,721	Spot, Network
11	NBC	JOEY	21	\$149,679	Spot
12	ABC	NFL MONDAY NIGHT FOOTBALL	186	\$25,475,790	Spot, Network
13	NBC	FEAR FACTOR	257	\$4,765,244	Spot, Network
14	WB	7TH HEAVEN - WB	3	\$3,825	Spot
15	NBC	FATHER OF THE PRIDE	5	\$7,134	Spot
<b>Total</b>			<b>953</b>	<b>\$35,705,904</b>	

Source: TNS Media Intelligence 2004; Nielsen Media Research, 10/11/2004 - 10/17/2004

<sup>21</sup> Federal Trade Commission, *Self-Regulation in the Alcohol Industry*, 9, fn 48.

<sup>22</sup> Center on Alcohol Marketing and Youth, *Alcohol Advertising on Television, 2001 to 2003: More of the Same* (Washington, DC: Center on Alcohol Marketing and Youth, 2004), 13.

<sup>23</sup> See Appendix A for explanation of methodology.

## Conclusion

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Alcohol advertising on television is just one part of the media landscape in which our children live, although it is perhaps the most visible given the medium's presence in our homes and daily lives. The content of alcohol advertising—from sexual imagery and innuendo to teenage bathroom humor and tasteless hijinks—has often provoked public outrage. More critical to the question of underage drinking and how to reduce the troublingly high rates of underage alcohol use, however, is the extent of youth exposure to alcohol advertising in general.

As the preceding analysis has shown, that exposure has continued to grow over the past four years despite the alcohol industry's self-proclaimed reforms of its advertising practices and implicit promises to reduce underage youth exposure. From 2001 to 2004, alcohol companies invested an increasing percentage of their advertising dollars on the more finely targeted cable networks, with a corresponding decline in the percentage of dollars going into broadcast network advertising. This was particularly true of spirits companies, barred by the broadcast networks' voluntary ban from advertising there, but was true of beer companies as well. The result was that despite the adoption of the lower 30% threshold for youth audiences in 2003, 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, at 23.0% in 2004.

Further steps are required of the industry if it is truly to fulfill its pledge to be a partner with parents in the efforts to reduce underage drinking. Specifically, the National Research Council and Institute of Medicine (NRC/IOM) report recommended in 2003 that the industry immediately adopt a 25% maximum threshold for youth audiences for its advertising to show good faith, and then move toward a 15% threshold.<sup>24</sup> Previous CAMY analyses have demonstrated that alcohol companies could adopt a 15% threshold and still achieve as much exposure among 21- to 34- or even 21- to 24-year-olds, and save themselves money in the process.<sup>25</sup> In 2004, a 15% threshold would have left 79% of television programming available for alcohol advertising, while reducing youth GRPs by 20%.

The NRC/IOM also recommended that the federal Public Health Service provide independent public health surveillance of youth exposure to alcohol advertising to meet its mandate to reduce underage drinking in this country.<sup>26</sup> This should be part of fulfilling the pledge recently made by U.S. Department of Health and Human Services Secretary Michael O. Leavitt: "Over the years, we've made great progress in educating America's youth about the dangers of tobacco and drug abuse, but underage drinking has proven to be one of the toughest, and it's a persistent problem. We need to rededicate ourselves to ensure that the health and the well-being of our nation's children are accomplished."<sup>27</sup>

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<sup>24</sup> National Research Council and Institute of Medicine, *Reducing Underage Drinking: A Collective Responsibility*, 138-9. Youth ages 12 to 20 are 15.7% of the population 12 and above. This is the justification for a 15% youth audience composition threshold. (U.S. Census Bureau, "Sex by Age [209], Universe: Total Population," *Summary File 1, 2000 Census of Population and Housing*, [U.S. Census Bureau, 2001], table PCT12.)

<sup>25</sup> Center on Alcohol Marketing and Youth, *Striking a Balance*, 11-18.

<sup>26</sup> National Research Council and Institute of Medicine, *Reducing Underage Drinking: A Collective Responsibility*, 143-4.

<sup>27</sup> Federal News Service, "Remarks by Michael Leavitt, Secretary of Health and Human Services to the Substance Abuse and Mental Health Services Administration," Washington, DC, Monday, 31 October 2005.



# Appendix A: Methodology

## Sources

This analysis was conducted using three primary resources:

- TNS Media Intelligence (formerly Competitive Media Reporting) provides date, time, source and expenditure data for each commercial occurrence.
- Nielsen Media Research provides demographic audience impressions and ratings that are associated with each ad occurrence. This information is provided through TNS Media Intelligence as follows:
  - 1) network programming is measured year-round, and
  - 2) ratings for spot programming are assumed to be equivalent to the average ratings of “sweeps” months—typically in February, May, July and November—and any other measured months in the same quarter. The one exception is that September ratings are taken from the fourth-quarter average rather than the summer months of the third quarter.
- *Impact Databank*, a market research firm serving the alcoholic beverage industry, provides industry-accepted classifications for all brands of alcoholic beverages.

## Process

### 1. Aggregation levels

A database of all TV alcohol ad occurrences and relevant information was compiled. All data were aggregated and analyzed at the following levels:

- Media type (network, cable or spot)
- Network (NBC, FOX, ESPN, etc.)
- Program group (sports, sitcoms, etc., as defined by TNS Media Intelligence)
- Daypart (time of day/week, using industry-accepted classifications)
- *Impact Databank* classification (beer and ale, distilled spirits, alcopops, wine)

- Brand (Coors Light, etc.)
- Parent company (Anheuser-Busch, etc.)

### 2. Calculating GRPs and impressions

Youth audience composition was calculated using a base of viewers age two and over as defined by Nielsen, allowing for the annual universe estimate adjustment in September each year. Composition for all programs was calculated at the commercial occurrence level based on the most accurate interval reported by TNS, typically the quarter-hour in which the occurrence was reported. National (broadcast and cable) gross rating points (GRPs) and impressions were combined with no adjustment, while spot TV GRPs were “nationalized” by summing the local market ad impressions and dividing the total by the national base.

### **Estimated audiences for spot advertisements**

Nielsen Media Research does not field research studies in every television market during every month of the year. In markets where Nielsen has not fielded a study during a particular time period, the industry has accepted the practice of using audience estimates that are carried over from a comparable time period. Standard advertising industry practice is to purchase advertisements using such audience estimates and, in 2003, the alcohol industry purchased \$61 million of advertising during time periods for which audience composition was estimated from prior field studies. In this respect, the estimated audience numbers are substantive and meaningful to companies purchasing advertising.

The relatively rare cases when audience numbers do not match what the advertiser intended to purchase are most likely to occur when programming is inserted into a timeslot that usually features a very different type of programming. For example, if a sports program is inserted into a weekday afternoon timeslot, then an audience estimate for programming that normally appears on a weekday afternoon may be applied to the sports program.

These occurrences are very rare. In CAMY’s analysis of 298,054 alcohol ads in 2003, 587

ads for sports programming appeared in weekday daytime timeslots. The impact of such ads on the results presented here is insignificant.

### 3. Counting and qualifying ads

Product alcohol ads were included in this analysis if it was determined from their description that they were promoting products and were not general corporate advertisements, “responsibility” advertisements or other public service announcements.

An alcohol ad was considered to overexpose youth when it was placed on a program where the percentage of underage youth in the audience was greater than the percentage of underage youth in the general population, that is, when the youth rating was higher than the adult 21+ rating for the time period and program in which the advertisement appeared.

### 4. GRP calculations and estimated reach

GRPs for demographic groups were calculated by daypart, media type, network and program type, and were used to estimate reach and frequency using the Nielsen 2001 Persons Cume Study with T\*View from Stone House Systems, a widely used application for estimating audience reach.

### 5. Top 15 television analysis

The 15 regularly scheduled TV programs on commercial networks with the largest teen audiences were generated using Nielsen Media Research TV ratings, the industry standard, for the week of October 11-17, 2004, comparable to an analysis performed by the FTC in 1999. For these programs, all alcohol product advertising in primetime on network (cable or broadcast) or local spot broadcast was identified for the entire year. This represents a slight change from the equivalent CAMY analyses for 2001 and 2002, which also included some local advertising on non-primetime dayparts, including “reruns” of these popular teen programs.

## Appendix B: Glossary of Advertising Terms

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### Rating

Audience as a percentage of a universe estimate.

### Universe Estimate

Total persons or homes in a given population (e.g., television households in the United States or persons ages 12 to 20 in the United States).

### Impressions

An advertising “**impression**” occurs when one person sees or hears an advertisement. If this ad is seen by five different people, that counts as five impressions. If a particular advertising medium, such as a magazine or television program, has an audience of 100,000 people, an ad placed in that magazine or during that program generates a number of impressions equal to the audience size—in this case 100,000 impressions.

### Gross Impressions

The sum of impressions for a given ad campaign, or for any other combination of ads, is called “**gross impressions**”—so-called because they include multiple exposures for some or all of the people who are exposed to the advertising. If five people see the same ad five times, this counts as 25 gross impressions. For a national advertising campaign, it is common for an advertising schedule to generate 500 million or more gross impressions.

### Gross Rating Points (GRPs)

“**Gross rating points,**” (GRPs) are a standard measure of advertising exposure. GRPs measure advertising exposure for a particular population, relative to the size of that population, and may be calculated by dividing gross impressions within that population by the number of people in the population. GRPs are also the mathematical product of reach and frequency, which are defined below.

### Reach and Frequency

**Reach** enables advertisers to know what percentage of a population is exposed to advertising. **Frequency** measures how many times each individual is exposed to a series of ads. Reach, frequency and GRPs are standard measures of media planning.

### Audience Composition

Research companies collect demographic information about audiences for different media such as magazines, television programs, or radio stations. Demographics usually include age, gender and race, among other factors. Using the example of a medium with an audience of 100,000 people, research may report that 20,000 are ages 2 to 20, and 80,000 are age 21 and over. In that case, the **composition** of the audience is calculated by looking at the percentage of the audience that meets different demographic criteria. In this example, the audience composition is 20% ages 2 to 20 and 80% age 21+.