

FTC Re-Examines Alcohol Ads in Social Media Era



Twitter didn't exist the last time the Federal Trade Commission (FTC) examined alcohol advertising, back in the last decade.

Now hundreds of millions of tweets fly daily across the micro-messaging site, including an increasing number from wine, beer and liquor companies seeking market buzz. It's part of a new media frontier, one that federal regulators are about to explore.

In an ambitious venture, the FTC is requiring 14 major alcoholic beverage producers to release information about their Internet and digital marketing efforts. The parent companies for storied wineries including Kendall-Jackson, Robert Mondavi and Beaulieu Vineyard, as well as the likes of Anheuser-Busch and Bacardi, are all being tapped for precious data likely to shape future advertising rules.

Once completed, probably next year, the study will guide FTC recommendations on how the alcohol industry should regulate itself both on- and offline.

The last study of this kind, completed in 2008, compiled alcohol marketing data for 2005. That year, 42 percent of the surveyed companies' \$3.3 billion in marketing expenditures went for traditional media such as television, radio, print and outdoor billboards. Only 1.9 percent covered Internet efforts. It was a different time, though. In 2005, Twitter was still months away from being launched. YouTube had just debuted, and Facebook was barely a year old. Since then, some companies have really bellied up to the social media bar.

The makers of Southern Comfort, for one, several years ago diverted most of their marketing efforts to social media and away from traditional advertising. Bacardi, Jernigan's research found, has at least seven Facebook pages that together claim some 1.7 million fans. Captain Morgan Rum promotes a video game app for iPhones.

Other companies are still finding their virtual way.

Mike's Hard Lemonade Co., for instance, is one of the firms being surveyed by the trade

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commission. But though it has had a Twitter account for 13 months, the @mhl Twitter address has trickled out only about 140 tweets for a scant 77 followers as of Tuesday. Other companies, meanwhile, can sound so excruciatingly straight-arrow that boosting sales seems secondary to seeming responsible.

The trade commission's marketing survey went to some of the largest companies that represent myriad individual labels, such as Diageo PLC and the New York-based Constellation Brands. Modesto-based E&J Gallo Winery, the world's largest family-owned winery, is not being surveyed. The trade commission is limited in what it can do with the information it collects. Outside of regulating "unfair or misleading" ads, Jernigan noted, the commission largely lets the industry set advertising guidelines. The industry's standard, for instance, is that at least 70 percent of the audience for advertising consist of adults 21 and older.

This is stricter than it used to be, but not as strict as some would like.

"Companies," the FTC urged in its 2008 report, "should avoid online content that is likely to appeal to minors." Industry standards likewise call for alcohol purveyors' Internet sites to include age-screening pages. Jernigan said he would like alcohol companies to start actively verifying

ages, a practice currently followed on tobacco companies' websites.



Mart, of [Alcohol Justice](#), said any survey would be inadequate so long as the alcohol industry regulates its own advertising; the trade commission, though, is unlikely to go further.

To read Alcohol Justice's whitepaper titled "How Big Alcohol Abuses "Drink Responsibly" to Market Its Products", [click here](#).

Source: Sacramento Bee