

Information Requests to Beverage Alcohol Advertisers Summary of Proposed Specifications, November 2011

The Federal Trade Commission is publishing a Federal Register notice in connection with its planned information requests of alcohol advertisers. A summary of the currently proposed specifications, subject to possible modification following the upcoming public comment period, is set forth below.

a. Specification 1

The first specification will seek background information on each company, including its name, address, state of incorporation, and identification of related entities such as subsidiaries, affiliated companies, and partnerships. This specification also will seek sales data (excluding taxes) for each individual alcohol brand or variety sold by each company. It also will seek non-public information from January 1, 2006 to the present regarding demographics of persons under 21 in the U.S. who have tasted, used, or purchased any of the company's brands.

b. Specification 2

The second specification will seek advertising and promotional expenditures, separated into 22 categories, for calendar year 2011. These categories are: television advertising; radio advertising; magazine advertising; newspaper advertising; transit advertising; outdoor advertising; direct mail advertising; company-sponsored Internet sites; other Internet site advertising; other digital advertising; three categories for point-of-sale advertising (specialty item distribution, retail value-added expenditures, and other); promotional allowances; public entertainment events that are not sports-related; sponsorship of sporting events, sports teams, or individual athletes; Spring Break promotions; product placements; in-cinema advertising; telemarketing; sports and sports-related events; and social responsibility programs and messages.

c. Specification 3

The third specification will seek information from the industry members regarding advertising placement, including compliance with advertising placement guidelines contained in the voluntary codes. Specifically, it will seek information regarding which code each company follows (i.e., one of the voluntary codes or an internal company code); the databases upon which the company relies to make advertising placement decisions; how often post-placement data are reviewed to ensure compliance with the relevant code; and what, if any, safeguards are in place to reduce the likelihood that a non-compliant advertising placement will occur. This specification also will seek specific information (including brand, date, time, actual audience demographics, and source of data reported) about each individual ad placed between January 1, 2011 and June 30, 2011 in the following media: television, radio (in measured markets), magazines, newspapers, and the Internet. Finally, this third specification will seek information regarding dissemination of ads that primarily targeted either Hispanic or African-American consumers.

d. Specification 4

The fourth specification will seek information about digital marketing practices and data collection. As noted by many comments, the alcohol industry has substantially expanded its presence online. For example, many alcohol companies have launched digital advertising campaigns for their brands on social networks such as Facebook and Twitter. As a result, they have an increasing ability to collect data about consumers, both those who visit corporate-sponsored sites and who visit sites operated by third parties. Of particular concern are access to these sites by persons under age 21 and potential industry collection of data about such persons.

Accordingly, this specification will take account of the comments and changing technology, and it will seek information on digital marketing practices and data collection.

Specifically, the fourth specification will seek the following information about digital marketing practices on company-owned or -operated websites: the name and URL of each website service owned or operated by the company during calendar year 2011; what kind of information is collected and at what stage of a consumer's visit to the websites; any contractual, technological, or other restrictions or prohibitions on the company's and any third party's collection or use of information collected and/or maintained from a visitor to the websites; a description of any mechanisms used by the company to deter entry by persons under age 21; the company's information collection, maintenance, aggregation, and tracking practices regarding any person under age 21; screen shots of each website page that depicts the age-screening mechanism; and a detailed description of any analytics or technologies used to identify or profile visitors to the website and how that information is used. The specification also will seek the same information from other Internet sites and other digital advertising that is not company-owned or operated. Finally, the specification will seek all marketing or consumer research studies sponsored or commissioned by the company since January 1, 2010 through the date of the completed response regarding digital advertising techniques, including any particular types of digital advertising in increasing interest in or consumption of the company's brands.

e. Specification 5

The final specification will seek information about the following categories of lesser-known media programs: direct mail advertising, other digital advertising, point-of-sale advertising for specialty items and for retail value added, promotional allowances, public entertainment events that are not sports-related, sponsorship of sporting events, sports teams, or

individual athletes, Spring Break promotions, product placements, in-cinema advertising, telemarketing, and social responsibility programs and messages. In particular, the specification will seek brief descriptions of the types of programs and events funded by efforts in each category, as well as the company's efforts to ensure that such funds are expended consistent with the voluntary codes. In addition, with respect to product placements during the period of January 1, 2011 to June 30, 2011, the fifth specification will seek the identification of the entertainment vehicle used for the product placement, along with the specific brand in each such placement, and any consideration paid in connection with such placement. Finally, Specification 5 will seek a detailed description of the mechanisms used by the company to ensure that persons under age 21 were not exposed to such vehicles or product placements.