Working Group Consultation: Sports Sponsorship by Alcohol Companies

RCPI Policy Group on Alcohol

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Introduction

Alcohol consumption in Ireland remains at very high levels in comparison to other European countries. Despite a reduction in per capita consumption in recent years, at an estimated 10.7 litres of alcohol consumed per adult in 2013\(^1\), consumption is still well in excess of recommended low risk limits and the Healthy Ireland\(^2\) maximum of 9.2 litres. Irish people continue to binge drink more frequently than most other nationalities; a recent report by the WHO\(^3\) highlights that almost half of all Irish drinkers engage in heavy episodic drinking on a regular basis, putting Ireland close to the top in binge drinking worldwide.

Alcohol is no ordinary commodity and the evidence on its harm cannot be ignored. There is a proven health, social and economic impact associated with excessive alcohol consumption in this country. Every month 88 deaths in Ireland are directly attributable to alcohol. The number of deaths due to liver disease has doubled in the last 20 years, and alcohol is associated with occupation of approximately 2000 beds each night in Irish hospitals. A quarter of all injuries presenting to accident and emergency departments are alcohol related. It is a factor in suicide, domestic abuse and accidents and costs the taxpayer an estimated €3.7 billion a year in health, crime/public order and other ancillary costs, such as work-place absenteeism.\(^4\)

The reasons why people drink excessively in this country are complex, and no single measure will reduce the numbers presenting with alcoholic liver disease, or other alcohol related health harms. In 2013, the Policy Group on Alcohol of the Royal College of Physicians of Ireland published a policy statement, *Reducing Alcohol Health Harm*. This policy statement proposes a number of evidence based actions to reduce alcohol consumption. The recommendations focus on price, availability, and advertising and marketing of alcohol. One of the key actions proposed is the introduction of a complete ban on alcohol sponsorship of sporting events.

The reality is that alcohol marketing has an impact on youth alcohol consumption and contributes to a general culture of excessive alcohol consumption. Alcohol is a drug that contributes to multiple health and social harms, and continued association of this drug with sporting activity is unacceptable. A phase out of
alcohol sponsorship of sports events would not fix alcohol related harm overnight, but it is a necessary part of changing the culture around alcohol consumption.

Consultation Questions

1. Is it possible to distinguish clearly between sports sponsorship and other sports-related marketing/advertising activities?

Although sports sponsorship rarely takes place in isolation, and is usually part of a combined strategy (including advertising activities) to promote a particular brand, there are distinctions between sponsorship and advertising/marketing. These distinctions relate both to the activity in itself, and to the perception of that activity by the public.

For example, in Speed’s and Thompson’s analysis of sport sponsorship, they see a clear distinction. They define sponsorship as a “provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives”. Sponsorship, as distinct from advertising, involves a second party, (for example sports), and association of that second party/activity with a sponsored brand.

The public perception of sponsorship is often more favourable than the perception of advertising, and as such is a powerful means of strengthening a particular brand. An Irish study by Meenaghan, who conducted focus group research on people’s perceptions of sponsorship and advertisement concluded that:

“Commercial sponsorship as a generic form of marketing communications is seen as being capable of delivering a measure of benefit to society. Social causes and environmental programs imply the greatest benefit and returned goodwill. Advertising was regarded as being selfish, involving no benefit to society. It was seen as forceful and coercive, leading to an alerted stage of consumer defence mechanisms. By contrast, respondents regarded sponsorship as indirect, subtle, less coercive, having a more background role, involving a disguised or less commercially obvious intent to persuade, with a corresponding perception of sponsor intentions being positively mediated by
the sponsor’s involvement with pursuits such as sport and the arts. They regarded sponsorship as involving a lower level of conscious registration and a message-delivery context that was different from advertising, resulting in a lowering of consumer defence mechanisms.”

2. What is the evidence of the specific impact of sponsorship on its own?

Based on the available literature, sponsorship, especially sports sponsorship is fundamental to creating a brand image. As stated previously, sponsorship is seen as being “good” and a “subtle” way to advertise compared to traditional advertising which was seen as “negative” and “overt”. 6

- A 2008 study by Santomier, found that brands spend approximately twice as much to activate sponsorships as they do for ownership rights. 7 The reason for this is because sponsorship has emerged as a credible and important dimension of brand marketing as it represents a long term investment in creating dynamic relationships between brands and consumers.

- A 2011 study in the Journal of Applied Business Research argues that sponsorship has a significant effect on brand image and advertising. 8 Firstly, people who attend sporting events have a common bond, i.e. a soccer match. This allows sponsors to specifically target an audience who is already attracted to a sport or sport team. This technique connects a brand image to a particular sport. For example, this type of marketing could associate alcohol with football if an alcohol company sponsors football events. Also, sponsorship of sporting events allows companies to advertise and promote their brand beyond the immediate site, utilizing broadcast and print media associated to the event. This allows such companies to mediate their brand in a variety of different ways to large audiences.

- A 2013 study in New Zealand which looked at the relationship between alcohol and major sporting events, which were sponsored by alcohol companies, revealed, through questionnaires and a content analysis that a majority of the spectators realised that alcohol sponsorship was a key part of the event, that it added to the event, that alcohol logos and
advertisements made up a large part of the viewing time, and most importantly, they felt there was an expectation on people to consume alcohol at an event. 9

3. What evidence is available on the impact of sports sponsorship as part of an integrated marketing tool to promote alcohol consumption?

A number of studies have examined the association between alcohol sponsorship of sporting events, as part of an integrated marketing tool, and alcohol consumption.

- A 2012 study by Pettigrew 10, found that in Australia 15% of all alcohol commercials and 20% of beer commercials on television linked alcohol to sports.

- A 2013 study in New Zealand, which looked at the relationship between alcohol and major sporting events, found that alcohol sponsorship was an integral part of the sporting experience and it added to the event. 9 In fact the same study revealed that:

  “82% of participants agreed that alcohol consumption was part of the atmosphere of the events, and in particular 91% of participants at the Wellington Sevens, agreed.”

In addition, the content analysis found, that

“the billboard categories for the Wellington Sevens, the Heineken Open and the 12 games of the RWC had average screening frequencies ranging from 64 times per hour to 180 times per hour. Virtually every minute of the broadcasts contained alcohol-sponsored stadium signage visible to the viewers”.

- Another 2013 study by Graham and Adams 11 on alcohol marketing in top-class English professional football matches found that “visual alcohol references in televised top-class English football matches are common with an average of nearly two per minute”. They conclude that “restriction of all alcohol sports sponsorship, as seen for tobacco, may be justified”.

- A recent 2014 study, 12 which examined the association between alcohol sponsorship of university students, teams and clubs in the UK found that
“students who play sport and who personally receive alcohol industry sponsorship or whose club or team receives alcohol industry sponsorship appear to have more problematic drinking behaviour than UK university students who play sport and receive no alcohol industry sponsorship”.

4. What evidence is available on the causal relationship between sports sponsorship on alcohol consumption, including by young people?

Based on the above findings, alcohol sponsorship of sporting events is seen as creating a culture between sport and alcohol. The available data on the subject confirms this notion and reveals that alcohol sponsorship of sporting events does foster alcohol consumption and initiation. As previously mentioned, sports sponsorship rarely takes place in isolation, and is usually part of a combined strategy (including advertising activities) to promote a particular brand. For this reason, the effect on alcohol consumption is often analysed in the context of this combined strategy and actions to address this must address all aspects of advertising, sports sponsorship being especially important.

In terms of the effect of sports sponsorship alone, or as part of a combined strategy, the following studies reveal some interesting findings:

- A study produced by RAND in 2003, found that alcohol advertisement was a key factor in mid-adolescent drinking in South Dakota\textsuperscript{13}.

  They found that adolescents’ exposure to alcohol consumption at sports and music events was a key factor in producing a social norm around alcohol consumption.

  The same study revealed that, “over 90\% reported seeing advertisements on television, being exposed to in-store beer displays and seeing beer concession advertising at sports or concert events”.
The RAND study also found that “forty-eight per cent of the non-drinkers qualified as past-year drinkers by the spring of ninth grade, indicating a substantial amount of initiation over the period examined”.

- A 2008 study in New Zealand by O’Brien and Kypri, 14 which looked at the nature and extent of alcohol industry sponsorship of sportspeople, and its association with drinking, found that alcohol industry sponsorship of sportspeople, and in particular the provision of free or discounted alcoholic beverages, is associated with hazardous drinking.

- A 2011 Australian study on alcohol consumption examined the relationship between direct alcohol and non-alcohol sponsorship and drinking among sports people. It found that receipt of alcohol industry sponsorship was associated with higher alcohol consumption rates. 15

- In addition a 2013 study16 in Australia found that the receipt of alcohol industry sponsorship by university students who play sport is associated with higher rates of alcohol consumption and aggressive behavior. Their results found that overall “54%, 17% and 34% of sportspeople reported verbally and physically abusing someone and damaging property, respectively”16 when under the influence of alcohol. The study also found that increased alcohol behavior was disproportionately associated with male athletes and that attending an alcohol sponsor’s establishment did not affect alcohol consumption.16

The same authors also note a US study by Crosset and Benedict which looked at alcohol consumption among college athletes and aggressive behavior and found that “in one multi-campus study, athletes were involved in 19% of all reported sexual assaults on campuses, yet they made up only 3% of these university populations”.16

- As mentioned above, the 2014 study by O’Brien12 which examined the association between alcohol consumption and UK students, teams, and clubs found that alcohol consumption was greater among students who benefitted from alcohol sponsorship compared to students who received no alcohol sponsorship.
The effect of alcohol advertising on youth alcohol consumption is noted in a WHO\textsuperscript{17} report: “in markets where alcohol is more widely advertised young people are more likely to continue to increase their drinking as they move into their mid-twenties, whereas drinking declines at an earlier age among those who are less exposed”. Also,

- A 2009 review of 13 longitudinal studies, has found that “exposure to media and commercial communications on alcohol is associated with the likelihood that adolescents will start to drink alcohol.”\textsuperscript{18}

In this review, “twelve of the thirteen studies found evidence that such exposure predicts both the onset of drinking amongst non-drinkers and increased levels of consumption among existing drinkers”\textsuperscript{18}.

- Another two stage cohort study done in 2010, found a small but significant association between appreciation of alcohol advertising and youth drinking behaviour.\textsuperscript{19}

They found that there “was a very high awareness of alcohol marketing, with 97% aware of at least one form of alcohol marketing”.

Also, “among the 350 who were non-drinkers at baseline, 47% (n = 165) started drinking between baseline and follow-up”. This showed that involvement with “alcohol marketing at baseline increased their chance/risk of initiation of drinking at follow-up”.

- A 2011 longitudinal cohort study in the UK by Gordon, Harris, MacKintosh and Moodie found significant association between awareness of, exposure to, and involvement in, alcohol marketing, and drinking behaviours and attitudes towards alcohol. The initial findings reinforce the view that alcohol is marketed using several channels of communication, and that young people demonstrate a high level of awareness of and involvement with alcohol marketing.\textsuperscript{20}
5. What impact would further regulation of the sponsorship of sport by alcohol companies have on public health and related costs to the Exchequer of alcohol misuse?

A ban on alcohol sponsorship of sporting events, in combination with a number of actions described in the Public Health (Alcohol Bill) will make a significant contribution to reducing alcohol related harm in Ireland by reducing the age at which many Irish children start to consume alcohol and also by increasing public support for other measures.

This will reduce public expenditure on health, social care and criminal issues. As the research findings suggest, a ban on alcohol sponsorship will limit people’s exposure to alcohol advertisement, thereby reducing the association of alcohol with a sporting event and possibly overall consumption. A look at the case\textsuperscript{21} of Loi Evin in France shows that since the introduction of the sponsorship ban alcohol consumption has declined. In addition, if we consider alcohol companies invest heavily in alcohol advertisement and sponsorship this suggests, \textit{a priori}, that advertisement and sponsorship is important for attracting customers and any ban on alcohol sponsorship will ultimately reduce alcohol consumption. Many authors of studies in the area have reached this conclusion as a result of their research. For example:

- The Australian authors who analysed alcohol industry and non-alcohol industry sponsorship (see above) found that alcohol, consumption was higher among sports people who were in receipt of alcohol sponsorship. They concluded that “Governments should consider alternatives to alcohol industry sponsorship of sport”.\textsuperscript{18}

- A study by Gordon, MacKintosh and Moodie concluded that, it is up to policymakers and regulators to shape the direction of alcohol marketing policy and regulation.\textsuperscript{19}

- Likewise, the study on alcohol advertisement in English professional football concluded that “restriction of all alcohol sports sponsorship, as seen for tobacco, may be justified”\textsuperscript{22}.
• A 2014 study12 on alcohol sponsorship of UK university students, teams and clubs concluded that Governments should introduce a ban on alcohol sponsorship based on the application of public health grounds. They state “that in absence of strong evidence as to whether the association (between alcohol sponsorship of sporting events and increased alcohol consumption) is likely to be causal which may take many years to develop, public health authorities are compelled to take preventive action until such evidence is available”.

• In addition, an alcohol sponsorship ban is also largely supported by the Irish public. According to a 2012 HRB survey23, on public attitudes to alcohol, two-fifths (42%) support a ban on the alcohol industry sponsoring sporting events and over one-third (37%) support a ban on sponsoring musical events. Support is higher among women and in older age groups.

6. What evidence is available on the impact of a ban/restriction on sports sponsorship by alcohol companies in other countries?

The most notable example of a ban on alcohol sponsorship of sporting events is in France. It legislated against this in 1991 when the law Loi Evin was enacted.21 The purpose of the law was to address tobacco and alcohol consumption by legislating against the advertisement of both products. A novel aspect of the law was to ban alcohol sponsorship of all sporting events with the aim of reducing alcohol consumption and initiation.

• A 2004 review of the law by Rigaud and Craplet shows that since its introduction there has been a change in alcohol advertising. They state that “the law has modified the language of advertising losing most of its seductive character. It is no longer allowed to use drinkers and drinking atmospheres: we have observed the disappearance of the drinker from the images and the highlighting of the product itself”.  

They go on to further explain the impact this law had on the sports sponsorship of the 1998 Football World Cup and how despite heavy lobbying
by the drinks industry a suitable sponsor was found in the electronics company Casio, affirming the belief that sport sponsorship is not solely reliant upon the drinks industry for sponsorship.

The authors also note that it is quite difficult to show cause and effect in relation to policy but that alcohol consumption in France has decreased from 30 to 13 litres of pure alcohol per capita per year between 1960 and 2004.

In addition, the authors call for this legislation to be implemented across Europe.

7. What evidence is available on the financial value of alcohol sponsorship to sporting organisations? Can this be broken down across different sports and types of activity?

A report produced for DIGI by Anthony Foley of DCU estimated that drinks industry sponsorship of sporting events in 2012 amounted to approximately €35 million. However, the author notes that this figure is a conservative estimate. It is therefore impossible to state with certainty the true value of alcohol sponsorship of sporting events considering the figure given by Foley is an estimate and the figure is not broken down by event or sponsor. Therefore, the figures given must be approached with caution.

The report noted the major sports events which were sponsored by alcohol companies in 2012, these included:

- Heineken European Rugby Cup
- Heineken Irish golf open
- Guinness Series, International Rugby
- Guinness as a Partner of the GAA and Croke Park. (It was one of three sponsors of the All Ireland Senior Hurling Championship until 2013)
- Horse racing sponsorship of Powers Gold Cup, Hennessy Gold Cup, the Guinness Punchestown national hunt sponsorship and Guinness sponsorship of the Galway and Listowel Races
• Carling beer as a sponsor of Irish soccer internationals.

In addition, the report specifically noted the contribution the alcohol industry made to horse racing. Stating that (without indication of data source):

• In 2012, total commercial race sponsorship was €3.665 million. Of this, the drinks industry provided €375,500 or 10.2%, which was the fifth highest sectoral share behind media, bookmakers and betting exchanges, stud farms, and racecourses.

8. What impact would the loss of this funding have on the sports sector/organisations/events/international events?

Considering that the exact amount spent by the alcohol industry on sports sponsorship is not available it is therefore impossible to establish the full impact a ban on alcohol sponsorship of sporting events would have.

However, there is evidence from the sponsorship ban of sporting events by tobacco companies in Australia to suggest that there would be no loss of funding to sporting organisations/events. For example, when Australia introduced a ban on tobacco companies sponsoring sporting events it did not lead to a reduction in revenue for sporting organisations; rather sponsorship revenues increased.

• A study\textsuperscript{25} on the case of Australia by Stephan Woodward, found that “\textit{since the federal ban on tobacco advertising and sponsorship became effective in 1996 corporate support for Australian sport has risen from $350 million annually to $700 million in 2000}”. The most notable example of this can be seen in the sponsorship of the Australian Cricket Team, which had been sponsored by the cigarette company Benson & Hedges. Since the introduction of the sponsorship ban they have witnessed an increase in revenues to the Australian Cricket Board.

The same study also revealed that the sports organizations who were in receipt of tobacco sponsorship money were only getting less than half that amount, the remainder being spent by tobacco companies advertising the fact of the sponsorship.
• The continuation of sports sponsorship by alcohol companies could also have negative impacts for the sport. There is a possibility that supporters of a given sport that is sponsored by an alcohol company might become frustrated if they perceive their sport to be connected with an industry/product that is known to have negative health impacts such as alcohol. In short, sporting organizations who continue to have sponsorship deals with alcohol companies run a “reputational risk” between their supporters and their sport.26

9. What evidence is available on alternative sources of sponsorship for the sports sector?

• According to the European Sponsorship association27, the largest sponsors of sporting events in 2009 were telecommunications, clothing, banking and finance, cars, airlines, insurance companies, electronics, energy, oil, and credit cards. Alcohol sponsorship was not present in the top ten industry sponsors indicating that there are other sources of revenue apart from alcohol companies.
• There is evidence from Ireland28 to suggest that alcohol sponsorship is not the only funding available to sporting organisations. For example in 2008, the GAA rearranged its sponsorship deal with Guinness, whereby the drinks company was no longer the only sponsor of the GAA hurling championship, instead it was one of three sponsors, the other two being Centra and Ethiad.

10. What other funding supports could be used to help sporting organisations instead of sponsorship?

Based on the European Sponsorship Association27 review of the largest sports sponsors there is evidence that alternative sources of funding are available for sporting events. For example sponsorship deals could be made with companies in areas such as,

• Clothing
• Banking
11. What further options could be considered for regulating/restricting alcohol sponsorship?

RCPI is of the opinion that legislating against alcohol sponsorship of sporting events is the most appropriate and effective option. As it stands, there is no regulation on alcohol sponsorship of sporting events and any attempt to regulate against alcohol sponsorship that is not underpinned by legislation (e.g. voluntary codes) could allow the continuation of alcohol sponsorship and the continued association of alcohol with sport. The phasing out of sponsorship in the first instance should provide for a ban on all new sponsorship arrangements being put in place. The existing arrangements need a stepped approach towards eventual cessation.

12. What regulatory models have worked well in other countries?

- Alcohol and Tobacco sponsorship ban in France (see above).
- Tobacco sponsorship ban in Australia (see above).

13. Are there ways to make the existing voluntary Code of Practice more effective?

Legislation should be enacted to ban alcohol sponsorship of sporting events as voluntary codes are ineffective in other areas. Existing voluntary codes of practice should be strengthened by the Department of Sport and put on a statutory basis pending a complete ban.
Conclusion

RCPI supports a ban on alcohol sponsorship of sporting events. The introduction of this ban, in tandem with a number of policy measures outlined in the Public Health (Alcohol) Bill will make a significant impact on the culture of drinking in Ireland. The association of alcohol with sport contributes to a culture where excessive alcohol consumption is normalised. This is despite the fact that alcohol is a drug that causes multiple health and social harms. It should no longer be perceived as a normal component of sporting activity.

The proposed ban on alcohol sponsorship of sporting events is therefore a crucial step in changing the culture around alcohol and in tackling the problem of excessive alcohol consumption in Ireland.

The problem of alcohol consumption is a public health matter and must be prioritised over the interests of any industry. This will reap future health and economic savings in the long term and will support the achievement of the Healthy Ireland vision.

RCPI is in favour of implementing this ban on a phased basis, whereby all current sponsorship deals will be allowed to operate until 2019. We believe that this time frame will allow all sporting organisations to acquire new sponsors without harming revenues or resources. We firmly support a complete ban on any new alcohol sponsorship deals from coming into operation and we support the allocation of further funding from the Government towards sport programs for young people. Such actions will be a positive step towards reducing alcohol related harm in Ireland and implementing the Public Health Alcohol Bill.
References


4 Royal College of Physicians of Ireland (2013) “Reducing Alcohol Health Harm”.


