



Advertising Compliance Monitoring

Report 2007



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FOREWORD BY THE CHAIRMAN ●●●



I am pleased to present the 2007 Monitoring Report of the European Forum for Responsible Drinking (EFRD).

For the third consecutive year, overall industry compliance for the content of advertisement remained at a very high level (95.6%), essentially the same level as in 2006 (96%). This year the review was expanded to cover 15 countries, rather than the 13 countries covered by previous reports, showing the industry's willingness to enlarge the scope of this project to cover more EU Member States. For the 13 countries previously reviewed, compliance improved to 97%.

Because the industry wants this exercise to provide transparent, sound and credible evidence that self-regulation for alcohol beverages advertising works, this year we have increased the number of independent reviewers. I am grateful that Pat Cox, former President of the European Parliament, has joined the review panel.

Encouraging results from three consecutive annual reviews illustrate that industry takes its social responsibility obligations very seriously. As in previous years we will communicate these results to our stakeholders to ensure a high level of understanding of the importance of complying with the codes of conduct. To this end, EFRD in cooperation with European Advertising Standards Alliance will again organize a workshop for Self-Regulatory Organizations (SROs), Social Aspects Organizations (SAOs), trade associations and companies and will launch an E-Learning website providing an interactive tool for all parties interested in raising the standards for responsible marketing.

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This report evaluates the rate of inclusion of Responsible Drinking Messages in countries where they are mandatory. The review shows a compliance rate of 85%. EFRD, through its membership, will work with sector organizations to increase this rate of compliance.

The European Commission should consider the EFRD approach as a best practice example for the Alcohol & Health Forum. The high compliance level shows that marketers understand that responsible marketing is sustainable marketing and EFRD is committed to uphold these high standards among our membership.

EFRD thanks Lucien Bouis, Pat Cox and Jack Law for their time, effort and contributions as Independent Reviewers. We will heed their advice and comments and will strive to reflect them in the next Monitoring Report.

A handwritten signature in black ink, appearing to read 'Alan Butler'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Alan BUTLER,
Chairman of the Board of
the European Forum for Responsible Drinking (EFRD)

STATEMENTS FROM INDEPENDENT REVIEWERS ●●●



At the request of the European Forum for Responsible Drinking (EFRD) and the Brewers of Europe, I have agreed to act as independent reviewer of the external monitoring exercise of alcoholic drinks advertisements, coordinated by EASA, collected by Xtreme and carried out by the self regulatory organisations (SROs).

This review covered 5620 ads – TV, daily press and mass-circulation magazines -all of them broadcast or published for the first time between 1 January and 31 December 2006 in 15 countries of the European Union. This year, advertisements appearing in Denmark and France have been included in the database.

On the basis of the predefined methodology, each national SRO assessed the visual and audio content against the self-regulatory rules applicable in each country, as well as against the rules established by the

EFRD at European level. Obviously, specific national laws on advertising of alcoholic beverages have also been taken into consideration.

My brief was limited to reviewing the work carried by the SROs and EASA in accordance with the methodology agreed with the EFRD and the WFA. I remain available to carry out any review which may be required prior to any presentation or subsequent publication of the results.

EASA provided the answers to any specific questions I had, as well as any additional explanations I asked for, thus enabling me to certify the strict accuracy of the results supplied to the EFRD for the drafting of this report.

The report supplied by EASA corresponds with what was requested by the EFRD and includes information enabling the advertising practitioners concerned, should they think it appropriate, to introduce rules based on self-regulatory practices developed by the SROs. In that sense, code rules put in place at European level should be more clearly disseminated at national level, and their applicability to the new media should be clearly established.

In my view, monitoring and analysis of advertising for this sector, on the same "snapshot" basis and using the same methodology for the purposes of comparison should be carried out regularly.

In my view, monitoring and analysis of advertising for this sector, on the same "snapshot" basis and using the same methodology for the purposes of comparison should be carried out on an annual basis.

I thank the EASA team, particularly Laure Alexandre and Oliver Gray, for the availability and professionalism which they have demonstrated throughout this monitoring exercise, in which it has been a pleasure to take part.

Lucien BOUIS

Bruxelles, le 06 septembre 2007

A la demande de l'EFRD et des Brasseurs d'Europe, j'ai accepté de remplir une fonction d'auditorat externe des travaux de synthèse effectués par l'EASA, à partir de publicités de boissons alcoolisées collectées par Xtreme et analysées par les organismes d'autodiscipline.

Cette audition, à porté sur 5620 pubs TV et presse quotidienne et magazine grand public diffusées pour la première fois entre le 1er janvier et le 31 décembre 2006, dans 15 pays de l'union européenne. Cette année les publicités parues au Danemark et la France ont été intégrées dans la base d'analyses.

Sur la base de la méthodologie préalablement définie, chaque SRO nationale a porté appréciation sur le message visuel et audio au regard des règles déontologiques définies par la profession et applicable dans chaque pays concerné, ainsi que les règles définies par EFRD au plan européen. Bien évidemment, l'existence de lois spécifiques nationales au regard de la publicité des boissons alcoolisées a également été prise en considération.

Mon mandat s'est limité à l'appréciation des travaux menés à bien par les SROs et l'EASA dans le cadre du protocole prédéfini avec l'EFRD et la WFA, et je reste à disposition pour l'appréciation préalable à toute présentation ou diffusion ultérieure.

Ayant pu de la part de l'EASA obtenir toutes réponses à des interrogations ou toute demandes supplémentaires consécutives aux divers sondages que j'ai pu effectuer à partir de la base de donnée je peux certifier de la stricte régularité des résultats transmis pour la rédaction du rapport par l'EFRD.

Le rapport fourni par l'EASA correspond ainsi à la demande qui lui a été formulée et il contient un certain nombre de données permettant aux professionnels concernés une mise en œuvre s'il le juge opportun de règles déontologiques basée sur la pratique disciplinaire développée par les SROs. En ce sens, Il conviendrait que les règles déontologiques élaborées au niveau européen soient plus largement diffusées à niveau national, et que leur applicabilité dans les nouveaux médias soit clairement spécifiée.

Je considère que l'analyse de cette photographie de l'expression publicitaire des secteurs concernés devrait sur les mêmes bases méthodologiques être, aux fins de comparaison, renouvelée régulièrement.

Je remercie l'équipe de l'Alliance et tout particulièrement Laure Alexandre et Oliver Gray d'avoir fait preuve de disponibilité et de compétence tout au long de ce travail de monitoring, auquel j'ai eu le plaisir de pouvoir participer.

Lucien BOUIS

STATEMENTS FROM INDEPENDENT REVIEWERS ●●●



I thank the European Forum for Responsible Drinking for their invitation to act as an independent reviewer for their 2007 Report. I do so in my private capacity and do not purport directly or indirectly to represent the views of any European Institution or organisation, notwithstanding my many years in the European Parliament and my former role as its President.

The issue of whether to opt for mandatory or self regulation is a constant challenge for regulatory authorities and their relevant stakeholders. My especial personal interest in this process has been to learn from the inside what is the extent and quality of self regulation as regards the advertising of alcohol across the European Union and

whether the willingness to promote self regulation is vindicated by the results achieved.

The results speak for themselves. 5,629 ads reviewed from 15 EU member states with an overall compliance rate of 95.6%. It is an impressive outcome. Two more EU markets were added in 2007 and I would urge that this trend towards widening the territorial extent of the process be deepened. The ideal would be to extend the review process to all EU member States in due course.

It is fascinating to observe that the highest rate of non compliance is in France where the Loi Evin sets mandatory advertising restrictions for the alcoholic drinks industry. The report concludes that this 'underlines the comparative efficiency of self-regulation versus regulation.' I believe that this question could usefully bear some deeper analysis and reflection in future to more clearly reveal why and if this assertion holds. After all, it goes to the heart of the political and societal regulatory debate as regards the advertising of alcohol.

On the grounds that prevention is better than cure the confidential and voluntary copy advice system is to be commended. Yet this year its use has fallen off dramatically, though it must be noted with no negative consequences on the overall compliance rates. Is this a case of the industry having learned by doing or is it just a temporary downturn?

Finally, though their percentage is small it is revealing to consider those ads that failed to comply and disappointing to note their concentration in the areas of linking alcohol with sexual and social success and minors. Their number may not be large but their persistence is a cause for concern. The edifice of self regulation is well constructed and policed, as I have come to appreciate in this review exercise, but it remains vulnerable to the failure of those still willing to push the boundaries towards the unacceptable. Going after this minority has to be a priority action. If not, the few risk to give the many and the process of self regulation itself a bad name.

Pat COX,
Cork – 12 September 2007

STATEMENTS FROM INDEPENDENT REVIEWERS ●●●

Mr Alan Butler
Chairman of the Board
EFRD European Forum for Responsible Drinking
Place Stephanie 6
1050 Brussels

26 September 2007

Dear Alan,

Many thanks once again for offering Alcohol Focus Scotland the opportunity to comment on the advertising monitoring process.

Overall it appears as though the process continues to work well, and clearly this should be seen as a measure of its success and the willingness of participants to maintain standards. Furthermore, we are pleased to note that this report refers to many of the matters raised in our correspondence last year, namely an explanation of why there are differing levels of advertising across countries, and the use of different media by product. However as with many processes there remain areas for improvement.

These are;

- 1) The report refers to the relative value of state inspired regulation versus self-regulation, arguing that the latter is comparatively more efficient than the former. We would suggest that this conclusion could be challenged. Compliance, or indeed lack of it, can be driven by a number of factors including poor understanding, lack of acceptance, and a lack of buy-in all of which have little to do with the efficiency of state inspired regulation.
- 2) It would be helpful if the report could indicate how and where the monitoring process is likely to develop, particularly in two aspects;
 - i) in the cinema and other emerging media channels which use advertising;
 - ii) how the application of the monitoring process is planned for the new possibilities emerging from the growth in digital media, for example – you tube, my space, second life.
- 3) The report indicates that over 5,000 ads were reviewed in 2007, how does this compare to previous years? It would be helpful to have a visual, such as a graph to illustrate the changes in the scale of the review process.
- 4) It would be helpful to have access to the data which ‘strongly suggests that there is insufficient evidence to support a relationship between the amount of advertising and either levels of drinking or patterns of drinking.
- 5) Overall it looks as though compliance with the standards has improved and it is especially good to see the numbers of non-compliant ads for minors and for sexual success reducing, but numerically they continue at a worryingly high level. The fact that there is little change on the social success issue remains worrying.
- 6) The report makes frequent reference to the Loi Evin and its alleged comparative ineffectiveness. Could we suggest that this is looked at a bit more to establish in more detail why the levels of non-compliance are so significantly different?
- 5) While the overall compliance with including the responsible drinking message is improving, it would be helpful if the report gave some examples of what that message actually says. It remains concerning that the main reason for non-compliance is the absence of any message.

I hope you will find these comments useful and look forward to seeing next year’s report.

Yours truly,



Jack Law
Chief Executive
Alcohol Focus Scotland



EXECUTIVE SUMMARY ●●●

- This report is based on the review of 5,620 ads run during 2006 in 15 EU markets by the SROs in those countries.
- The overall compliance rate for all sectors in the expanded 15-country analysis is 95.6%, essentially the same high level as the result of 96% for the 2006 report and 96.4% for the 2005 report. For the original 13 countries included in the 2005 and 2006 reports the compliance rate increased to 97%.
- In 2006, only 50 ads (0.9%) were the subject of a complaint, the lowest number of complaints reported in all three of these reports. Of these complaints, only 15 (0.3% of all ads in the 2007 report) were upheld, the second best result of all reports.
- SROs found that 249 ads were non-compliant. Fifteen of these were the subject of upheld complaints. The rest were deemed non-compliant by the SROs, but were not the subject of a complaint.
- Of the 249 ads found non-compliant, 103 were from France where alcohol beverage advertising is restricted by legislation (Loi Evin) rather than self-regulation. This result may reflect uncertainty among those who have to work with this law over its appropriate interpretation and application.
- Of the 249 ads found non-compliant, 137 were so categorized under country-specific requirements, including the 103 ads from France.
- Country-specific requirements were the largest category of infringements (34 – not including the ads from France) together with those under the clause of sexual success (also 34), followed by ads under the rules regarding minors (20), social success (19), hazardous activities (1) and excessive consumption (10). For all other rules under which ads were found to be non-compliant the number was less than 10 ads.
- The inclusion of Responsible Drinking Messages (RDMs) was evaluated for the second time in those markets where these messages are required by law, by an agreement between government and industry or by a voluntary industry agreement. The compliance rate for those markets in this report is 85% compared to 88.8% in the previous report.

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BACKGROUND ●●●

In 2007, EFRD continued its regular monitoring of print and TV ads of its members and the alcohol beverage industry.

As in prior years, the review of ads was performed by the national Self-Regulatory Organizations (SROs) which delivered their results to their European umbrella organization, the European Advertising Standards Alliance. A consultancy, The Communications Network (TCN), compiled the results for EFRD and its members and also for the Brewers of Europe (BoE) and the European Spirits Organization (CEPS) and their members.

For the 2007 review, another independent reviewer, Pat Cox, former President of the European Parliament was engaged, further underscoring EFRD's commitment to ensure that the process is sound and the results of the monitoring are credible.

As in 2006, the 2007 Report evaluated the inclusion of Responsible Drinking Messages (RDM) where these are mandatory.

MONITORING OBJECTIVES ●●●

The monitoring project has the following objectives:

- EFRD members want to measure their adherence to the Common Standards first established back in 1994, and subsequently revised in 2001 and 2005. The most recent addition to the EFRD Common Standards includes – after guidance on POS-Promotions, the internet and sponsorship – guidelines for naming, packaging and

labeling which will enter into force by 1 January 2008.

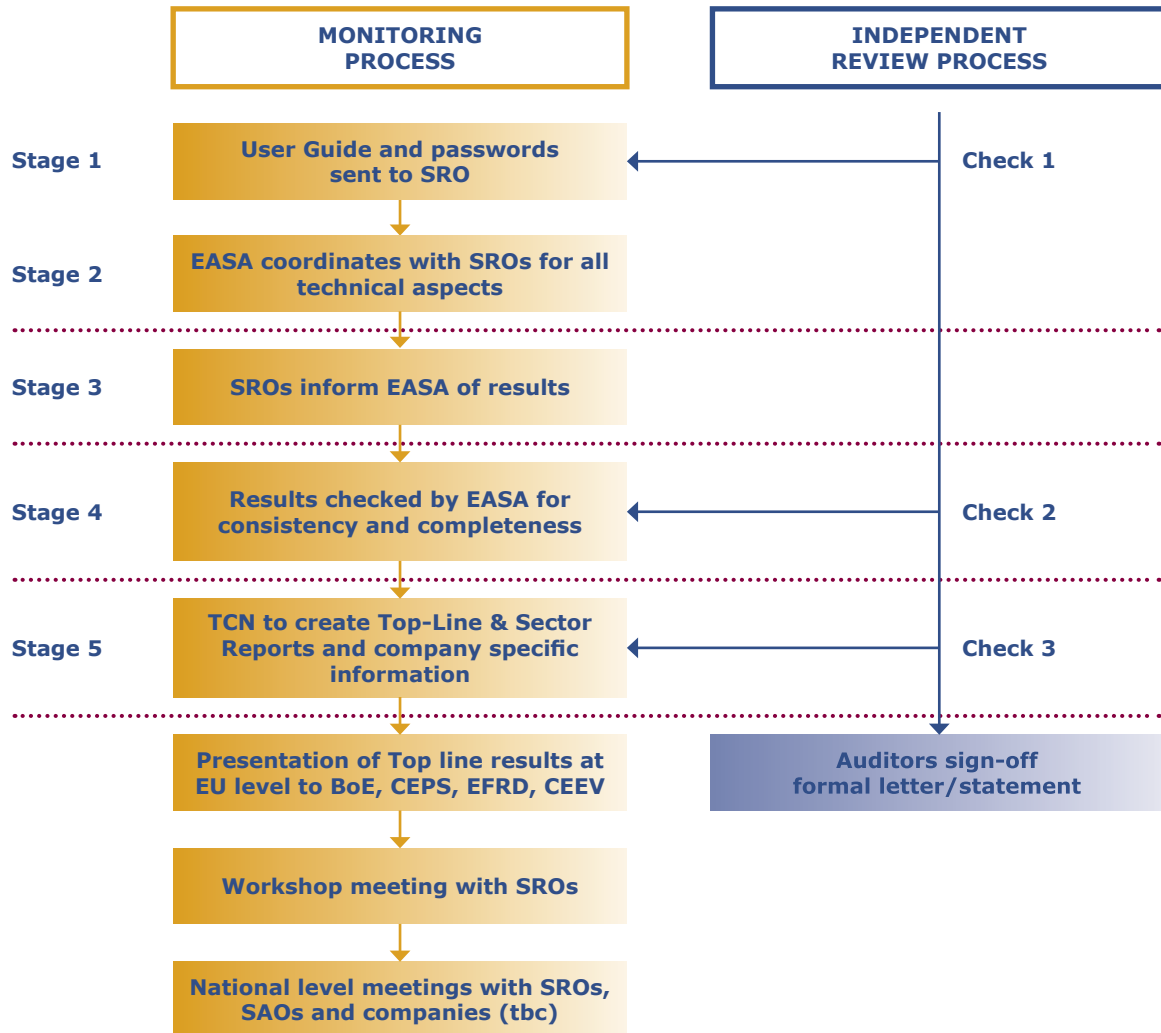
- The monitoring exercise provides EFRD members and the alcohol beverage industry, generally, with an overview of their compliance with the rules of the applicable voluntary codes of conduct such as the EFRD Common Standards. This reflects the belief that complying with voluntary rules is as important as complying with government laws and regulations.
- The efficiency of self-regulation of alcohol industry advertising is continuously questioned by a number of different stakeholders. The EFRD believes that compliance monitoring is one way to demonstrate that self-regulation is an efficient means to bring about responsible advertising communications by industry and to show the way towards improvement where and when necessary.
- The EFRD with the SROs reviews compliance beyond simply the number of complaints about advertisements. The review reports on both ads that received a complaint and those ads deemed by SROs as non-compliant with national self-regulatory or sector codes or the EFRD Common Standards, as applicable. Monitoring compliance and not just complaints has proven to be a valuable tool to provide companies with feedback about stakeholder expectations.
- The monitoring project also informs EFRD members, their agencies, Social Aspects Organizations (SAOs) involved in self-regulation and SROs about possible areas of sensitivity or confusion. This information helps to identify specific clauses in the EFRD Common Standards or national or sector codes needing particular attention in training sessions or in support materials such as the EFRD E-Learning tool.

MONITORING PROCESS ●●●

1. The 2007 monitoring project was initiated by EFRD, implemented in cooperation with the Brewers of Europe (BoE) and coordinated with the European Advertising Standards Alliance (EASA).
2. The actual review of the ads was carried out in several steps by the national SROs, with EASA coordinating its participating members and with EFRD:
 - a. Step one: EASA informs its members that the exercise will be launched and invites the SROs in the relevant countries;
 - b. Step two: The SROs receive a User Guide on how the review should be conducted with regard to content, benchmarks (EFRD Common Standards, national, sector and SRO codes, as applicable), method of reporting (including a template to fill in), technical information concerning how to use the online database where the ads reside and timelines for their response;
 - c. Step three: With a password to access the database, the SROs conduct their reviews online. The reviews are usually performed by persons having expertise in administering complaints, providing copy advice or clearing ads. In some countries a complaints committee is consulted on the judgments of the SRO-internal experts before the review is submitted;
 - d. Step four: The results of the SROs' reviews are returned to the database and placed into an Excel template providing the title of the ad, a description of the visuals and slogans, the name of the publication or the TV station, the print publication date; for TV the date the spot was on air. Where applicable, the template also contains comments including – if the advertisement was subject to a complaints procedure – whether or not the complaint was upheld and, if the complaint was upheld a summary of the ruling. In all cases where an ad was found in breach of the EFRD Common Standards or local codes, the comments specify the provision(s) involved;
 - e. Step five: The Excel templates with all the SRO results are sent to EASA for a check of their completeness and the plausibility of the results;
 - f. Step six: Using the Excel templates reflecting the SROs' review results, TCN compiles sector and company specific information, facts and statistical data;

Parallel to this monitoring process by the SROs, three independent reviewers (please see their comments at the beginning of this document) oversaw the project to ensure that the process is governed by sound procedures and principles.

MONITORING PROCESS



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DATA COMPILATION ●●●

The statistical data compilation includes the following information explained in more detail below:

- Monitoring details: countries, ads, time period
- Key performance indicators: codes, complaints, copy advice
- Split by country and sector
- Details on complaints, compliance/non-compliance, copy advice
- Provisions involved
- Responsible Drinking Messages inclusion where mandatory
- Media split

MONITORING DETAILS ●●●

Countries:

- The 2007 project involved 5,620 ads appearing in 15 countries: Austria, Belgium, Denmark¹, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain and the UK.

Ads:

- The print ads appeared in dailies, magazines, and, for some countries, in the trade press;
- Each print ad with a different visual or execution was considered as one single ad, regardless of how often the ad had actually been published;
- TV spots of the same theme/subject but in different lengths (e.g., one version of 30 seconds and another of 15 seconds) were each considered separately as one visual/execution as in the case of print ads, again regardless of how often the spot was aired.

Time period:

- The review included print and TV executions from January 2006 through December 2006.

KEY PERFORMANCE INDICATORS ●●●

The monitoring project looked at four elements as key performance indicators:

1. Ads against which a complaint was upheld are included in the category of non-compliant ads;
2. Non-compliant ads also include those deemed by SROs as violating the EFRD Common Standards, national sector codes and/or national SRO codes, as applicable, even if the ad had not received a complaint;
3. Number of copy advice requests: copy advice is a key element of self-regulation with the aim to avoid the appearance of non-compliant ads. While copy advice is not offered in all markets, it is nevertheless important to get an understanding of how this voluntary, confidential and non-binding service provided by SROs is received by industry and in which markets;
4. Finally, the review looked for the second year at the inclusion of RDMs in markets where they are required by law, by an agreement between government and industry, or by self-regulatory or sector codes.


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SPLIT PER COUNTRIES AND SECTORS ●●●

The 2007 monitoring project included 5,620 ads from 15 markets. The split across the 15 countries is similar to prior years but there have also been some changes. The UK is again the largest advertising market with 1,268 (2006: 1,483) ads reviewed. The decrease is due to the data collection technique used. Several ads may have appeared under one single entry when several ads for the same brand are printed in the same edition of a magazine. As several ads cannot be reviewed as one, SROs stated in their comments "multiple ads". As in prior years, Germany is second with 1,013 (2006:1,030) and France is third with 720 executions. Italy follows with 530 (2006: 410) ads this year ahead of Spain with 471 (2006: 597) executions. In Greece the number of ads increased by almost 60% to 385 (2006: 242). In Ireland the increase is 49% to 318 (2006: 219). In Belgium the number declined from 190 ads in the 2006 report to 164 in this report. In other smaller- to medium-size markets the numbers have gone up (Portugal, Poland, Austria and Hungary) or, as in the Netherlands and Slovakia, remained stable. While the absolute number of ads increased due to the inclusion of Denmark and France, the total number of ads has increased by less than 1% annually looking at the 13 countries reviewed in 2006 and 2005.

The fact that the UK and Germany are by far the largest advertising markets may be a reflection of a couple of factors: both countries have diversified media landscapes in the TV and print sector offering opportunities and competition for consumers attention; the UK has

¹ In Denmark the review did not include ads from the beer sector at the request of the Danish Brewers Association.

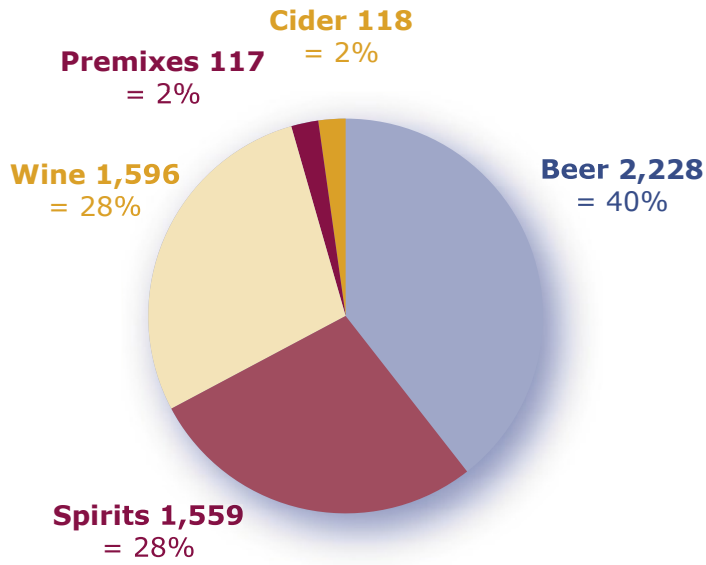


a strong marketing communications tradition where people are generally more receptive for advertising, whereas in Germany the sheer size of the market is a driver for how products are being advertised; furthermore both markets are very competitive. The literature examining alcohol advertising and its impact on different groups of consumers is extensive. The available data strongly suggests that there is insufficient evidence to demonstrate a relationship between the amount of advertising and either levels or patterns of drinking.

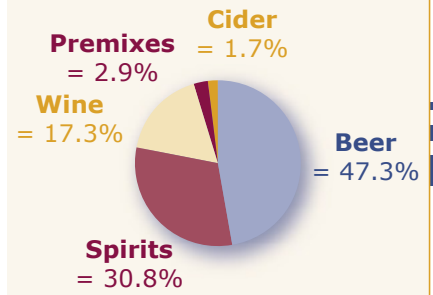
Looking at the split per sector for the 15 countries included, beer and spirits ads decreased whereas the number of executions for wine (1,596) has slightly passed the number for spirits (1,559). The number of ads for pre-mixes declined and those for cider increased, both however on a rather low absolute level. The analysis of the 13 markets included in the previous reports shows similar results: beer is the largest advertiser with the number of ads at almost an identical level to the prior year; ads for spirits and wine are at an identical level (1,156 ads) for these 13 countries.

At country level there are significant differences in the intensity of advertising by sector: for beer versus spirits and wine, the top five countries are Poland, Austria, Hungary, Germany and Slovakia where the share of beer ads is significantly above 50% of all ads. In France, Italy and Greece this share is below 20%. For spirits the most important advertising markets, relative to other sectors, are Greece (77% of all ads) followed by Ireland (38%), Belgium (35%) and Spain (33%), while Austria (14%) and Germany (12%) are at the low end. The relatively low ad shares for spirits are partly a reflection of the fact that advertising for spirits is more regulated than advertising for other alcohol beverages in some countries other markets this share is below 30% – partly a reflection of the fact that advertising for spirits is more regulated than advertising for other alcohol beverages in some countries.

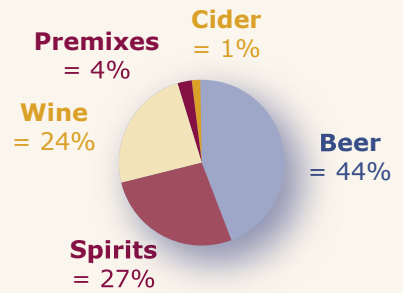
SPLIT PER SECTOR



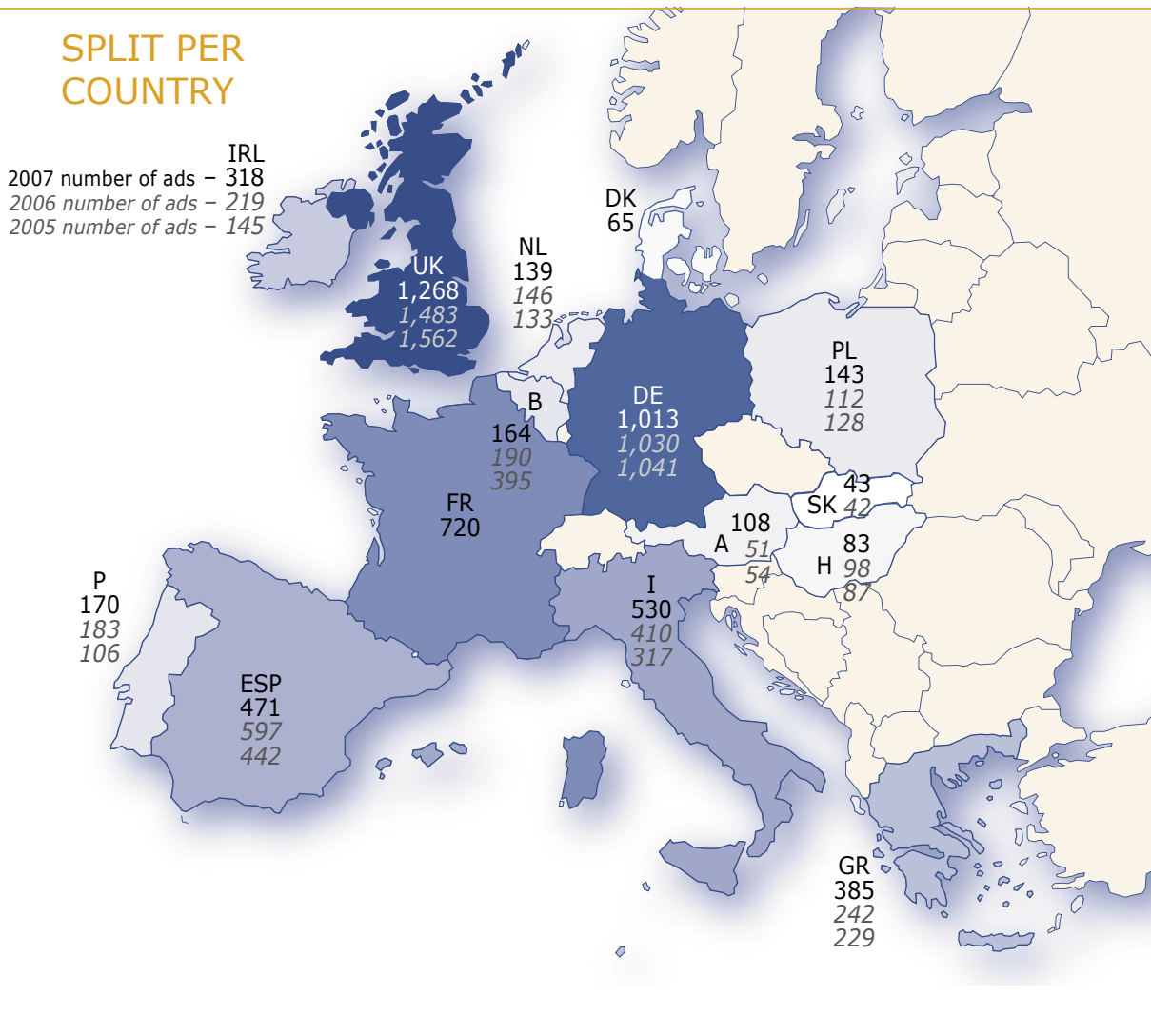
SPLIT 2005:



SPLIT 2006:



SPLIT PER COUNTRY



COMPLIANCE ●●●

















Out of the 5,620 ads from 15 countries reviewed 50 ads (0.9%; 2006: 68, 1.4%) received complaints (in Austria, Belgium, Germany, Ireland, Italy, the Netherlands, Slovakia, Spain and the UK) of which 15 complaints (0.3%; 2006: 4, 0.2%) were upheld. This result represents an improvement for the number of complaints, which declined by 26% against 2006. The percent of ads with against which complaints were upheld (0.3%) is low similar to the year before.

Of the 5,620 ads reviewed, 249 (4%) were deemed by the SROs to be not to be in compliance with the EFRD Common Standards, or other applicable codes resulting in a compliance rate of 95.6%. For 2006 the comparative figure was 96.0% and for 2005 96.4%, for the 13 countries reviewed in those years. For this same original group of 13 countries, compliance this year increased to 97%.

In three countries – Austria, Denmark and Hungary – compliance is at 100%. A group of another nine countries have compliance rates above 95% (Belgium, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Slovakia and Spain). The UK (94.5%) and Poland (92.35) both improved against last year where the UK was at 92.6% and Poland at 89.3%. In the UK this means that industry, in a market where advertising is prevalent, has quickly adapted its advertising practices to the tighter standards adopted there towards the end of the previous reporting period.

Interestingly, France, the country where advertising for alcoholic beverages is governed by law, has the lowest compliance rate (85.7%). This may reflect the difficulties still experienced by industry and its advertising suppliers over the correct interpretation of the Loi Evin.

CONTENT COMPLIANCE PER COUNTRY 2007, 2006, 2005

Country	Compliance 2007 %	Compliance 2006 %	Compliance 2005 %
 Austria	100	96.1	96.3
 Belgium	95.7	95.8	88.9
 Czech Republic	n/a	n/a	92.0
 Denmark*	100	n/a	n/a
 France	85.7	n/a	n/a
 Germany	98.0	98.5	99.0
 Greece	99.0	99.2	100
 Hungary	100	94.9	95.4
 Ireland	98.1	99.5	97.2
 Italy	98.5	97.3	93.4
 Netherlands	96.4	99.3	95.5
 Poland	92.3	89.3	99.2
 Portugal	99.4	99.5	99.0
 Slovakia	97.7	88.1	n/a
 Spain	97.2	96.6	89.2
 UK	94.5	92.6	98.6
TOTAL	95.6	96.0	96.4








*The review in Denmark did not include ads from the beer sector.

COMPLIANCE – RESPONSIBLE DRINKING MESSAGES (RDM) ●●●

The 2007 Monitoring Report looked also at compliance with requirements to include Responsible Drinking Messages (RDMs) in countries where inclusion is required by law, by an agreement between government and industry or by voluntary industry agreements. Countries where RDMs are so required are Belgium, France, Greece, Ireland, the Netherlands, Portugal and Spain. The compliance rate for these countries is 85%. In the preparation of the 2007 project, it was discovered that there seemed to have been misunderstanding concerning the evaluation of RDMs in 2006 making comparison with last year's result (88.8%) problematic. The review of RDMs was clarified with SROs for the 2007 exercise.

For the majority of ads deemed non-compliant with RDM requirements, the RDM was missing; in only in a small number of cases non-compliance related to wrong positioning, bad legibility or character size of the message too small.

COMPLIANCE: RESPONSIBLE DRINKING MESSAGE, ALL ADS

Country	Total	Non-compliant: RDM missing and/ or technical issues	Non compliance %
 BE	164	37	22.6
 FR	720	129	17.9
 GR	385	96	24.9
 IRL	318	26	8.2
 NL ¹	66	2	3.0
 PT	170	24	14.1
 SP	471	30	6.4
Total	2,294	344	15.0

¹ RDM is mandatory in the Netherlands for TV ads except tag-ons but not for press ads, 66 TV ads had been included in the review.

COMPLIANCE UNDER EACH OF THE PROVISIONS ●●●

One of the key purposes of the annual monitoring exercises is to discover specific areas of sensitivity or confusion. Of the 249 non-complaint ads, 103 are from France, where the analysis of the ads against the restrictions in the Loi Evin understandably seemed to have been on top of the minds of the reviewers. A review solely against the benchmarks of this exercise – for example, the framework included in the Guidance for Responsible Commercial Communications from the Brewers of Europe or the EFRD Common Standards – might have led to different results.

In other countries the analysis of compliance under the specific applicable rules shows improvement against 2006 and 2005. However, direct comparisons between the reports should be approached cautiously as local situations have changed (for example in the UK, where the code was made even more restrictive in 2005), impacting on the interpretation of the same rules.

In the 2007 exercise, the highest number of violations were observed under the clauses dealing with sexual success (34), minors (20), social success (19), hazardous activities (12) and excessive consumption (10); for all other clauses, there were fewer than 10 non-compliant ads per clause. Yet, most of those numbers are lower compared to the 2006 Report.

The number of ads violating country-specific code provisions has steadily increased to 34 ads for the 2007 report. This development shows that while the codes include practically the same themes (minors, drinking & driving, sexual success, social success etc.), sub-clauses under the same theme can be very different. Examples of some country-specific rules are: no foreign language in ads, inclusion of the duration of promotions, the combination of sports heroes and alcohol beverages, special rules concerning dignity and cultural integrity, no depiction of medical professions in ads and specific requirements related to alcohol content.

NON-COMPLIANCE UNDER SPECIFIC CLAUSES OF THE EFRD COMMON STANDARDS

Clause	2007	2006	2005
Basic Principles	3	14	27
Misuse/Excessive Consumption	10	26	25
Minors	20	44	40
Drinking and Driving	4	3	5
Hazardous Activities/Workplace and Recreation	12	5	9
Health Aspects	4	2	2
Alcohol Content	2	11	17
Performance	9	7	28
Social Success	19	21	0
Sexual Success	34	63	2
National Rules*	34	16	0

* The 2007 figure under National Rules does not include the result for France in 2007 for reasons stated above.

These results have been discussed in the EFRD committees and communicated to the European Spirits Organization (CEPS) and its members to address these non-compliance issues. They have also been communicated to the Brewers of Europe (BoE) and the European Wine Industry Association (CEEV) to ensure that information reaches their memberships.

The results will be the key topic of a workshop at the end of 2007 to which the SROs, SAOs involved in self-regulation/responsible marketing, sector trade associations and companies will be invited to review and discuss the findings with the objective to further improve compliance.

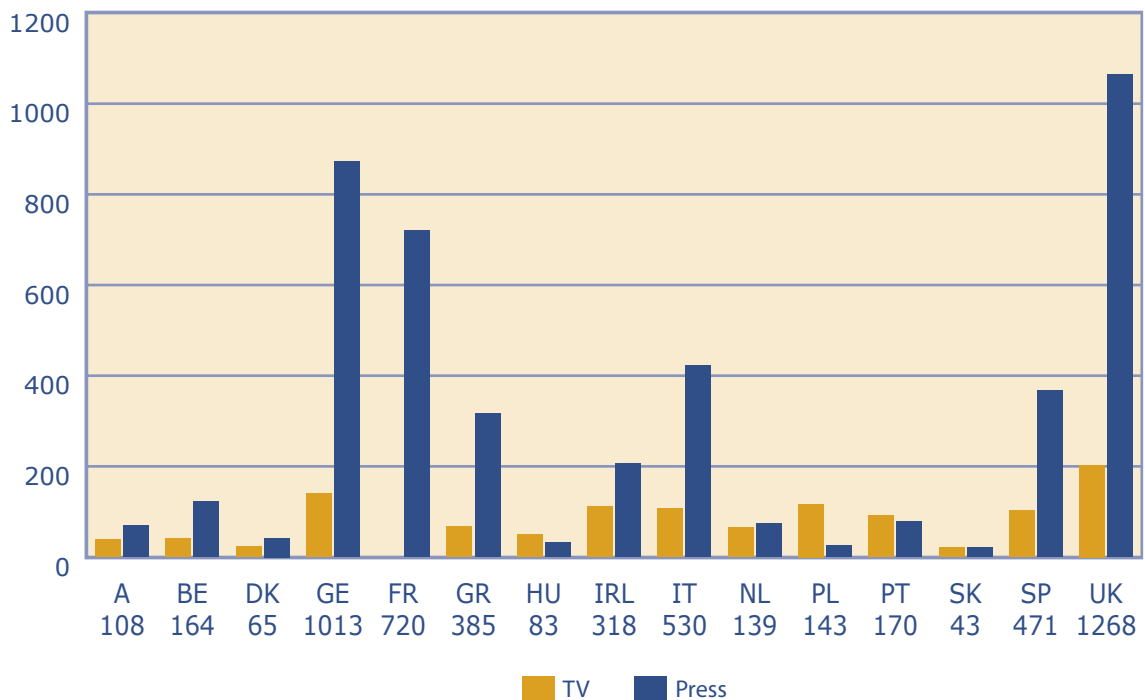
EFRD will offer an E-Learning tool, containing a web based version of the Common Standards Manual and other codes of conduct, to assist people working with these rules. It will be a valuable, interactive means to communicate advice and support for checking compliance. The tool will be made available to everyone interested in self-regulation and responsible marketing upon registration with EFRD towards the end of 2007.

COPY ADVICE ●●●

The overall number of requests for copy advice decreased sharply from 500 in 2006 to 150 in 2007 for all countries. Before drawing potentially premature conclusions from this decline, however, it should be noted that this number does not include copy advice requests for TV in the UK – the country normally with the highest number of copy advice requests in all reports – because the British Advertising Clearance Center (BACC) could not provide figures for individual industry sectors. As a result it appears that the Spanish SRO had the highest number of copy advice requests (100), followed by the UK (36, print only), Hungary (10), Belgium (3) and Ireland (1), where all drinks advertising is subject to compulsory pre-clearance by Central Copy Clearance Ireland.

Despite decreasing requests for copy advice, non-compliance has not increased. This may reflect the facts that in some advertising intensive countries (Ireland, UK) TV ads require pre-clearance and that pre-launch-screening is done increasingly by in-house resources.

MEDIA SPLIT 2007 ●●●



As in the 2006 report, print media executions are significantly ahead of TV executions. In France (where TV ads for alcohol are banned), Germany, Greece, Italy, Spain and the UK, print media ads are significantly stronger than elsewhere. In part this may reflect the differences in national markets for alcohol beverages, with the beer industry in Germany consisting of many small breweries and the small business nature of the wine industry in Italy and Spain for which it may be not beneficial and/or affordable to address target audiences via TV. TV executions are ahead of or at equal level with those for print in Hungary, Poland, Portugal and Slovakia, which may be a reflection of the media landscape in these countries. Since the total number of print ads monitored is significantly higher than the TV executions included in the exercise, it is not surprising that the absolute number of violations in print media is higher than in TV. Proportionally, however, they are at an almost identical level: press 3.94% and TV 4.16%.

SUMMARY AND CONCLUSIONS ●●●

- The 2007 monitoring showed industry compliance at almost identical levels as in the 2006 and 2005 reports. Compliance in 2007 for the 13 countries covered in the 2006 and 2005 reports is even higher at 97%.
- The changes observed from the 2006 and 2007 findings demonstrate that self-regulation is efficient in terms of quickly adapting to a changing regulatory environment; the results from the UK are impressive evidence for this observation.
- The 2007 report, which includes for the first time a country – France – with a heavily restricted regulatory environment for advertising of alcohol beverages, underlines questions raised previously by others over the efficiency of the Loi Evin. It also seems to demonstrate the uncertainties within industry about the correct interpretation of this law.
- Compliance concerning Responsible Drinking Messages in 2007 is at a high level similar to the previous year. Given some uncertainties as to the review of RDMs in 2006, the inclusion of RDMs will need to be revisited in future reviews. EFRD companies will continue their effort to introduce RDMs where not yet common and to increase their use in markets where they are established but not yet broadly being used by companies. To these ends, EFRD will work closely with CEPS and its membership.
- The 2005, 2006 and 2007 monitoring projects show that self-regulation is the most efficient way to regulate alcohol advertising. Given these results, it seems to be appropriate to include other marketing channels in addition to print and TV advertising in future monitoring exercises.





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