

December 15, 2003

ADVERTISING

## Thanks to Cable, Liquor Ads Find a TV Audience

By STUART ELLIOTT

**A**lmost two years ago, an experiment to allow American liquor marketers access to the biggest, most powerful advertising medium of all - national broadcast network television - ended in acrimony. Since then, those advertisers have pieced together an alternative, virtual TV network, enabling them to expose consumers to more pitches for vodka, gin and whiskey than ever before.

Commercials for distilled spirits, once relegated to the fringes of the television landscape, now appear on two dozen national cable networks from AMC to WE, more than 140 local cable systems and 420 local broadcast stations. That patchwork network lets the liquor marketers take advantage of the benefits of selling on television - primarily the ability to reach large numbers of consumers quickly and frequently - even if its most potent form is barred to them.

This month, for instance, the VH1 cable network, owned by [Viacom](#), started running spots for distilled spirits, and several liquor brands like Grey Goose vodka introduced their first commercials with holiday themes. The Jim Beam Brands Company division of [Fortune Brands](#) is considering a cable version of its print and radio "Drink smart" campaign, encouraging responsible drinking, which could begin running as soon as the first quarter of the new year. And Vin & Sprit A.B., the Swedish maker of Absolut vodka, is planning TV spots for a new, higher-priced brand, Level vodka, to come out in 2004.

"Even with everyone frightened about the decline of television as an advertising medium, there's still something about its communication values that are hard to beat," said Adam Stagliano, president at Brand Architecture International in New York.

"Television has sight, sound and motion, and the ability to target an audience," said Mr. Stagliano, whose agency created for G1 Worldwide, a division of the TBWA Worldwide unit of the [Omnicom Group](#), the first American television commercials for Pernod Ricard's Chivas Regal Scotch whiskey. The spots have been running since October on cable networks like Bloomberg, FX and Outdoor Life.

"And TV is great for what's called top-of-mind awareness," Mr. Stagliano said. This quality, highly prized by marketers, means that when consumers are asked in surveys to name a specific brand of, say, Scotch whiskey, they reply "Chivas Regal" without prompting.

By now, viewers ought to be able to demonstrate awareness of a lengthy list of distilled-spirits brands as a result of the hundreds of spots that run each week for products that in addition to Chivas Regal include gins like Bombay Sapphire; rums like Bacardi and Captain Morgan; vodkas like Finlandia, Grey Goose and Smirnoff; whiskeys like Crown Royal and Jack Daniel's; and liqueurs like Baileys, Disaronno, Kahlúa and Southern Comfort.

In most instances, the TV spots are supplementing traditional media schedules for liquor brands dominated by print and outdoor advertising, though in some cases television - especially spots on hit cable series like

"Nip/Tuck," "Queer Eye for the Straight Guy" and "Trading Spaces" - is supplanting other media choices.

"At this point, liquor ads have saturated cable," said George A. Hacker, director for the Alcohol Policies Project at the Center for Science in the Public Interest in Washington, who has long fought against such commercials because of fears that they are more visible to children than print ads and glamorize drinking more.

"We're satisfied that at least the barrier against broadcast remains, but it's very hard to have a big enough thumb in the dike," he added. "They're aggressively advertising on cable, and we have more limited legal remedies there." That is because broadcast networks are more stringently monitored by federal regulators.

It was the harsh outcries from those regulators, along with advocacy organizations like Mr. Hacker's, members of Congress and the American Medical Association, that forced a premature end to the experiment by one big broadcaster, the NBC division of the [General Electric Company](#), to run commercials for hard liquor.

For decades, the American liquor industry had adhered to voluntary bans on the advertising of its products on radio (since 1936) and television (since 1948), even though its counterparts overseas have long run such spots. In 1996, after Seagram began defying the ban, it was lifted, but TV spots were still rare because the big broadcast networks - ABC, CBS and Fox, along with NBC - kept intact their policies against accepting ads for distilled spirits.

That changed on Dec. 15, 2001, when NBC ran a spot sponsored by [Diageo](#) on behalf of Smirnoff, which promoted designating a driver before going out to drink. It was the first step in a long test that would not have allowed commercials explicitly devoted to selling Smirnoff or other Diageo brands until April 2002. But a month before that, NBC ended the experiment, citing fierce opposition. (Now that NBC owns Bravo, said Cory Shields, a spokesman for NBC in New York, "whether or not Bravo continues to take liquor advertising is under review," though the review is expected to conclude with the policy intact.)

The brief foray of liquor onto a stalwart of broadcasting emboldened Madison Avenue.

"I got excited when NBC said it would consider liquor commercials," said Ellis Verdi, president at DeVito/Verdi in New York, which is creating the Grey Goose spots, for Sidney Frank Importing, that run on cable networks like Bravo and Golf Channel.

"Print does a fairly good job for the liquor industry," he added, "but it's great to be able to flex your TV muscles, if you will, and deliver your message in 15 seconds."

The NBC test also encouraged the other types of television to alter their policies and accept liquor advertising. For instance, there were 70 local stations, in 59 markets, running such spots in early 2001, compared with 420 now, in 204 markets. The number of local cable systems selling distilled-spirits commercials has almost doubled from 75 then to the more than 140 now.

"Be careful what you wish for," said Dr. Jay A. Winsten, a leading opponent of liquor ads on television who is associate dean at the Harvard School of Public Health in Boston and director at its Center for Health Communication.

"While there is not the degree of visibility" for liquor commercials when they are not on broadcast networks, Dr. Winsten said, because the audiences on cable are much smaller, "they're able to pass below the radar to a large degree."

"So it's harder to get a handle on the consequences to public health," he added. "We have no idea the extent to which underage drinkers are being reached or targeted."

The liquor marketers now advertising - which include [Allied Domecq](#), Bacardi and Brown-Forman as well as Diageo, Frank and Pernod Ricard - insist they are striving to avoid exposing commercials to audiences other than adults of legal drinking age.

"Our internal guidelines are more stringent than the industry's," said Mark McCallum, chief marketing officer at Brown-Forman Spirits in Louisville, Ky., which is advertising Jack Daniel's, Finlandia and Southern Comfort on cable networks like Sci-Fi, Speed Vision and USA.

"A minimum of 75 percent of the audience of a show has to be of legal drinking age before we'll advertise on it," Mr. McCallum said. "We'll only advertise after 9 p.m., and we make sure our models in the spots are at least 25 plus - and look it."

On the other side of the transaction, the cable networks have policies for selling to liquor marketers that are intended to address the critics' concerns.

"We accept distilled spirits only on networks where we think it is compatible with the age of our audience and appropriate for the network brand," said Bob Bakish, executive vice president and chief operating officer for advertising sales at the MTV Networks division of Viacom in New York.

After MTV Networks decided to start accepting liquor spots on VH1, he added, it was decided that they would be scheduled "only post 9 p.m., when 70 percent or more of our audience is 21-plus."

As pleased as the liquor marketers are with their progress, the broadcast networks remain alluring. For despite the far higher costs for commercial time - an average of hundreds of thousands of dollars for a spot, compared with prices in the thousands on national cable and in the hundreds for local broadcast or cable - audiences are typically 5 to 10 times larger.

"I would love to have that quandary" of determining how to pay for commercials on broadcast TV, said Virginia Morris, marketing director for Kahlúa at Allied Domecq Spirits North America in Westport, Conn.

"If broadcast was open to us," she added, "I'd be there."