

# A pilot study investigating of the nature of point-of-sale alcohol promotions in bottle shops in a large Australian regional city

## Abstract

**Objective:** The promotion of alcohol by retailers and media can contribute to a culture of excessive alcohol consumption, but the effect of non-advertising alcohol promotions has largely been neglected. This study sought to gather initial data on this important area.

**Method:** An observational study of alcohol point-of-sale promotions in the Wollongong CBD area, conducted in July-August 2005.

**Results:** We identified 17 different promotions in three categories: gift with purchase; competitions; and buy some, get some free.

**Conclusion:** Given previous research demonstrating the relationship between increased alcohol consumption and both ownership of alcohol-related merchandise and reduced per unit price, it appears that point-of-sale promotions may have the potential to further increase alcohol consumption among young people.

**Implications:** Only when the extent and impact of such promotions is demonstrated will we be in a position to effectively advocate for appropriate regulations to ensure young people are not exposed to marketing strategies that further increase their exposure to alcohol-related harms.

**Key words:** Alcohol; youth; marketing; advertising.

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Recent Australian research has found that alcohol is widely used by secondary students, with 50% of 16-17 year-olds surveyed having consumed alcohol in the week prior to the survey and 35% having consumed at risky levels.<sup>1</sup> Among post-secondary students, the National University Drug and Alcohol Survey found that 49.2% reported binge drinking in the two weeks previous to the survey.<sup>2</sup> This pattern of excessive drinking continues into young adulthood, with the 2004 National Drug Strategy Household Survey finding that approximately 64.8% of males aged between 20 and 29 years consumed seven or more alcoholic beverages on at least one occasion in the 12 months prior to the survey, and 17.4% (compared with 14.6% in 2001) consumed this amount at least weekly during the same 12-month period.<sup>3</sup> The National Alcohol Indicators Project (NAIP) has estimated that between 1993 and 2002, more than 2,500 young people aged between 15 and 24 years died from alcohol-attributable injury and disease and more than 100,000 were hospitalised.<sup>4</sup>

In Australia, the ready-to-drink (RTD) market accounts for 20% of all retail liquor sales.<sup>5</sup> According to data from the Australian Bureau of Statistics, the growth of this product category in the Australian market has been sharp and intense, with an increase in apparent per person consumption of RTDs from 0.10 litres per person in 2001 to 0.87 litres per person in 2004;<sup>6</sup> that is, a ninefold

increase in three years. Of significance to this research is that these beverages hold particular appeal to young people;<sup>7</sup> 'alcopops' are the most popular drink among young people aged 12-21 years.<sup>8</sup>

The potential influence of mass media, and particularly advertising, on the alcohol-related attitudes and behaviours of young people has been widely researched. It has been argued that the key challenge for public health is to move the culture to a position where low-risk drinking, rather than drunkenness, is accepted – and portrayed – as the norm.<sup>9</sup> While there is a need to continue research in the area of advertising, what has largely been neglected is the effect of non-advertising alcohol promotions on people's (and particularly young people's) alcohol-related attitudes and behaviours.

Although it is difficult to obtain figures on alcohol promotion expenditures, in the US the Federal Trade Commission has estimated that the amount spent on alcohol promotion is likely to be three or more times the amount spent on alcohol advertising per se.<sup>10</sup> Point-of-sale (or point-of-purchase) promotion has become an area of increasing importance to marketers, with US companies alone spending an estimated \$17 billion on promoting their products within supermarkets and other stores.<sup>11</sup> While advertising is primarily aimed at encouraging brand loyalty and the construction of brand image, point-of-sale promotions encourage product trial and increase purchase volume.<sup>12</sup> There has

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been considerable attention given to point-of-sale promotions for tobacco, with research finding that young people's smoking status is associated with exposure to tobacco point-of-sale,<sup>13</sup> but there has been limited research on alcohol point-of-sale.<sup>14</sup>

In relation to alcohol advertising, there are two complementary industry self-regulation codes: the Australian Association of National Advertisers (AANA) Advertiser Code of Ethics (which applies to all forms of advertising), and the Alcoholic Beverages Advertising Code (ABAC). However, there is no equivalent regulatory system for retail point-of-sale promotions. That is, while there are regulations on the nature of alcohol promotions in licensed venues and on the packaging and labelling of alcohol products, there are no specific regulations on the types of promotions offered by liquor stores.

## Method

No Australian studies have attempted to examine off-premises or on-premises non-advertising promotions or to investigate their effect on alcohol-related attitudes and behaviours. This study sought to gather some initial data on this important area in order to provide pilot data and demonstrate the feasibility of the proposed methodology. Study data were collected on the range and nature of alcohol promotions in the Wollongong (Australia) central business district (CBD). Wollongong is situated on the south coast of New South Wales, approximately 80 kilometres south of Sydney, and is the eighth largest city in Australia. It had an estimated resident population of 192,402 as of June 2005 and the median age was 37.2 years.<sup>15</sup> The city also contains a university with a total of 21,148 enrolled students, more than 1,000 of whom live on one of the seven university accommodation campuses.

First, using the print and electronic Yellow Pages directory, a list

of all alcohol retail stores (bottle shops) in the Wollongong CBD area was compiled. Along with this list of central CBD venues, the largest retail alcohol venue in the general Wollongong area (located in the suburb of Figtree) was also included as the only large retail alcohol store in Wollongong was closed down and this was the nearest store of a similar size. This resulted in a total of seven retail outlets: two were attached to licensed premises; two were attached to supermarkets; and three were stand-alone bottle shops.

The retail venues were monitored through visits by research assistants (three females and one male between the ages of 23 and 35 years) over an eight-week period, approximately once per fortnight. All visits were conducted on Saturday afternoon/nights (after 5pm) to capture the busiest sales period of the week for most venues. The research assistants were instructed to collect any data relating to promotional activities within the venue for pre-mixed drinks and/or beer. Promotional activities were defined as those activities initiated by the beverage manufacturer/distributor that presented a short-term offering, such as gift with purchase or competition. This data were limited to those promotions that were immediately visible and the data obtained consisted of at least:

- The store holding the promotion.
- The brand/product.
- The offering (prize, gift etc).
- What had to be done to receive the offering.

## Results

The promotions identified were classified into the following three categories: gift with purchase; competitions; and buy some, get some free.

**Table 1: Gifts with purchase.**

Product type	Number required	Strength (alcohol content)	Gift	Total standard drinks
Guinness (beer)	Two four-packs of 375ml cans (8 in total)	6% (1.8 SD)	Free Guinness schooner glass	14.4
Cougar XS and Cola (bourbon)	Two six-packs of 375ml cans (12 in total)	7% (2.1 SD)	Free Cougar mini esky (cooler bag)	25.2
Woodstock & Cola (bourbon)	Six-pack of 375ml cans	5% (1.5 SD)	Free bumper sticker	9.0
Bundaberg & Cola (rum)	Six-pack of 375ml cans	5% (1.5 SD)	Wallabies fleece jumper for \$25	9.0
Smirnoff Black Ice (vodka)	Four-pack of 335ml bottles	7% (1.9 SD)	Free music download	7.6
Southern Comfort & Dry	Four-pack of 275ml bottles	5% (1.1 SD)	Free beanie	4.4
James Boags Strongarm Premium (beer)	Six-pack of 375ml bottles	5% (1.5 SD)	Free CD case	9.0
Bacardi and Cola (rum)	Four-pack of 350ml bottles	5% (1.4 SD)	Free trucker cap	5.6
Woodstock & Cola (bourbon)	Two six-packs 440ml cans (12 in total)	5% (1.7 SD)	Free cooler bag and beanie	20.4

### Gift with purchase

We identified nine different promotions that offered free gifts with the purchase of alcohol products; two were for beer and seven were for pre-mixed spirit-based drinks (predominantly bourbon or rum). As shown in Table 1, in all cases the gifts required the purchase of a minimum of four of the promoted products; two required eight or more. The strength of the promoted products ranged from 5% to 7% and the alcohol content (per drink unit), due to large variation in serving sizes, ranged from 1.1 to 2.1 standard drinks. As a result, the total alcohol content of the amount required to receive the gift ranged from 4.4 standard drinks (for a free branded beanie hat) to 25.2 standard drinks for a free branded mini esky (drink cooler bag).

### Competitions

We identified six different promotions that offered entry into a competition with the purchase of alcohol products; one was for beer and five were for pre-mixed spirit-based drinks (predominantly bourbon or rum based). As shown in Table 2, in all cases the competitions required the purchase of a minimum of four of the promoted products. The strength of the promoted products ranged from 2.4% (light beer) to 9% (bourbon and cola), and the alcohol content (per drink unit) ranged from 0.8 to 2.7 standard drinks. Thus, the total alcohol content of the amount required to receive the gift ranged from 7.2 standard drinks (for entry into a competition to win a Holden Crewman or Yamaha road bike) to 21.6 standard drinks (for entry into a competition to win a Mini 55CC Chopper off-road motorcycle).

### Buy some, get some free

We identified two different promotions that offered free alcohol products with the purchase of a prescribed number of the same product, one for a bourbon-based pre-mixed drink and one for a vodka-based pre-mixed drink. In both cases, the offer also included a free gift of a branded product, in one case a purse and in the other a key ring and men's g-string underwear.

### Discussion

The purpose of this study was to provide some initial descriptive data on the nature and range of point-of-sale promotions for beer and RTDs in retail venues in a defined geographic area. We identified several promotional activities that included incentives for the purchase of particular brands of beer and RTDs. The offer of free branded merchandise with purchase is potentially problematic as they offer desirable items, such as hats and cooler bags, that may increase the likelihood of purchase. Further, there has been shown to be an association between ownership of branded merchandise and brand loyalty/alcohol consumption patterns. For example, one recent US study found that middle school students who reported owning at least one alcohol promotional item were three times more likely to have ever consumed alcohol and 1.5 times more likely to be current drinkers.<sup>16</sup> Another study found that adolescents who owned alcohol-branded merchandise (these were primarily articles of clothing such as T-shirts and hats) had higher rates of alcohol initiation than those who did not own such merchandise. Even after adjusting for a range of potential confounders (such as exposure to peer drinking, poor academic performance, sensation seeking and rebelliousness), students who owned such merchandise were significantly more likely to have initiated alcohol use.<sup>17</sup>

The competitions with purchase also used items of significant value and/or limited availability (e.g. limited edition equipment or sporting event tickets) and again all required purchase of a considerable quantity of alcohol, with the lowest being 7.2 standard drinks. Perhaps of most concern were the buy some, get some free promotions, given the considerable evidence that there is an inverse relationship between the price of alcohol and the level of consumption<sup>18</sup> and that this effect is even more pronounced among young people.<sup>19,20</sup> For example, a study of the effect of promotions on US university students found that for off-premise outlets (e.g. bottle shops), higher binge-drinking rates were correlated with promotions such as volume discounts, advertised price specials, or coupons.<sup>21</sup>

**Table 2: Competitions with purchase.**

Product type	Number required	Strength (alcohol content)	Prize	Total standard drinks
Canadian Club pre-mixed	Six-pack of 375ml	5% (1.5 SD)	Various prizes (e.g. shirts, hats, hip flask)	9.0
Jack Daniels promotional package of pre-mixed drinks	Four-pack of 375ml	6% (1.8 SD)	Holden Crewman or Yamaha road bike	7.2
Bundaberg & Cola and Bundaberg & Dry	Two six-packs of 375ml (12 in total)	5% (1.5 SD)	Bundaberg can-shaped cool box	18.0
Bullit Bourbon and Cola	Two four-packs 375ml (8 in total)	9% (2.7 SD)	Mini 55CC Chopper	21.6
Bundaberg products (Rum & Cola or Rum & Dry)	Spend \$25 or more	5% (1.5 SD)	Three NRL semi-final tickets	variable
Hahn Light	1 case (24 in total)	2.4% (0.8 SD)	Golf trip for 3 people	19.2

This was an exploratory study in a limited geographic area, but the majority of the promotions identified were state- or national-based, thus similar promotions are likely to be identified in other areas. However, there is a need for further research to investigate the extent and range of these promotions across a wider geographic area and, importantly, the effect of these promotions on drinking behaviour of young people. Only when this evidence is systematically collected and the impact of such promotions is demonstrated will we be in a position to advocate effectively for appropriate regulations to ensure that young people are not exposed to marketing strategies that further increase their alcohol consumption and exposure to alcohol-related harms.

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