



Contact: Jeff Chester, CDD, 202-494-7100
jeff@democraticmedia.org

Digital and Social Media Marketing Promotion of Beer and Liquor Threatens Youth, new report warns

Consumer and health groups call on FTC and state attorneys general for action; will announce recommendations at May 18 news conference

May 18, 2010: Alcohol companies are using the latest new media technologies to promote their products using methods that appeal to youth, explains a new report released today from the Center for Digital Democracy and Berkeley Media Studies Group of the Public Health Institute. “Alcohol Marketing in the Digital Age,” details how beer and alcohol companies are targeting consumers through social media, online video, mobile phone applications, and virtual online communities. Marketers are using these and other digital tools to harvest behavioral and other data on consumers, raising concerns about the effects such personalized interactive marketing may have on underage drinking, which The Center on Alcohol Marketing and Youth estimates to account for 12-20 percent of the U.S. alcohol market. The report also examines how alcohol companies are targeting African Americans and Hispanics.

Consumer and public health groups Center for Digital Democracy and Berkeley Media Studies Group sent a copy of the report today to the FTC, urging immediate action.

Key findings from report and additional recommendations will be delivered in an online news conference today, May 18 at 1 p.m. EDT. To register, go to <https://publichealthinstitute.webex.com/publichealthinstitute/onstage/g.php?t=a&d=968400971>. The full report will become available the same day at www.digitalads.org/alcohol.php.

The following are among the many digital marketing examples included in the report:

- Heineken created a virtual world housing and entertainment complex called Heineken City, where a consumer could obtain an “apartment,” along with free storage and email services. The size of one’s apartment was determined by earning points played on Heineken-branded games.

- Molson Coors and other alcohol beverage companies are using the latest “social media monitoring” tools to track, analyze and better target consumers who use Facebook, MySpace and other social media sites.
- Smirnoff, Budweiser and others are using YouTube and other online sites to offer videos designed to become viral marketing vehicles.
- Malibu rum’s free iPhone game “Get Your Island On” explains that you can “Bowl in a rum shack. Bowl on the beach. Bowl in an underground cave or inside an aquarium. We’ve taken the Malibu Bottles off the bar, and made them part of the game.... The controls are simple. Enter your age (tell the truth!), decide where you want to play, if you want to play alone or with a friend, just grab yourself a ball.... You can turn up the volume, and if you like the music, you can download the ring tones at Malibu-rum.com. When you bowl with Malibu® Rum the lanes are always smooth, and the cocktails are always tasty!”
- Bud Light became a sponsor in ESPN’s “Zoom” casual games platform available online and as part of a “free app” for mobile phones. Zoom offers an array of games, including Air Hockey, Craps, Vector Runner, Ping Pong, Day Drive, Trick Hoops Challenge, Speed Back, and Club 300 Bowling, which are integrated with multiple forms of digital advertising.

“The alcohol industry’s digital and social media marketing tactics are blurring the boundaries between advertising and content with unprecedented sophistication, report co-author and Center for Digital Democracy executive director Jeff Chester, MSW said. “The FTC and state attorneys-general should launch an investigation into this new threat to young people online.”

“This report should open the eyes of policy makers and parents everywhere,” David Jernigan Ph.D., associate professor at the Johns Hopkins Bloomberg School of Public Health, said. “Allowing alcohol companies to regulate themselves isn’t effective at keeping advertising from reaching kids, and age verification efforts don’t work. It doesn’t take much imagination for kids to fib about their birthday before entering a website.”

“The alcohol industry’s latest marketing tactics make TV advertising look mild,” said report co-author and director of Berkeley Media Studies Group, Lori Dorfman, DrPH. “All the evidence showing that marketing influences kids to drink was generated examining old media. With aggressive under the radar tactics like mobile and social media marketing campaigns, parents don’t stand a chance, let alone their kids.”

“Today’s young people are living much of their lives online,” commented Kathryn Montgomery, PhD, professor of communication at American University, and one of the report’s co-authors. “With concerns about binge drinking and other dangerous behaviors among under age youth, public health professionals and policy makers must investigate these aggressive new alcohol marketing practices on social networks, mobile phones, and other digital media so popular with children and teens.”

Today, CDD and BMSG sent the report to officials at the Federal Trade Commission and the National Association of Attorneys General (NAAG). Both the FTC and NAAG were urged to launch investigations into the digital marketing practices of alcohol beverage companies, including their use of social media, data collection, neuromarketing, and online targeting. Among the companies cited to be included in the investigations are Google/YouTube and Facebook. The groups also asked the FTC to assess the adequacy of age-verification mechanisms and for the alcohol industry to strengthen its self-regulatory codes.

The report was co-written by Jeff Chester, MSW, executive director of the Center for Digital Democracy, Kathryn Montgomery, PhD, a public communication professor at American University, and Lori Dorfman, director of BMSG, a project of the Public Health Institute. Chester and Montgomery's research and advocacy efforts during the 1990s led to the passage of the Children's Online Privacy Protection Act (COPPA), currently being reviewed by the FTC.

The research was supported by the Substance Abuse Policy Research Program of the Robert Wood Johnson Foundation.

###