Evidence on alcohol point-of-sale (POS) position/placement in small independent shops and its influence on purchasing and consumption

Helen Robertson and Catriona Matheson

Academic Primary Care, University of Aberdeen, September 2015

Key points

- 12 papers of some relevance were identified. However none specifically investigated positioning of marketing and POS materials for alcohol outside and inside off-sales retail outlets or the percentage of the shop floor used for alcohol sales.
- Populations in studies involved: adolescents, 18-25 years, and college students.
- There was a good quality of evidence overall, with large sample sizes.
- Although there was evidence to support the negative effects of alcohol advertising and marketing, there was little reporting on positioning of POS materials and its effect on alcohol purchasing and consumption.

Background

This scoping review aimed to explore the extent of research investigating the link between alcohol POS promotions, placements/position and percentage coverage of shop floor in off-sales premises/convenience stores/small retail outlets, (rather than large stores and supermarket chains) and its effect on alcohol purchasing and consumption behaviours.

The majority of research involving alcohol advertising has been focused on mass media, eg TV advertising and marketing and was concentrated in on-sales locations (pubs, clubs etc) which have found strong associations between exposure to advertising and alcohol behaviours and attitudes. While some research has been conducted on price promotions, little research has investigated the effect of POS marketing and placement in independent off-sales premises.[2]

Methods

Firstly, advice was sought from a contact at the University of Stirling, Institute for Social Marketing regarding recommendations for grey literature. A Medline database search used keywords: alcohol* and point of sale/point-of-sale and marketing. Inclusion criteria were: POS marketing in off-sales (retail) locations including independent/convenience/grocery stores, since 1995 (i.e. twenty years). Advice was sought from the University of Aberdeen library and further database searches used

Primo Central Library Special Collections and Museums. Keywords were alcohol AND convenience, retail, grocery store AND promotion, display, marketing.

Exclusion criteria: Resource types: dissertations, books, newspaper articles and conference proceedings. Subject and journal titles not related to criteria.

Findings

Six papers recommended by University of Stirling were relevant and included.[2,4,5,6,7,8] Four further relevant papers were identified via Medline. [1,3,9,10] Primo and Search Scope "Social Sciences" found 12 papers, one was already identified.[2] Search scope using "General Resources" generated 29 results; no relevant papers were found. Using "Primo Central" identified 247 papers. Most of which were quarterly updates from non-academic articles. Four papers were from Australia. Grocery and convenience stores in Australia do not sell packaged alcohol; it can only be bought in 'bottleshops' or 'liquor stores' but some were attached to larger supermarkets. These are presented in the first section in chronological order.

Australian papers

A pilot study investigating the nature of point-of-sale alcohol promotions in bottle shops in a large Australian regional city. [1]. Jones et al (2007)

The main aim was ***to gather initial data on alcohol promotion by retailers and media and its contribution to an excessive alcohol consumption culture.*** Three outlets were stand-alone bottleshops; two were attached to licensed premises and two were attached to supermarkets. *Promotions were immediately visible within the premises.* Nine promotions offered free gifts with alcohol purchases (2 for beer and 7 for pre-mixed drinks, mainly bourbon/rum). A minimum of four purchases were required for each gift, two required eight purchases or more. Gifts included: Guinness schooner glasses, cool bags, bumper stickers, fleece jumpers, music downloads, beanies, CD cases, trucker caps and a cooler bag with a beanie. Two promotions offered free alcohol with a set number of products and offered a free branded purse, and a key ring and men's underwear. Six promotions offered competition entries with at least four purchases. Some prizes were substantial (a bike, a motorcycle, Rugby League tickets).

The effect of Point of Sale Promotions on the alcohol purchasing behaviour of young people in metropolitan, regional and rural Australia. [2] Jones et al (2011)

This exploratory qualitative study sought ***to examine the effects of point of sale promotions on alcohol purchasing and consumption behaviour in young people***, with a view to providing evidence which could be used to inform policy and regulation in New South Wales, Australia.

Participants were 16-25 year olds (n=85) in 12 focus groups, (ages 16-17 years in separate groups) and by gender (including the research facilitators) and cash incentives and gift vouchers were offered.

Participants recalled promotions and the effects on their purchasing and alcohol (beer) consumption. A similar effect was expected for other sales e.g. alcopops. Promotions recalled included: *price and volume discounts, "free gifts", competitions and free alcohol with purchase; generally seen advertised on external signage as well as TV, newspapers etc.*

Price promotions and volume discounts were the primary drivers for most purchases. With 2 for 1 offers; if they intended to spend, one or a given amount, 50% free was as a bonus. Groups were divided regarding immediate consumption of both when one was free; some would, or intended to consume the extra alcohol on another occasion. When money was limited they opted for half price products. Most participants would be willing to increase the volume purchased or purchase alcohol that they would not normally buy, and consume it, to receive a free gift (whether or not the gift was considered "tacky" or desirable ("cool")).

Offers of reduced price, "free" alcohol or "free" gifts were considered appealing by participants.

Exposure to alcohol advertising and alcohol consumption among Australian adolescents [3]

Jones et al (2011)

This study **aimed *to examine the association between exposure to alcohol advertising and consumption (initiation, recent and regular consumption)***. Participants were a cross-section of adolescents aged between 12-17 years in New South Wales, Australia (n=1113). Data were collected on exposure to advertising via television, newspapers and magazines, billboards/posters and promotion materials in bottleshops, pubs and bars and the internet. 79% of participants were exposed to POS advertising at exterior or interior of bottleshops, or bottleshops attached to a supermarket. The drinking behaviour of young people was influenced by alcohol advertising across a variety of media.

Alcohol initiation: Initiation of alcohol consumption in all age groups was likely for those having been exposed to POS in bottleshops (and other advertising types). Females between 16-17 years who recalled exposure to alcohol advertising in bottleshops (and others) were associated with alcohol initiation. There was no association between alcohol initiation in young people aged 12-15 years and exposure to any type of alcohol advertising.

Regular alcohol consumption: POS advertising was significantly associated with regular alcohol consumption in older males. This was to be expected due to familiarity with this type of alcohol advertising exposure.

Recent alcohol consumption: There were no significant associations with increased recent alcohol consumption in groups aged 16-17 years and POS promotions.

The influence of price-related point-of-sale promotions on bottleshop purchases of young adults. [4] Jones et al (2015)

The aim of this study *was* ***to investigate how young peoples' alcohol purchasing and consumption is affected by point-of-sale (POS) promotions in retail outlets (bottleshops or liquor stores) in Sydney and Perth, Australia.***

Participants were aged 18-25yrs, and were asked to participate in a cross-sectional interviewer-completed survey on leaving the premises having made their purchase. 509 shoppers participated, 67.4% were male. Participants recalled exposure to POS alcohol promotions (within a store/venue), brand and quantity, and reasons for quantity and type purchased.

Those who purchased products on promotion spent significantly more on average than those not purchasing products on promotion. However, the usual purchase volumes of respondents were unknown therefore this could be attributed to those seeking discounts with larger quantities on offer. Less than 8% (n=44) freely recalled 'promotion' and 'on special' as purchasing reasons. When prompted, 26.5% (n=135) recalled a special offer, discount or promotion connected and a further 2.4% (n=12) purchased products with no promotion. There was no data on placements/positions (other than within a store) or the impact of promotions on consumption rates. 94.4% first saw or heard of the promotion during that occasion, rather than other sources.

<u>Other papers</u>

Examining price promotions, venue and place of residence as predictors of alcohol consumption. [5] Raciti et al (2013)

This quantitative study aimed ***to understand the effect on young women of alcohol price promotions, venue and place of residence and their low-risk, risky and high-risk alcohol consumption.***

A self-report questionnaire was used in three universities in Australia, Germany and Wales, which were identified as having high levels of alcohol consumption. The population were women at University, aged 18-24 years. Australian and German Data found no support for price promotions as predictors of alcohol consumption, whereas the Welsh data found that price promotions

significantly influenced ($p<0.05$) alcohol consumption across all alcohol consumption types. There was no data on promotion positioning.

The Marketing of Alcohol to College Students: The Role of Low Prices and Special Promotions. [6] Kuo et al (2003)

The aim of this study was ***to examine the impact on students' beer drinking in relation to the "environment" which included promotions, special prices and advertising beers in drinking establishments and retail outlets***.

Self-report data was collected from 199 US colleges each with a random sample of 215 in each location. 25,585 students were invited and the response rate was 52%. The gender split was not reported.

Advertising in both interior and exterior locations were correlated with binge-drinking. Over 50% of off-sales premises displayed warnings but no significant correlation was found between these warnings and binge-drinking. In campuses which were free from alcohol advertising, binge-drinking rates were significantly lower.

Promotion locations for off-premises internal and external advertising and the association with binge-drinking rates are in table 1 below

Table 1: Advertising characteristics, location and association with binge-drinking rate

Advertising type & placement	% N=1684	Correlation [a] (n-118)	p-value
Store interior			
Free from any alcohol advertising/logos	13.5	-0.23	0.0114
Only in sections where items are sold	48.8	-0.12	0.1934
Alcohol ads/logos in other areas of store	22.7	0.06	0.4865
Alcohol ads/logos covering all available space	15.0	0.26	0.0052
Store exterior			
No advertisement	36.5	-0.29	0.0012
Discreet	22.8	0.13	0.1652
Moderate	22.7	0.09	0.3373
All over the place	18.0	0.16	0.0746

[a] Pearson correlation coefficients were used to examine the association between college binge-drinking rates and average percentage of off-premise characteristics at 118 colleges.

Around three-quarters of outlets offered weekend specials. Promotions included: 6pk x 12oz up to 30 can cases, party balls (55x12oz glasses or 2.5 cases of 12oz cans), beer kegs, volume discounts, coupons, freebies, special prices, delivery availability, drive-up windows and special operation hours/days. Larger beer volumes were associated with higher binge-drinking and colleges with larger beer volumes being sold in higher percentages of establishments had higher binge-drinking.

Lower prices for 12 or 24 beer packs were associated with higher binge-drinking. Volume discounts, price specials and coupons correlated significantly with binge-drinking. There were significant regional differences but no significant differences for enrolment size and urban/rural area.

Total *environment* scores were significantly correlated with binge-drinking rates (r=0.49), past-30-day drinking rates (r=0.41) and past-year drinking rates (r=0.35).

The Representation and Reception of Meaning in Alcohol Advertising and Young People's Drinking. [7] Gunter et al (2008)

This paper is a ***summary of an investigation into young people's drinking habits and alcohol advertising.*** The study took place in retail premises (off-licences, supermarkets and newsagents/convenience stores) within 800 metres of a school, further education college or university, in Leicester, England. The following table illustrates the numbers of outlets in these areas.

Table 2: Numbers of retail outlets selling alcohol within 800 metres of education institutions

Type of institution	Number of institutions	Number of retail premises within 800 metres
Secondary schools/6th form colleges	14	21 (1.5 per institution)
Further education colleges	8	3
Universities	2	8

Further education colleges had nine such retail outlets close-by (the report did not indicate if the three retail premises within 800 metres were included in this total). Locations of POS promotions varied across outlets with off licenses and supermarkets displaying promotions in exterior positions (see table 3).

Table 3: Locations of POS promotions within and outwith outlets

Outlets	Position of POS promotions
Supermarkets	• Spread around the stores • At children's eye level • Floor level • 1 in 5 window displays
Newsagents/convenience stores	With the product display in one part of the shop
Off licenses	Exterior promotions

Promotions across outlets included: price offers, merchandising and brand offers, special offers and product add-ons. Authors concluded that POS promotions do play a part in alcohol purchasing and

commented that generally there is evidence to suggest that promotions may influence alcohol consumption.

Independent Review of the Effects of Alcohol pricing and promotion: Project Report for the Department of Health. University of Sheffield. 2008, Sept. [8]

Systematic Review by Booth et al. and Research from Brennen et al

The primary aims of this review and study were ***to examine the relationship between alcohol pricing, levels of consumption, alcohol related harm and the likely social, health and economic costs and benefits of planned or potential policy interventions.***

Systematic Review: A total of 284 studies were included, these were significant primary studies and the results of systematic reviews. The most commonly studied group for studying alcohol pricing and promotion are college students. Comparisons were difficult due to heterogeneity, and an important confounding variable was pervasive media advertising, therefore it was not always clear where the authors referred to off-sales specifically.

Research Findings: Some bottleshops had little or no displays of alcohol products. Many stores had glass-door refrigerators and some bottleshop staff members stated that liquor companies provided fridges to exclusively stock RTDs to be positioned to be seen from the outside.

A large proportion of off-sales alcohol can be bought on special offers, and "experts" quote that 40-50% of all supermarket alcohol sales are sold while on promotion. Promotional practices and elements are "*closely guarded due to its sensitive commercial nature" and "such research (*promotional practices and elements, p.13) *will only ever cover a very small proportion of the marketing mix used by the alcohol industry".*

The evidence moderately but consistently suggested that POS promotions can affect overall alcohol consumption in under-age drinkers, binge drinkers and regular drinkers. Consistent but not conclusive evidence suggested that possession of alcohol related merchandise is associated with initiating or current alcohol consumption.

Institute of Alcohol Studies: Marketing and Alcohol Factsheet May 2013 [9]

http://www.ias.org.uk/uploads/pdf/Factsheets/Marketing%20and%20alcohol%20FS%20May%202013.pdf

Alcohol promotion positioning (front of store/end of aisle) encourage more alcohol purchasing than intended. Price discounts on volume based offers encourage purchasing in greater quantities, and discounts and supermarket promotions have increased alcohol sales by 20-25%. Consumption levels

are increased when greater quantities of alcohol are purchased. Non-drinking adolescents' exposure to in-store beer displays are significantly linked with the onset of consuming alcohol two years later. Points on marketing regulations were stated:

"Levels of regulation of marketing vary between member states (of EU Directive). A WHO European Status Report on Alcohol and Health 2010 identified 3 WHO European Region countries that had no legally binding regulation of any kind for alcohol advertising, while 14 countries had no legally binding regulations for product placement."

Alcohol Marketing and Young People's Drinking: A Review of the Research. [10]
Hastings et al 2005

This paper presented a review of the literature ***to address contradictions and set it in the context of broader marketing thought.*** The review found recent consumer studies that showed links between alcohol advertising and behaviour. Effects may be due to the combination of different promotion types: point of sale, new product developments, price promotions and distribution, and although there is little evidence, effects on young people are increasingly indicated. No specific information on POS positioning/placement was reported.

C-store beer merchandising suggests… Supermarkets beware! [11] LindenbergC (1994)

This was a convenience store report in the National Petroleum News which is a weekly printed newspaper. ***The report discussed beer merchandising techniques in grocery store chains in the US based on statistics from research carried out by Miller Brewing Co in Milwaukee, US***. The research indicated that petrol stations and convenience stores account for 17% of all beer sales and marketing is becoming more sophisticated. These marketing techniques are being adapted by some convenience stores. New products and lower prices are being added to compete with larger stores and attract new purchasers.

Creative impressive displays are used for a stronger visual impact, including raised platforms with false bases and beers being stacked high along one wall. Signage is moving to more permanent and clutter-free hanging displays with price points easily changeable. Stores are finding ways of maximising space by using popular freestanding racks for single bottles with branded beers at the top. Some stores discount big brands *"because it gives the customer an impression of a better discount."*

There was no report on the impact of these merchandising placement techniques.

Pulling out all the stops on beer sales. [12] Anonymous (2000)

This was an article written by the Vice President of Operations (for 21 years at 2000) in Auto Stop Stores (liquor store) in the US, in which he ***describes their marketing and product placement plan for beer***. Twenty three of their 43 stores sold alcohol, of which three were liquor stores.

The marketing strategies outlined in the article included aggressively featuring two to four beers per month. *Beers were usually placed in a cooler. Other high impact displays were "strategically" positioned in high traffic locations within the store. Up to 18ft of highly visible walls displayed beers and promotions.* Popularity of alcohol differed between stores, but typical brands were more appealing to middle-income consumers.

Discussion

There was little research directly on the effect of POS promotions and its effect but some reviews and papers that had data of some relevance so were included. A limitation is that most of these papers focus on young people and college students. Furthermore, although a few papers briefly discussed positioning and placement of POS materials few conducted analyses on associations between positioning, and purchasing and consumption levels. The most relevant finding was that of Kuo et al who developed an 'environment score' based on location and amount or advertising, which was correlated with binge drinking episodes. This review has included some reports from the drinks and retail industry to provide an insight from their perspective.

Conclusion

Although there is no objective research on the effect of positioning or volume of product displays in relation to alcohol consumption, there is associated evidence that more aggressive marketing such as external displays and a range of promotions that are linked to increased alcohol consumption. Retail outlets have been found to be using more inventive marketing and product placement within a store indicating they perceive some benefit from increased sales.

Acknowledgements

Thanks to Martine Stead, Institute for Social Marketing, University of Stirling who offered advice on grey literature.

References

1) Jones S, Lynch M. A pilot study investigating of the nature of point-of-sale alcohol promotion in bottle shops in a large Australian regional city. *Australian and New Zealand Journal of Public Health*. 2007: 31;4. 318-321
2) Jones SC, Smith KM. The effect of Point of Sale Promotions on the alcohol purchasing

behaviour of young people in metropolitan, regional and rural Australia. *Journal of Youth Studies*. 2011. 14:8; 885-900.

3) Jones SC, Magee CA. Exposure to alcohol advertising and alcohol consumption among Australian adolescents. *Alcohol and Alcoholism.* 2011, July 5: 46:5. 620-637.
4) Jones SC, Barrie L, Gregory P, Allsop S, Chikritzhs T. The influence of price-related point-of-sale promotions on bottleshop purchases of young adults. *Drug and Alcohol Review.* 2015. 34;170-176.
5) Raciti N, O'Hara R, Sharma B, Reinhard K, Davies F. Examining price promotions, venue and place of residence as predictors of alcohol consumption. *Journal of Social Marketing.* 2013:3;1. 8-27.
6) Kuo M, Wechsler H, Greenberg G, Lee H. The Marketing of Alcohol to College Students: The Role of Low Prices and Special Promotions. *Am J Prev Med*. 2003;25:3. 204-211
7) Gunter B, Hansen A, Touri M. The Representation and Reception of Meaning in Alcohol Advertising and Young People's Drinking. 2008 Jan. Univ of Leicester: Dept of Media and Communication.
8) Independent Review of the Effects of Alcohol pricing and promotion: Project Report for the Department of Health. University of Sheffield. 2008, Sept.
   A: Systematic Reviews. Booth et al
   B: Research. Brennen et al
9) Institute of Alcohol Studies: Marketing and Alcohol Factsheet May 2013 http://www.ias.org.uk/uploads/pdf/Factsheets/Marketing%20and%20alcohol%20FS%20May%202013.pdf
10) Hastings G, Anderson S, Cooke E, Gordon R. Alcohol Marketing and Young People's Drinking: A Review of the Research. *Journal of Public Health Policy.* 2005 Sep 1:26. 296-311.
11) Lindenberg G. C-store beer merchandising suggests… Supermarkets beware! *NPN, National Petroleum News.* 1994 Nov. 86:12. 43.
12) Anonymous, Pulling out all the stops on beer sales. NPN, National Petroleum News. 2000 Sep: 92;10. 42.