

ALCOHOL ADVERTISING ON TELEVISION, 2001 TO 2003: MORE OF THE SAME

Executive Summary

The trends of an ever-increasing number of ads and continued overexposure of underage youth mark alcohol advertising on television from 2001 to 2003, according to a new analysis by the Center on Alcohol Marketing and Youth (CAMY):

- The number of ads increased each year, with an explosion of ads for distilled spirits on national cable networks leading the way: 298,054 alcohol ads ran on television in 2003, up from 289,381 in 2002 and 208,909 in 2001. Distilled spirits ads on cable networks grew from 513 in 2001 to 33,126 in 2003.
- With the continued increase of alcohol ads on television, the number of ads “overexposing” underage youth, ages 12 to 20, increased each year as well: 69,054 in 2003, up from 66,218 in 2002 and 51,084 in 2001.¹
- In this category of “overexposing” ads, beer companies ran the most ads in each of the three years, but distilled spirits advertising went from fourth place in 2001 (behind beer, “alcopops,”² and wine) to second place in 2003.
- Between 2001 and 2003, the number of ads placed on programming where underage youth, ages 12 to 20, make up more than 30% of the audience grew by 48.3%, from 24,512 to 36,344. In September 2003, the beer and distilled spirits industries announced a “reform” of their advertising codes: member companies pledged not to place ads where the underage audience is 30% or more of

the audience. The 2001 to 2003 trend indicates the industry will need to make significant shifts to comply with the new code, and a preliminary analysis of the first six months of 2004 indicates these shifts have yet to occur. Moreover, a 30% threshold allows alcohol companies to place their ads where underage youth are two times more likely to see them than adults, because 30% is twice the percentage of youth in the general population.

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 ten years.³ In 2003, approximately 10.9 million 12- to 20-year-olds

¹ Underage youth are more likely to see on a per capita basis, or be “overexposed” to a television ad for alcohol when it is placed in programming where the percentage of underage youth watching is greater than the percentage of underage youth in the general population. (In general, that means placing an ad on television where underage youth are more than 13.3% of the viewing audience.) For this report, unless otherwise noted, youth are defined as persons ages 12 to 20, and adults are defined as persons age 21 and over. “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.

² “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 content 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.

³ National Research Council and Institute of Medicine, *Reducing Underage Drinking: A Collective Responsibility*, R.J. Bonnie and M.E. O’Connell, eds. (Washington, DC: The National Academies Press, 2004), 37-8.

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reported having had a drink in the past month. Of that number, nearly 7.2 million reported binge drinking (defined as drinking five or more drinks on the same occasion).⁴ These numbers are essentially unchanged from 2002. 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.⁵

Public health research has found that youth exposure to alcohol advertising increases awareness of that advertising,⁶ which in turn influences young people's beliefs about drinking, intentions to drink, and drinking behavior.⁷ 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.⁸ 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."⁹

About This Report

The Center on Alcohol Marketing and Youth at Georgetown University (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 in 2003. 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 decisions about where to place their advertising. Advertising occurrence and expenditure data came from TNS Media Intelligence/CMR (formerly known as CMR or Competitive Media Reporting). Audience data came from Nielsen Media Research, the industry-standard source for television ratings.

This report does not include alcohol product advertising bought directly on local cable systems or cable interconnects. Because distilled spirits advertisers, faced with a voluntary ban on their advertising by the four major broadcast networks, have made particular use of these outlets, this report understates their presence on television. The report also does not

include advertising data from Hispanic television networks such as Univision and Telemundo. The standard industry sources licensed for this report do not include data for either Hispanic networks or for locally purchased cable advertising.

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

⁴ Substance Abuse and Mental Health Services Administration (SAMHSA), *Results from the 2003 National Survey on Drug Use and Health: National Findings* (Rockville, MD: Office of Applied Studies, 2004).

⁵ National Highway Traffic Safety Administration, *Traffic Safety Facts 2002*, Early ed. (Washington, DC: National Center for Statistics and Analysis, U.S. Department of Transportation, 2003), 114; D.T. Levy, T.R. Miller, K. Stewart, R. Spicer, *Underage Drinking: Immediate Consequences and their Costs* (Calverton, MD: Pacific Institute for Research and Evaluation, July 1999).

⁶ R.L. Collins et al., "Predictors of beer advertising awareness among eighth graders," *Addiction* 98 (2003): 1297-1306.

⁷ S.E. Martin et al., "Alcohol Advertising and Youth," *Alcoholism: Clinical and Experimental Research* 26 (2002): 900-906.

⁸ S.F. Tapert et al., "Neural response to alcohol stimuli in adolescents with alcohol use disorder," *Archives of General Psychiatry* 60 (2003): 727-735.

⁹ 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.

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.

Acknowledgements

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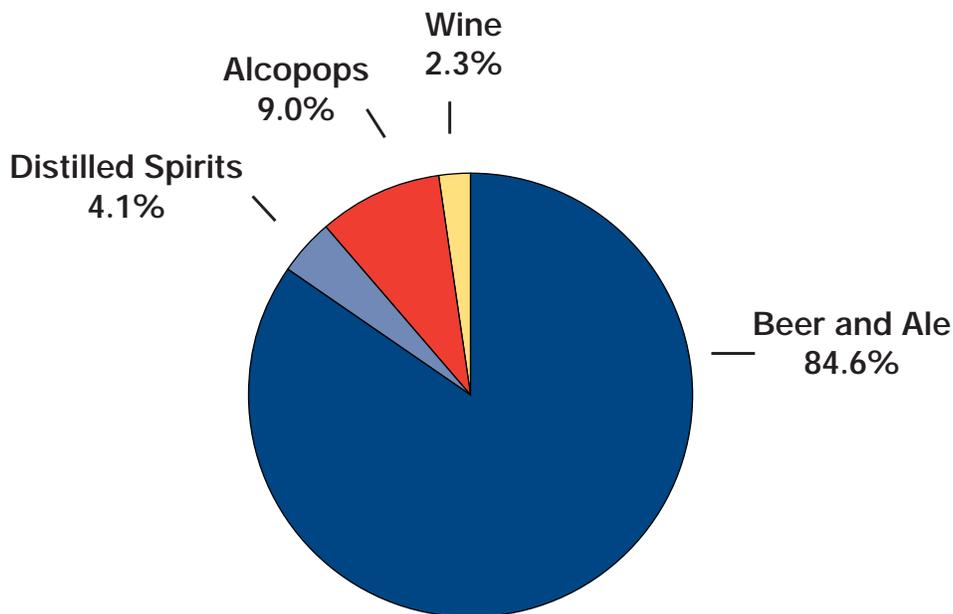
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I. Ads Increased in 2003 Despite Spending Decline

A modest increase in the number of alcohol ads on television in 2003—298,054, a 3% increase from 289,381 in 2002—occurred despite an 11% decrease in spending. The smallest decrease in spending was for beer ads—3%—and the largest was for alcopops—53%. On the other hand, spending on distilled spirits advertising increased dramatically by 148%. Still, beer advertising continues to account for the overwhelming percentage of alcohol ad dollars spent on television: 84.6%.

Figure 1: Television Alcohol Ad Spending, 2003



Source: TNS Media Intelligence/CMR, 2003

Even with a 3% decline in dollars spent, the number of beer ads increased 12% to 223,483. The decline in spending for alcopops translated into a 33% decline in ads, from 37,171 in 2002 to 24,979 in 2003. At the same time, the hike in spending on distilled spirits advertising meant a 104% increase in ads between 2002 and 2003, from 17,146 in 2002 to 34,983 in 2003.

Table 1: Alcohol Ads and Spending by Product Type, 2001 to 2003

Beverage Type	2003				% Change '02 to '03	
	Ads	% Ads	Dollars	% Dollars	Ads	Dollars
Beer and Ale	223,483	75.0%	\$743,391,764	84.6%	12.3%	-3.3%
Distilled Spirits	34,983	11.7%	\$36,247,862	4.1%	104.0%	147.8%
Alcopops	24,979	8.4%	\$79,082,637	9.0%	-32.8%	-53.1%
Wine	14,609	4.9%	\$20,421,011	2.3%	-59.5%	-47.0%
Total	298,054	100.0%	\$879,143,274	100.0%	3.0%	-11.2%

Beverage Type	2002				% Change '02 to '03	
	Ads	% Ads	Dollars	% Dollars	Ads	Dollars
Beer and Ale	198,957	68.8%	\$768,502,629	77.6%	27.0%	10.5%
Distilled Spirits	17,146	5.9%	\$14,630,423	1.5%	436.8%	418.4%
Alcopops	37,171	12.8%	\$168,546,332	17.0%	59.7%	147.4%
Wine	36,107	12.5%	\$38,546,113	3.9%	40.3%	-14.1%
Total	289,381	100.0%	\$990,225,497	100.0%	38.5%	22.1%

Beverage Type	2001			
	Ads	% Ads	Dollars	% Dollars
Beer and Ale	156,698	75.0%	\$695,382,173	85.7%
Distilled Spirits	3,194	1.5%	\$2,821,964	0.3%
Alcopops	23,273	11.1%	\$68,115,093	8.4%
Wine	25,744	12.3%	\$44,847,174	5.5%
Total	208,909	100.0%	\$811,166,404	100.0%

Source: TNS Media Intelligence/CMR, 2001-2003

In terms of alcohol advertising placement, cable networks have registered an increase each year in both spending and the number of ads, reaching \$232.7 million in 2003, up from \$203.5 million in 2002 and \$175.2 million in 2001. Alcohol ads on cable networks have more than doubled since 2001, reaching 119,097 in 2003, up from 101,651 in 2002 and 57,430 in 2001. For broadcast spot (i.e., local) television, spending on alcohol ads and the number of ads dropped in 2003 from 2002 levels but were still above 2001 levels. Alcohol companies spent less money on broadcast network television than in 2001 and 2002 and placed fewer ads, indicating a shift toward the placement of ads on the more segmented and targeted television medium of cable (see Table 2). This move by the alcohol industry toward cable may, in fact, be in keeping with broader trends in television and advertising. The *New York Times* reported recently that the current television season is “the first time” cable television will have “a larger share of viewers than the networks.”¹⁰

Another way to look at the shifts in ads and dollars is to analyze their effect on youth exposure to alcohol advertising, as measured in GRPs. In this analysis, the role of alcohol advertising on cable television becomes even more clear. Between 2001 and 2002, youth GRPs on the more targeted medium of network cable increased 25%, and between 2002 and 2003, the increase was 16%. On the other hand, the increase in youth GRPs on broadcast networks was just 5% between 2001 and 2002, followed by a 17% decrease between 2002 and 2003. For adult audiences, GRPs on cable networks increased 20% between 2001 and 2002 and 18% between 2002 and 2003. On broadcast networks, adult GRPs increased by 8% between 2001 and 2002, and then fell by 13% between 2002 and 2003. In short, youth exposure to alcohol advertising is increasing on cable networks, that increase more than offsets any decrease on broadcast networks, and the shift from broadcast to cable has had more marked implications for youth exposure than for adults (see Figure 2).

¹⁰ B. Carter, “As Season Begins, Networks Struggle in Cable’s Shadow,” *New York Times*, 19 September 2004, sec. 1, p. 1.

Table 2: Alcohol Ads and Spending by Media Type, 2001 to 2003

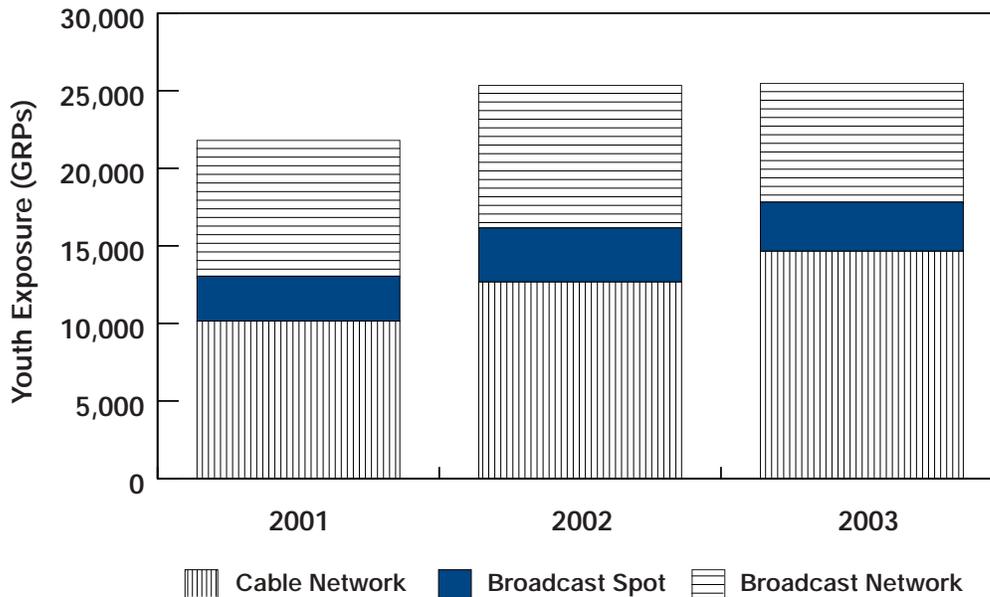
2003						
Media Type	Total Dollars	Ads	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio
Cable Network	\$232,735,220	119,097	14,665	20,963	19,175	0.76
Broadcast Spot	\$138,344,254	173,589	3,158	5,384	5,048	0.63
Broadcast Network	\$508,063,800	5,368	7,648	13,275	14,771	0.52
Total	\$879,143,274	298,054	25,471	39,623	38,994	0.65

2002						
Media Type	Total Dollars	Ads	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio
Cable Network	\$203,479,157	101,651	12,683	18,227	16,271	0.78
Broadcast Spot	\$163,794,740	181,104	3,476	5,681	5,627	0.62
Broadcast Network	\$622,951,600	6,626	9,189	15,208	17,009	0.54
Total	\$990,225,497	289,381	25,348	39,116	38,907	0.65

2001						
Media Type	Total Dollars	Ads	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio
Cable Network	\$175,178,152	57,430	10,153	N/A	13,531	0.75
Broadcast Spot	\$120,746,152	145,842	2,893	N/A	4,743	0.61
Broadcast Network	\$515,242,100	5,637	8,755	N/A	15,812	0.55
Total	\$811,166,404	208,909	21,801	N/A	34,087	0.64

Sources: TNS Media Intelligence/CMR, 2001-2003; Nielsen Media Research, 2001-2003

Figure 2: Shift in Youth Exposure from Broadcast Network to Cable



Levels of Advertising to Youth, Adults Remain High

The changes in spending and the number of ads did little if anything to change the proportionate amount of alcohol advertising reaching either the underage audience or the legal-age audience. Given the high volume of alcohol advertising, especially for beer and ale, to adults, this ratio translates into a high volume of youth exposure as well. This analysis holds whether the alcohol advertising is examined in terms of beverage type or media type. In terms of alcohol advertising by beverage type, for instance, for every three beer ads seen by the average adult on television in 2003, the average underage person saw two. For every four alcopop ads seen by the average adult on television in 2003, the average underage person saw slightly more than three. In fact, the ratios of advertising delivered to the underage audience compared to that delivered to the legal-age audience have held relatively steady since 2001 across the board for beer, alcopops, distilled spirits and wine (see Table 3 – GRP ratios for youth vs. adults show proportionate levels of advertising reaching each segment).

When analyzed by media type, for every four alcohol ads seen by the average adult on cable network television in 2003, the average underage person saw slightly more than three. For every two alcohol ads seen by the average adult on broadcast network television in 2003, the average underage person saw slightly more than one. For every five alcohol ads seen by the average adult on local broadcast television in 2003, the average underage person saw three.¹¹ Again, these ratios held steady between 2001 and 2003 (see Table 2).

Table 3: Youth Exposure to Alcohol Advertising Remained Steady, 2001 to 2003

2003												
Beverage Type	Ads	Spending	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio	Ages 12-20		Ages 21-34		Age 21+	
							Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	223,483	\$743,391,764	18,901	29,469	28,685	0.66	90%	211	94%	313	96%	300
Distilled Spirits	34,983	\$36,247,862	2,894	4,506	4,210	0.69	71%	41	78%	58	82%	51
Alcopops	24,979	\$79,082,637	2,763	3,981	3,617	0.76	86%	32	91%	44	93%	39
Wine	14,609	\$20,421,011	913	1,666	2,483	0.37	76%	12	83%	20	90%	28
Total	298,054	\$879,143,274	25,471	39,622	38,994	0.65	90%	284	94%	420	96%	406

2002												
Beverage Type	Ads	Spending	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio	Ages 12-20		Ages 21-34		Age 21+	
							Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	198,957	\$768,502,629	17,669	27,113	26,013	0.68	90%	197	94%	288	96%	272
Distilled Spirits	17,146	\$14,630,423	846	1,227	1,252	0.68	70%	12	78%	16	83%	15
Alcopops	37,171	\$168,546,332	5,238	7,901	7,263	0.72	88%	59	93%	85	95%	77
Wine	36,107	\$38,546,113	1,595	2,874	4,379	0.36	84%	19	89%	33	93%	47
Total	289,381	\$990,225,497	25,348	39,115	38,907	0.65	90%	281	94%	414	96%	405

2001												
Beverage Type	Ads	Spending	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/21+ Ratio	Ages 12-20		Ages 21-34		Age 21+	
							Reach	Freq	Reach	Freq	Reach	Freq
Beer and Ale	156,698	\$695,382,173	17,647	N/A	26,022	0.68	88%	200	N/A	N/A	95%	275
Distilled Spirits	3,194	\$2,821,964	144	N/A	230	0.63	44%	3	N/A	N/A	59%	4
Alcopops	23,273	\$68,115,093	2,338	N/A	3,297	0.71	84%	28	N/A	N/A	93%	35
Wine	25,744	\$44,847,174	1,672	N/A	4,537	0.37	83%	20	N/A	N/A	94%	48
Total	208,909	\$811,166,404	21,801	N/A	34,087	0.64	89%	246	N/A	N/A	96%	356

Sources: TNS Media Intelligence/CMR, 2001-2003; Nielsen Media Research, 2001-2003

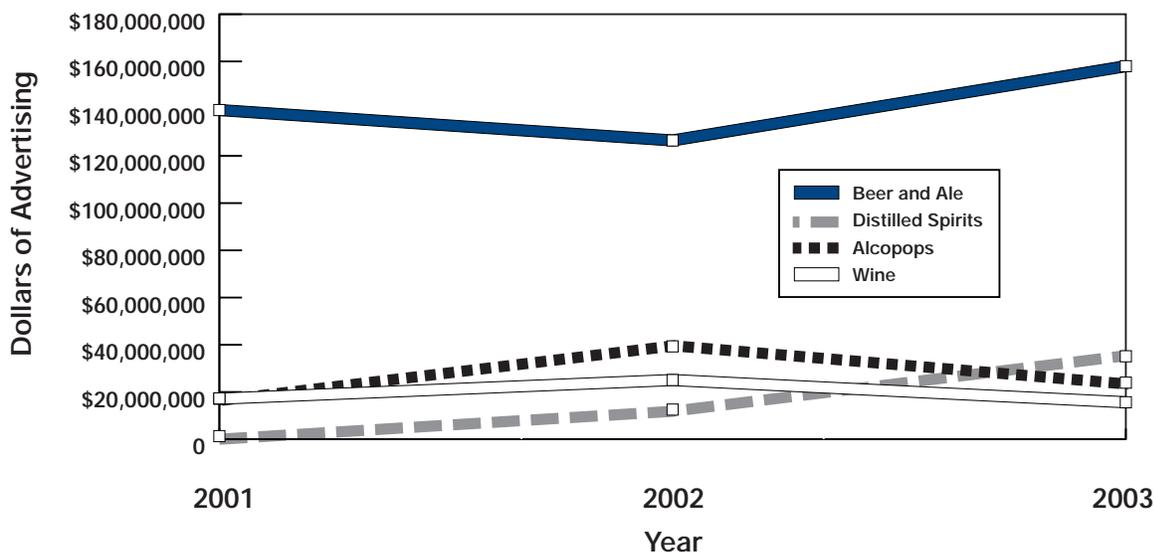
¹¹ See Appendix A for explanation of methodology.

Explosion of Distilled Spirits Advertising on Cable Networks

What has changed significantly between 2001 and 2003 are the levels of advertising for distilled spirits and alcopops. Following a failed attempt to place distilled spirits advertising on broadcast network television in 2001, distilled spirits companies have aggressively sought to place advertising on local cable systems and cable interconnects, which are not measured in this report.¹² In addition, distilled spirits advertising has increased dramatically on the national cable networks that are measured in this report. From 513 distilled spirits ads placed on national cable networks in 2001, the growth has been phenomenal: to 33,126 in 2003. Between 2001 and 2002, distilled spirits ad spending on cable channels increased 858% (from \$1.3 million to \$12.6 million), the number of ads increased 2046% (from 513 to 11,011), and GRPs for youth ages 12 to 20 increased 555% (from 122 to 798). Between 2002 and 2003, distilled spirits ad spending on cable increased 180% (from \$12.6 million to \$35.1 million), and the number of ads increased by 201% (from 11,011 to 33,126) while youth 12-20 GRPs grew 261% (from 798 to 2,876) (see Figures 3 and 4).

On the other hand, advertising for alcopops—some of which carry distilled spirits brand names, e.g., Bacardi Silver or Smirnoff Ice, and have the effect of allowing distilled spirits brands to be aired on broadcast television—has been on a roller coaster. Once hailed as products that might increase the alcohol market in the United States, alcopops have now settled in as a niche category, and growth has slowed significantly.¹³ Between 2001 and 2002, the number of ads for alcopops jumped from 23,273 to 37,171, or 60%, but those numbers dropped to 24,979 in 2003, a 33% decline. Dollars spent on these products followed a similar up-and-down path, increasing 147% between 2001 and 2002 while decreasing 53% between 2002 and 2003.

Figure 3: Increase in Cable TV Spending, 2001 to 2003

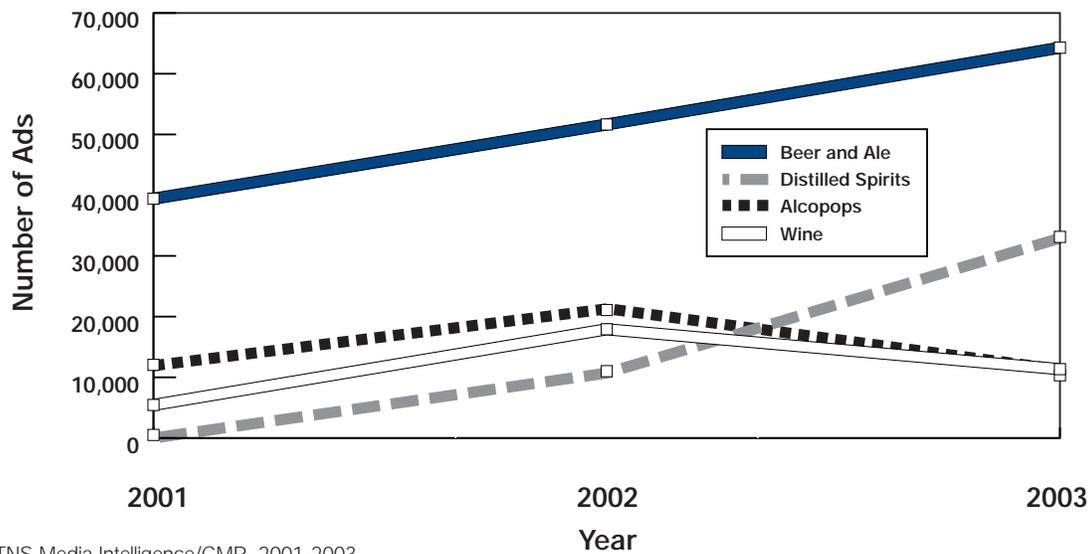


Source: TNS Media Intelligence/CMR, 2001-2003

¹² As described above, such advertising is not generally monitored. 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, 77. H. Chura and W. Friedman, "Diageo creates net for \$200M in TV ads," *Advertising Age* 31 May 2002, 3; H. Chura and K. MacArthur, "Leveling the playing field: Diageo bucks convention, markets spirits like soda," *Advertising Age*, 13 October 2003, 3.

¹³ See, e.g., M. Beirne, "Beer," *Adweek Magazines Special Report—Upfront: The Advertisers*, 21 April 2003, SR14; "Ultra Rising, Smirnoff Falling in Supers," *Beer Marketer's Insights* 34, no. 9 (May 12, 2003); T. Daykin, "Miller stops making 3 flavored malt beverages; Company cites poor sales; plans to keep producing Skyy Blue," *Milwaukee Journal-Sentinel*, Wednesday 25 February 2004, 6D.

Figure 4: Increase in Cable TV Ads, 2001 to 2003



Source: TNS Media Intelligence/CMR, 2001-2003

II. Continued Growth in Youth Overexposure

Unlike magazines or radio, much of the programming on television reaches a very broad audience demographically. Limiting youth exposure to alcohol advertising on television is thus a more difficult task. Much of the youth exposure to alcohol advertising on television comes as a byproduct of exposure to adults, even though youth are not exposed at a higher *rate* per capita than adults to the majority of televised alcohol ads. In fact, youth ages 12 to 20 were on average just 10% of the total audience for televised shows with alcohol advertising. Nevertheless, a large amount of youth exposure can still result. In fact, 90% of youth ages 12 to 20 saw an average of 284 alcohol ads in 2003, and the heaviest TV-viewing 32% saw an average of 780 ads.

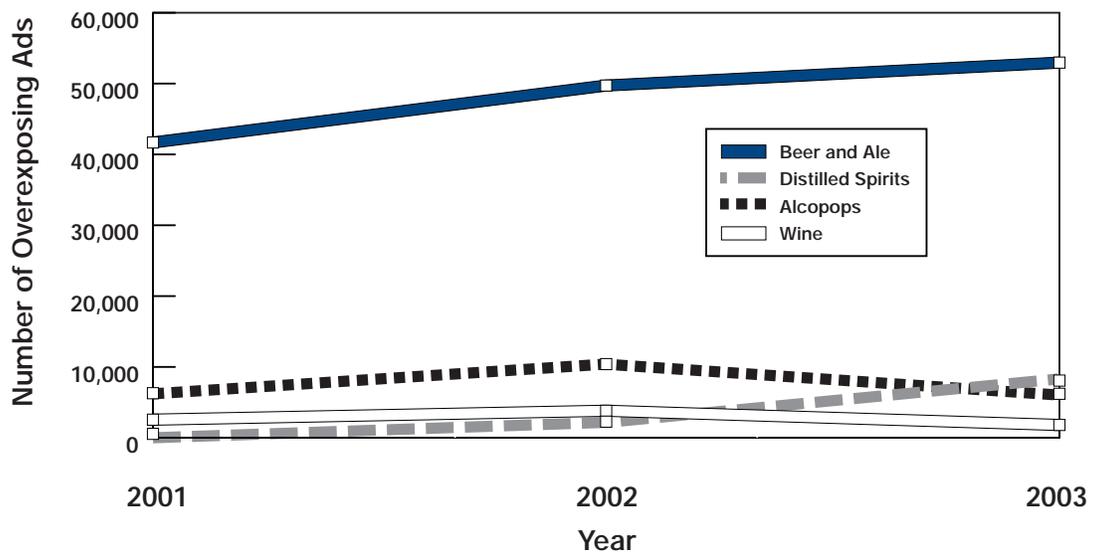
Youth overexposure to alcohol advertising occurs when youth are over-represented in the audience viewing an alcohol ad, relative to their presence in the general population, and are thus more likely per capita than adults to see the ad. Youth ages 12 to 20 are 13.3% of the overall U.S. population two and above. CAMY's analysis of youth overexposure to alcohol advertising on television demonstrates a continued increase in the number of "overexposing" ads from 2001 to 2002 to 2003. In 2001, a total of 51,084 alcohol ads on television were more likely to be seen by underage youth, on a per capita basis, than by legal-age adults. By 2002, that number had increased to 66,218, and it further grew in 2003 to 69,054. In each of the three years, beer advertisers placed the most ads overexposing underage youth. In 2003, the distilled spirits category took over the number-two spot in overexposure from the alcopop category. While the number has increased each year, matching the increase in number of alcohol ads overall, the percentage of total alcohol ads overexposing youth has remained relatively steady: 24.5% in 2001; 22.9% in 2002; and 23.2% in 2003. The overexposing ads in 2003 accounted for \$123.2 million in alcohol industry spending on television advertising.

Table 4: Increase in Number of Alcohol Ads Overexposing Youth, 2001 to 2003

		2003	% Total	% Change vs. 2002
		2003		
		% Total		
Total Ads Overexposing Youth	69,054	23.2%	4.3%	
Total Dollars Overexposing Youth	\$123,195,537	14.0%	3.8%	
		2002		
		% Total		
Total Ads Overexposing Youth	66,218	22.9%	29.6%	
Total Dollars Overexposing Youth	\$118,742,501	12.0%	0.1%	
		2001		
		% Total		
Total Ads Overexposing Youth	51,084	24.5%		
Total Dollars Overexposing Youth	\$118,670,344	14.6%		

Sources: TNS Media Intelligence/CMR, 2001-2003; Nielsen Media Research, 2001-2003

Figure 5: Growth in Overexposing Ads, 2001 to 2003



Sources: TNS Media Intelligence/CMR, 2001-2003; Nielsen Media Research, 2001-2003

In 2003, the 10 brands with the most ad spending that overexposed youth accounted for 32,350, or nearly half, of the overexposing ads and \$74.7 million of the spending on overexposing ads.

Table 5: Top 10 Overexposing Brands

2003				
Brand	Ad Dollars	Ads	% Brand Dollars	% Brand Ads
Heineken Beer	\$15,234,075	3,178	48.6%	31.7%
Miller Lite	\$9,249,673	3,257	9.6%	20.6%
Coors Light	\$9,133,374	7,244	8.0%	27.6%
Bud Light	\$9,090,495	3,666	7.5%	20.9%
Budweiser Beer	\$6,847,934	3,198	6.9%	20.0%
Samuel Adams Boston Lager	\$5,881,536	1,762	30.8%	36.4%
Baileys Irish Cream Liqueur	\$5,166,306	4,034	38.2%	31.2%
Labatt Blue Beer	\$4,803,117	2,234	32.0%	30.7%
Miller Genuine Draft	\$4,683,792	1,538	13.2%	23.5%
Amstel Light Beer	\$4,604,855	2,239	24.9%	22.6%
Subtotal	\$74,695,157	32,350		

Sources: TNS Media Intelligence/CMR, 2003; Nielsen Media Research, 2003

Overexposure of youth is more likely to occur in the more tightly segmented world of cable television than on broadcast stations. Cable television's share of youth overexposure grew steadily from 2001 to 2003, from 64% to 76% of overexposing GRPs, at the same time that broadcast's share declined from 19% to 9%. On three cable networks in 2003, youth were more likely across the board to see alcohol advertising than adults on a per capita basis: Comedy Central, VH-1, and BET. Alcohol advertisers have suggested in the past that the precise demographic target for their advertising is young adults ages 21 to 34.¹⁴ Youth ages 12 to 20 were more likely than young adults ages 21 to 34 to have seen the alcohol advertising on BET, and were nearly as likely as young adults to have seen it on Comedy Central (see Table 6).

Table 6: Overexposing Cable Outlets, 2003

Outlet	Dollars	Ads	Youth 12-20 GRPs	Young Adult 21-34 GRPs	Adult 21+ GRPs	12-20/ 21+ Ratio	12-20/ 21-34 Ratio
Comedy Central	\$15,739,497	5,918	1,946	2,005	1,067	1.82	0.97
VH-1	\$13,068,321	10,746	1,889	2,325	1,275	1.48	0.81
BET	\$2,651,898	1,423	467	363	242	1.93	1.28

Sources: TNS Media Intelligence/CMR, 2003; Nielsen Media Research, 2003

¹⁴ See, e.g., H. Riell, "Half Full or Half Empty?," *Beverage Dynamics*, 112, no. 3 (May 1, 2002): 8; R. Zimoch, "Malternatives: A new brew rides to the rescue," *Grocery Headquarters* 68, no. 4 (April 1, 2002): 83; S. Theodore, "Beer's on the up and up," *Beverage Industry* 92, no. 4 (April 1, 2001): 18-24.

III. Thresholds: The Alcohol Industry's 30% Solution

The need to limit underage youth exposure to alcohol advertising is widely acknowledged. For decades, the marketing codes of the alcohol industry have provided for “thresholds” on the number of underage persons exposed to its advertising.¹⁵ The current policy debate centers on the terms of a reasonable threshold, or in other words, the threshold that will provide the public health protection of limiting underage youth exposure and still allow the industry to advertise to its legal market.

In 1999, the FTC sharply criticized the then-current threshold of 50% underage audience composition in the marketing codes of the Beer Institute and the Distilled Spirits Council of the United States: “Only 30% of the U.S. population is under the age of 21, and only 10% is age 11 to 17. The 50% standard, therefore, permits placement of ads on programs where the underage audience far exceeds its representation in the population. Given this age composition of the population, large numbers of underage consumers can be exposed to alcohol ads even though a majority of the audience is of legal age.”¹⁶ In addition, the FTC pointed out that, given the limitations of databases used to measure audiences for media such as radio and magazines, the alcohol companies might actually be undercounting the number of underage persons in the audiences for their advertising.¹⁷ As a result, the agency called on the industry to follow the “best practices” then current among some alcohol companies.¹⁸ These “best practices” ranged from a threshold of 70% legal-age audience for print to 60% for radio to 75% for television.

In reviewing the placement of alcohol ads on television from January 2001 through December 2003, CAMY found a dramatic increase in the number of ads where the underage audience was greater than 30%, matching the general increase in alcohol advertising. The proportion of ads above 30% in each year remained relatively steady, around 12% of total alcohol ads on television. The increase in the number of ads above 30% underage occurred at both the national cable level and on broadcast spot, or local, television. On the other hand, the number of ads above 30% on national broadcast declined (see Table 7).

Table 7: Alcohol Ads Exceeding 30% Threshold, 2001 to 2003

	2001	2002	2003	% Increase	
				2001-2002	2002-2003
Total Ads	208,909	289,381	298,054		
Ads > 30%	24,512	34,016	36,344	39%	7%
% of Ads	11.7%	11.8%	12.2%		
Broadcast Network	5,637	6,626	5,368		
> 30%	216	189	132	-13%	-30%
	3.8%	2.9%	2.5%		
Broadcast Spot	145,842	181,104	173,589		
> 30%	14,920	20,248	20,358	36%	1%
	10.2%	11.2%	11.7%		
Cable Network	57,430	101,651	119,097		
> 30%	9,376	13,579	15,854	45%	17%
	16.3%	13.4%	13.3%		

Sources: TNS Media Intelligence/CMR, 2001-2003; Nielsen Media Research, 2001-2003

¹⁵ Richard P. Kusserow, *Youth and Alcohol: Controlling Alcohol Advertising That Appeals to Youth* (Washington, DC: U.S. Dept of Health and Human Services Office of Inspector General, 1991), 13; Federal Trade Commission, *Alcohol Advertising and Marketing*, 7.

¹⁶ Federal Trade Commission, *Self-Regulation in the Alcohol Industry*, 9.

¹⁷ Federal Trade Commission, *Self-Regulation in the Alcohol Industry*, 9.

¹⁸ Federal Trade Commission, *Self-Regulation in the Alcohol Industry*, 9-10.

The steadiness of the proportion of ads above the 30% threshold indicates that changes in the industry’s advertising practices may take some time to occur. And, in fact, a preliminary review of 137,034 alcohol ads placed on television from January 2004 through June 2004 showed that 11.6% —consistent with the proportions in 2001, 2002, and 2003—were placed on programming where the underage audience was greater than 30%.

Table 8: TV Alcohol Ads Over Industry Threshold, First Half of 2004

First Half of 2004	
Total TV Alcohol Ads	137,034
>30%	15,887
	11.6%

Sources: TNS Media Intelligence/CMR, 2004; Nielsen Media Research, 2004

Is 30% Protective of Our Youth?

In 2002, CAMY published its first analysis of alcohol advertising, examining advertising placed in magazines in 2001.¹⁹ That and later analyses by CAMY quantified underage youth exposure to alcohol advertising, using an advertising industry-standard measure of gross rating points.²⁰ Fundamental to these analyses and to the points made by the FTC in 1999 is the proportion of underage youth in the general population and in the audiences of the various media. In general, across the measured media of magazines, radio and television, youth ages 12 to 20 make up around 15% of the population.²¹ Thus, when advertising is placed in media where the underage audience is greater than the percentage of underage youth in the general population, it is more likely, on a per capita basis, to be seen by the underage audience than the legal-age audience. While there is public health concern about underage drinking before age 12,²² the public health surveys that measure underage drinking start at age 12. Moreover, public health research has documented 13 years of age as the average age of initiation for drinking for current drinkers, ages 12 to 17.²³

As for the economic viability of a 15% threshold, one leading alcohol company showed willingness to accept it, at least for television advertising. In 2001, when Diageo sought to place advertising for its distilled spirits brands on NBC and effectively end a decades-old voluntary ban for distilled spirits advertising on broadcast television, the proposed NBC guidelines limited airings of alcohol product ads to between 9 and 11 p.m. EST and during the *Tonight Show*. If ads were to be placed at other times, Diageo and NBC pledged that programming would have no more than 15% underage viewers in the audience.²⁴

¹⁹ Center on Alcohol Marketing and Youth, *Overexposed: Youth a Target of Alcohol Advertising in Magazines* (Washington, DC: Center on Alcohol Marketing and Youth, 2002).

²⁰ See Center on Alcohol Marketing and Youth reports: *Television: Alcohol's Vast Adland; Drops in the Bucket: Alcohol Industry "Responsibility" Advertising on Television in 2001; Radio Daze: Alcohol Ads Tune in Underage Youth; Exposure of Hispanic Youth to Alcohol Advertising; Exposure of African-American Youth to Alcohol Advertising; Youth Exposure to Radio Advertising for Alcohol—United States, Summer 2003; Youth Exposure to Alcohol Ads on Television, 2002: From 2001 to 2002, Alcohol's Adland Grew Vaster; Fewer Drops in the Bucket: Alcohol Industry "Responsibility" Advertising Declined on Television in 2002*. All reports available at <http://camy.org/research/> (cited 14 July 2004). See also David H. Jernigan, Joshua Ostroff, Craig Ross, and James A. O'Hara III, "Sex Differences in Adolescent Exposure to Alcohol Advertising in Magazines," *Arch Pediatr Adolesc Med* 158 (July 2004): 629-634.

²¹ U.S. Census Bureau, *Census 2000 Summary File 1, Matrix PCT 12*, available at http://factfinder.census.gov/servlet/DTTable?_bm=y&-geo_id=01000US&-ds_name=DEC_2000_SF1_U&-_lang=en&state+dt&mt_name=DEC_2000_SF1_U_PCT012&-_sse=on (cited 14 July 2004). In its revised self-regulatory code announced in September 2003, the Distilled Spirits Council of the United States specified the population basis for assessing audience composition for television advertising placements as 2+. Its 30% threshold assumes toddlers and children under 12 are part of the viewing audience, but the underage audience for programs where alcohol ads are placed is primarily composed of 12- to 20-year-olds.

²² Leadership to Keep Children Alcohol Free, a coalition of governors' spouses, federal agencies, and private and public organizations, focuses on preventing alcohol use by children between the ages of nine and 15. See <http://www.alcoholfreechildren.org/> (cited 14 July 2004).

²³ Calculated using the 2003 National Household Survey on Drug Abuse. J. Gfroerer of the Substance Abuse and Mental Health Services Administration, e-mail to David H. Jernigan, PhD, 14 September 2004.

²⁴ NBC Advertising Guidelines for Alcohol Products, published December 26, 2001. Available on 26 July 2002 at http://www.nbc.com/pw2/c...te/dnr.v25.cgi?cmd=detail&query_id=55735.

Teen Programming Still Popular with Alcohol Advertisers

In its 1999 report, the Federal Trade Commission looked at whether alcohol advertisers placed ads on the 15 programs most popular with teens aged 12 to 17.²⁵ In 2001, CAMY found advertising on 13 of the 15 programs most popular with teens, and, in 2002, found alcohol ads on all 15 of the 15 most popular programs. This trend held steady in 2003 with alcohol ads again on all 15 of the 15 programs most popular with teens aged 12 to 17.²⁶

Table 9: Top 15 Teen Television Programs (Week of October 13-19, 2003) and Alcohol Ads in 2003

Rank	Network	Program	2003 Alcohol Ads on Primetime			Also in 2002 List
			Ads	Dollars	Network/Spot	
1	CBS	SURVIVOR: PEARL ISLANDS	48	\$299,920	Spot, Network	yes
2	WB	7TH HEAVEN - WB	6	\$8,221	Spot	yes
3	WB	SMALLVILLE - WB	429	\$823,500	Spot	yes
4	NBC	FRIENDS	346	\$18,323,128	Spot, Network	yes
5	UPN	WWE SMACKDOWN!	84	\$65,939	Spot	no
6	NBC	FEAR FACTOR	963	\$8,785,606	Spot, Network	yes
7	CBS	CSI: MIAMI	181	\$598,593	Spot, Network	no
8	CBS	EVERYBODY LOVES RAYMOND	44	\$75,717	Spot	no
9	ABC	I'M WITH HER	2	\$3,488	Spot	no
10	ABC	MY WIFE AND KIDS	82	\$279,647	Spot	yes
11	CBS	CSI: CRIME SCENE INVSTGT	329	\$996,434	Spot	yes
12	ABC	ACCORDING TO JIM	59	\$169,275	Spot, Network	no
13	WB	EVERWOOD - WB	22	\$26,430	Spot	no
14	WB	ONE TREE HILL - WB	8	\$9,823	Spot	no
15	ABC	IT'S ALL RELATIVE	5	\$4,962	Spot	no
Total			2,608	\$30,470,683		

Bold = >13.3% underage youth audience composition

Sources: TNS Media Intelligence/CMR, 2003; Nielsen Media Research, 2003

Conclusion

In September 2003, the National Research Council and the Institute of Medicine (NRC/IOM) called for a national strategy to reduce and prevent underage drinking. Their report, *Reducing Underage Drinking: A Collective Responsibility*, asked the industry to accept its responsibility for reducing underage youth exposure to alcohol advertising as part of a broader effort to change the environment of messages children receive about alcohol.²⁷ The industry responded, in part, with its 30% “reform”—a change that still allows the alcohol industry to place ads where youth are twice as likely to see them as adults, because 30% is the twice the percentage of youth in the general population. The impact of their “reform” is yet to be seen. However, the trend from 2001 to 2003 is clear: more and more alcohol advertising on television with youth exposure at unacceptably high levels. How well the industry meets its new code provisions for the placement of alcohol ads and how effective those provisions will be in reducing underage youth exposure to alcohol advertising will require independent, public-health-oriented monitoring. Such public health surveillance was another recommendation of the NRC/IOM. To date, the federal Public Health Service has not acted on that recommendation. In short, whether the alcohol industry or the public health bureaucracy accepts the challenge of the NRC/IOM in changing the environment of messages our children receive on alcohol is an open question.

²⁵ Federal Trade Commission, *Self-Regulation in the Alcohol Industry*, 9, fn 48.

²⁶ See Appendix A for explanation of methodology.

²⁷ National Research Council and Institute of Medicine, *Reducing Underage Drinking*, 126.

Appendix A: Methodology

Sources

This analysis was conducted using three primary resources:

- TNS Media Intelligence/CMR (formerly Competitive Media Reporting) provides date, time, source and expenditure data for each commercial occurrence.
- Nielsen Media Research provides demographic audience impressions and ratings at the quarter-hour level that are associated with each ad occurrence. This information is provided through TNS Media Intelligence/CMR as follows: network programming is measured year-round, and ratings for spot programming are assumed to be the equivalent of the average ratings of sweeps and any other measured months in the same quarter, with the exception that September ratings are taken from the fourth-quarter average rather than the summer months of the third quarter.
- *Impact* magazine 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 (broadcast network, cable network, broadcast spot)
- Network (NBC, FOX, ESPN, etc.)
- Program group (sports, sitcoms, etc. as defined by TNS Media Intelligence/CMR)
- Daypart (time of day/week, using industry-accepted classifications)
- *Impact* classification (beer and ale, low-alcohol refreshers, wine, spirits)

- 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 2003. Composition for all programs was calculated at the commercial occurrence level based on quarter-hour ratings and impressions. National (broadcast and cable) gross rating points (GRPs) and impressions were added 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 time period, the industry has accepted the practice of using audience estimates that are carried over from a comparable time period. Advertising industry practices are 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.

However, it is possible for estimated audience numbers to be off. This is most likely to occur with programming that 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 these 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 not general corporate advertisements, “responsibility” advertisements or other public service announcements.

Alcohol ads were considered to overexpose youth if the quarter-hour youth rating exceeded the quarter-hour adult 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

A list of the 15 regularly scheduled TV programs on commercial networks with the largest teen audience was generated using Nielsen Media Research TV ratings, the industry standard, for the week of October 13-19, 2003, 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

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

When a single person sees or hears an advertisement, that is counted as an advertising “**impression**.” 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 to 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)

A standard measure of advertising exposure is the **gross rating point**, or **GRP**. GRPs measure advertising exposure for a particular population, relative to the size of that population, and are therefore 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+.

