

## **Crossover Product Responsible Marketing and Merchandising Commitments**

Recently several non-alcohol beverage companies have launched a number of crossover alcohol products - alcohol products that use the product and Intellectual Property (brand names, logos, etc.) of existing non-alcohol brands. There has been some concern that some of these products could potentially be confused for their non-alcohol counterparts or may appeal to those under the legal purchase age based on the appeal of the underlying brand.

The undersigned producer, wholesaler, and retailer organizations are committed to responsibly marketing and selling all products containing alcohol, and hereby make the following responsibility commitments.

**Producers** of these products commit to responsibly produce, package, and market these products. This includes the following:

- **Responsible Advertising Codes:** Compliance with the respective industry responsible advertising codes to ensure that products are packaged and marketed appropriately, responsibly, and to those of legal purchase age, such as the <u>Distilled Spirits Council Code</u>.
- Distinct and distinguishable: Product packaging and branding shall be clearly and easily distinguishable from non-alcohol beverage counterparts.
- Provide notice that product contains alcohol: Product labels and packaging shall make it clear that it contains alcohol. This could include prominent references to the type of alcohol in the product, the percentage of alcohol by volume, and/or general notices that the product contains alcohol.
- Appeal to adults: Review packaging and advertising campaigns to ensure that they primarily appeal to legal drinking age adults, and not to individuals under the age of 21.









Wholesalers and Retailers commit to responsibly merchandise and market these products, in a manner that avoids consumer confusion and ensures that they are only marketed and sold to legal drinking age adults. It is important to note that the mechanism for achieving these principles may vary depending on location. For instance, additional steps may be needed in stores that primarily sell non-alcoholic products as opposed to stores that primarily sell beverage alcohol. These principles include the following:

- Avoiding confusion: Place crossover brands in the same locations utilized for other alcohol beverage products. Do not place crossover brand products in the same location as their non-alcohol beverage counterparts such that they could be confused for one another.
- <u>Appropriate placement</u>: Do not display in a location that contains or displays products that may be primarily appealing to children, such as toys.

- <u>Notice that product contains alcohol</u>: If the realities of the retail space make it impractical to adhere to the merchandising guidelines above, a retailer may otherwise make it clear to consumers that the product contains alcohol. This may be done in the form of a sign, label, banner, display, or other merchandising tactics that clearly communicate to consumers that the crossover brand products contain alcohol.
- Employee training: Train employees about responsibly selling alcohol products to only legal drinking age adults. When possible, program checkout software to remind the employees to check identification before selling the product. When no point-of-sale system exists, consider training for employees to identify the differences between crossover brand products and their non-alcohol beverage counterparts, and confirm that the consumer is of legal drinking age before selling the product.

<u>Practical Application Note:</u> Each situation and the totality of circumstances should be evaluated to mitigate any consumer confusion or potential appeal to those under the legal drinking age. For example, more active management may be necessary in retail areas where there is more likely to be confusion with nonalcohol products or a greater presence of underage individuals. Whereas less active management may be necessary for a dedicated alcohol areas. Additionally, products with prominent co-branding of a well-known alcohol product are less likely to be confused with a non-alcohol product, so they may not necessitate any actions to indicate the presence of alcohol.

**Compliance with Alcohol Laws and Regulations.** Since the repeal of prohibition, a number of federal and state laws have been created to further public policy goals of temperance and control of beverage alcohol. The undersigned affirm their commitment to comply with all applicable federal, state, and local laws.

