Making a submission

Submissions close on **Monday 28 April 2014 at 5pm**.

- If you would like further information during the submission period please email alcoholadvertisingforum@moh.govt.nz and put ‘Forum information’ in the subject line.

Please detach and return.

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<thead>
<tr>
<th>Name:</th>
<th>Dr. Eric Crampton</th>
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<td>If this submission is made on behalf of an organisation, please name that organisation here:</td>
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<tr>
<td>Address/email:</td>
<td>Department of Economics, University of Canterbury. <a href="mailto:eric.crampton@canterbury.ac.nz">eric.crampton@canterbury.ac.nz</a></td>
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<td>Please provide a brief description of your organisation (if applicable):</td>
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There are two ways you can make a submission.

- Forward your comments, with the detachable submission form at the back of this document, to:
  - Nick Goodwin
  - Secretariat for Ministerial Forum on Alcohol Advertising & Sponsorship
  - Ministry of Health
  - PO Box 5013
  - Wellington 6145

- Electronically complete the submission form available at the back of this document, add your comments and email to:
  - alcoholadvertisingforum@moh.govt.nz
- Please put ‘Forum Submission’ in the subject line.

Your submission may be requested under the Official Information Act 1982. If this happens, it will normally be released to the person who requested it. However, if you are submitting as an individual (rather than representing an organisation), your personal details will be removed from the submission if you check the following boxes:

- ☐ I do not give permission for my personal details to be released under the Official Information Act 1982.
- ☐ I do not give permission for my name to be listed in the published summary of submissions.
Questions to guide your submission

1. Did you/your group/your organisation make a submission on the 2010 Law Commission report *Alcohol in our Lives: Curbing the Harm* and/or to the Justice and Electoral select committee, on alcohol advertising and sponsorship issues? **Yes or No.** If yes, please specify whether you submitted to the Law Commission and/or Select Committee.

I submitted to the Law Commission.

2. Do you support further restrictions on alcohol advertising (over and above the measures currently undertaken) to reduce alcohol-related harm? **Yes or No.** [Tick box]

☐ Yes  X No

3. What reasons do you have for your view? Please include details.
Restrictions on the advertising of legal products should only be undertaken on evidence of substantial public health benefit.

While several papers, including many cited by the Law Commission in its chapter, "Advertising, Sponsorship, and Promotion of Alcohol", argue that restrictions on advertising can have beneficial public health effects, it can be very difficult to accurately determine these effects. Even if it were the case that advertising only influenced brand choice among adults and had no effect on youth consumption, studies correlating advertising intensity to youth or adult consumption would quickly find that individuals exposed to more ads consumed more alcohol. Why? If advertisers wish to influence brand choice, they will focus their advertising expenditures on markets with more drinkers or where they expect, given demographic changes, that consumption is likely to increase. So even if there were no effect of advertising on total consumption, we’d very quickly find that areas with greater advertising intensity had greater consumption, that individuals who watched more alcohol advertising on television drank more, and that people who saw more alcohol billboards consumed more alcohol; the advertisers, not wishing to throw money away, are putting their advertisements where they hope that drinkers will see them. And if youths tend to follow local adult consumption behaviours, then the same relationship would turn up for drinking initiation or more general youth drinking even if the ads had no effect on youth drinking. I am not here arguing that there is no effect of advertising on total consumption: rather, the typical study in this area would find effects even if none existed. And so we have to be really careful to see how each study has addressed causality issues. Simply saying that studies have found an association is not enough where such an association would be found automatically where advertisers try to target ads to the most receptive audience.

Further, it is insufficient to point to effects of alcohol advertising on total consumption. After having seen an advertisement for a new alcoholic product, Taizi, a new Christchurch-distilled Chinese liquor, my wife bought me a bottle for our anniversary. We were made better off by the existence of advertising: she would not have known of the product’s existence otherwise. Our total consumption of alcohol may have increased by some amount as consequence, but this hardly damn's advertising. Similarly, advertising telling us which products are on special at different outlets makes us better off. In short, we need show a link between advertising and harmful consumption rather than between advertising and total consumption, and we need to show that that link is sufficiently strong to outweigh the benefits of advertising for non-harmful consumption. Saying that restrictions on advertising are good if they reduce total consumption begs the question: it says that all consumption is necessarily harmful and worth curtailing. This simply is not the case.

Finally, advertising and brand affiliation can be good for consumers. Sunstein (2000) discusses the expressive and affiliative benefits consumers enjoy. Ford and Holden each enjoy enthusiastic affiliative consumer bases who will wear branded merchandise and trade friendly jabs with those affiliating with the other brand. Sports teams similarly provide affiliative benefits. These benefits would be attenuated, to consumers’ detriment, were Ford or Holden prohibited from or restricted against engaging in affiliative advertising. The case for banning car advertising would have to rest on demonstration of the effects of such advertising on dangerous driving rather simply than on car purchases, and that those effects were substantial enough to outweigh the harms that bans or restrictions would impose on other consumers.

The evidence I will cite below suggests the effect of advertising on harmful consumption is not strong enough to warrant further restrictions on alcohol advertising and sponsorship. Further, we may wish to weigh the negative consequences of advertising restrictions on competition, industry concentration, and the ability of new producers to enter the market. Finally, we may consider that restrictions on traditional forms of advertising may push advertising to other, less easily regulated, domains: passing a law banning alcohol sponsorship of a rock concert is easy (whether or not it does any good); passing a law banning singers from mentioning particular brands in their songs would be impossible, especially where much of our music comes from abroad. Parry et al’s (2012) case for a total ban on alcohol advertising points to some of these likely necessary complements: bans on and scrutiny of merchandise, digital media, and foreign television signals. While I disagree strongly with their call for a total ban, Parry et al are correct that bans or restrictions push advertising and promotions into other areas.


4. What evidence is available to support your view (please cite references if available, or provide supporting information). Please focus on evidence since 2010 if this is available.
Nelson (2010) examines whether alcohol advertising bans affected alcohol consumption in a panel of 17 OECD countries over the years 1975-2000. His modelling is careful: he begins by controlling for the underlying factors giving rise to country-level restrictions on alcohol advertising before estimating the effects of those restrictions controlling for the underlying factors that cause advertising restrictions and controlling for the overall stringency of alcohol regulation. He finds that bans on alcohol advertising have no effect on total alcohol consumption. It is rather important to correct, as he does, for the underlying factors that predict countries’ adoption of advertising restrictions: Gallet and Andres (2011) demonstrate that countries with a greater proportion of youths, with greater life expectancy, with higher income, and with greater Muslim populations are more likely to adopt advertising restrictions. If countries that are generally healthier, as demonstrated by life expectancy, are more likely to adopt restrictions on alcohol advertising, correlations between health outcomes and advertising bans could easily be spurious. Nelson also notes that while, from the 1980s onward, most countries liberalised their restrictions on alcohol advertising the period since the 1980s has also seen reasonable declines in total alcohol consumption. Similarly, the period of liberalisation in New Zealand, from 1989 onwards, also corresponds with a period of substantial decline in per capita consumption.

Some evidence since 2010 has suggested that increased exposure to alcohol advertising is associated with increased risk of youth drinking.

Morgenstern et al (2011) finds that German students who were better able to recall the names of alcohol brands from popular advertisements had a higher risk of drinking and of binge drinking. However, they are unable to demonstrate a temporal effect: that is to say, they cannot demonstrate whether advertising recognition preceded drinking, or came subsequent to drinking. Consequently, they cannot tell us whether students most able to recall alcohol brands are 2.3 times as likely to engage in binge drinking as those least able to recall alcohol brands, or whether students who binge drink are 2.3 times as likely to remember alcohol brands. As they also measure exposure to non-alcohol advertising, it would have been interesting to see if, for example, students who take on more duties at home were better able to recall the detergent brand, whether students with mobile phones were better able to remember the T-Mobile brand, and whether students who go hiking were more able to recall the trekking-clothing ads.

Jones et al (2011) argue that youths who indicated having seen alcohol advertisements were more likely to initiate drinking and to have consumed alcohol in the past four weeks. However, their adjusted odds ratios frequently fail to achieve statistical significance. One significant effect was that having seen TV(initiate drinking and to have consumed alcohol in the past four weeks. However, their adjusted odds ratios frequently fail to achieve statistical significance. One significant effect was that having seen TV advertisements for alcohol halved the risk of having consumed alcohol in the past 12 months. But none of the odds ratios there reported should be taken particularly seriously: the substantial reduction in odds ratios after correcting for a very small number of covariates, coupled with the substantial decline in statistical significance after such correction, suggests that uncontrolled confounding could easily explain the remaining variation. Table 3 presents correlations between advertising and alcohol initiation across 32 different advertising / gender / age cohorts. They find three associations are significant at the 5% level: barely more than what we would expect by sheer chance with so many separate regressions. Results in Tables 4 and 5 are rather similar: where adjusted odds ratios are significant, three show that alcohol advertising reduces the likelihood of regular or recent alcohol consumption, seven show an increased risk, and 42 show no significant relationship whatsoever. If anything, we should take this study as providing reasonably strong evidence of the absence of a relationship between having seen alcohol advertising and the initiation of alcohol consumption. Further, while some of the aggregates presented in Table 2 provide statistically significant associations between some alcohol advertisement exposure and drinking, they are unable to rule out reverse causality where those who are more interested in alcohol to begin with are more likely to pay attention to and to remember alcohol advertisements. Look past their discussion of their results to what they’ve actually shown: there is scant evidence on which to hang their conclusions.

Bryden et al (2012) conduct a meta-analysis on effects of alcohol advertising. They find little evidence of harmful effects of alcohol advertising. Importantly, those studies categorised as methodologically weak were more likely to find harmful effects of alcohol advertising. See discussion at 3.2.2, p. 355.

The recent literature here surveyed suggests that even the most stringent of alcohol advertising regulation, full bans, has no effect on consumption. Individual level exposure to advertising may have small effects on consumption, but those studies showing effects do not successfully disentangle brand recognition among drinkers from effects on drinking intentions among those exposed to branded advertising.


5. Do you think the available evidence is strong enough for changes to be made now? Explain your reasons.

Bans on advertising, in a free society, are only justifiable on solid evidence of substantial net harm reduction. The existing evidence shows only weak associations between exposure to advertising and consumption behaviours.

Nelson (2011) demonstrates substantial publication bias effects in findings of harmful effects of alcohol advertising, concluding "results are consistent with lack of genuine effects of marketing on adolescent drinking." It is always tempting simply to read the introduction and conclusion of papers asserting a strong need for restrictions on alcohol advertising. Nelson (2011) demonstrates not only publication bias in many of these articles, but also conclusions that are severe distortions of the evidence presented.

Jones and Magee’s evidence from Australia, or, rather, their successful demonstration of no particular effect of advertising exposure on teen alcohol consumption, is telling. Where they provided no substantive evidence demonstrating harmful effects of alcohol advertising, they nevertheless concluded that “researchers and policy makers therefore need to develop ways to minimize young people’s exposure to alcohol advertising in order to reduce its impact on their drinking attitudes and behaviours.” And, Gordon (2011) cited the Jones and Magee paper as follows: “This evidence base continues to develop with an Australian cross-sectional study (Jones and Magee, 2011) that found an association between exposure to alcohol advertising and increased alcohol consumption.” I note that, of the 120 statistical associations tested, 23 suggested significant effects of alcohol advertising, four of which suggested that alcohol advertising protected against alcohol use. The remaining tests showed no effect. I urge strongly that a competent Treasury econometrician be tasked with evaluating the reliability of any evidence presented favouring bans or restrictions on advertising. There are substantial problems in the papers purporting to demonstrate strong negative consequences of alcohol advertising.


6. Do you support further restrictions on alcohol sponsorship to reduce alcohol-related harm? Yes or No. [Tick box]

☐ Yes  X No
7. What reasons do you have for your view? Please include details.

Bans on alcohol industry sponsorship of sporting or other events need be based on strong evidence of net harms resulting from such sponsorship. If youths or other at-risk groups were substantially more likely to engage in harmful binge drinking instances because their favourite team or concert were sponsored by particular brands, and if those harms greatly outweighed the demonstrable benefits of sponsorship to the sponsored organisations and events, then we could have a reasonable case for restrictions or bans. That evidence, however, does not exist. While there is ample evidence of alcohol sponsorship of events and sports teams, evidence of consequent harms is lacking.

Further, it is plainly evident that attendees at sponsored events often greatly benefit from that sponsorship. The Rugby Sevens are typically taken as evidence of the awful consequences of alcohol sponsorship of sporting events. And while it’s true that the Sevens are typically associated with alcohol consumption, that hardly makes the case for a ban. Survey data from the HPA (2013) demonstrates not only broad awareness of alcohol sponsorship of the Sevens, but that alcohol’s presence at the Sevens is a critical part of the fan experience. 82% of attendees surveyed at the Sevens agreed or strongly agreed that drinking alcohol made the event more entertaining; 93% agreed or strongly agreed that they attend the Sevens because of the atmosphere; 77% agreed or strongly agreed that “drinking alcohol at this event is ‘just what you do’”. Fans attending the Sevens really seem strongly to enjoy the particular atmosphere present at the Sevens. It’s also worth noting that that same survey demonstrated that alcoholic sponsor messaging was less prominent there than at other surveyed events, like the Heineken Open or the International T20, where alcohol sponsor messaging was more prominent but where the event’s culture was rather more sober.

It is particularly worrying that the Law Commission’s report called ultimately for a ban on alcohol sponsorship (19.182), but provided only one piece of evidence suggestive of potential harms from sponsorship: that survey respondents who received free or discounted alcohol as part of their team’s sponsorship arrangement felt they should drink their sponsor’s product (19.27). On the basis of that evidence, they wished to ban all alcohol industry sponsorship of events and sports teams. Presumably they found the harms self-evident.

8. What evidence is available to support your view (please cite references if available, or provide supporting information). Please focus on evidence since 2010 if this is available.

The Law Commission provided absolutely no evidence sufficient to justify bans or restrictions on alcohol sponsorship of events and sports clubs in its review. Since then, the HPA (2013) has provided evidence that the sporting event most associated with drinking, the Rugby Sevens, has the least visible presence of alcohol branding in its TV broadcasts and that the T20 and ODI, despite alcohol sponsorship, are not generally associated with drinking.

A search of the recent literature provides the following recent work:

O’Brien et al (2011) show that sportspeople receiving alcohol sponsorship had higher AUDIT scores than those not receiving alcohol sponsorship. Athletes sponsored only by alcohol companies scored 1.67 points higher than sportspeople who were sponsored either by non-alcohol companies, or by both alcohol and non-alcohol companies. However, the mean AUDIT score was 10.3 with a standard deviation of 6.8: while the increase may have been statistically significant, the effect was not large. Further, if athletes who particularly like alcohol are more likely to seek out or to accept funding from alcohol companies, we could equally expect that causality could run in the opposite direction.

O’Brien et al (2012) show that Australian university sportspeople sponsored by alcohol were no more likely than other athletes to have displayed aggression, damaged property, or to have made unwanted sexual advances than were other non-sponsored athletes. They were, however, more likely to be the victims of aggression and of property damage; no particular mechanism is suggested to explain the results.

Cody and Jackson (2014) survey the recent literature. They report on work by the Foundation for Advertising Research (2006) providing "little evidence that alcohol promotion contributed directly to alcohol consumption", and a consultancy report undertaken for SPARC demonstrating substantial concern among sports clubs about potential bans on sponsorship. While they argue that alcohol industry sponsorship of sport helps to ‘normalise’ alcohol, they provide no evidence of harms.

In addition to the above, many sources describe the number of organisations sponsored by food or alcohol companies, describing such associations as “unhealthy”, but provide no evidence as to harms. These papers generally take as given that such associations are harmful, either for culture, or ‘normalisation’, or by providing anecdotes about harms imposed by drunken athletes, but do not provide any evidence linking sponsorship to demonstrable, measurable harms. See, for example, Jones (2010), Gee et al (2014), Gee (2013).


Gee, S., S. Jackson et al. 2014. “Carnivalesque culture and alcohol promotion and consumption at an annual international sports event in New Zealand.” International Review for the Sociology of Sport, Online First (prepublication) access at http://irs.sagepub.com/content/early/2014/02/19/1012690214522461.full.pdf+html


9. Do you think the available evidence is strong enough for changes to be made now? Explain your reasons.

Absolutely not. The harms of alcohol sponsorship are hardly self-evident; they need to be demonstrated. They have not been so-demonstrated. It seems reasonable to conclude that athletes and sportspeople sponsored by alcohol companies have higher AUDIT scores than non-sponsored athletes, but whether this is caused by sponsorship or whether athletes who prefer alcohol seek out alcohol sponsorship is undetermined; either way, the effect is small.

It would hardly be impossible to test whether sponsorship of local sports teams has negative effects. Assemble a panel of towns with sports teams, look at the dates of alcohol sponsorship of the teams, and see whether sponsorship is associated with differences in alcohol-related harms in those communities. This would work if at least some teams change sponsors over time.

Types of possible restrictions (if supported)

10. If further restrictions to alcohol advertising are necessary, what do you think should be done?

No further restrictions to alcohol advertising are justifiable on current evidence.

However, if the government is determined to impose such restrictions, it could at least design them in such a way as to allow for programme evaluation. If you decide to ban billboards, set up a rolling phase-in design across a set of towns to assess whether the ban has had any effect; if it has not, then remove the ban. If you decide to ban alcohol advertising in print, use a similar rolling phase-in design to allow for evaluation.

I would note the difficulty of establishing such a design for television, but as Jones and Magee (2012) demonstrated that TV alcohol advertising is an effective harm-reduction strategy, such restrictions would be particularly contraindicated.
11. How would these proposed restrictions work in practice to reduce alcohol-related harm (e.g. crime, disorder, negative public health outcomes)?

I do not propose new restrictions. But I plead that if you do go and impose some new restrictions, that you take respondents’ answers to this question very seriously. Make sure it is measurable. Design any roll-out to allow for evaluation against the objectives here specified. And remove the restrictions if they prove either to be ineffective, or if they do not do sufficient good to pass a reasonable cost-benefit assessment.

12. What evidence is available that your proposal(s) would work?

I propose only that, if you proceed with any interventions, you design them so that their effectiveness can be evaluated.
13. What other interventions could potentially be tried in future?

One intervention I would actually like to see would be targeted advertising campaigns highlighting how little most people actually do drink. Moreira et al (2009)'s Cochrane review finds that social norms affect consumption among youths. Where university students believe most of their classmates drink more than is actually the case, they drink more than they otherwise would. Simply pointing out the real statistics about typical consumption patterns anchors expectations of normality. We have had so very much press coverage that works to convince teenagers that kids are getting drunk all the time, and so very little press coverage of the substantial declines in overall drinking, in youth drinking, and in binge drinking, that I really really fear that we have done harm by encouraging teenagers to believe that binge and harmful drinking is more common than it actually is.

Moreira, M et al. 2009. “Social norms interventions to reduce alcohol misuse in university or college students.” Cochrane Database of Systemic Reviews 3: Article Number CD006748.

14. Why should these other interventions be considered?

The intervention I suggest above is backed by the Cochrane review as probably being effective, and it is relatively inexpensive to administer. Again, I would recommend that you use a phased roll-out design in order to assess whether the programme has actually been effective (and cost-effective), and to abandon it if it is not.
15. If further restrictions to alcohol sponsorship are necessary, what do you think should be done?

I here repeat what I said about advertising: there simply is insufficient evidential basis for restrictions on alcohol sponsorship. But, if you are determined to do it regardless of the existing evidence, at least implement it in such a way as to allow for programme evaluation: a phased roll-out that lets you check whether it’s had any beneficial effect on local communities’ drinking habits or any pernicious effects on local sports teams’ ability to maintain themselves. Then, rescind the intervention if it proves not to be cost-effective.

16. How would these proposed restrictions work in practice to reduce alcohol-related harm (e.g. crime, disorder, negative public health outcomes)?

I do not propose any new restrictions, but reiterate my pleading from Question 12.
17. What evidence is available that your proposal(s) would work?

18. What other interventions could potentially be tried in future?
19. Why should these other interventions be considered?

Impacts of proposals

20. Who would be affected by your proposals to restrict alcohol advertising and how?
21. How might these proposals impact on:
   - alcohol consumption, particularly among young drinkers and heavy drinkers;
   - the perception of alcohol as an everyday commodity, particularly among children and young people;
   - alcohol-related harm;
   - businesses, such as the alcohol and advertising industries;
   - the recipients of alcohol sponsorship funds; and
   - different populations – e.g. youth, children, Māori, Pasifika, lower socio-economic populations.

I propose no new restrictions. But I emphasise that, if you do go ahead with them, you design them to allow for evaluation of all of these kinds of effects in order to assess cost-effectiveness, where cost includes costs imposed on consumers from reduced affiliative benefits, from reduced product information, and from reduced competition across brands.

22. Who would be affected by your proposals to restrict **alcohol sponsorship** and how?
23. How might these proposals impact on:
- alcohol consumption, particularly among young drinkers and heavy drinkers;
- the perception of alcohol as an everyday commodity, particularly among children and young people;
- alcohol-related harm;
- businesses, such as the alcohol and advertising industries;
- the recipients of alcohol sponsorship funds; and
- different populations – e.g. youth, children, Māori, Pasifika, lower socio-economic populations.

I propose no new restrictions. But I reemphasise that, if you do go ahead with them, you design them to allow for evaluation of all of these kinds of effects in order to assess cost-effectiveness, where cost includes costs imposed on recipients of sponsorship funds.

Ongoing and new challenges

24. What ongoing and emerging challenges does the Forum need to take into account when considering whether further restrictions on alcohol advertising are necessary to reduce alcohol-related harm?

I expect that increased restrictions on alcohol sponsorship and advertising will push advertising and sponsorship to other margins. You can feasibly ban pre-movie commercials for Heineken at the theatre, but unless you’re willing to head in rather more draconian directions, I don’t think you’re going to be able to ban Heineken from sponsoring James Bond within the movie. Or, at least, even if you ban Kiwis from seeing it at theatre because there’s alcohol in the movie, you’re not going to be able to stop people from downloading it. I expect a fair bit of advertising is likely to head in this direction anyway, as consumers and viewers get better at avoiding ads. Restrictions you choose to place on existing ads will hasten this. And, plausibly, will do even more to normalise alcohol use where more TV and movie characters become branded alcohol advertisements.

Similarly, social media, and in particular user-driven drinking apps, are growing. Untapped is a great social media app for beer lovers, letting them share drinking notes with other drinkers. As far as I can tell, it has nothing to do with the alcohol industry. Similarly, CocktailFlow helps cocktail enthusiasts mix drinks and tells them which spirits should be added to their liquor cabinet to maximise the number of different kinds of cocktails they can make. I have both of these on my phone and enjoy them. I expect far more alcohol promotion will be moving toward this kind of user-based system, perhaps with industry support, perhaps not. But where industry is banned from or severely restricted against advertising using traditional mechanisms, I expect things will shift in rather less easily regulated directions.

Be careful of unintended consequences.
25. What action, if any, could be taken to address these matters?

26. What ongoing and emerging challenges does the Forum need to take into account when considering whether further restrictions on alcohol sponsorship (e.g. of sporting, cultural and other events) are necessary to reduce alcohol-related harm?
27. What action, if any, could be taken to address these matters?

Other comments
28. Do you have any other comments?