

# **Analysis of alcohol advertising and sponsorship marketing spend, alcohol consumption, and alcohol-specific harms**

August 2022



**Advertising's  
Think Tank**

## Executive summary

The Scottish Government is concerned that alcohol advertising is driving alcohol consumption and alcohol-specific harms, citing a recent study that suggests that young people are being overexposed to alcohol advertising and marketing<sup>1</sup>. There is also a concern that alcohol brands are leveraging their non-alcohol alternative beverages to circumvent current alcohol advertising regulations.

As a result of these concerns, and in support of its 2018 Alcohol Framework, the Scottish Government is expected to publish a consultation which will “*consult and engage on the appropriateness of a range of potential measures, including mandatory restrictions on alcohol marketing*” (Action 10). This consultation is specifically designed to protect the entire Scottish population from alcohol-specific harms, with a special focus on protecting young people<sup>2</sup>. Justification for new restrictions is being driven by considerations from the WHO’s SAFER initiative, which claims that advertising bans and restrictions are an impactful and cost-effective way to improve public health, protect children, and reduce pressures to drink<sup>3</sup>.

Credos and the Advertising Association have been commissioned by the Scottish Alcohol Industry Partnership (SAIP) to analyse 20 years’ worth of alcohol consumption, advertising spend, and alcohol-specific harms data (deaths, hospitalisations, and underage drinking) to create a holistic, data-driven narrative on the impact of alcohol advertising on consumptions and harms in Scotland. Where relevant, comparisons have also been made to England & Wales.

Detailed within this report is the analysis of:

1. The relationship between alcohol advertising and sponsorship marketing and alcohol consumption
2. The relationship between alcohol advertising and sponsorship marketing and alcohol-specific harms
3. The relationship between non-alcohol alternative beverages, alcohol non-digital advertising and sponsorship marketing spend, and alcohol sales

The analysis detailed in this report finds little evidence to support the claim that banning alcohol advertising and sponsorship marketing would impact the amount of alcohol consumed or the amount of alcohol-specific harms that occur in Scotland. Specifically, we find that:

1. Alcohol advertising spend has outpaced the total units of alcohol sold since 2011. This indicates that there is something more than just advertising driving sales.
2. Alcohol advertising spend appears to have an inverse relationship to each of the alcohol-specific harms investigated. This means that over the past 20 years, even though advertising spend has increased, harms have decreased by comparison.

<sup>1</sup> Alcohol marketing during the 2020 Six Nations Championship. <https://www.shaap.org.uk/downloads/364-alcohol-marketing-2021/viewdocument/364.html>

<sup>2</sup> Alcohol Framework 2018: Preventing Harm. <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2018/11/alcohol-framework-2018-preventing-harm-next-steps-changing-relationship-alcohol/documents/alcohol-framework-2018-preventing-harm-next-steps-changing-relationship-alcohol/alcohol-framework-2018-preventing-harm-next-steps-changing-relationship-alcohol/govscot%3Adocument/00543214.pdf>

<sup>3</sup> SAFER: Enforce bans or comprehensive restrictions on alcohol advertising, sponsorship, and promotion. <https://www.who.int/initiatives/SAFER/alcohol-advertising>

3. We find no evidence to support the claim that low and non-alcohol alternative beverage advertising is driving alcohol sales. These beverages appear, as their name suggests, to be alternatives to alcoholic products and exist within a distinct market.

More information on the background of this project, the research approach, and data sources used can be found in the Appendix.

## Section 1: The relationship between alcohol advertising and sponsorship marketing and consumption

### Alcohol sales 2000-2020

To measure the amount of alcohol being consumed, this report uses alcohol sales data (total units of pure alcohol sold from both on and off-trade) as a proxy.

The main driver behind the decision to use sales data is the inherent unreliability of self-reported alcohol consumption data (studies have shown that alcohol-related social desirability and memory issues may negatively impact the reliability of this data). Additionally, the Scottish Government has been using alcohol sales data to monitor drinking trends for many years and does so at the recommendation of the World Health Organization (WHO). In support of this, Public Health Scotland has “concluded that alcohol sales data offers a robust source of data for monitoring population consumption<sup>4</sup>”.

Whilst the present report uses alcohol sales data, it is worth highlighting that self-reported alcohol consumption data from the Scottish Government’s annual Health Survey shows an ongoing decline in alcohol consumption amongst Scottish adults. For instance, between 2009 and 2019, the average weekly units of alcohol consumed fell from 14.5 units to 12.1 units (well below NHS guidelines and lowest on record)<sup>5</sup>.

Figure 1 below shows that in Scotland, the total number of units of alcohol sold has declined by around 2 million litres (-4.3%) – which equates to 9.4 litres of pure alcohol per adult, or 18 units of alcohol per adult per week<sup>6</sup>.

By contrast, in England & Wales, the total number of units of alcohol sold (in litres) in 2020 has increased by around 17 million litres (+4.3%) compared to 2000.

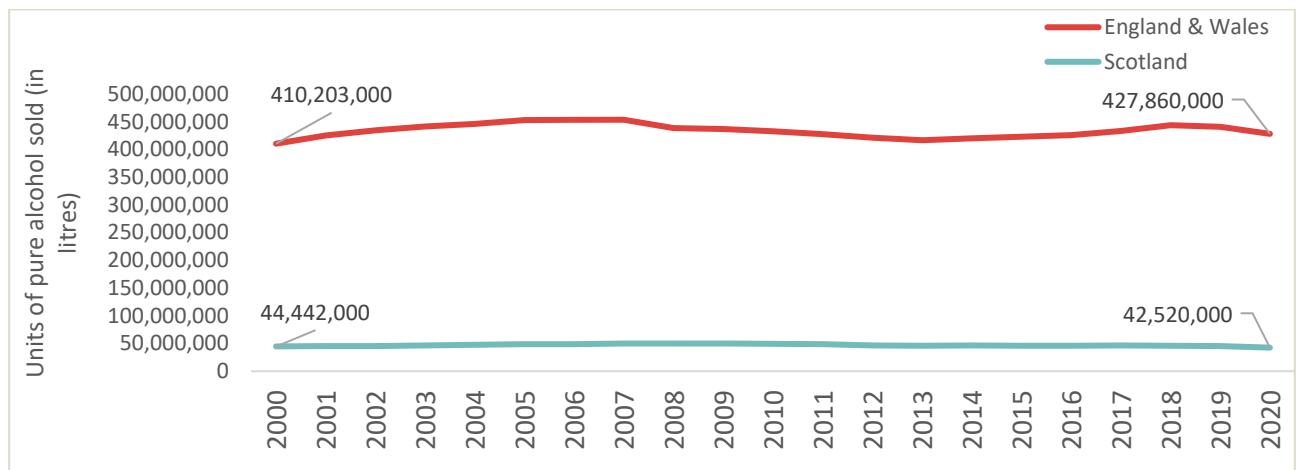


Figure 1. Total number of units of pure alcohol sold (in litres). MESAS 2021.

<sup>4</sup>Using alcohol retail sales data to estimate population alcohol consumption in Scotland: an update of previously published estimate. <http://www.healthscotland.scot/media/3327/using-alcohol-retail-sales-data-to-estimate-population-alcohol-consumption-in-scotland-an-update-of-previously-published-estimates.pdf>

<sup>5</sup> Scottish Health Survey. (<https://www.gov.scot/collections/scottish-health-survey/>)

<sup>6</sup> Latest information on alcohol consumption, price and harms in Scotland published.

<https://publichealthscotland.scot/news/2021/june/latest-information-on-alcohol-consumption-price-and-harms-in-scotland-published/>

Given the disparities in the market sizes and drinking populations of the two nations examined, we analysed the data based on the total number of units of alcohol sold per drinking person (i.e., the reported drinking population), using 2000 as the base year (indexed where 2000=100). Using this, we can clearly see that there has been a back and forth between the two nations in terms of sales. However, the two markets diverged starting in 2017, with Scotland showing a consistent year on year decrease in sales. In fact, from 2010 onwards, Scotland has experienced a general decline in alcohol sales compared to England & Wales.

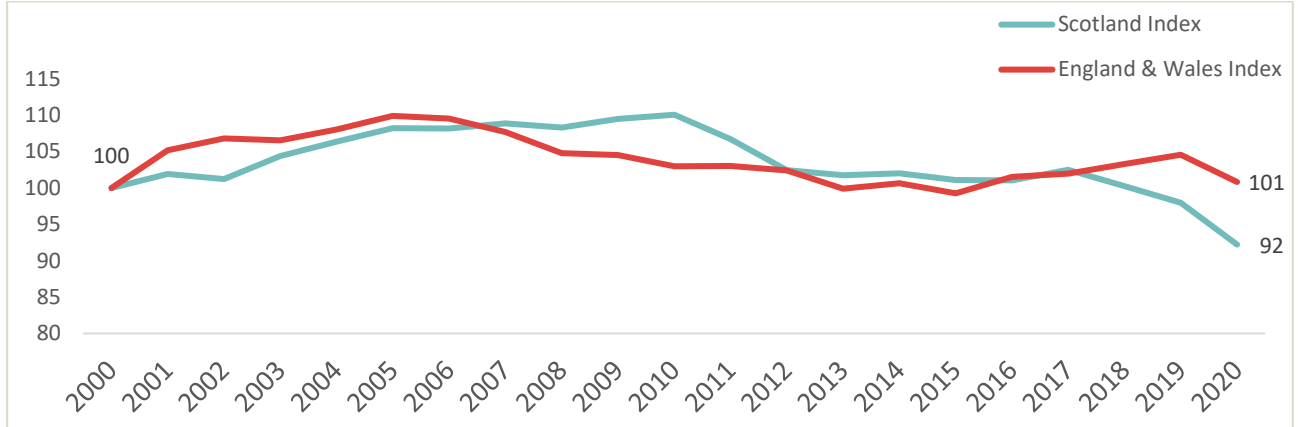


Figure 2. Relative comparison in the total number of units of alcohol sold (in litres) per person in Scotland and England & Wales (2000-2020). Indexed where 2000=100.

Between 2000 – 2009, in terms of the total number of sales, beer has been the most popular alcohol in Scotland. In 2020, due to a rapid decline in beer sales, wines took the top spot, with spirits being the second most sold drink category (Figure 3). This indicates that the public’s tastes towards alcohol is changing, as evident in the general decline in beer sales since 2000 and stable sales of wine and spirits. Additionally, in 2019 there was a significant decline in beer sales which may have been accelerated by on-trade premises (such as pubs and bars) being closed due to the COVID-19 pandemic.

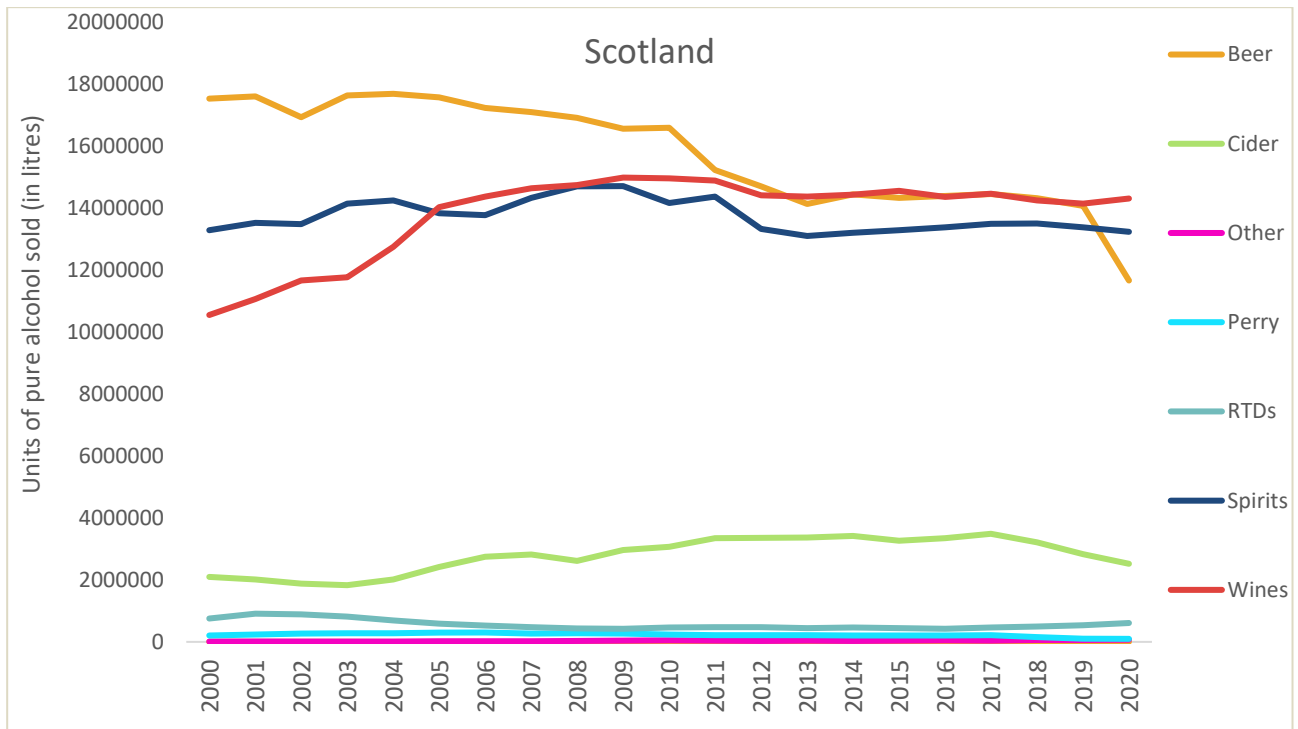


Figure 3. Total number of units of pure alcohol sold (in litres) by drink type in Scotland.



In terms of the comparative growth, sales of “Other” (e.g., cocktail bitters) have seen substantial growth since 2007 (Figure 4).

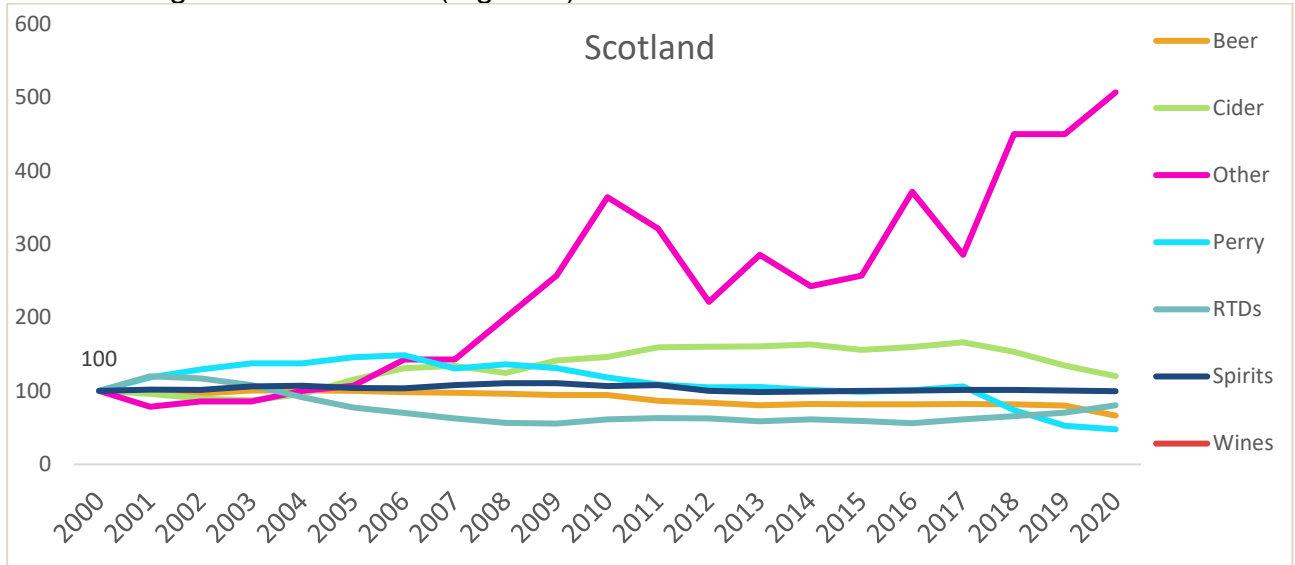


Figure 4. Relative comparison in the total number of units of pure alcohol sold (in litres) by drink type in Scotland (2000-2020). Indexed where 2000=100.

In England & Wales, beer has been the most sold alcohol. This is followed by wine and spirits, which have both seen an increase in sales since 2000 (Figure 5). As with Scotland, the public’s appetite for beer appears to be waning, potentially being replaced by wines and spirits.

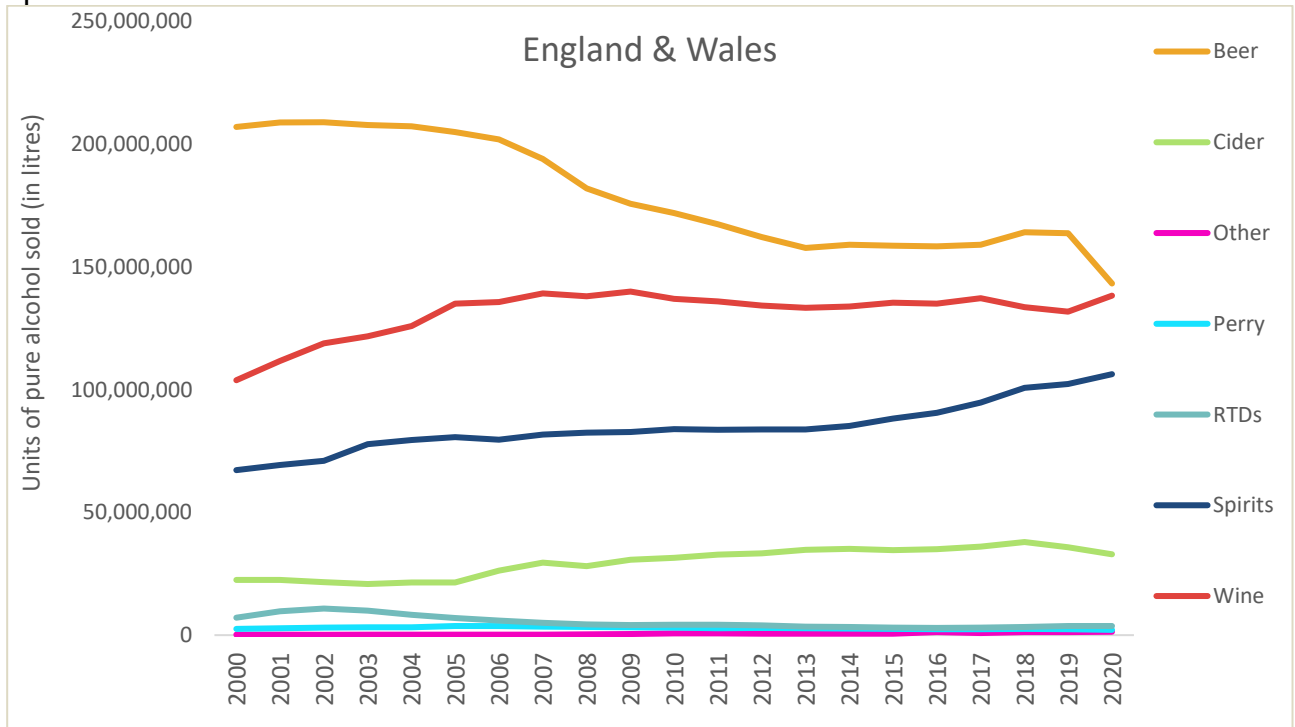


Figure 5. Total units of pure alcohol sold (in litres) by drink type in England & Wales. MESAS 2021.



Like Scotland, sales of “Other” have seen substantial growth since 2007 (Figure 6).

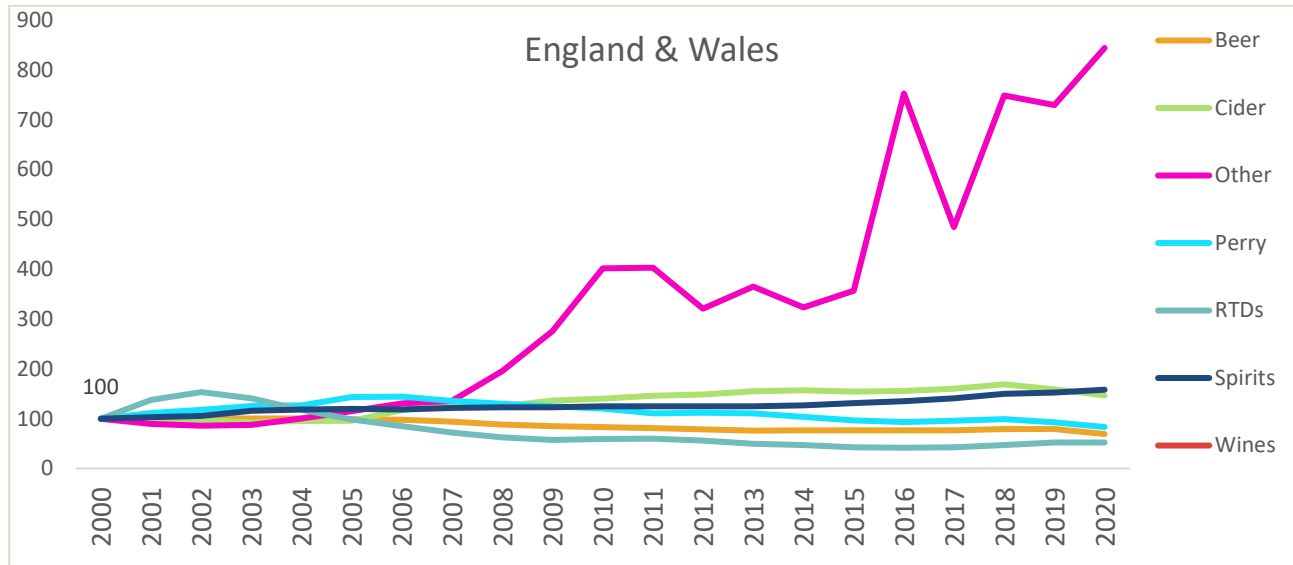


Figure 6. Relative comparison in the total number of units of pure alcohol sold (in litres) by drink type in England & Wales (2000-2020). Indexed where 2000=100.

### Alcohol advertising spend 2000-2020

To measure the amount of advertising that is dedicated to alcohol, this report uses advertising and sponsorship marketing spend data (e.g., the amount of money spent on advertising and marketing campaigns). This data is broken down by media type and nation, with the exception of digital advertising.

This is because Nielsen (the data provider) does not provide data on digital advertising spend by nation, and instead provides it on the UK national level (reflecting the nature of these campaigns). As such, it was necessary to make additional calculations to estimate the proportion of digital advertising spend allocated to each nation.

To make a reasonable estimate on how digital advertising spend is allocated between nations, we determined that smartphone or tablet device usage would be a useful proxy measure and, in the absence of more accurate data, a reasonable approach to apportion digital advertising spend between nations. Although, we believe the figures are reasonable we recognise that there is a high level of uncertainty using this level of estimation.

To generate the estimate, we took the following steps:

1. Obtained device usage data (smartphones and tablets), sourced from Ofcom surveys, and national population data to determine the proportion of the population that uses smartphones and tablets in each nation. The Ofcom survey only goes from 2015 – 2017, hence the need to extrapolate figures for 2018-2020. We did this using a logarithmic function to model the values.
2. We then used data from the Internet Advertising Bureau (IAB<sup>7</sup>) on UK total digital advertising spend data (dating back to 2007) which breaks advertising spend down by device, with the data obtained in (1) to determine the amount of digital advertising spend per nation.

<sup>7</sup> The IAB UK is the industry trade body for digital advertising. <https://www.iabuk.com/about-us>

3. To determine the proportion of digital advertising for alcohol, we based this on the proportions for non-digital advertising spend data. Multiplying (2) with (3) we get an estimate for the proportion of digital advertising spend for alcohol.
4. Using a linear model, we reverse extrapolated the digital alcohol advertising spend, by nation, to extend the estimate back to 2007.

The analysis above was made using the following assumptions:

- The percentage of the population that use tablets are equivalent to the proportion of desktop/tablet users.
- Digital advertising spend is allocated proportionally to the number of device users. We excluded time spent on device for simplicity.
- There will be a degree of overlap between tablet users and smartphone users.
- Does not take into account changes in media pricing.

Using these calculations, we can observe that Scotland and England & Wales have both seen a growth in alcohol advertising and sponsorship marketing spend since 2000 (Figure 7). In total, alcohol amounts to around 1% of all advertising spend in each nation.

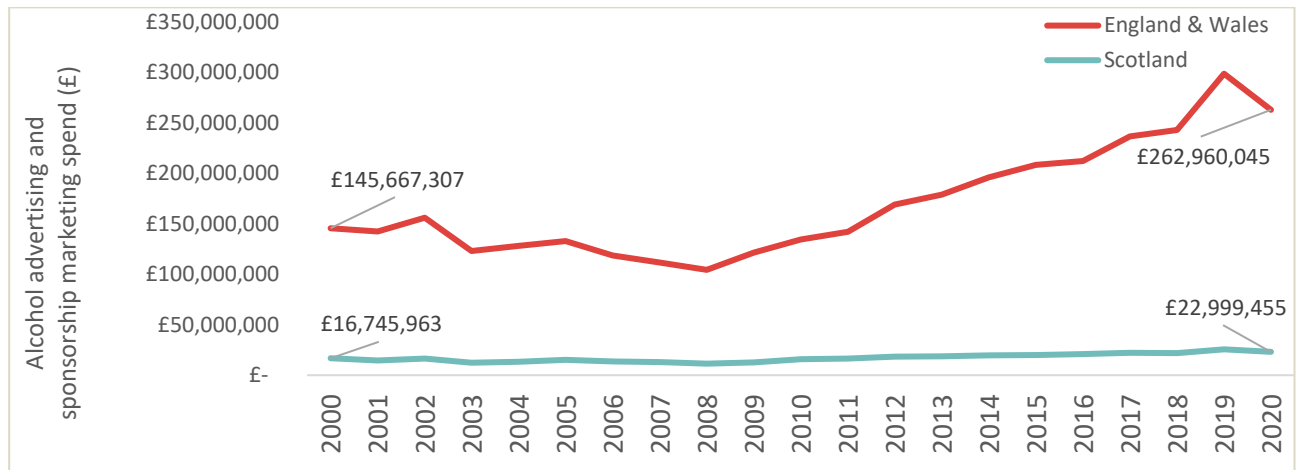


Figure 7. Alcohol advertising and sponsorship marketing spend (£) for alcohol products (2000-2020).

As with the sales data, simply looking at the real value of advertising spend (in £) between the two nations does not tell the full story. As such, we compare the relative growth of the two spends. Since 2000, both markets experienced a similar pattern of growth in advertising spend. From 2012 onwards, spend growth in Scotland was outpaced by England & Wales (Figure 8). Both nations experienced a decline in alcohol advertising spend in 2020 that is likely associated with the COVID-19 pandemic.



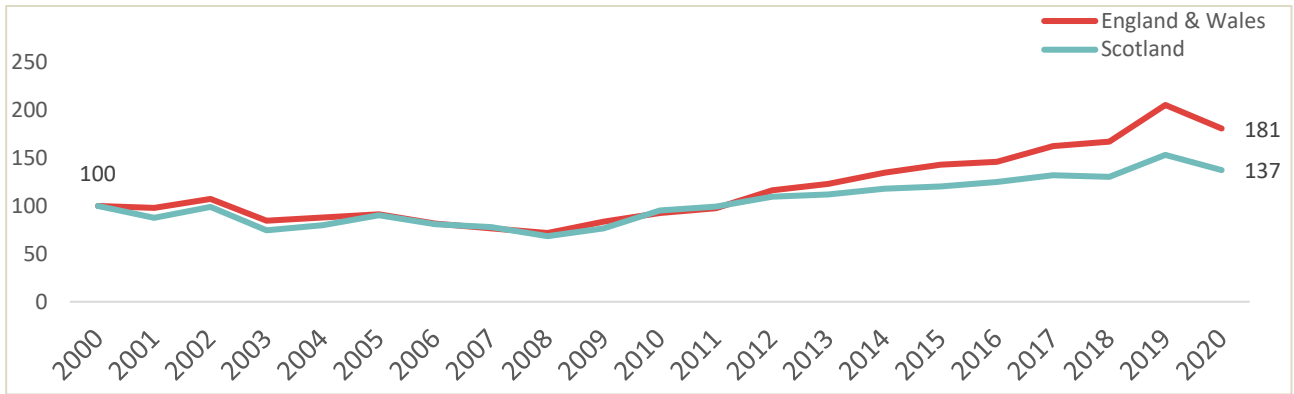


Figure 8. Relative comparison in alcohol advertising and sponsorship marketing spend (£) for alcohol products (2000-2020). Indexed where 2000=100.

Comparing alcohol advertising spend and sales, we find that in Scotland that the total number of units of alcohol sold has stayed relatively stable, whereas advertising spend has increased since 2008 (Figure 9). To support this observation, we find that the two variables are moderately, but negatively correlated<sup>8</sup> (r value = -0.67). This means that as advertising spend increases, sales decrease.

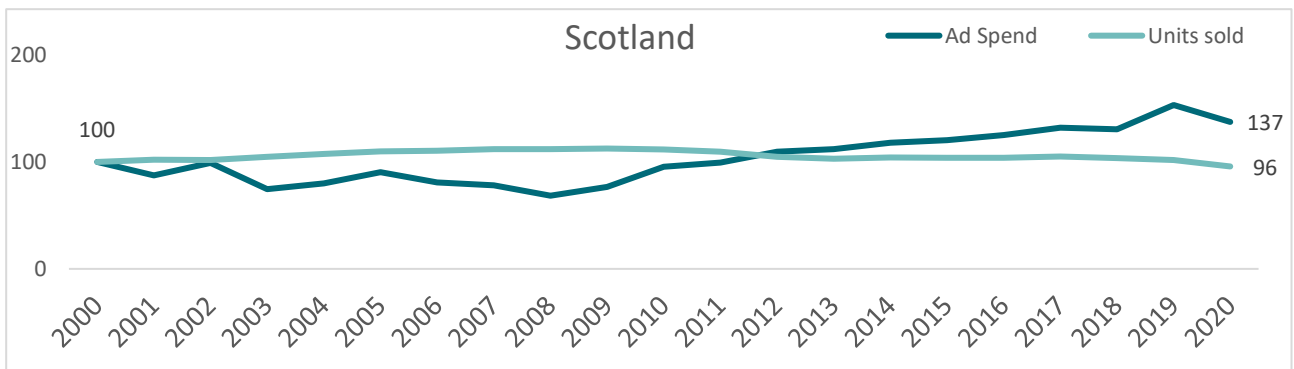


Figure 9. Relative comparison in alcohol advertising and sponsorship marketing spend (£) versus units of alcohol sold (in litres): Scotland (2000-2020). Indexed where 2000=100.

In England & Wales, it is a similar story that sees an increase in advertising spend since 2008 while sales have remained relatively stable (Figure 10). The correlation between the two variables is weaker than in Scotland, but still a negative relationship (r value = -0.25).

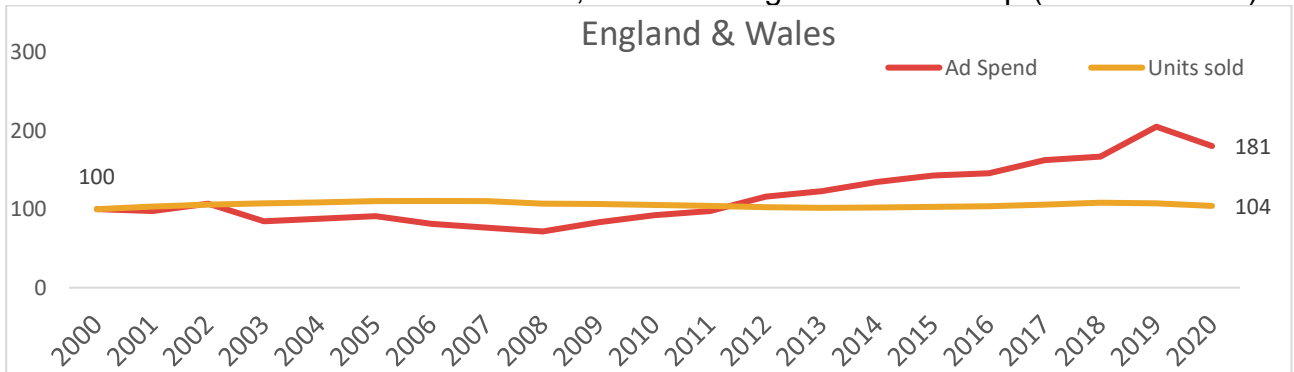


Figure 10. Relative comparison in alcohol advertising and sponsorship marketing spend (£) versus the total number of units of alcohol sold (in litres): England & Wales (2000-2020). Indexed where 2000=100.

<sup>8</sup> For correlations, an r value (correlation coefficient) of 0 to ±0.29 is considered a weak relationship, ±0.3 to ±0.69 is a moderate relationship, and ±0.7 to ±1 is a strong relationship. Positive (+) r values indicate a positive relationship, and negative values (-) indicate a negative relationship.



This shows that the amount of alcohol advertising has no direct relationship on the total number of units of alcohol that the public subsequently purchases. Instead, advertising helps to differentiate specific products in a crowded market, with brands competing to increase their market share over their competitors – for instance, by promoting new products or brand attributes<sup>9</sup>. In other words, the more competitive the market, the fewer customers there are, which means brands must invest more in advertising and marketing to reach them.

### Implications

People buy alcohol for a number of reasons, though based on our analysis, alcohol advertising does not appear to be a key factor in driving new consumption in an already mature market. Instead, as mentioned above, advertising in a mature market is mainly working to drive competition and capturing market share.

Based on our analysis, we cannot find evidence of a discernible relationship between advertising and sponsorship marketing spend and the total number of units of alcohol sold. This is because:

- In Scotland, alcohol advertising spend has outpaced the total number of units of alcohol sold since 2011.
- This observation is further confirmed by the fact that both nations demonstrate a negative correlation between the variables.

This evidence suggests that while advertising may positively influence purchasing decisions (e.g., promoting brands or deals), it does not appear to drive the nation's consumption of alcohol directly, and neither does it appear to be growing the total alcohol market (e.g., creating new desires for drinking). This can be seen in the total number of units of alcohol sold in Scotland staying relatively stable over the past 20 years even when brands have spent more on advertising. This points to other factors outside the scope of this report that contribute to drinking.

One of these factors may be the increasing focus on premiumisation by consumers, and the alcohol industry subsequently prioritising value over volume. Trends show that some consumers are choosing to drink less but are gravitating towards higher quality products. This increase in value is driving the alcohol industry to invest more in advertising and marketing that targets specific consumer groups who are more receptive to premium products.

In the next section we analyse the relationship between alcohol advertising spend and alcohol-specific harms. Specifically, deaths, hospitalisations, and underage drinking.

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<sup>9</sup> Does advertising grow markets? <https://adassoc.org.uk/credos/does-advertising-grow-markets/>

## Section 2: The relationship between alcohol advertising and alcohol-specific harms

There is a concern that any Government ban on alcohol advertising will feature emotive supporting arguments suggesting that alcohol advertising is fuelling related harms, especially amongst younger people and those in disadvantaged communities. The WHO specifically cites that *“Reducing the impact of marketing – particularly on young people, adolescents, and children – is an important consideration in preventing and reducing the harmful use of alcohol”*<sup>10</sup>.

In this section we analyse the data on advertising spend and the sale of alcoholic beverages to observe what correlations exist with alcohol-specific harms.

### 1. Alcohol-specific deaths<sup>11</sup>

Globally, the WHO reports that more than 3 million people die every year from alcohol-specific causes, with 13.5% of all deaths amongst those age 20-29 coming from alcohol<sup>12</sup>.

For this report we use the Office for National Statistics’ definition of alcohol-specific deaths, which *“includes only those cases that are a direct consequence of alcohol misuse”*... *‘does not include diseases that are partially attributable to alcohol, such as certain cancers, where the evidence shows that only a proportion of the deaths are caused by alcohol. The definition for alcohol-specific deaths is therefore a more conservative measure than the total harm to health caused by alcohol’*<sup>13</sup>.

All alcohol-specific deaths data is a measure of deaths per 100,000 people, with population assumptions made using European Age-sex Standardisation Rate (EASR), which helps to prevent misleading comparisons between demographics.

Additionally, it is worth noting that the data below stops at 2019 and does not include the COVID-19 pandemic which many associate with increased binge drinking and other unsafe habits. For example, in Scotland, the number of registered alcohol-specific deaths increased by 17% in 2020 versus 2019<sup>14</sup>, and 29% of adults reported drinking more during the first lockdown (late March to June) than they did previously<sup>15</sup>.

Looking at the data, we can see that rates of alcohol-specific deaths (per 100,000 people) are higher in Scotland than in England & Wales – with 2002 representing the period where

<sup>10</sup> SAFER: Enforce bans or comprehensive restrictions on alcohol advertising, sponsorship, and promotion. <https://www.who.int/initiatives/SAFER/alcohol-advertising>

<sup>11</sup> Data note: alcohol-specific deaths data only exists between 2001-2019. All data is a measure of alcohol-specific deaths per 100,000 people, with population assumptions made using European Age-sex Standardisation Rate (EASR), which helps to prevent misleading comparisons between demographics.

<sup>12</sup> SAFER: Enforce bans or comprehensive restrictions on alcohol advertising, sponsorship, and promotion. <https://www.who.int/initiatives/SAFER/alcohol-advertising>

<sup>13</sup> Monitoring and Evaluating Scotland’s Alcohol Strategy (MESAS): Monitoring report 2021. <https://www.publichealthscotland.scot/media/8090/mesas-monitoring-report-2021.pdf>

<sup>14</sup> Alcohol-specific deaths 2020. <https://www.nrscotland.gov.uk/files/statistics/alcohol-deaths/2020/alcohol-specific-deaths-20-report.pdf>

<sup>15</sup> Drinkaware Monitor 2020: Focus on Scotland. <https://www.drinkaware.co.uk/media/spqflrhc/da-monitor-2020-focus-on-scotland.pdf?mode=pad&rnd=132526763205830000#:~:text=Thirty%2Dthree%20percent%20of%20adults,determined%20by%20AUDIT%2DC%20score3>.

the difference between the two nations was at its highest point ( $\Delta 39.1$  deaths per 100,000 people). Since 2006, deaths have fallen in Scotland, thus narrowing this gap considerably (Figure 11).

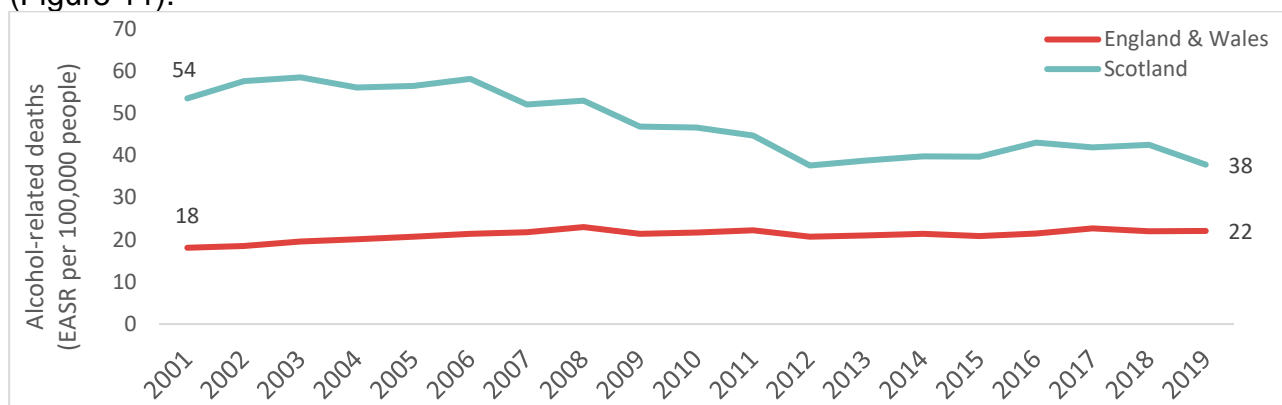


Figure 11. Alcohol-specific deaths (EASR per 100,000 people) by nation (2001-2019).

Indexing the two nations, we can see this trend more clearly. Whereas Figure 11 (above) shows that alcohol-specific deaths have always been higher in Scotland (a statistic often cited by the Government regardless of its downward trend), Figure 12 (below) shows that since 2002 the relative number of deaths (per 100,000 people) have declined in Scotland compared to England & Wales.

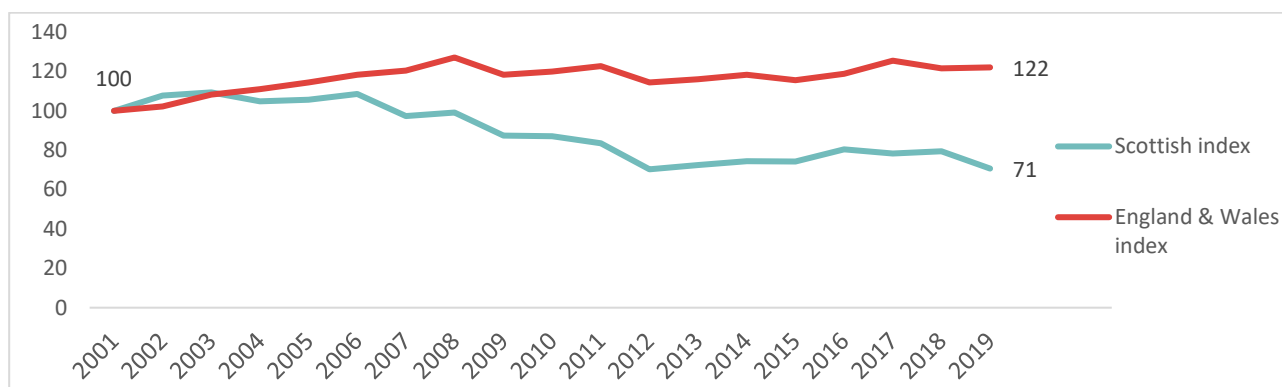


Figure 12. Relative comparison in alcohol-specific deaths (EASR per 100,000 people) by nation (2001-2019). Indexed where 2001=100.

This apparent change in drinking culture may be the result of numerous factors that exist outside the scope of this report but may include increased alcohol education and responsible drinking programmes, consumers purchasing fewer but more premium products (premiumisation), or even a switch to non-alcoholic alternatives in Scotland (discussed more in Section 3).

When compared to the other metrics discussed in this report, Figure 13 shows that the amount of both alcohol advertising spend and alcohol-specific deaths in Scotland exhibit a strong negative relationship ( $r$  value =  $-0.78$ ), with the scores diverging in 2010. This relationship is fuelled by alcohol-specific deaths trending down, while advertising spend has increased dramatically.

In addition, this (Figure 13) also clearly shows that there is a moderately strong, negative relationship between the total number of units of alcohol sold and the number of alcohol-

specific deaths ( $r$  value = -0.66). Again, this is being driven by alcohol-specific deaths trending down in Scotland, while alcohol sales have remained relatively stable. As discussed previously, this indicates factors such as alcohol education and responsible drinking programmes.

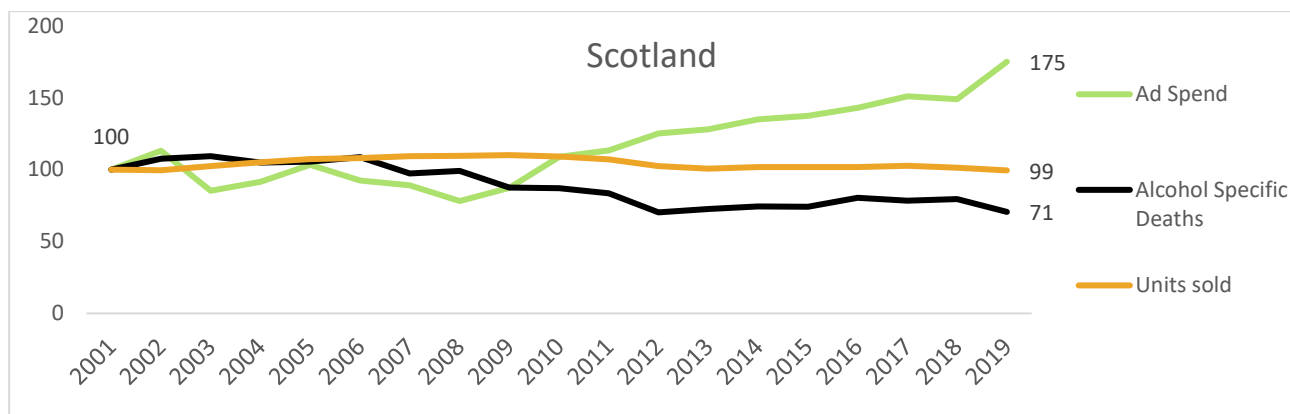


Figure 13. Relative comparison in alcohol-specific deaths (EASR per 100,000 people) versus alcohol advertising and sponsorship marketing spend (£), and the total number of units of alcohol sold (in litres) in Scotland (2001-2019). Indexed where 2001=100.

In England & Wales, the relationship between alcohol-specific deaths and advertising spend is weak ( $r$  value = 0.26), showing little relationship between the two variables (Figure 14). For alcohol sales versus alcohol-specific deaths, we also see a weak inverse correlation ( $r$  value) of -0.37.

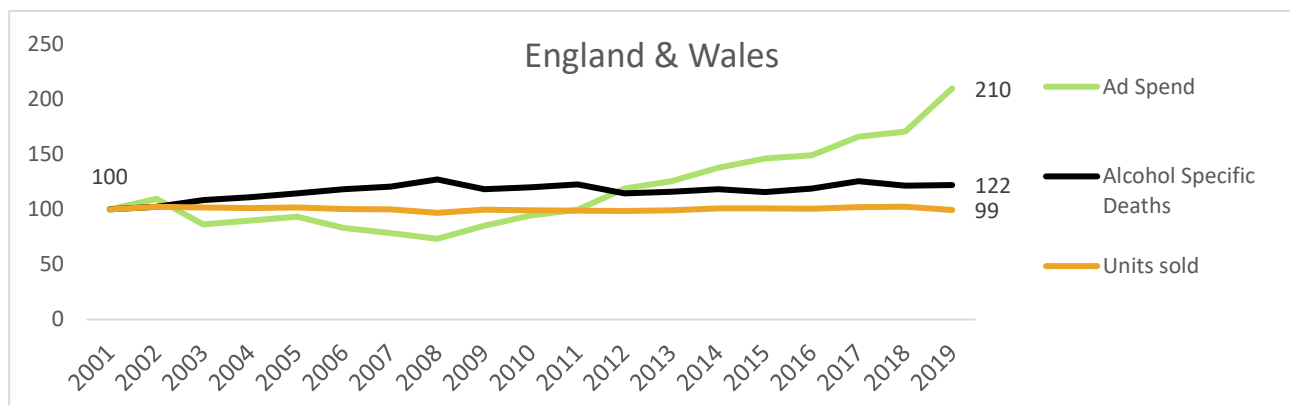


Figure 14. Alcohol-specific deaths (EASR per 100,000 people), alcohol advertising and sponsorship marketing spend (£), and the total number of units of alcohol sold (in litres) in England & Wales (2001-2019).

## 2. Alcohol-specific hospitalisations<sup>16</sup>

Another key alcohol-specific harm is the number of hospitalisations caused by alcohol. In a 2019 Guardian article, the NHS claimed that around £3.5bn is spent annually on A&E and mental health units for alcohol-specific conditions<sup>17</sup>. The WHO reports that 5% of the global

<sup>16</sup> Data note: Data on hospitalisations covers general acute hospital activity and psychiatric hospital admissions. Comparable data was not available for England & Wales. All data is a measure of alcohol-specific deaths per 100,000 people, with population assumptions made using European Age-sex Standardisation Rate (EASR), which helps to prevent misleading comparisons between demographics.

<sup>17</sup> New report reveals staggering cost to NHS of alcohol abuse.

<https://www.theguardian.com/society/2019/jul/04/staggering-cost-nhs-alcohol-abuse-report>

annual burden of disease and injury (a measure of the impact of living with an illness) is caused by alcohol<sup>18</sup>.

The data in this section is from Public Health Scotland and only includes patients who have a Scottish postal code. In addition, hospitalisation data only includes cases where an alcohol-specific diagnosis was made during the hospital stay, and any instances where admission to the hospital was not necessary is not included. Like the definition used in alcohol-specific deaths, this definition of hospitalisations represents a more conservative estimate on the total impact of alcohol on public health.

As with the alcohol-specific deaths data, all hospitalisation data is a measure per 100,000 people, with population assumptions made using European Age-sex Standardisation Rate (EASR), which helps to prevent misleading comparisons between demographics.

The overall rate of alcohol-specific hospital admissions (measured in the number of stays which is defined as “*distinct alcohol-specific hospital admissions which occur within a year*”) in Scotland has been declining between 2007-2020 (Figure 15). Almost half of all patients were new patients in 2020 (new patient status refers to someone not having a previous alcohol-specific admission in the past 10 years).

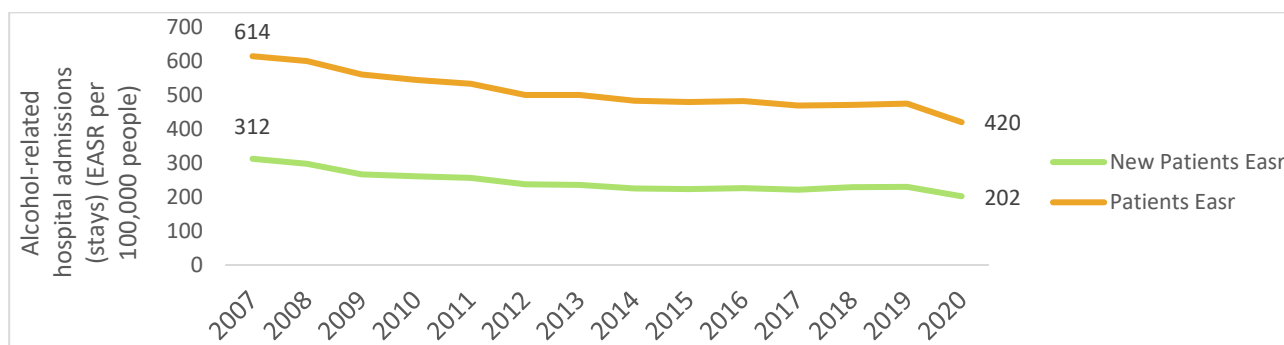


Figure 15. Alcohol-specific hospital admissions (stays) (EASR per 100,000 people) by patient type in Scotland (2007/08-2020/21).

Since 2007, the total units of alcohol sold and the number of new hospital stays in Scotland have been correlated ( $r$  value of 0.87), and both have decreased over this time. Furthermore, Figure 16 shows that the number of new hospital stays has decreased at a faster rate than the total number of units of alcohol sold.

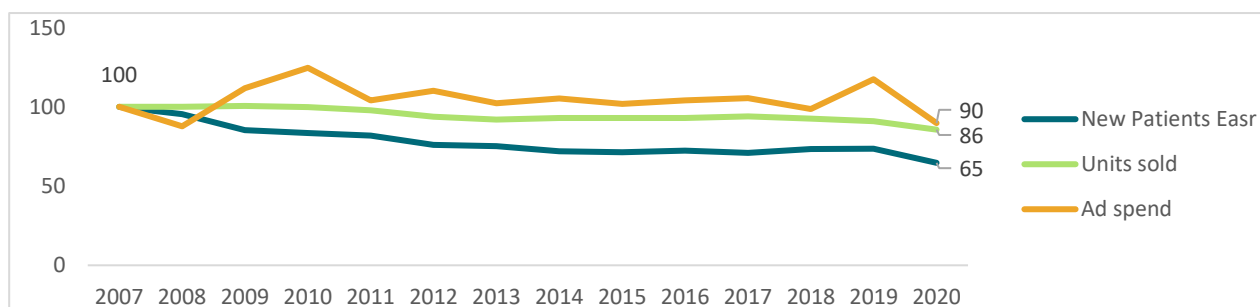


Figure 16. Relative comparison in new alcohol-specific hospital admissions (stays) (EASR per 100,000 people), versus the total number of units of alcohol sold in Scotland (2007-2020).

<sup>18</sup> SAFER: Enforce bans or comprehensive restrictions on alcohol advertising, sponsorship, and promotion. <https://www.who.int/initiatives/SAFER/alcohol-advertising>

Interestingly, the correlation between new patients stays and the amount of alcohol advertising spend in Scotland is inversely correlated ( $r = -0.05$ ). This could be the result of several factors – such as better healthcare, improvements in information and education about the risks of harmful alcohol consumption. As previously discussed in Section 1, this ties into the idea that alcohol advertising does not directly impact the number of sales, but rather helps consumers find brands and products.

### 3. Underage drinking<sup>19</sup>

Finally, in terms of alcohol-specific harms, this report looks to understand the relationship between alcohol advertising, the total units of alcohol sold, and rates of underage drinking.

It has long been hypothesised that children are more likely to drink if they see an advert for alcohol (especially those in disadvantaged communities). Research into the impact of advertising on children finds that younger children (aged 10-12) are often unable to distinguish between what is and what is not an advertisement<sup>20</sup>. This means that seeing a character drink in a movie or show could be misinterpreted as advertising.

Even with targeted advertising and other advances in ad-tech, there is still a concern that alcohol advertising is reaching underage individuals. The WHO states that it is difficult for advertisers to target young adults without exposing “*large numbers*” of underage children to alcohol advertising<sup>21</sup>. To support this claim, the Advertising Standards Authority (ASA) found that advertising targeting 18–24-year-olds would in some instances still reach falsely registered or inferred under 18-year-olds, thus exposing underage children to alcohol advertisements. Specifically, on Facebook, 49% of the alcohol adverts monitored were targeting those with a stated minimum age of 18 years old, which could falsely be seen by underage children<sup>22</sup>.

Based on this evidence, protecting underage children from alcohol advertising will likely be a key point in any subsequent ban on alcohol advertising.

Data in this section only accounts for children aged 13 and 15 and measures the percentage who report having had a drink versus those who have not. This data was collected using a self-report survey that was administered in schools. Given this and the sensitive nature of the topic, there are concerns around the accuracy and honesty of responses, which has been noted by the Scottish Government<sup>23</sup>.

<sup>19</sup> Data note: Self-reported data on the percentage of underage drinking is only recorded in Scotland from 2002 to 2015. In addition, it only looks at children aged 13 and 15 years old. Metrics include “have drank” and “haven’t drank”. Comparable data for England & Wales could not be found.

<sup>20</sup> Teens and screens: Exploring the relationship between 10 to 16 year-olds and advertising.  
<https://mediasmart.uk.com/advertising/teens-and-screens-exploring-the-relationship-between-10-to-16-year-olds-and-advertising/>

<sup>21</sup> SAFER: Enforce bans or comprehensive restrictions on alcohol advertising, sponsorship, and promotion.  
<https://www.who.int/initiatives/SAFER/alcohol-advertising>

<sup>22</sup> Alcohol Ads in Social Media: Regulatory insights from platform-submitted data.  
<https://www.asa.org.uk/static/4b09a9b3-0509-4f03-80be1d06a6b235e5/Alcohol-Ads-in-Social-Media-Report.pdf>

<sup>23</sup> Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS): technical report 2018: Limitations of the data. <https://www.gov.scot/publications/scottish-schools-adolescent-lifestyle-substance-use-survey-salsus-technical-report-2018/pages/9/>

As can be seen in Figure 17, the average percentage of those who report having consumed alcohol, across both ages, has generally been declining since 2002, though rates increase slightly for both age groups in 2018. This is a positive trend (2018 aside), given that, on average, almost 8 in 10 young people surveyed in 2002 reported drinking previously.

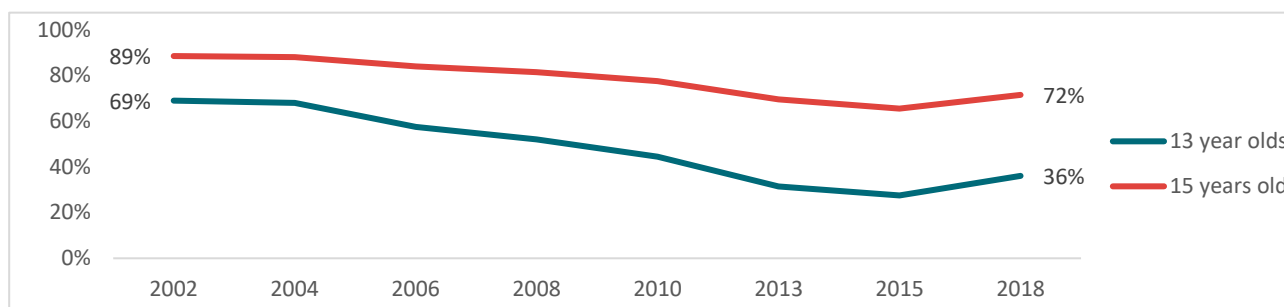


Figure 17. Average percent of underage drinkers versus those who have never drunk, by age group in Scotland (2002-2018).

Figure 18 below shows that since 2008, the average percentage of underage drinkers (13- and 15-year-olds) and alcohol advertising spend have been moving in opposite directions of each other ( $r$  value = -0.71). Again, this shows that since 2008, the more that is spent on alcohol advertising, the fewer young people report drinking.

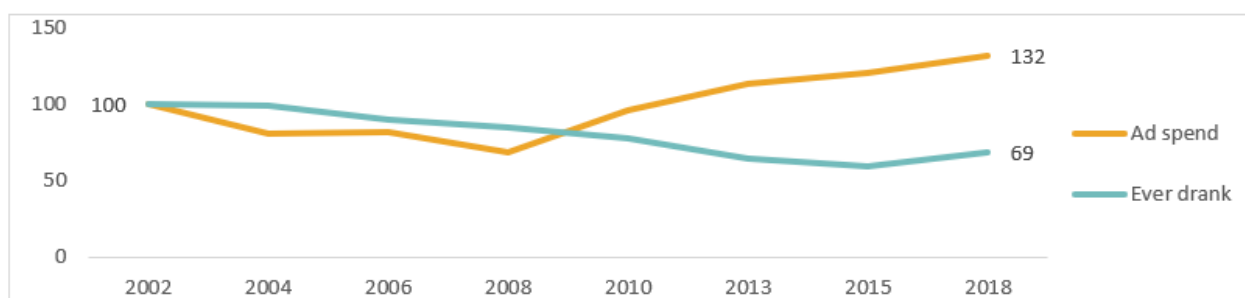


Figure 18. Relative comparison in the average percent of underage drinkers (ever drank), versus total alcohol advertising and sponsorship marketing spend in Scotland (2002-2018). Indexed where 2002=100

One of the reasons for this may be advances in digital advertising technology. A recent study by the World Federation of Advertisers (WFA) found that children were typically presented with one alcohol advert for every 420 websites visited. This equates to having to spend around 18 hours and 41 minutes online before ever seeing a single alcohol advert. By contrast, 0.8% of all advertisements adults saw were for alcohol<sup>24</sup>.

Furthermore, the ASA found that children are exposed to fewer alcohol advertisements on television, with children being exposed to an average of 2.8 alcohol adverts per week in 2008, and just 0.9 per week in 2019 (-68%). In 2019, this equates to 0.8% of all television adverts seen by children being for alcoholic products<sup>25</sup>.

<sup>24</sup> Alcohol ads run dry to comprise less than 1% of online spots.

[https://www.thedrum.com/news/2022/03/30/alcohol-ads-run-dry-comprise-less-1-online-spots?utm\\_campaign=Newsletter\\_Daily\\_EuropePM&utm\\_source=pardot&utm\\_medium=email](https://www.thedrum.com/news/2022/03/30/alcohol-ads-run-dry-comprise-less-1-online-spots?utm_campaign=Newsletter_Daily_EuropePM&utm_source=pardot&utm_medium=email)

<sup>25</sup> Alcohol Ads in Social Media: Regulatory insights from platform-submitted data.

<https://www.asa.org.uk/static/4b09a9b3-0509-4f03-80be1d06a6b235e5/Alcohol-Ads-in-Social-Media-Report.pdf>



Additionally, when looking at how underage drinking compares to the total number of units of alcohol sold between 2002-2018, alcohol sales have stayed relatively stable, while the average percentage of self-reported underage drinking has declined (Figure 19). Unsurprisingly, the correlation between the two is weak ( $r$  value = 0.14). This makes sense given that it is illegal to sell alcohol to the underaged and they are subsequently reliant on other means to procure it.

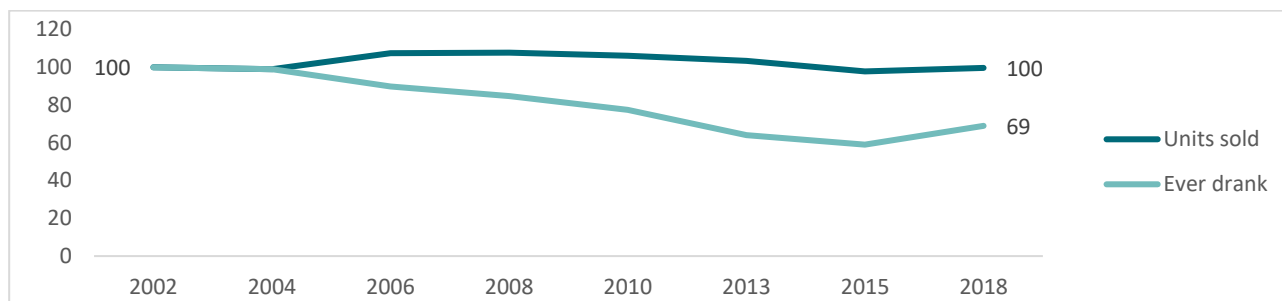


Figure 19. Relative comparison in the average percent of underage drinkers (ever drank), versus the total number of units of alcohol sold in Scotland (2002-2018): Scotland (2002-2018). Indexed where 2002=100.

## Implications

Alcohol-related harms are often presented as the emotional rationale for total population interventions, such as banning alcohol advertising. It is likely that any ban on alcohol advertising will feature at least one of the above-mentioned harms. One could make the conjecture that more alcohol advertising spend would lead to more alcohol-specific harms but, based on our analysis, this is clearly nonsensical.

Our analysis above shows that across the three alcohol-specific harms investigated (deaths, new patient hospitalisation, and underage drinking), there is a strong negative relationship with the amount of advertising and sponsorship marketing spend. This means that as spend has gone up, harms have gone down.

A more plausible explanation is that advertising spend is not correlated to alcohol related harms in any way and instead advertising spend has increased because of the increased competition amongst manufacturers selling to a smaller market (for example premiumisation, where brands are focusing their marketing budgets on promoting premium products to more affluent consumers, not those underage or in the demographics most commonly associated with alcohol-specific harms), as well as the increasing cost of airtime and other inventory. Hence, we conclude that there is no clear evidence that banning alcohol advertising and sponsorship marketing would have any discernible effect on the amount of alcohol related harms.

Finally, this analysis does not consider advertising that promotes alcohol safety and related services, or how brands target consumers with advertising. More research is needed to account for this, although it can be assumed that safety related services are having a positive impact on the public given the declines in alcohol-specific harms paired with stable alcohol sales in Scotland. There are likely many distinct reasons for this, but one plausible explanation may be better public knowledge of health and safety resources.

In the next section we examine whether non-alcohol alternative beverage advertising spend is being used to circumvent current alcohol regulations to promote their alcoholic products.

### Section 3: The relationship between non-alcohol alternative beverages, non-digital alcohol advertising and sponsorship marketing spend, and alcohol sales

The Scottish Government is concerned that brands may be circumventing current alcohol advertising regulations by promoting their non-alcohol alternative beverage as opposed to their more traditional alcoholic brands.

This concern is likely fuelled by reports that the non-alcoholic alternative beverage market is growing rapidly, now including more drink types and brands. According to Yahoo Finance, web searches for non-alcoholic alternative beverages increased by 47% globally between 2020-2021, with searches for non-alcoholic wines increasing by 333%. Additionally, it is estimated that the global market for these beverages will grow by a compound rate of 8% over the next six years, reaching \$1.7 trillion in 2028<sup>26</sup>. This explosion is likely fuelled by consumers wanting to reduce their alcohol consumption, with Alcohol Change reporting that, in 2017, 20% of people in the UK reported not drinking at all, with consumption falling by 16% since 2004<sup>27</sup>.

The following analysis looks at the non-alcoholic alternative beverage market, though the alcohol advertising spend data below does not account for digital advertising spend. This is because nation-specific digital spend data is not available and not enough information is known to make the necessary calculations (as described in Section 1). To calculate this, more information is needed to understand the proportion of advertising spend on non-alcohol products compared with spend on alcoholic products by nation. As such, the analysis below only includes cinema, outdoor, press, radio, and television advertising.

The figure below shows that the non-alcoholic alternative beverage market is relatively small in terms of non-digital advertising and sponsorship marketing spend, with spend peaking in 2019 (Figure 20).

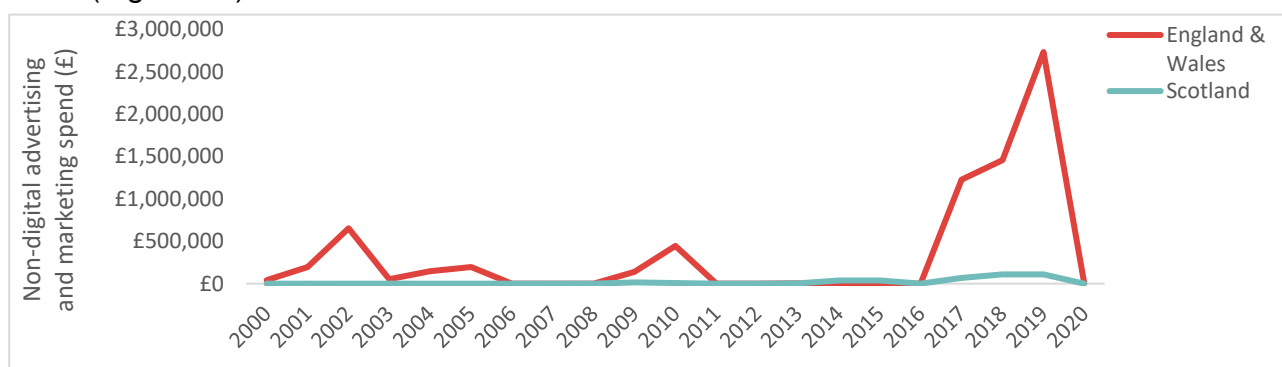


Figure 20. Non-digital advertising and marketing spend (£) for non-alcohol alternative beverages in Scotland and England & Wales (2000-2020).

<sup>26</sup> Why the non-alcoholic drinks market is finally taking off. <https://uk.news.yahoo.com/non-alcoholic-drink-sober-october-200333960.html#:~:text=In%20May%2C%20marketing%20research%20company,annual%20growth%20rate%20of%208.19%25>.

<sup>27</sup> Alcohol Statistics. <https://alcoholchange.org.uk/alcohol-facts/fact-sheets/alcohol-statistics#:~:text=In%20England%2C%20there%20are%20an,across%20all%20ages%20%5B1%5D>.

Based on this, we find that the relationship between the non-alcoholic alternative beverage market and the sale of alcohol beverages in Scotland to be weak ( $r$  value = -0.22). A similar story is evident in England & Wales, where the relationship between the two is also weak ( $r$  value = 0.23).

### **Implications**

We find no evidence of a correlation between the non-alcoholic alternative beverage market and the sale of alcohol beverages. In other words, non-alcohol non-digital advertising spend does not appear to be driving sales of alcohol beverages. This is unsurprising given that these non-alcoholic beverages are often marketed as an alternative to alcohol, and therefore should substitute for some alcohol sales.

## Conclusion

In this report, Credos analyses 20 years' worth of data to investigate the relationship between alcohol advertising and the subsequent sale and misuse of alcohol in Scotland. This analysis was done for the Scottish Alcohol Industry Partnership (SAIP) in preparation of a potential Government ban on alcohol advertising and sponsorship marketing, which will likely be implemented on grounds of public health and safety (as described in the WHO's SAFER initiative).

Guiding this analysis were three research objectives. The sections below examine each in turn, summarising the analysis stated previously in the report.

- **Objective 1:** Conduct quantitative analysis to understand the relationship between alcohol advertising and consumption from 2000-2020.
- **Objective 2:** Analyse alcohol-specific harms data (including deaths, hospitalisations, and underage drinking) to understand the relationship between alcohol advertising, consumption, and harms from 2000-2020.
- **Objective 3:** Conduct quantitative analysis to understand the relationship between non-alcohol alternative beverage advertising and alcohol consumption from 2000-2020.

In summary, we find little evidence that there is a strong relationship with alcohol advertising spend and overall consumption trends (Objective 1). Furthermore, we see that alcohol advertising spend trends are inversely correlated to alcohol-specific harms (Objective 2). Nor do we see any evidence that advertising spend for non-alcoholic alternative beverages is leading to an increase in alcohol consumption (Objective 3).

In our opinion, these findings weaken the claim that a ban on alcohol advertising and sponsorship marketing will have a positive impact on the drinking culture of Scotland or on levels of alcohol harms or underage alcohol consumption.

### **Objective 1: Understanding the relationship between alcohol advertising and sponsorship marketing spend and alcohol sales**

Our primary research objective was to determine if there is conclusive evidence that alcohol advertising spend is correlated with alcohol consumption (measured by sales data). In response to this objective, we find that there is no correlation between advertising spend and alcohol consumption (as measured by alcohol sales).

To support this conclusion, we were able to find that alcohol sales have declined in Scotland, since 2000, regardless of the amount of advertising spend during that period. This is a key finding because it shows that advertising (and likely other factors not included in this analysis) has little effect on the size of the total alcohol market (e.g., creating new demand to consume alcohol), and rather works to grow a brand's market share within the crowded alcohol market. This can be seen in Figure 9 and Figure 10 in Section 1, specifically between 2012-2020, which shows that increasing advertising spend did not grow the alcohol market. This trend (of advertising being used to increase brand share as opposed to growing a market) is in line with previous reporting by the Advertising Association.

As such, this result shows that there are likely better ways to encourage behavioural change than banning all alcohol advertising (e.g., alcohol safety programmes).

### **Objective 2: Understanding the relationship between alcohol advertising and alcohol-specific harms**

Our second research objective was to understand the relationship between alcohol advertising, consumption, and alcohol-specific harms (deaths, hospitalisations, and underage drinking).

In response to this objective, we found that there appears to be no relationship between the amount of alcohol advertised and the number of alcohol-specific deaths, hospitalisations, or underage drinking. In fact, there is a negative relationship between them that shows that alcohol-specific harms are independent of the amount of alcohol advertising that the public is exposed to.

The drivers of the reduction in alcohol-specific harms exist outside the scope of this report. As discussed in Section 3, more research is needed to identify what the factors are, and the impact of safe drinking initiatives (e.g., Drinkaware's Drink Free Days Campaign<sup>28</sup>) and better digital advertising targeting strategies.

### **Objective 3: Understanding the relationship between non-alcohol alternative beverages, alcohol non-digital alcohol advertising and sponsorship marketing spend, and alcohol sales**

In response to our final objective (to understand the relationship between non-alcohol alternative beverage advertising and alcohol consumption), we found little evidence that low and non-alcoholic beverages advertising is being used to drive sales of alcoholic beverages.

In fact, it appears that the non-alcohol alternative beverage market is a distinct market and may reflect a growing trend amongst consumers not wanting to drink alcohol or minimising their alcohol intake. Though this is an expanding market, there is no evidence to support the claim that non-alcoholic alternative beverage advertising is being used to drive sales of alcoholic beverages. In fact, it is likely that these alternative beverages are substituting alcohol beverages, for example during "Dry January".

Though these advertainments may not be growing the total alcohol market, it is impossible to say, with the provided data, that advertising a non-alcoholic alternative is not positively impacting the brand share for that brand. More data is needed to properly assess this claim.

Additionally, as discussed, this analysis could not account for nation-specific digital advertising spend. More data is needed to cement this conclusion.

Finally, the following section lays out some of the limitations of this analysis.

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<sup>28</sup> Drink Free Days Campaign. <https://www.drinkaware.co.uk/about-us/what-we-do/our-campaigns/drink-free-days-campaign>

**Limitations of the analysis**

The data analysed lacks sufficient granularity to determine what proportion of the advertising and sponsorship marketing spend was allocated to brand building only.

Although we analysed data on the total number of units of alcohol sold, which is the standard measure used by Public Health Scotland, we do not know if the amount of alcohol by volume of drinks has been lowered. In addition, we were not able to determine the relationship between sales and consumption. To address both limitations, it might require further time-based analysis.

It is also worth noting that this analysis only looks at the entire alcohol market was unable to break this down by individual alcohol drink type. This is because no drink-specific advertising spend data currently exists and determining the digital advertising spend per alcohol drink-type cannot be accurately calculated.

## Appendix

### 1. Background

The Scottish Government is concerned that alcohol advertising and marketing is driving consumption, especially amongst young people. To support this claim, the Government has cited a recent study that suggests that young people are currently being overexposed to alcohol advertising and sponsorship marketing<sup>29</sup>.

There is also a belief that alcohol brands are leveraging their non-alcohol alternative beverages to circumvent current alcohol advertising regulations. This has subsequently led to questions about how non-alcohol alternative beverage advertising may be influencing alcohol consumption.

As a result of these concerns, the Scottish Government is expected to publish a consultation during 2022 which may propose new advertising restrictions such as a TV pre-9 pm ban on alcohol advertising and new restrictions on outdoor and cinema advertising on grounds of public health. The Advertising Association (AA) believes that advertising bans conflict with both commercial freedom of expression and the right to advertise products that can be lawfully sold. We also believe that advertising bans are not an effective way to address alcohol harms.

As part of the evidence gathering process, Credos (the advertising industry's think tank) analysed the last 20 years (2000-2020) of alcohol and non-alcohol alternative beverage advertising spend, consumption, and alcohol-specific harms data. The purpose of this analysis and report is to supplement other data supplied by the Scottish drinks industry to create a holistic picture about what is driving alcohol consumption harms.

### 2. Research objectives

The following report looks to answer the following research questions:

1. In Scotland is there conclusive evidence that alcohol advertising spend is correlated with alcohol consumption?
2. In England & Wales is there conclusive evidence that alcohol advertising spend is correlated with alcohol consumption?

In addition, this report answers the following key objectives:

- **Objective 1:** Conduct quantitative analysis to understand the relationship between alcohol advertising and consumption from 2000-2020.
- **Objective 2:** Analyse alcohol-specific harms data (including deaths, hospitalisations, and underage drinking) to understand the relationship between alcohol advertising, consumption, and harms from 2000-2020.
- **Objective 3:** Conduct quantitative analysis to understand the relationship between non-alcohol alternative beverage advertising and alcohol consumption from 2000-2020.

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<sup>29</sup> Alcohol marketing during the 2020 Six Nations Championship. <https://www.shaap.org.uk/downloads/364-alcohol-marketing-2021/viewdocument/364.html>

### 3. Approach

Advertising and a myriad of other factors form a part of the complex purchasing decision journey for consumers when deciding to buy alcohol. The reasons for buying alcohol are highly varied and can be due to cultural and social reasons such as celebratory acts, entertainment, or rites of passage. They can be due to other reasons such as mental health or dependency issues.

This research does not propose to answer these questions but instead focuses narrowly on the quantity of advertising to which both Scottish and English & Welsh consumers are exposed to (measured in advertising spend) and compare this to changes in alcohol consumption (measured in sales data) over time and alcohol-specific harms (including deaths, hospitalisations, and underage drinking). Of course, correlation does not prove causation, but by understanding how the two interact over a longer period we can better understand *if* there is indeed any sort of relationship between the factors.

For advertising and sponsorship marketing spend data, we used Nielsen to access non-digital spend data for alcohol and non-alcohol adverts over a 20-year period (2000-2020). When we refer to non-digital alcohol advertising and sponsorship marketing spend data, it includes advertising for specific alcohol drinks (e.g., beer), non-alcohol alternative beverages (e.g., alcohol free beer), as well as other alcohol-specific sponsorship marketing (e.g., sports sponsorships). Specifically, we analysed data for both Scotland and England & Wales.

The research analyses nation-specific, non-digital advertising and sponsorship marketing spend data for the following media channels: cinema, outdoor, press, radio, and television advertising.

Given the borderless nature of digital and social advertising it is impossible to measure nation-specific spend. However, it is important to the Scottish drinks industry that we attempt to isolate this spend. To do so, Credos used the following approach to calculate nation-specific digital and social alcohol advertising spend:

1. Obtained device usage (smartphones and tablets), sourced from Ofcom surveys, and national population data to determine the proportion of the population that uses smartphones and tablets in each nation. The Ofcom surveys only span from 2015 – 2017, hence we need to extrapolate figures for 2018-2020. We did this using a logarithmic function to model the values.
2. We then used IAB total/national digital advertising spend data (dating back to 2007) which breaks advertising spend by device i.e., smartphone and desktop/tablet, with the data obtained in (1) to determine the amount of digital advertising spend per nation.
3. To determine the proportion of digital ads that is for alcohol, we based this on the proportions for non-digital advertising spend data. Multiplying (2) with (3) we get an estimate for the proportion of digital advertising spend that is for alcohol.
4. Using a linear model, we reverse extrapolate the digital alcohol advertising spend, by nation, to extend the estimate back to 2007.

Additionally, the digital advertising spend calculations come with the following assumptions:

- Tablet users are the same as desktop and tablet users
- Digital advertising spend is allocated proportionally to the number of device users. We have excluded time spent on device for simplicity



- There will be a degree of overlap between tablet users and smartphone users

To measure alcohol consumption, we used alcohol sales data (total units of pure alcohol) – as self-reporting surveys would be less reliable. Scottish Government and Public Health Scotland publish alcohol sales, and this report uses data from the Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS) 2021 report<sup>30</sup>.

For alcohol-specific harms data (deaths, hospitalisations, underage drinking), this report also relies on Scottish Government data<sup>31</sup>.

Given that most of this data comes directly from the Scottish Government, we feel confident that it will be accepted within the Government if used to counter their arguments.

In terms of the analysis used in this report, much of it is based on simple correlations that help to show the strength of the relationship between the variables. It is important to remember that a correlation does not equal causation. The causes of why people buy alcohol or engage in unsafe alcohol-specific behaviours (e.g., binge drinking) are varied and not within the scope of this research.

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<sup>30</sup> Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS): Monitoring report 2021.  
<https://www.publichealthscotland.scot/media/8090/mesas-monitoring-report-2021.pdf>

<sup>31</sup> Monitoring and Evaluating Scotland's Alcohol Strategy (MESAS): Monitoring report 2021.  
<https://www.publichealthscotland.scot/media/8090/mesas-monitoring-report-2021.pdf>