



THE GIN AND VODKA ASSOCIATION'S RESPONSE

TO THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT

CONSULTATION ON PRODUCT PLACEMENT ON TELEVISION
NOVEMBER 2009

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Introduction

The GVA welcomes the opportunity to respond to the Department for Culture, Media and Sport consultation on Product Placement on Television. Being an organisation which represents producers of gin and vodka our comments relate to placement of alcohol products.

The Gin & Vodka Association (GVA)

GVA's 34 members represent 90% of the UK trade. Gin and vodka are exported to some 200 countries. Over 70% of UK produced gin and more than 20% of our vodka is exported. Exports of UK-produced gin and vodka are up 50% compared to 1990 and were worth over £250 million in 2007. It is the largest sector by volume in the UK spirits market.

Our members are major employers with a direct workforce of 2000, and around 8000 indirectly employed. GVA members' distilleries and bottling plants stretch across the UK from Plymouth in the South to Invergordon in the North. Gin and vodka production is of significant importance to the rural economy using 160,000 tonnes of UK grown wheat.

Over £2 billion is paid annually in excise and VAT from UK produced gin, vodka and RTDs. Receipts from corporation tax, business rates and income tax for employees push the Government's yield even higher.

We recognise and share the Government's desire to tackle and reduce harmful consumption of alcohol. The GVA has never raised the issue of product placement or sought to have product placement permitted. We do not believe there is any evidence that product placement on television has led or would lead to an increase in the harmful use of alcohol. We also note, as stated in section 3 of the consultation document, that UK viewers are already exposed to product placement in films shown on UK television and in non-UK television programming.

Consultation Questions

1. What, if any, viewer and other safeguards there should be additional to those required by the AVMS Directive?

We consider the safeguards in the AVMS Directive to be comprehensive.

2. How should those additional safeguards be imposed - by law, or by means of the Ofcom Code?

We firmly believe that any additional safeguards that are introduced should be introduced by means of the Ofcom Code (BCAP Broadcast Advertising Standards

Code), which allows for a much more flexible and responsive approach compared to statutory rules.

Commercial advantages We have no comment on the questions set out in this section

3. Is the range of figures for the potential financial benefit of introducing television product placement set out in Part 3 of this document (between £25m and £140m p.a.) still broadly applicable?

4. Is it possible to narrow this wide range of estimates?

5. Are there grounds for thinking that the potential benefits have increased or decreased since last year?

6. Has any new evidence emerged about the possible benefits since the earlier consultation?

Programme genres

7. If product placement is allowed in programmes made by or for UK television, should any of the programme genres permitted by the AVMS Directive be excluded?

Unless the programmes have a disproportionately high child audience then we see no reason why any of these programme genres be excluded.

8. Should UK controls on product placement be more specific as to what is meant by 'films and series' in which product placement can appear?

No comment.

9. Are there definable types of 'films and series' in which product placement either should or should not be permitted?

No comment.

10. Should UK controls on product placement be more specific as to what is meant by 'sports programmes' in which product placement can appear?

No comment.

11. Is there any reason to restrict product placement in particular types of sports programming?

Unless the programmes have a disproportionately high child audience then we see no reason why product placement should be restricted.

12. Should UK controls on product placement be more specific as to what is meant by 'light entertainment' programmes in which product placement can appear?

No comment.

13. Is there any reason to restrict product placement in particular types of 'light entertainment' programme?

Unless the programmes have a disproportionately high child audience then we see no reason why product placement should be restricted.

14. Should there be a specific prohibition of product placement in

- religious programmes
- news programmes;
- current affairs programmes;
- consumer programmes; or

Yes.

- any other specific type of television programme?

No.

Children

15. Should any or all product placement be restricted or prohibited in programmes with a disproportionately high child audience?

In relation to alcohol products, we agree that product placement be restricted in programmes with a disproportionately high child audience.

16. If so, how should that assessment be made in advance of a programme being broadcast?

We understand the difficulty around making the assessment in advance of the programme being made. This is not an area we have expertise in; however, programme makers will have an understanding of the target audience and scheduling time they will be aiming the programme at.

17. How could a 'disproportionately high child audience' be defined?

We consider the same rules should be applied as those that relate to the TV advertising of alcohol i.e. product placement should not be permitted in programmes

of particular appeal to children and which meet the necessary rules in relation to the audience age profile.

18. Should there be restrictions on placing certain types of products (e.g. HFSS foods or alcohol) in programmes with a disproportionately high child audience?; and if so

19. Should those restrictions be the same as or greater than those which are currently in place for the scheduling of spot advertising of those products?

As we have stated, we agree there should be restrictions on the product placement of alcohol products in programmes with a disproportionately high child audience. For consistency, restrictions should be the same as those which are currently in place for the scheduling of spot advertising.

Editorial independence; undue prominence

20. How could 'undue prominence' be avoided, given the commercial imperative for audiences to recognize the products and services that have been placed?

No comment.

21. At what point should the Government, or Ofcom, draw the line between legitimate paid placement of goods or services and illegitimate 'direct encouragement' to purchase or hire them?

No comment.

22. Are rules – in addition to those that prevent 'undue prominence' and the promotion of placed products – needed to safeguard editorial integrity? If so, what should these be?

No comment.

Tobacco, alcohol, HFSS foods, gambling

23. Should television placement of smoking accessories such as cigarette papers and pipes be prohibited?

No comment.

24. Should television placement of alcohol, HFSS foods or gambling be subject to an outright prohibition; or, if not prohibited, should it be subject to restrictions of some kind?

In relation to alcohol we do not believe there should be a total prohibition. For consistency we believe the rules that are in place for TV advertising of alcohol be applied to product placement under the BCAP Code.

25. If it is not practicable to apply the detail of the BCAP Code rules on alcohol advertising to alcohol product placement, would the simple AVMS Directive rules that alcohol advertising must not be aimed specifically at minors and must not encourage immoderate consumption provide adequate safeguards?

There may be some practical difficulties in applying the detail of the BCAP rules to alcohol product placements. A specific consultation to look at these issues in detail is the best way forward in addressing this issue.

26. Are there any alternative forms of safeguard that may be appropriate?

No comment.

Monitoring

27. What methods of assessment and monitoring would be most effective in ensuring that there was accurate and reliable information about the actual effects of any introduction of product placement in these areas?

In relation to monitoring possible effects on health from the introduction of product placement, we are not expert in what would be the most appropriate methods of assessment or monitoring to be used.

In relation to alcohol, the issue is harmful consumption not consumption *per se*. We believe that it may prove difficult to monitor and assess any direct, causal relationship between the introduction of alcohol product placement and any subsequent change in harmful consumption as the factors involved in harmful consumption are multi-factorial and complex.

28. Would it be possible or desirable to levy a charge on product placements to enable monitoring and/or research to take place?

No comment.

Other types of product

29. Are there any other product or service categories whose placement should be subject to prohibition or restriction?

No comment.

30. If so, what, and why?

Terms of trade

31. If television product placement is allowed, what models might there be for revenue sharing between broadcaster and producer?

No comment

32. Does the industry anticipate that the commercial negotiation of product placement arrangements would form part of the terms of trade between broadcasters and producers?

No comment

Prop placement market

33. What impact would allowing television product placement have on the existing prop placement market, and on the ability of broadcasters to source props and services in this way?

No comment

Signalling product placement to viewers

34. How should television product placement be notified to viewers?

The consultation offers a number of options as to how viewers could be notified of product placement, but does not set out the pros and cons of the different methods. Perhaps it would be useful to ascertain from those countries which currently permit product placement what is considered to be best practice.

35. When should it be notified to viewers – should we go beyond the EU requirement for notification before and after the programme and after any ad breaks?

We see no reason to go beyond the requirements for notification as set down in the AVMS Directive.

36. Should notifications to viewers mention the product(s) which has or have been placed?

In terms of openness and transparency we believe it to be in viewers' best interest that the names of the products which have been placed be communicated.

37. Do you have any other views about alerting viewers to the presence of product placement in a television programme?

No. The options appear to be adequately covered in the consultation document.

Thematic placement

38. Should the prohibition of 'thematic placement' extend to placements which feature only generic products and services or types of product and service rather than branded ones?

No comment.

39. Should the prohibition of ‘thematic placement’ extend to the placement in a programme of references to the beliefs, policies, aims or objectives of the placer?

No comment.

Negative and simulated placements

40. If television product placement is to be allowed, should there be rules which prevent negative placements?

Yes

41. Should the regulation of television product placement, if it is to be allowed, contain specific controls on the use of simulated products.

Yes