



POSITION STATEMENT: Zero alcohol products

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DEFINITIONS

Zero alcohol products: beverages that contain 0.5% or less alcohol by volume (ABV), yet retain the trademark name and branding of alcohol products, and/or mimic the flavour of alcohol products. While it is recognised that at 0.5% ABV these products may not represent a truly alcohol-free product, 0.5% ABV was chosen as products above this level are required to include a statement of the number of standard drinks in the package.

Alcohol brand extension: the application of a current product brand name to a new product in a different product category and/or target market.^{1, 2}

ISSUE OVERVIEW

Alcohol industry analysis reports have identified the growing popularity of zero alcohol products among Australian consumers.³ At present in Australia, a limited range of non-alcoholic beer, cider, wine and spirit brands are available.⁴ Alcohol companies such as Carlton United Breweries (CUB), Lion, Coopers, and Diageo are some of the current producers of these products.^{4,5,6,7} Zero alcohol products are available from independent distributors, alcohol retailers, and major supermarkets nationally.^{4,5,8,9} The sale of non-alcoholic beer products in Australia has increased by 57 per cent to \$35.5 million over the last five years.¹⁰ Uptake of these products has been significant, with industry market research reporting a ten-fold increase in non-alcoholic beer sales at CUB, and a higher proportion of female consumers than for alcoholic beer.^{6,11}

Although these products provide an alternative to alcoholic products, the packaging and unrestricted availability of zero alcohol products presents cause for concern, particularly because they share branding and product packaging with alcoholic products. Their increased popularity also presents an opportunity for alcohol companies to extend their brands through increased marketing opportunities to more readily reach young people.¹⁰

Zero alcohol products have been marketed as an alternative to soft drinks, but not necessarily an alternative to alcoholic drinks, with advertising campaigns and alcohol distributors promoting consumption of these products during lunch, in the workplace, and for those breastfeeding, driving or doing other activities that require a significant degree of skill and mental alertness.^{6,12,13,14,15} For example, a promotion for Heineken 0.0 saw the brand launch a “beer drive-thru”, where drivers were encouraged to have a “unique chance to ‘enjoy one for the road’ without compromising on taste or their ability to drive.”¹⁴

RECOMMENDATIONS & ACTIONS REQUIRED

- Advertising of zero alcohol products and any other alcohol brand extensions should be treated as advertising for alcohol products. Any existing restrictions and efforts to strengthen restrictions on alcohol marketing in Australia, including at all levels of government, should capture marketing for zero alcohol products.
- While not a replacement for effective, independent regulation, marketing of zero alcohol products should comply with the ABAC Scheme and other advertising code requirements.
- The sale of zero alcohol products should be restricted to licensed premises and to people aged 18 years or older. Zero alcohol products should not be sold in supermarkets, unless in a section clearly separated and dedicated to the sale of alcohol products.

MARKETING

The industry-managed ABAC Scheme has deemed zero alcohol products an extension of alcohol brands, stipulating that they should be marketed in accordance with ABAC requirements.¹⁶ However, the ABAC Adjudication Panel has identified that non-alcoholic alcohol products raise “some tensions” with the ABAC Responsible Alcohol Marketing Code, and has delivered conflicting determinations on whether ads for zero alcohol products breach the Code.¹⁷

Research conducted with 20-24 year old university students in Thailand identified that brand extensions by alcohol companies into other beverages increased young people’s recognition, familiarity and awareness of alcohol brands.¹⁸ This research also identified that the entrenched association between these brands and alcoholic products resulted in zero alcohol products becoming difficult to differentiate from alcoholic products.¹⁸

In a 2019 study, weekly alcohol users in the UK were surveyed to determine the perceived target audience and occasion for consumption of different alcohol products.¹³ The study identified that zero alcohol products were perceived to be targeting pregnant women, drivers, sportspeople, dieters and people who are underage.¹³ Weekday lunchtimes were perceived as the time most targeted for consumption of these products.¹³

Zero alcohol products produced independently from the alcohol industry, for example Sobah Non-Alcoholic Beer and UK brand Nirvana Brewery, are unlikely to extend existing alcohol brand influence.^{6,19} However, the packaging, flavour and use of these products would be expected to further normalise alcohol consumption in settings in which alcohol would not normally be present and among a wider range of consumers. There are also examples of zero alcohol products being released by non-alcoholic brands with links to the alcohol industry. For example, Seedlip, which is part-owned by Diageo, released a non-alcoholic spirit called NOgroni to celebrate 100 years of Negroni, the alcoholic spirit.²⁰

PRODUCT AVAILABILITY

The packaging of zero alcohol products can be difficult to differentiate from standard alcohol products, with products such as Carlton Zero having branding and packaging indistinguishable from the companies’ alcoholic products. Given this, the sale of zero alcohol products in supermarkets should not be permitted as it normalises alcohol use and places alcohol branding in an environment in which young people would not normally be exposed.²¹

Given that zero alcohol products replicate the taste and branding of alcoholic products, age verification should be required before purchase, and websites that sell zero alcohol products should be age-gated to prevent young people accessing these products.²¹

HARM REDUCTION

Zero alcohol products can provide an alternative to alcoholic products, and may be a suitable option for people seeking to reduce their alcohol intake.²²

Consumers' replacement of alcohol products with zero alcohol products is only likely to occur if these products are seen as true substitutes for alcoholic products and if they are marketed as substitutes, rather than as additional products, without appeal to children and young people.^{19,23}

The extent to which zero alcohol products would contribute to reducing population-level alcohol consumption is unclear, particularly as research shows that these products are marketed as suitable for consumption on a wider range of occasions than alcohol products.^{19,23}

These products should be approached with caution as research has identified that some zero alcohol products can contain residual ethanol above what is stated on the packaging.^{15,24,25} For example, some zero alcohol products were found to contain up to 5.3% ABV.²⁵

Protections should be in place to safeguard young people from additional alcohol advertising and exposure to zero alcohol products in settings in which they would not normally be exposed.²²

KEY MESSAGES

- Zero alcohol products are an extension of alcohol brands. The shared marketing, branding and design between alcoholic and zero alcohol products, and their positioning as a soft drink alternative, can result in increased brand awareness and loyalty, including among a wider audience and with those who are not legally allowed to purchase alcohol.^{18,21,26}
 - Product marketing strategies for zero alcohol products are of concern. The packaging of zero alcohol products can be difficult to differentiate from alcoholic products and zero alcohol products are promoted in similar ways as alcoholic products.
 - State and territory liquor laws and the ABAC Scheme do not adequately cover zero alcohol products, allowing alcohol brands to circumvent established marketing and alcohol product availability regulations.
 - Given that zero alcohol products share branding with standard alcohol products, the marketing and availability of these products, particularly in supermarkets, may further normalise alcohol.²²
 - Zero alcohol products present opportunities for alcohol companies to promote the consumption of alcohol-branded products during times in which alcohol would not normally be consumed (e.g. while driving or during a lunch break), further exposing young people to alcohol advertising and normalising alcohol use.^{12,13,22}
 - Non-alcoholic beverage options can provide an alternative to using alcohol. However, consumers' replacement of alcohol products with zero alcohol products is only likely to occur if they are seen and promoted as true substitutes for alcoholic products.
 - Zero alcohol products should be advertised and sold in accordance with the regulations for other alcohol products. Zero alcohol products should only be marketed and sold to adults, with availability limited to bottleshops and other such settings where age verification is required.
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