

#### Amending limitations on advertising low-alcohol products

Committee of Advertising Practice and Broadcast Committee of Advertising Practice consultation on amending the rule limiting marketing claims for low alcohol products

### **Executive Summary**

- 1. Heineken UK welcomes and supports the Committee of Advertising Practise (CAP) and Broadcast Committee of Advertising Practise's (BCAP) proposal to amend the rule limiting comparative marketing claims for low-alcohol products.
- 2. We agree that removing the restrictions on advertising would be beneficial for both consumers and companies. Allowing low-alcohol products to be advertised alongside our standard strength drinks would give consumers greater choice.

#### Heineken UK

HEINEKEN UK is the UK's leading pub, cider and beer business.

We own around 2,500 pubs as part of our Star Pubs & Bars business and employ around 2,300 people directly – with many thousands of people employed indirectly.

Our portfolio of brands includes Heineken®, Amstel, Birra Moretti, Foster's, Desperados and Kronenbourg1664. We also produce leading cider brands such as Strongbow, Bulmers, and Old Mout.

Our main brands all have a low-alcohol alternative, such as <u>Heineken 0.0, Birra Moretti Zero</u>, <u>Strongbow Ultra-Low Alcohol</u> and <u>Old Mout Berries & Cherries Alcohol Free</u> Cider.

We are members of the Portman Group, and are code signatories of the codes of practice whilst advertising our products.

Question 1: Do you agree with CAP and BCAP's proposed new rule to replace CAP rule 18.9 and BCAP rule 19.10? Please set out your arguments for supporting or disagreeing with the proposal.

- 3. We agree with CAP and BCAP's proposed new rule to replace CAP rule 18.9 and BCAP rule 19.10.
- 4. We agree that the current rule wording is restrictive as it prevents producers from suggesting that a low alcohol product may be preferable to a higher strength product in the same ad.

- 5. As the Portman Group has pointed out in their submission, the low and no category has experienced significant growth over the past decade with retail sales growing 506% between 2014 and 2020<sup>1</sup>, including a 30% year-on-year increase from 2019 to 2020. Appendix 1 shows the potential global zero category growth forecast over the next 4 years.
- 6. The growth of the category reflects the strong commitment from the industry to improve the range of options for consumers who want greater freedom of choice when looking to moderate their alcohol consumption.
- 7. Consumers welcome help with this moderation, such as participating in Dry January or <u>Drinkaware's Drink Free Days</u> campaign. Being able to choose a non-alcoholic variant of a brand they love is the easiest way to make this happen. Linking the two products together in an advert allows drinks companies to create awareness of the alternatives to alcohol and gives consumers the choices they want.
- 8. Consumers show a strong desire to have more recognisable brand variants taken from our core offer. They have confidence experimenting with brands they know and love. This supports the proposed rule amendment that producers and advertisers can actively promote low alcohol variants alongside standard strength products. Appendix 2 shows some of the verbatim comments from consumer panel research when we asked consumers for their opinions on displaying a no alcohol variant alongside a standard brand. You can see from those comments how much it helps consumers understand the place of no and low in the overall market.
- 9. The proposed rule amendment will help in breaking down barriers to consumption of low and no-alcohol products. It will change the mindset that low and no-alcohol drinks are sometimes seen as a poor substitute to an appreciation that low and no variants are desirable products chosen for their own merits.
- 10. Low and No variants of brands are not used as a way of attracting people into alcohol consumption. The vast majority of drinkers who try our low and no brands already enjoy our standard brands. In fact, only 2% of Low/No Alcohol shoppers were new to Alcohol this year<sup>2</sup>. They are actually looking for ways to either

<sup>&</sup>lt;sup>1</sup> <u>Telegraph: How Britain became the world's leading producer of low- and no-alcohol spirits</u>, September 2020

<sup>&</sup>lt;sup>2</sup> Kantar Purchase | 1-Year Continuous Panel Data: 52w/e 24 Mar 19

moderate their drinking, or are simply looking for ways to continue enjoying the taste of our brands without the alcohol – perhaps because they are driving, taking part in sport, or are taking an alcohol free day. It is vital that the CAP and BCAP codes do not unintentionally stifle the growth of a category that is already doing so much to help consumers live healthier lives.

- 11. A large part of overcoming the social stigma is by having low and no-alcohol products as part of a big brand portfolio. That is why our <u>Blade units</u> (providing draft alcohol free beer in pubs) have become so popular. Drinkers can share the experience of a pint with friends without having to consume the alcohol. Advertising our low and no products alongside parent brands will give consumers the choice and confidence to try them.
- **12.** Like the Portman Group, We ask that guidance is introduced if low-alcohol comparisons are permitted to ensure that one category of alcohol is not presented as favourable to another. The current, and proposed, wording of the rule references 'similar beverages' and we would ask that this is clarified in guidance so that alcohol producers and advertisers know what category comparisons are permitted.

#### **APPENDIX 1**



Figure 1 – Global zero category growth forecast

#### **APPENDIX 2**

# Showcasing the 0.0 variant helps drive differentiation a touch more as it creates a sense that Birra Moretti is offering a new options



## **KV 1 Current Design Driving differentiation** 'It's suitable for everyone' 'Can be enjoyed anytime anywhere as it's alcohol free' L'ITALIANA AUTENTICA 'I like that it shows you different packaging' 'A new beer being sold' 'Buy the new beer' Total base size: n=150