

**INQUIRY INTO STRATEGIES TO REDUCE ALCOHOL
ABUSE AMONG YOUNG PEOPLE IN NSW**

Organisation: Association for Data-driven Marketing and Advertising (ADMA)
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Who is ADMA?

ADMA is the principal industry body for data-driven, customer-centric, measurable marketing and advertising in Australia. ADMA's primary objective is to help companies achieve better marketing results through the enlightened use of data-driven insights into consumers.

Consistent with this objective, ADMA has been involved in the development of legislation, as well as co-regulatory and self-regulatory schemes, over many years. ADMA was formed in 1966, and has during its 45 years of operation been involved in the development of the *Privacy Act 1988*, the *Spam Act 2003*, the *Competition and Consumer Act 2010*, the *Do Not Call Register Act 2006*, the *Privacy Amendment (Enhancing Privacy Protection) Act 2012*, the ADMA Direct Marketing Code of Practice 2006 (based on the model code of practice endorsed by the Ministerial Council of Consumer Affairs in 2003), and the Australian eMarketing Code of Conduct 2005.

ADMA works closely with the other relevant industry associations to ensure that codes are consistent and provide comprehensive coverage across all channels. Cross-industry forums and alliances such as the Australian Marketing and Media Industry Forum, and the Australian Digital Advertising Alliance, provide a means for a consistent approach to tackling the challenges that exist in every regulatory environment.

ADMA has over 500 member organisations, including some of Australia's most well-known and trusted brands. Our members come from many industries including major financial institutions, telecommunications companies, energy providers, information and technology companies, digital service providers, travel service companies, major charities, statutory corporations, educational institutions and specialist suppliers of marketing services.

What is data-driven marketing and advertising?

Data-driven marketing and advertising includes any marketing communication which uses data-insights, including personal information, to engage with a consumer with a view to producing a tangible and measurable response. Data-driven marketing is platform neutral. It includes marketing via:

- email
- mobile phones and other mobile devices
- apps
- online
- social media networks
- mail
- telephone calls
- print
- television and radio broadcast

Almost every Australian company and not-for-profit organisation markets to its current and potential customers using data-insights as a normal and legitimate part of its business activities. The ability to continue to conduct this activity underpins a good proportion of Australia's economic activity.

General Points

The ADMA welcomes this opportunity to provide a submission to the NSW Legislative Council Standing Committee on Social Issues inquiry into strategies to reduce alcohol abuse among young people in NSW.

The focus of this submission in Term of Reference (TOR) a).

ADMA's position is that there are many effective codes and regulatory schemes already in place to regulate the advertising and marketing of alcohol. More specifically, ADMA believes that existing codes are effective at preventing advertising and marketing from promoting alcohol consumption to minors.

ADMA has little to say on the issue of available research in support or against the notion that further regulation of alcohol advertising and marketing will solve the public policy challenge. ADMA shares the views expressed in the Australian National Preventative Health Agency (ANPHA) recent Issues Paper *Alcohol Advertising: The Effectiveness of Current Regulatory Codes in Addressing Community Concerns*, which states "all types of studies have their strengths and weaknesses".¹ It is difficult to compare and measure without completing a very broad literature review of all available research.

¹ *Alcohol Advertising: The Effectiveness of Current Regulatory Codes in Addressing Community Concerns*, ANPHA Issues Paper December 2012, para.32.

ADMA's response to TOR A):

The effect of alcohol advertisements and promotions on young people, including consideration of the need to further restrict alcohol advertising and promotion.

The self-regulation of alcohol advertising content occurs primarily under the Alcoholic Beverages (and Packaging) Code (ABAC) scheme, and through the Advertising Standards Board (ASB) complaints process.

The guidelines which apply under the ABAC scheme have been negotiated with government. The signatories to this scheme represent 90% of the alcohol market in Australia. Advertisers have access to the pre-vetting service, consumer complaints are handled independently, and all costs are borne by industry.

The ASB complaints-driven process enforces the following codes relevant to this discussion: AANA (Australian Association of National Advertisers) Code of Ethics and the AANA Code for Advertising and Marketing Communications to Children. Complaints to the ASB result in an assessment process by the Board applying the AANA codes cited above, and a separate parallel process under the ABAC code.

Complaints-based self-regulation, as it occurs through the ASB, is a very effective means of reflecting community standards. Complaints that are directed to the ASB are assessed by the Board, composed of members that broadly reflect the composition of the Australian community. This includes several members who have backgrounds as health practitioners.

The ABAC scheme and ASB code enforcement mechanisms apply to all forms of advertising and marketing of alcohol products in Australia. The ASB will accept complaints about any advertising and marketing communications in any media.

ADMA notes that a search of the ASB decision database for the 12 months from 1 February 2012, indicates that only three complaints were received about alcohol advertising for the internet or social media, two of which were dismissed. Alcohol advertising represents less than 4% of all complaints submitted to the ASB.² This does not seem to demonstrate a large or overwhelming community concern about the advertising and marketing of alcohol.

ADMA believes that the low number of complaints upheld by the ASB is a proper reflection of the community standard, achieved through debate of the merits of the complaint with respect to the relevant codes, and the pre-vetting scheme. To criticise the function of the majority decision making process is to fundamentally undermine the notion of achieving a community standard. A community standard is nothing more, nor less, than the aggregate standards of all members of the community. The majority decision of the Board, designed and composed to be broadly representative of the community, is as accurate a gauge as any for such a standard.

It may be tempting to mount the argument that there is a lack of awareness in the community about the ASB as a complaints mechanism, however the ASB has mounted numerous awareness campaigns in the past. The most recent survey indicates a respectable 63%

² AANA, AANA In The News – 19 February 2013, accessed on 23 February 2013.
<http://www.aana.com.au/pages/aana-in-the-news.html>.

awareness rate amongst respondents of the ASB, and only 15% unawareness of a suitable avenue for a complaint.³

Further to the coverage of advertising and marketing communication content provided by the above mentioned codes, ADMA would like to draw attention to the [Australian eMarketing Code of Practice](#) (the Code), which was developed by representatives from peak industry associations, consumer groups, message service providers, government regulatory agencies and corporate business, under section 112(1A) of the *Telecommunications Act 1997*.⁴ It is administered by the ACMA.

The Code applies specifically to e-marketing industry, as defined in section 7 of the Telecommunications Act. It contains the following relevant clause:

“11.1 Where the content of a commercial communication seeks to promote or inspire, interaction with a product, service or event that is age sensitive, the Message Originator must take reasonable steps to ensure that such content is sent to Recipients who are legally entitled to use or participate in the product, service or event”⁵

Guideline 10 of the Code defines age sensitive content as follows:

“Age Sensitive Content

Examples of age sensitive content might be:

- *An invitation to participate in a competition promoting alcoholic beverages;*
- *Invitations to events that are held at establishments where the minimum age of entry is 18;⁶*

ADMA members are also regulated by the ADMA Direct Marketing Code of Practice 2006 (the ADMA Code). The ADMA Code is based on the model code of practice endorsed by the Ministerial Council of Consumer Affairs in 2003. The management of this code is discussed under the heading *Management*.

The ADMA Code is currently being amended, and it is ADMA’s intention that the amended Code will contain provision(s) aimed at preventing advertising and marketing communications for products which are legally restricted to adults (such as alcohol), from appearing in advertising and marketing communications directed at minors online.

The use of data, and insights derived from that data, will play an integral role in assisting ADMA members in preventing age sensitive advertising and marketing communications being targeted to minors online.

³ ASB Research Report - *Community Perceptions 2012* (produced by Colmar Brunton Social Research), p.42. accessed on 23 February 2012.

http://issuu.com/cre8ive/docs/asb_research_report_june2012?mode=window&backgroundColor=%23222222

⁴ ACMA, Australian E-marketing Code of Practice – 25 July 2012, accessed on 25 February 2013.

http://www.acma.gov.au/WEB/STANDARD/pc=PC_310326.

⁵ Australian eMarketing Code of Practice, March 2005, p.40.

⁶ Ibid, p.58.

Conclusion

Existing advertising and marketing self-regulatory codes apply to all forms of advertising and marketing, produced by any advertiser or marketer in Australia. This includes “below-the-line” forms of advertising such as company and brand websites, social media sites, and any other form of marketing communication including brand promotion.

The existing self-regulatory environment effectively reflects community concerns. There is good general awareness of the avenues of complaint (of which there are many), principle among them being the ASB.

Self-regulatory codes and schemes are flexible enough to adapt to changes in the contemporary media landscape. New technology, and marketing innovations that flow from these, are a constant feature of the digital media environment. ADMA is therefore strongly of the view that only principles-based self-regulation is sufficiently adaptable, and effective.

ADMA’s core remit of supporting and promoting data-driven marketing and advertising points to the direction of an industry-led solution. The emergence of advertising and marketing that is focussed on using data to gain insights into the preferences and other qualities – including age – of consumers, will lead to ads that can be tailored to individual consumers and groups of consumers, with particular efficacy online.

Steps to introduce age verification in the online environment are already well underway, with many major brands requiring consumers to verify their age before entering websites and social media sites where alcohol is being marketed and advertised.

ADMA agrees with the sentiments presented in the Commonwealth Government agency ANPHA’s recent Issues Paper on the issue of alcohol advertising; that it is difficult to determine if alcohol marketing specifically causes people to drink.⁷ ADMA would also concur with the sentiments extolled in a quote from the International Centre for Alcohol Policy: “The most powerful factors in shaping beliefs and attitudes about drinking are parental and peer influences”.⁸

ADMA believes that increased regulation of alcohol advertising and marketing is not the solution to a public policy problem. Rather, the solution lies in promoting enlightened education programs that address the strongest influences on minors and young adults, namely family and peers.

Summary

ADMA believes that increased regulation of alcohol advertising and marketing is not the solution to a public policy problem. Rather, the solution lies in promoting enlightened education programs that address the strongest influences in children and youth’s lives, namely their family and peers.

⁷ *Alcohol Advertising: The Effectiveness of Current Regulatory Codes in Addressing Community Concerns*, ANPHA Issues Paper December 2012, para.41.

⁸ Ibid.