Actions of the alcohol industry during the pandemic

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Overview

- Examine how alcohol producers have engaged with the pandemic across marketing, CSR & philanthropy
- Based on a crowdsourcing collaboration between SPECTRUM research consortium and NCD Alliance, highlighting:
  - adaptation of marketing and promotions to leverage the pandemic
  - the role of cause-related marketing & corporate philanthropy in advancing strategic priorities
  - partnerships and collaborations with governments, international organisations and civil society
  - Shaping debates about ‘building back better’
- Implications for governance and for building back better
Signalling Virtue, Promoting Harm
Unhealthy commodity industries and COVID-19

Over 1000 examples crowdsourced from 100 countries across unhealthy commodity industries including alcohol, tobacco, ultra processed food and sugar sweetened drinks, gambling, fossil fuels and infant formula.

*Signalling Virtue, Promoting Harm* is a preliminary exposé and analysis of tactics and strategies adopted by unhealthy commodity industries during the COVID-19 pandemic to date.

4 main strategies are outlined, illustrated with examples

- Adapting marketing and promotions, increasing availability
- Corporate social responsibility and philanthropy
- Shaping policy environments
- Pursuing partnerships, coveting collaboration.
Signalling Virtue, Promoting Harm
Unhealthy commodity industries and COVID-19

https://ncdalliance.org/why-ncds/covid-19/map-unhealthy-industry-responses
Adaptive marketing
Adaptive marketing: scale and significance

AmBev, Brazil livestreaming concert series: “achieving in two months what was supposed to be done in two years” promoting its Brahma Duplo Malte brand

“375 million views so far breaking all viewing records possible. We had 24 times more earned media impressions than [for the] FIFA World Cup in 2018.”
Accelerating digitalisation (and presenting this as supporting communities)
Strategic continuity amid change: Marketing and corporate social activities (Kotler et al 2012)

1. **Corporate Social Marketing**: Supporting a behavior change campaign intended to improve public health, safety, the environment or community well-being.

2. **Cause Promotion**: Providing funds, in kind contributions or other resources to increase awareness and concern about a social cause.

3. **Cause-Related Marketing**: Linking contributions to a cause based on product sales or other consumer actions.

4. **Corporate Philanthropy**: Making a direct contribution to a charity or cause, typically in the form of cash grants, donations, and/or in-kind services.

5. **Workforce Mobilisation**: Supporting employees, retail partners and/or franchise members to volunteer at community organizations and causes.

6. **Socially Responsible Business Practices**: Conducting discretionary business practices to support social causes.
Cause-Related Marketing:
A corporation links monetary or in-kind donations to product sales or other consumer actions. Most commonly, this offer is for an announced period of time and for a specific product and for a specified charity. (Kotler et al 2012)
- acute conflicts: stimulate purchase of unhealthy commodity to fund health or social cause

Corporate Philanthropy:
More corporations are now experiencing pressures, both internally and externally, to move to a more strategic approach, choosing a focus and tying philanthropic activities to the company’s business goals and objectives. (Kotler et al 2012)
- still often seen as ‘neutral’, comparatively uncontentious
“When the nation reaches the White House's goal of 70% of adults partially vaccinated, Anheuser-Busch will buy America's next round of beer, seltzer, non-alcoholic beverage or other A-B product* – inclusive of over 100 brands – to enjoy with family and friends.”  

PR Newswire 2nd June 2021

https://prn.to/3gY4HYJ
Health promotion? Or promoting an unhealthy commodity?

Mexico: Heineken offers to produce 50 tons of carbonated ice for COVID-19 vaccine protection
Corporate philanthropy (?)

- United States, Budweiser made a commitment to donate $5m to the American Red Cross “as it redeployed cash earmarked for sports and entertainment toward containing the outbreak, as well as allocating its media airtime toward relaying public service announcements.”

Budweiser Canada are similarly reported to have redirected $500,000 of sports investments to the Canadian Red Cross,
“We made the decision to communicate what we are doing as a system, instead of talking about ourselves. And doing, for us, means donating funds to address the most critical needs,”
- Manolo Arroyo, Global Chief Marketing Officer and President, Asia Pacific Group.

(emphasis added)

Partnerships and collaboration: governments

“More Ways We Are Part of the Solution”

**Peru** - for “more than 140 years, Backus and Peru have been working together in union”

**Ecuador** - “Cervecería Nacional shows ‘together we are stronger’

**Mexico** - For nearly 100 years, Grupo Modelo has been there to help when Mexico needs it most. Together with local governments, our teams are helping citizens battle COVID-19…”

**Colombia** – “a new emergency hospital, co-funded by the Bavaria Foundation, opened in Barranquilla to better serve patients suffering from the virus…. The assembly of the hospital... was carried out thanks to teamwork with the Ministry of Defense and the Atlantic Government”.

https://globalimpact.ab-inbev.com/#
Building back better?

@wef Managing Director @SaritaNayyar1 calls on corporations to address big global challenges, and we couldn’t agree more. At AB InBev, we believe beer is an engine of economic activity that will pave the way for an inclusive and robust recovery.

Majority of Global Public Thinks Recovery Will Take Two Ye... Responsibility to lead this economic recovery falls to both government and businesses, but civil society plays a crucial... weforum.org

Finally, @robbinny, Director at the @UN Information Center, discusses the challenges we face in achieving the UN @SDGoals and why it is important for the private sector to step up in order to make a difference. #SDGs #TogetherForBetter
Empowering women?

Female entrepreneurs and their local businesses play a critical role in economic development, and represent an important source of income for their families & communities. We’re committed to empowering women through retailer development programs. For more: ab-inbev.com/news-media/dre...
COVID as legitimating partnership & collaboration?

Thank you @Nestle for your donation to the #COVID19FUND and your continued support to fight the #COVID19 pandemic

For more information: covid19responsefund.org/en

#healthforall #vaccinEquity

COVID-19 Solidarity Response Fund for WHO
Give to support the World Health Organization's efforts to prevent, detect, and respond to the coronavirus pandemic...

http://dx.doi.org/10.1136/bmjgh-2021-004950
WHO Foundation & the alcohol industry: An uncertain (and shifting) response

2. Excluded Categories (red and orange)
   a) Red category
      - Tobacco
      - Alcohol
      - Armament
      - Subject to UN sanctions

b) Orange category

Assessment will be conducted on a case-by-case basis but a general guidance is offered around the following types of warnings:

III. Specific industry practices that may contribute to poor human health, for example alcohol industries or Donors indirectly linked to the armament industries.
Partnerships as “the only way”?

“(W)e’re also engaging with the private sector, who will be crucial partners in achieving health for all. The Framework of engagement with non-state actors, adopted by this Assembly last year, provides the guardrails for that engagement, but FENSA is not a fence. We must use whatever partnerships are open to us, in whatever way we can, to achieve our goal. We have to believe in partnerships – that’s the only way.”

- Dr Tedros Adhanom Ghebreyesus, Director-General of the WHO, World Health Assembly, May 2018
Policy implications

- Industry CSR actions demonstrably perform marketing functions.
- Industry CSR actions designed to advance cross-border strategic interests (brand, company, industry, global governance functions).
- Need to understand (and regulate) corporate philanthropy as “a tool of legitimization” (Chen et al 2008).
- CSR & philanthropy must be central to effective approaches to regulating advertising, promotions and sponsorship.
- Corporate responses to covid heighten the need to manage conflict of interest in health governance.
Thanks!

and please consider contributing to the project

Help document UNHEALTHY COMMODITY INDUSTRY RESPONSES during the COVID-19 pandemic

Phase 2 Survey: bit.ly/MapCovidResponses

NCD Alliance SPECTRUM