

**Microeconomics**

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**SOCIALLY RESPONSIBLE MARKETING  
OF ALCOHOLIC COMPANIES:  
EUROPEAN PRACTICE****Abstract**

The paper analyzes the specifics of the producers of alcoholic beverages in terms of their social responsibility, as well as the realization of alcoholic beverages through the tools of socially responsible marketing. Based on the analysis of the practice of the leading European producers of alcoholic beverages an integrated structure of socially responsible marketing has been formulated for the promotion of the products on the market for enterprises of this given field of economics.

**Key words:**

Corporate social responsibility (CSR), socially responsible marketing (SRM), the policy of self-regulation, «responsible alcohol consumption» («responsible drinking»).

**JEL:** D20, D40.

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## Introduction

Drinking culture in modern society demonstrates the full range of opinions and approaches: starting from romanticizing and up to the aggressive rejection. However, even supporters of the extreme (and irreconcilable) position can not close eyes to a number of irrefutable facts. On the one hand, alcohol is an integral part of human life, the attribute of the happiest and the saddest moments of it, and its production provides jobs for hundreds of thousands of people and is an important source for replenishments of state budgets. On the other hand, alcoholism and its associated diseases, violence and accidents have become a real concern of the international community. Obviously, the main responsibility for this lies on the «shoulders» of producing companies, forcing them to seek a combination of their own goals (keeping and increasing of the market share, and increasing profitability) with the interests of their customers and the society as a whole. The tool for achievement of this seemingly controversial goal can be the implementation in their work the principles of socially responsible marketing as a part of a comprehensive corporate social responsibility.

## Analysis of foreign and national researches and publications

Corporate Social Responsibility (CSR) so far is considered to be a direction of management science that is under formation. Although the theoretical foundations of socially responsible activities and «stakeholder management» actively had been evolving over the past 30 years, particularly in the works of Carroll, Freeman, Clarkson, McWilliams, Baker, Blahov, and others only during the last decade the companies began to pay more serious attention to the real incorporation of CSR in the system of their strategic management. With respect to socially responsible marketing, its conceptual foundations originated in the early 1970s, particularly in the works of Schwartz (1971), were formulated by Kotler (1972) and was further developed in the writings of Lambin, Harrison, Amdzhadin, McCall, Kennedy, and other researchers. However, the approaches to implementing the principles of socially responsible marketing of the companies that are characterized by specific sectoral characteristics represent a wide scope for further clarification and study.

### **Issue Statement**

The objective of this work is to study the place and importance of social responsibility within the operation of the powerful producers of alcoholic beverages in Europe, as well as summarizing their experience to formulate the key policy areas of socially responsible marketing for companies in the industry.

### **Main Findings**

Corporate social responsibility (CSR) as a direction of business activity nowadays is attracting more and more attention of consumers, NGOs, governments and the society as a whole. It is a concept that reflects the company's commitment to its stakeholders (groups of people who are affected by the company's activities, that is, by the owners, customers, and employees, suppliers, local community, competitors, NGOs and society in general, etc.) and the system of steps aimed at the implementation of these commitments. Each of these groups has its own economic and ethical interests in the organization, and usually these interests do not match, and often oppose diametrically. Based on the above, Yu.Blahov defines social responsibility as «the rational response of the company to a system of conflicting expectations of interested parties focused on its sustainable development» (Blahov, 2004, p. 22). The form of the company's CSR implementation is socially responsible marketing (SRM). According to J. Schwartz, the SRM, like a classical marketing recognizes revenue to be the main motive of the business, but its gaining may be possible only due to offering goods and services on the market that satisfy customers in a way, that is just for them, and enabling the customers to take conscious («reasonable») decisions regarding the purchase, as well as the refusal of companies from marketing practices that can have devastating effects on the society (Schwartz, 1971, p. 34). Ph. Kotler considers that this is a «marketing philosophy that provides for the involvement of the factor of social welfare in the short and long term in addition to the basic elements of the marketing concept, which is meeting the customer's needs and profitable activity» (Kotler, 1972, p. 49). The later papers show the essence of socially responsible marketing that the company identifies the needs and wishes of consumers, and integrates all its activities in servicing of those needs and simultaneously increasing the welfare of the society. (McColl-Kennedy, Kiel, Lusch and Lusch, 1994).

The level and scope of social responsibility of each company is different, depending on the degree of influence the company and its products provide on society, as well as the legal, ethical and social component of this impact. From

this perspective, the companies that are best suited in bearing the burden of responsibility, along with the weapon and tobacco producers, are the producers of alcoholic beverages.

Production of alcohol is a sector of the world economy with multibillion turnovers, with ancient history and traditions. More than 8000 years ago, our ancestors learned to make drinks with honey, fruits and wild grapes. Vodka production became possible due to the invention of distillation process by the Arabs, and the first bottle of vodka came into being about 9<sup>th</sup> century A.D. Since then, a heated debate about the role of alcohol in a person and society's life does not stop, starting from romanticizing to the full rejection. The industry is budget-forming for many countries throughout the world, and the capacity of the global spirits market after the forecast of «Global Industry Analysts», by the end of 2012 will reach 315 billion dollars (at that, a segment of «white spirits» (vodka, gin and white rum) will present more than 25% of this amount). (McColl-Kennedy et al., 1994) Positive impact of alcohol industry on vital activities of the society has different, more or less tangible forms, including:

- economic and social benefits of creating a large number of jobs directly in this given industry sector, as well as in directly or indirectly related to it sectors (retail, catering, entertainment facilities, etc.). Thus, the employment rate in the production of alcoholic beverages within Europe makes around 750 thousand people, and generally about 3 million people are occupied in this sector;
- significant proportion occupied by these enterprises in the economic structures in both the developed countries and developing countries;
- taxes and excise taxes that are levied on alcoholic beverages, is a significant source of national budgets. The EU raised excise duties on these products each year amount to about 24 billion euros, while in the United States the breweries pay taxes of more than \$ 30 billion.

As any other commercial organizations, alcohol producers aim at winning and keeping under control the largest possible market share. In general, experts call the global market for alcoholic beverages mature with certain tendencies to decrease. For companies operating in such conditions, a powerful tool in the competition is the system of promotion. On the markets that are at the stage of maturity where the products are familiar to most existing and potential customers, the task of advertising and other means of promotion is further differentiation of one brand from the others to enhance or radical change the customers' attitude and behavior towards it. According to marketers, this can be accomplished by providing information about the brand's differences and benefits, the formation of its specific image and identity, as well as mental connection (relationship) of the brand with consumers or relevant reference groups (Global Industry Analysts, 2008). As far as mature markets are characterized by minimal increase in the number of consumers, the companies concentrate on drawing attention to their

products of those people who have already take their decisions on the consumption of alcoholic beverages, that is, according to Debora Ringold, the slogan of their promotion strategy was: «If you drink, drink our brand because ...» (Park, MacInnis, Priester, Eisingerich & Iacobucci, 2010, p.127). Thus, according to industry representatives, advertising and promotion of their products are aimed at expanding the market share of a particular producer, not the capacity of the overall market, and there is no proven causal link between advertising and the overall level of alcohol consumption and size of damage associated with it.

At the same time, the World Health Organization (WHO) states that each year, drinking alcohol causes more than 2.5 million deaths, including those associated with trauma, tumors, cardiovascular diseases, cirrhosis of the liver etc. (Ringold, 2008). This scary list continues more than half of cases of domestic violence and domestic violence murders, up to 60% of deaths in fires and about the third of suicides. In particular, one of the most pressing problems of today's world is a child and adolescent alcoholism. According to the Dutch National Fund for the prevention of alcohol, more than 90% of European students aged 15–16 years have had the experience of drinking, first tried it, on average, at the age of 12.5 years, and for the first time were in a state of intoxication in 14 year age (World Health organization, 2011). Almost the same situation is in Russia: the vast majority of teenagers (approximately 70%) are familiar with the taste of alcohol at the age of 12-14 years. According to «Russian Gazette» in the country there are 178 thousand children of alcoholics who are familiar with hangovers and «delirium tremens», and 33% of boys and 20% girls daily consume alcohol (including beer) (Anderson, 2007, p. 12). According to statistics, 11% of all alcohol drunk in the U.S., accounts for the share of persons aged from 12 to 20 years. Among the surveyed American students 33% of eighth graders (age 13 years) and 70% of the twelfth grade students (18 year old) said that they drunk alcohol, and, respectively, 13% and 40% of them know what it means to be drunk. (Dobrynina, 2011) In Ukraine, according to WHO, 40% of children aged from 14 to 18 regularly drink alcohol. About 16% of children aged 11-12 years not only try hard liquor, but also have experience of alcoholic intoxication (based on (Alcohol and Public Health)).

Is there a relationship between advertising, promotional activities of alcoholic drinks and decisions taken by consumers, particularly by young people to use them? More than 10 years ago, Irish researchers published the results of the study what effect the alcohol advertising produces on the adolescents aged 12–17 years (Lebed, 2012). In particular, that research noted that:

- the use of humor, popular music, animations and images of celebrities makes the alcohol advertisement the most attractive and interesting, surpassing traditional favorite children's food and sweets;

- due to the content of movies (clubs, discos, dances, recreation, free, uninhibited conduct), the vast majority of teenagers feel that it is them who are the target audience of the advertisement;
- they realize that the basic idea of such advertisements is that alcohol is the key to social or sexual success, the means to improve mood and so on.

Unfortunately, we have to establish the fact that for the period of making this study the situation is hardly improved: since the effects of media produced on children and adolescents, as well as the time they spend in front of TV and the Internet is ever increasing. And the slogans «show your true inside nature» (whiskey Jim Beam), «and the fun goes on» (tequila Olmeca), are as relevant for those seeking self-identity and self-affirmation.

Given the above, national governments take actions to regulate the production, realization and promotion of alcoholic beverages; although their approach to this issue solution is different. An illustration of this thesis can serve the data presented in Table. 1, describing the level of some constraints associated directly with sales in the European countries.

Logically, the implementation of the policy of restricting promotion of alcoholic beverages must lead to a reduction in their consumption, but the analysis conducted by experts of the European Association of EGTA, demonstrates that the causal link between the increasing or liberalization of anti-alcohol legislation and consumption of these products is not so obvious<sup>1</sup>. Thus, in France substantial restrictions on advertising and promotion of alcoholic drinks on the market existed since the mid-80s of the 20<sup>th</sup> century until 2008 and after that some of them have been canceled or significantly mitigated (in particular, the allowed forms were for advertising on the Internet, printed media and on radio, etc.). Thus, consumption of alcoholic beverages remained relatively stable, and the introduction or withdrawal of those rules had not significantly influenced the situation. Similar is the situation in Denmark, where the complete abolition of the television advertising of alcohol took place back in 2003, but it did not ruin the tendency to reduce the consumption of alcoholic beverages, which was formed in the early twenty-first century. After the liberalization of that, during the 2004–2009 years, alcohol consumption per capita in the country declined by about 9%. Alcohol market is severely controlled in Poland. Nevertheless, the volume of consumption per capita over the last 10 years has shown a steady growth. Germany uses almost no legal prohibitions on advertising and promotional activities of alcoholic beverages.

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<sup>1</sup> SpiritsEUROPE evaluation of the EU Strategy to support Member States in reducing alcohol related harm 2006–2012 and contribution for its renewal. Retrieved from: <http://www.spirits.eu/files/34/march-2012--contribution-eu-strategy.pdf>

Table 1

**Regulation of sales and promotion of alcoholic beverages  
in the legislation of some European countries**

Forms of restrictions	France			Denmark			Germany			Poland		
	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages
Sales limitation by age, years	18			16			16		18	18		
• additionally				In drinking places alcohol is not allowed to be sold to people under 18								
Products advertising												
1. TV	P			PL			PL			PL		P
2. Radio	PL	P (2008) PL (2011)	PL	PL			PL			NL		P
3. Internet	P (2008) PL (2011)			VL			PL (2008) VL (2011)			PL		P
4. Printed media	PL	P (2008) PL (2011)	PL	VL			VL			PL		P
5. billboards	NL			VL			VL			PL		P
6. in places of sale	PL (2008) NL (2011)			VL			VL			PL		
Indirect advertisement of the product in TV show or cinema	P			P			P (2008) PL (2011)			NL		
Sponsorship associated with the brand												
• sport events	P			NL			NL (2008 p.) VL (2011 p.)			PL		PL (2008) P (2011)
• youth events	P			NL			NL			PL		P

Forms of restrictions	France			Denmark			Germany			Poland		
	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages	Beer	Wines	Alcoholic beverages
Promotion actions												
• producers	P (2008) PL (2011)	P (2008) PL (2011)	NL (2008) PL (2011)	NL			NL			PL	P	
• in retail net	NL (2008) PL (2011)			NL			NL			PL	P	
• in places of drinking	NL (2008) P (2011)	P	NL (2008) P (2011)	NL			NL			PL		

Legend: P – prohibition; PL – partial limitation; VL – voluntary limitation; NL – no limitations.

Source: Developed by the author based on: The Impact of Alcohol on Teenagers in Ireland, 2001. Retrieved from [http://www.healthpromotion.ie/uploaded\\_docs/Alcohol\\_Advertising\\_Document.pdf](http://www.healthpromotion.ie/uploaded_docs/Alcohol_Advertising_Document.pdf); European Information System on Alcohol and Health. Retrieved from <http://apps.who.int/ghodata/?theme=GISAH&region=euro>

Many issues are regulated on the basis of agreements between associations of producers, marketing organizations, private companies, etc. (e. g. Code of Conduct of alcohol market contractors, aimed at protecting the interests of minors, was signed in 1976). Note that this behavior is a sign of self-regulation policy, which is defined as company's voluntary restrictions of individual areas or spheres of its activity<sup>2</sup>, which can be expressed, in particular, through licensing of specialists, establishing of corporate security standards, rejection of environmentally-damaging packaging, normalization of advertisements content and so on. In the United States it became widespread in the early 1990s and spread through Europe in the next few decades.

Table 2 shows the statistics of WHO, confirming the mentioned facts.

<sup>2</sup> TV Advertising restrictions and alcohol consumption: Some European case studies. Retrieved from [http://www.egta.com/alcohol/documents/tv\\_ad\\_restrictions\\_trends\\_in\\_alcohol\\_consumption\\_05\\_11.pdf&sa=U&ei=71jVUOe-K\\_CX0QXMIYGwBg&ved=0CAkQFjAB&client=internal-uds-cse&usg=AFQjCNFq\\_FFyVvylbyWiKNvm8kJvM7YPig](http://www.egta.com/alcohol/documents/tv_ad_restrictions_trends_in_alcohol_consumption_05_11.pdf&sa=U&ei=71jVUOe-K_CX0QXMIYGwBg&ved=0CAkQFjAB&client=internal-uds-cse&usg=AFQjCNFq_FFyVvylbyWiKNvm8kJvM7YPig)

Table 2

**Consumption of alcoholic beverages per capita (aged over 15 years) in some European countries for the period of 1980–2009, in liters of pure alcohol\***

Country	Years						
	1980	1985	1990	1995	2000	2005	2009
France	19,17	16,84	15,77	14,16	13,63	13,24	12,30
Denmark	11,68	12,11	11,62	12,10	12,65	11,87	10,66
Germany	13,99	12,86	12,62	13,35	12,91	12,20	11,72
Poland	10,91	9,40	8,26	8,14	8,40	9,04	10,10

\* The amount of pure alcohol drunk is determined by the summation of all consumed drinks accounting for their alcohol content (including beer – 5% , wine – from 9 to 16%, vodka – 40%, etc.)

Source: developed by the author on the basis of analysis (Maxwell, Lyon & Hackett, 1998).

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The above allows us to establish the fact that strict administrative control of the area of promotion and marketing of alcoholic beverages is not able to ensure all-scale improvements.

However, the positive trends to a reduction in alcohol consumption show those countries where the policy is implemented of self-regulation and voluntary restrictions assumed by the contractors in this segment of the market. Note that it is the self-regulation that is most suited to the activities which we call socially responsible, since by definition of the European Commission, «this is an approach providing for the company's voluntarily inclusion of social and environmental components in its business processes and collaboration with the stakeholders» (EISAH, 1961) and thus, forming the basis of socially responsible marketing as an integral part of the company's CSR. As advertising and promotional activities can make a powerful impact on consumer decisions regarding purchase of goods, including the relative consumption of alcoholic beverages, due to them it is possible to form a socially responsible, strategically-oriented system of relations between the manufacturer and its stakeholders, aimed at creating a culture of alcohol consumption, designed to limit its harmful effects.

Table 3 presents information on the world's five largest producers of alcoholic beverages in terms of market capitalization (indicator that confirms their success), represented by the agency of «Bloomberg».

Table 3

**World leaders of alcoholic beverages market in terms of market capitalization**

Rating	Company title	Location of headquarters	Market capitalization	Specialization	Main brands
1	Anheuser-Busch In-Bev	Leuven, Belgium	81 bln. dol..	World leader of beer production	«Budweiser», «Stella Artois», «Beck's», «Ice»
2	Companhia de Bebidas das Américas	Sao-Paulo, Brazil	57 bln. dol..	Producer of beer and low alcoholic beverages	«Skol», «Brahma», «Antarctica»
3	Diageo plc	London, Great Britain	42 bln. dol.	The world largest producer of alcoholic products premium	«Johnnie Walker», «White Horse», «Smirnoff», «Baileys», «Captain Morgan»
4	Heineken	Amsterdam, Netherlands	25 bln.dol.	Beer producer	«Heineken», «Amstel»
5	Pernod-Ricard	Paris, France	22 bln. dol	Producer of alcoholic, wine and cognac products	«Absolut», «Beefeater», «Ballantine's», «Martell», «Malibu»

Source: compiled by the author based on A renewed EU strategy 2011-14 for Corporate Social Responsibility. [Communication from the Commission to the European parliament, the council, the European economic and social committee and the committee of the regions]. Retrieved from <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:EN:PDF>.

Since the focus of this study is the European market segment, we will consider the approaches to social responsibility of «Anheuser-Busch InBev» «Diageo», «Heineken» and «Pernod-Ricard» companies, as well as their marketing practices in this area.

*«Anheuser-Busch InBev»*

The Belgian corporation «Anheuser-Busch InBev» owns 4 out of 10 most popular brands of beer. In general, the business portfolio of the company includes 200 beer brands, and it is operating in 23 world countries. The key areas of the policy of social responsibility of the enterprise are the following:

- concern for the environment (in particular by increasing the effective use of natural resources, specifically, water and energy, as well as through the reduction of pollution and transition to raw recyclable materials);
- cooperation with local communities (job creation (today there are more than 116,000), payment of taxes and duties to the local governments, the activities of numerous charity funds and volunteer programs)
- promotion of responsible consumption of alcohol.

Since responsible alcohol consumption is a common area of social and socially responsible marketing in Europe and the world, as well as a key component of CSR programs of all the companies presented in table 3, we will briefly outline its essence. This concept became widespread in the 80-s of the last century, although a single definition of «responsible drinking», does not exist so far. When we generalize the approaches to it, we can argue that responsible consumption of alcohol includes such components as personal knowledge of safe drinking limits, understanding of its effects on the body and the consequences of its excessive use, as well as the ability to recognize potential signs of alcohol dependence.

The key ideas of «Anheuser-Busch InBev» SVM program applications within the concept of responsible consumption of alcohol are the following:

- prevention of alcohol abuse in any form;
- -impermissibility of driving a car under influence of alcohol;
- impermissibility of consumption of alcoholic beverages by minors.

At the end of 2011 the achievements of the company included:

- 30 million adults participated in the program «Family Talk», which aims to help parents to explain to children danger of alcohol by minors;
- providing of more than 150 thousand bars and retail outlets with the materials to check the identification of the individual to prevent the sale of alcohol to minors;
- training of 160 thousand waiters and sellers on the issues of responsible realization of alcohol;

- investing of about 55 million dollars in projects to promote responsible alcohol drinking;
- celebration of the 3rd annual World Day of responsible beer drinking involving employees, its distributors and consumers<sup>3</sup>.

«Diageo plc.»

The British company «Diageo plc.» has 8 out of 20 world's most popular alcoholic brands. It runs on 180 markets, has its own offices in 80 countries, having created more than 25,000 jobs. Its CSR strategy differs in comprehensive approach, and includes collaboration with all key groups of stakeholders (investors, employees, contractors, power bodies, non-governmental and charitable organizations, media, etc.). The SRM is based on the Code of Business Marketing (Global Citizenship Report, 2011), that has been acting for more than 10 years and is substantially updated with regard to the development of innovative digital and social media channels and concerns, in particular, such issues as packaging and labeling of the products, advertising in media, sales outlets and consumption, sponsorship and other promotional activities. One of its key principles, in particular, focuses solely on the adult audience, and therefore:

- for advertising and promotional messages and activities used by the company are communication channels, whose audience is less than 70% of people allowed drinking by law;
- persons who appear in advertising companies are aged at least 25 years old and are looking for their age;
- in the advertisements pictures, symbols, music, gestures, animated characters that are associated with juvenile etc. are not used.

The «Diageo plc.» company actively supports the concept of «responsible drinking» and an interesting initiative in this direction was the creation of «DrinkIQ» interactive program. This is the site (<http://www.drinkiq.com/>), which contains information about alcohol, its origin, the impact on the human body and its possible consequences. In addition, the page contains pieces of advice on how to consume «correctly» alcohol without causing harm to themselves and to others. Note that the project was marked by the highest award of the International Academy of Visual Arts, which defines leaders in professional communications<sup>4</sup>.

<sup>3</sup> Based on the analysis of «The World's Five Biggest Alcohol Companies by Market Cap». Retrieved from <http://seekingalpha.com/article/198673-the-worlds-five-biggest-alcohol-companies-by-market-cap?source=feed>

<sup>4</sup> Based on the analysis of Diageo Marketing code: Promoting Responsible Drinking. Retrieved from: <http://srreport2012.diageoreports.com/media/308109/diageo%20marketing%20code%20july%202012.pdf>

*«Heineken»*

Dutch Brewery «Heineken», which at the beginning of 2012 employed about 70 thousand people, is one of the most known global beer brands in the market and offers more than 250 brands of that beverage. The structure of the Company's social responsibility includes the following:

- «green brewery» (reduction of CO<sub>2</sub>, reduction of heat and electricity, reduction of unproductive water use and its pollution);
- «green commerce» (ecological optimization of packaging, cooling and distribution of the company's products);
- staff development (improved job security, system training, implementation of the code of business behavior and protection of workers' rights);
- assistance to local communities (supporting of local raw suppliers; the development of ecological agriculture; participation in health care programs);
- cooperation with international, governmental and non-governmental organizations (participation in solving the problem of alcohol abuse and promotion of its responsible drinking);
- a «responsible drinking» program<sup>5</sup>.

Since it is the latter component of CSR that is directly related to the implementation of socially responsible marketing practices, we will focus on it in more details. In 2004, the company created a website dedicated to this issue [enjoyHEINEKENresponsibly.com](http://enjoyHEINEKENresponsibly.com), translated into 26 languages. Its slogan «Enjoy Heineken Responsibly» has become an integral part of all brand commercial communications, including its sponsorship of UEFA Champions League UEFA. In addition, the company introduced the Rules of Responsible Commercial Communications involving refusal to promote alcohol abuse, to refuse from demonstrations in advertisements persons who are younger or look younger than 25 years, as well as in the Code of Marketing «Diageo plc.», also orientation at those media, whose audience makes more than 70% of adults. An interesting initiative is the launch of the «Cool @ Work» program, which involves providing the company's employees with information and their training on responsible alcohol drinking, as well as developing skills of helping individuals who have problems with alcohol.

*«Pernod Ricard»*

Today, the French company «Pernod Ricard» accounts for 1/5 of the world's top hundred alcohol brands, and among them are vodka «ABSOLUT»,

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<sup>5</sup> Based on the analysis of «Diageo DRINKIQ web-site about alcohol was awarded a high reward». Retrieved from: <http://popsop.ru/29881>. (In Russian).

Scotch Whisky «Ballantine's», gin «Beefeater», brandy «Martell», champagne «Perrier-Jouët». The company is active in Europe, North and South America and Asia, its staff is over 19,000 employees. The key priorities of corporate social responsibility include:

- environment protection (in particular, 94% of production capacity of the company, manufacturing 98% of the overall production which is certified according to ISO 14001 (environment), 77% out of 6 500 hectares of vineyards are certified according to the standards of agriculture, in September 2010 the company received the UN award of «Water Mandate», confirming its efforts in protecting the planet's water resources, etc.);
- support of culture (since 1997 the company has been sponsoring the Georges Pompidou Center in Paris, since 2004 – the Museum of Primitive Art on the quay of Branley and the chamber orchestra «Ostinato Orchestra Workshop», which consists of talented musicians under the age of 25 years);
- the development of «entrepreneurial spirit» (support and financing of the organizations and individuals to promote and disclose the talented, enterprising and creative individuals);
- promoting of responsible consumption of alcoholic beverages<sup>6</sup>.

The «Pernod Ricard» «responsible drinking» program consists of such items as the following:

- clarification of the potential dangers for youth caused by alcohol ;
- prevention of driving while intoxicated;
- prevention of alcohol drinking by pregnant women;
- promoting the idea of «reasonable drinking»;
- work with employees of the company towards the awareness of the ideas of responsible consumption of alcohol.

In particular, the promotion of responsible consumption of alcoholic beverages:

- the «Pernod Ricard» production in the European Union is marked with a specific indication that emphasizes the dangers of alcohol for pregnant women;
- the company joined the program «not a single drop!» whose purpose is to encourage the doctors (through teaching and information materi-

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<sup>6</sup> Based on the analysis of «Heineken: Sustainability». Retrieved from [http://www.heinekeninternational.com/sustainability\\_our\\_priorities.aspx](http://www.heinekeninternational.com/sustainability_our_priorities.aspx)

als) to bring the idea to the pregnant patients of the necessity of full refusal from alcohol consumption;

- in 2007 «Pernod Ricard» signed the European Road Safety Charter and within it is actively participating in information and prevention programs on explaining the effects of driving while intoxicated;
- in 2011 the company initiated the Day of shared responsibility (Responsib'ALL Day), dedicated to the combat against drinking and driving, during which, among other measures, the «Pernod Ricard» employees carried a banner saying «Do not drink while driving» throughout the world-famous sights such as the Great Wall of China, the ruins of Machu Picchu, Times Square, etc., and they also signed a personal commitment not to drive drunk (this initiative was supported by over 15 thousand people, i.e.84% of the staff);
- in 2009 «Pernod Ricard» together with the Erasmus Student Network, for the first time in Europe, initiated the project of «Responsible Party,» which included the creation of the website [www.responsible-party.com](http://www.responsible-party.com), a special page in Facebook, distribution of thematic posters, flyers, posting videos and more. The target audience of the campaign were students and organizers of youth parties where the latter were clarified their responsibilities and dangers associated with excessive or 'wrong' alcohol consumption (the study showed that the project had reached more than 61 thousand students, and the «responsible party» were organized in 26 countries);
- Commercial Communications Code, adopted in 2007 and repeatedly improved later, clearly defines rules on advertising and promotion of the company's products, including a ban on demonstrations of obscene scenes or nudity and unacceptable display of the brand against the background of race track, sports car or a racer in driving process, etc.

Summarizing the findings of the most powerful producers of alcohol production in Europe, we can conclude that socially responsible marketing is an accepted standard of the companies, and such events do not effect the popularity of their brands.

In Table 4 we formulated four key areas of the policy of socially responsible marketing promotion of products on the market for producers of alcoholic beverages that meet European practice, and whose implementation fully meets the interests of key stakeholder groups. It should be noted, that the absolute prerequisite for their implementation should be a strict adherence to legal standards and restrictions in force concerning the promotion and sale of alcohol.

Table 4

**Structure of socially responsible marketing when promoting the alcoholic beverages on the market**

Key areas of the implementation of SRM policy for alcohol beverages sale	Forms of sales
1. The promotion of «reasonable» consumption of alcohol, formulation of a «culture of drinking»	1.1. Avoidance of appeals and images that might encourage excessive consumption of alcohol in advertising and promotional activities
	1.2. Advertising and promotion of alcoholic drinks should not contain clear associations between their drinking and the achievement of social or sexual success
	1.3. Participation in educational programs explaining the harm of excessive alcohol consumption for human body
	1.4. Informing consumers about the rules and regulations of safe consumption of alcoholic beverages
	1.5. Distribution in the sale outlets brochures or flyers with recipes of cocktails from branded drinks balanced on the principle of minimizing harm to the body
2. Preventing car driving drunk	2.1. Refusal from the use in advertising alcoholic beverages the drunk drivers, etc.
	2.2. Cooperation with distributors (especially in retail outlets and places of drinking) to prevent consumers about the dangers of driving while intoxicated
	2.3. Participation in social programs to combat drinking and driving while intoxicated
3. Preventing underage alcohol consumption	3.1. Refusal from advertising in media whose audience may be minors
	3.2. Age limit for models that are removed in advertising alcohol (they should not be or should not look like underage minors)
	3.3 Refusal from use in advertising images, characters that have a special affection among minors
	3.4. Involvement in social projects aimed at explaining the impermissibility and dangers of alcohol to minors
4. Explanation of dangers to pregnant women caused by alcohol	4.1. Labeling of alcoholic beverages with preventing emblems (for example, by the standards of the European Union)
	4.2. Cooperation with distributors (especially in retail outlets and places of drinking) to prevent consumers about the dangers of alcohol consumption by pregnant women
	4.3. Involvement in social projects on explanation of the unacceptability and dangers of alcohol drinking Heineken: Sustainability. Retrieved from <a href="http://www.heinekeninternational.com/sustainability_our_priorities.aspx">http://www.heinekeninternational.com/sustainability_our_priorities.aspx</a> for pregnant women

Of course, this list is not exhaustive, but it gives an idea of the areas of policy formation for the promotion of alcoholic beverages, which are both a response to the challenges of modern society in this sector, and a means to ensure a stable market position of the company. The formation of standards of conduct for which the normal feature is reasonable and responsible consumption of alcohol is the key to success of its producers, as any company is interested in, so that its clients were healthy and successful, and therefore solvent.

## Conclusions

The study presented in this paper, allows us to draw the following conclusions:

1. The role of the alcohol industry in modern economy is significant and acts as a budget forming factor for many countries, and actually alcohol is an integral part of the culture and life of mankind;
2. It is a proven fact that alcohol produces negative impact on the society, and this problem becomes ever more acute;
3. Tight administrative regulators of the marketing and promotion do not provide comprehensive improvements;
4. The positive trend of reducing alcohol consumption is demonstrated in those countries where the policy is implemented of voluntary self-regulation and restrictions assumed by the counterparties in this segment of the market;
5. Since the key factor of reducing harm associated with alcohol consumption, is change in behavior and culture of consumers, and advertising and other promotion tools is a powerful way to influence the person's attitude towards products and their use, it is the socially responsible marketing that is able to form a structure of relations between the manufacturer and its customers and other stakeholders, which is the least controversial regarding their interests and objectives;
6. The practice of leading producers of alcoholic beverages in Europe shows that the implementation of SRM-approach does not harm the brand image, market position of the company and hence it's financial performance.

Scientific novelty of this paper consists in attempt to generalize the experience of socially responsible marketing practices of European manufacturers of alcoholic beverages and to form an integrated structure of SRM in terms of promotion to market of enterprises working in this field of economics.

Further investigation of this problem lays in the analysis of the specific impact of certain forms and SRM tools produced on the formation of socially responsible consumer behavior with regard to its characteristics and motivations.

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