

Zero-alcohol beverages and brand extensions: A vehicle for promoting parent alcohol brands?

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Submitted: 22 November 2023; Revision requested: 7 February 2024; Accepted: 22 February 2024

Key words: zero-alcohol beverages, No-Lo, brand extensions, alcohol advertising

Zero-alcohol beverages are beverages that mimic the appearance and taste of alcoholic beverages but contain very low amounts of alcohol. These products are often produced by established alcohol companies under a parent alcohol brand.¹ Definitions of zero-alcohol beverages vary from country to country, from <0.05% alcohol by volume in the United Kingdom to <2.8% in Finland, with a threshold of 0.5% being most common.² In Australia, thresholds of either 0.5% or 1.15% alcohol by volume are used in alcohol policy measures,³ with the former threshold similarly being used to define (non-alcohol) soft drinks under the Food Standards Australia New Zealand Code.⁴ From 2021 to 2024, the beverage industry forecasts 31% sales growth in zero-alcohol beverages across 10 countries.⁵

The small but rapidly growing zero-alcohol beverage market presents a conundrum to policymakers, health professionals, and the community. On one hand, if people use zero-alcohol beverages to replace alcoholic beverages, thereby reducing their alcohol consumption, zero-alcohol beverage promotion may theoretically be beneficial for population health. Some evidence suggests that adults do substitute zero-alcohol beverages for alcohol consumption.^{6,7} However, due to the current small size of the zero-alcohol market, the overall impact on population health from substitution is likely to be minimal at present.⁸ On the other hand, concerns have been raised that the promotion of these products normalises alcohol-like consumption, potentially encouraging earlier interest in alcohol among minors and acting as a gateway to alcohol consumption.^{1,9} In addition, as these beverages may still contain small amounts of alcohol, they may be problematic for people seeking to abstain from alcohol, such as those experiencing pregnancy or those with a history of alcohol use disorder.^{10,11}

The World Health Organization recently published a brief on zero- and low-alcohol beverages, highlighting that significant uncertainty remains about the effects of these beverages on alcohol consumption and public health more broadly.⁹ The brief raised concerns about the potential for zero- and low-alcohol beverages to serve as alibi

marketing by evading restrictions on the sale and promotion of alcoholic beverages.⁹ For example, in Australia, zero-alcohol beverages are available for purchase both on licenced premises and in places where alcohol is not typically sold, such as supermarkets and convenience stores, where they can generally be purchased by minors.³ In Ireland, advertising for zero-alcohol beverages has been located in prominent places where alcohol advertising is banned. These advertisements often had a strong visual resemblance to the parent alcohol brand's alcoholic product promotions.¹² In January 2024, Corona's Cero (zero-alcohol) beer was announced as the Worldwide Partner for the Olympic Games until 2028—the first time the Olympics has had a Worldwide Partner deal with a beer sponsor.¹³ The World Health Organization and others have proposed extending restrictions on alcohol availability and advertising to zero-alcohol beverages, particularly those that are brand extensions from parent alcohol brands.^{9,14,15} Some countries, such as Norway, have already enacted such extensions.¹⁶ However, others, including Lithuania and Ireland, have struggled to act due to insufficient evidence regarding whether the promotion of zero-alcohol beverages promotes their alcoholic counterparts.^{12,17}

Although research specific to the use of brand extensions on zero-alcohol beverages is limited, there is a broader marketing literature regarding how consumers perceive brand extensions. In this commentary, we provide an overview of this literature and review the limited existing research focussing explicitly on alcohol brand extensions. From this, we synthesise implications for policy and suggest future research directions regarding the use of brand extensions on zero-alcohol beverages.

Overview of the brand extension literature

Brand extensions use an established brand's name to promote a new product or enter a new market category. In the marketing literature, brand extensions are primarily seen as a strategy that leverages existing brand imagery, associations, and awareness to encourage the

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Aust NZ J Public Health. 2024; Online; <https://doi.org/10.1016/j.anzjph.2024.100141>

trial of new products and decrease the likelihood of new product failures.¹⁸ Early research on brand extensions focused on the facilitators of successful brand extensions. These factors included brand familiarity, quality, and loyalty, as well as pre-existing favourable attitudes towards or positive experiences with the parent brand.^{19–21} Congruence, or “brand fit,” between the parent brand and extension product was also found to be important, with a transfer of brand associations from the parent brand to the extension product more likely to occur where the extension product resembles or “fits” with the parent product line.^{21–25} For example, Ma et al. investigated the effects of brand familiarity and product category using a series of hypothetical brand extensions from familiar and unfamiliar household appliance brands to either a low conflict product category (e.g. television) or a high conflict product category (e.g. soft drink). They found that participants were more likely to accept the brand extension if the brand had a higher level of familiarity and low conflict with the parent product category²² – a situation that is likely to be the case for the many zero-alcohol beverages featuring well-known alcohol brands.

Prompted by concerns about the potential for a poor-quality or ill-fitting extension to negatively impact a parent brand’s image, interest turned to understanding how the effects of brand extensions could go both ways: how experiences and associations with extension products could also influence beliefs about a parent brand.^{21,25–28} Zimmer and Bhat investigated attitudes towards parent brands following exposure to hypothetical brand extensions of either medium or high quality (as indicated by quality ratings from a fictitious “independent product testing service”). In contrast to concerns about negative impacts, they found that medium-to-high-quality brand extensions either left parent brand attitudes unchanged or enhanced them.²⁹ A review of the brand-extension fit literature concluded that where there is a good fit between a parent brand and extension product, the subsequent categorisation and image transfer process results in positive consumer attitudes and increased purchase intentions towards both the extension product and the parent brand²⁴ – suggesting that zero-alcohol beverage promotions are also likely to effectively promote a parent alcohol brand.

Brand extensions using alcohol brands

To date, there has been limited research regarding the use of brand extensions on zero-alcohol beverages. A study drawing on UK household purchasing data found that, among households that had not previously bought a full-strength beer from a particular brand, those who bought a new zero- or low-alcohol beer from that brand were less likely than those who did not to subsequently buy the full-strength beer from the same brand. In contrast, households that had previously bought a full-strength beer were more likely to buy a new zero- or low-alcohol beer from the same brand than households that had not previously purchased the full-strength beer. Those households that purchased zero- or low-alcohol beer on average decreased their purchase of parent-brand beers by 48 ml per adult per household per purchase day.⁶ The use of brand extensions thus appears to have some potential to decrease alcohol consumption among current consumers of full-strength alcohol products, although it is worth noting that overall, zero- and low-alcohol beer purchases were relatively infrequent during the study period,³⁰ limiting the public health impact.⁸

Most of the effects of brand extensions demonstrated in the broader literature are based on exposure to promotions for the brand

extension product and do not involve the purchase of the product (which requires having an interest in drinking a zero-alcohol beverage). Consistent with this line of research, studies have investigated the role of exposure to alcohol brands on other products, including non-alcoholic beverages (e.g. bottled water)^{31,32} and merchandise (e.g. clothing),^{33–36} particularly among young people. In Thailand, where brand extensions from alcoholic to non-alcoholic beverages such as bottled water are common, research has shown that young adults associate these brands primarily with the alcoholic product.³¹ A study of Australian adolescents found that 59% reported owning at least one item of alcohol-branded merchandise, and there was a significant association between alcohol-branded merchandise ownership and lifetime alcohol use.³³ Focus groups with Australian parents found that generally they had not previously considered the potential impact of alcohol-branded merchandise on their children, but, when prompted to reflect, acknowledged that this use of brand extension might influence their children’s attitudes towards alcohol.³³

Implications for policy and research

Findings from the broader literature on brand extensions, as well as studies examining the use of alcohol brands on non-alcoholic products, suggest that exposure to zero-alcohol brand extension products and promotions is likely to influence attitudes and consumption intentions towards the parent alcohol brand. There have been calls to regulate zero-alcohol beverages to account for this influence.^{14,15} However, the best model for such regulation is not yet clear.

With respect to advertising, should there be brand-level restrictions on alcohol advertising, or should advertising restrictions extend to the entire zero-alcohol beverage category? There are existing models for the former approach, such as those that have been implemented in Norway.¹⁶ However, even in the absence of a parent alcohol brand, a strong visual and taste resemblance exists between zero-alcohol and alcoholic beverages, which evidence shows may elicit thoughts and even cravings towards alcohol,³⁷ suggesting that advertising restrictions across the whole category may be appropriate.

With respect to availability, should minors be restricted from purchasing zero-alcohol beverages in the same way as alcoholic beverages? This would send a clear signal that zero-alcohol beverages are not appropriate for young people to drink, in recognition of their potential to act as a gateway to alcohol consumption. Some retailers, such as 7-Eleven in Australia, are voluntarily imposing this restriction, with the Australian Human Rights Commission granting an exemption under the *Age Discrimination Act 2004* (Cth) to permit 7-Eleven to request age verification and refuse sales to minors for a period of three years.³⁸ However, it would not limit young people’s exposure to the products in retail environments, where they may serve as alibi marketing to minors even if minors are not permitted to purchase them.³⁹ An additional policy option could be to require retailers to hold a liquor licence to sell zero-alcohol beverages. This approach could limit the potential for the products to be sold on unlicensed premises, such as supermarkets and convenience stores, and could include specific conditions restricting their placement alongside soft drinks.³⁹ However, introducing a licencing requirement may also reduce access for current drinkers looking to lower their alcohol consumption, including those for whom exposure to environments associated with alcohol (i.e. licenced premises) may be a concern.¹⁰

Further research specific to zero-alcohol beverages and brand extensions is needed to inform the development of viable policy responses. Specifically, research should examine the effects of exposure to zero-alcohol beverages and advertising on attitudes towards alcohol, particularly among minors. There is a need to explore whether these effects differ between zero-alcohol beverages employing brand extensions and those employing unique brands. Beyond brand extensions and advertising, there is also a need for further research regarding the effects of zero-alcohol beverage consumption, particularly among minors and others trying to avoid alcohol consumption. A better understanding of zero-alcohol beverages and their promotions will help guide appropriate regulation for these products so that they can be consumed by a subset of the population wanting to substitute their alcohol consumption without causing harm to the broader population.

Funding

The NCETA team (A.B., N.J.H., C.A.N., J.A.B.) receives funding from the Australian Government Department of Health and Aged Care to support research regarding alcohol and other drugs. J.C. was supported by a Flinders Foundation Summer Research Award.

Ethical approval

As this is a commentary piece that did not include participants in a research study, no ethical approval was required.

Conflicts of interest

The authors declare the following financial interests/personal relationships which may be considered as potential competing interests: Ashlea Bartram; Nathan J. Harrison; Christina A. Norris and Jacqueline A. Bowden report financial support was provided by Australian Government Department of Health and Aged Care. Joanne Christopher reports financial support was provided by Flinders Foundation.

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