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Beer-soda brand collabs must follow new marketing rules

[JON SPRINGER](#)



Coca-Cola Company

A leading beer industry trade group amended its advertising and marketing code this week to address the rise of brands such as [Hard Mtn Dew](#), [Simply Spiked Lemonade](#) and [Topo Chico Hard Seltzer](#) as alcohol and non-alcohol beverage brands continue to combine forces.

The new code from Beer Institute is meant to clear confusion among consumers as well as tamp down apparent tension between competing brands within the group.

It “will help consumers distinguish between alcohol and non-alcohol versions of beverages with popular brand names,” stated the organization, whose members include Molson Coors and Anheuser-Busch InBev. The new code has already taken effect.

The code change was also sparked by high interest in crossover brands, and by some brands left to compete with them, according to Jenn Litz, executive editor at Beer Business Daily, a beer industry trade publication.

“It’s not a secret... that many existing bev-alc players, mostly competitors of the likes of Hard Mtn Dew, Simply Spiked, etc., have sounded the alarm about such brands, taking issue with their placement in stores and more,” Litz said in an email.

The new code is compulsory for brewer members and states that advertising, packaging and marketing materials for alcoholic variants of non-alcohol products “should be readily distinguishable from the advertising and marketing materials of the non-alcohol product to not confuse consumers about the alcohol nature of the alcohol variant. Advertising and marketing materials, including but not limited to displays, signage, and sampling, should not feature both the non-alcohol product and the alcohol variant.”

Don’t worry. We didn’t forget. pic.twitter.com/mjJEmVsF2G

— Hard Mountain Dew (@hardmountaindew) [January 28, 2022](#)

Liquor and beer brands have increasingly joined forces with makers of soft drinks, juice and sparkling water to chase the RTD, or “ready-to-drink” alcohol market, which is expected to be one of the few [pockets of growth](#) for the beer industry in the coming years. Hard Mtn Dew is a collaboration between PepsiCo and Boston Beer Co.; Simply Spiked and Topo Chico represent partnerships between Molson Coors and Coca-Cola.

The change comes weeks after the code review board for the liquor industry trade group Distilled Spirits Council of the U.S. (or Discus) imposed similar guidance to its members regarding advertising, marketing and merchandizing of new alcohol crossover products entering the marketplace. These include drinks like Coca-Cola and Brown Forman’s forthcoming [Jack & Coke](#).

“The spirits industry has a longstanding track record of effective self-regulation and distillers are fully committed to bringing these new products to market in a responsible manner,” Courtney Armour, Distilled Spirits Council chief legal officer and code review board liaison, said in a statement. “Our objective in developing this new guidance is to assist both suppliers and retailers in the responsible marketing and merchandizing of these products.”

Carson Benowitz-Fredericks, research director of the alcohol industry watchdog group Alcohol Justice, said the organization was pleased the new regulation “recognized there was a problem,” with what he referred to as “alcopops.” However, “in their rationale they don’t mention preventing underage use or reducing the appeal these products have to underage users,” he said. “This is a major concern with alcoholic products masked as sodas.”

While the Beer Institute and Distilled Spirits Council advocate for self-regulation in marketing and advertising, a related battle is taking place over federal rules governing merchandising. A call for comments over potential regulatory changes by the Alcohol and Tobacco Tax and Trade Bureau this month drew comment from 20 beer distributors—all associated with Anheuser Busch InBev—concerned that crossover drinks were utilizing soft drink “slotting fees” to ensure placement at retail, an option alcohol beverages do not have.

The distributors alleged retailers were displaying soft drinks and their alcohol variants together and outside of the traditional alcohol aisle. “It is unrealistic to think that soft drink manufacturers are not leveraging slotting fees for their non-alcohol brands to ensure preferential shelf space for the alcohol counterparts,” according to one comment published by [Beer Business Daily](#).

Carson-Benowitz of Alcohol Justice said his organization also had concerns over merchandising, saying soft drinks and their alcohol variants have been displayed in the same refrigerated cases at retail.