



Corporate Social Responsibility

Preventing Underage Drinking

Findings from the Anheuser-Busch *Retailer Exchange*

January, 2008



Background


- **The Retailer Exchange is a panel of retailers who have agreed to be contacted several times a year to share with A-B their opinions on a number of issues. This panel is currently being tested by the Retailer Channel Research Group. Between November 30, 2007 and December 17, 2007, 300 panel retailers participated in the "Preventing Underage Drinking" study.**

- **In late 2007, the Customer Satisfaction Group conducted the study for Corporate Social Responsibility (CSR) using the *Retailer Exchange*. This report focuses specifically on these areas of particular relevance for Corporate Social Responsibility:**
 - The Preventing Underage Drinking study explored the following issues:
 - Use and effectiveness of identification checking materials
 - Challenges retailers face in preventing sales to minors
 - Incidence of minors purchasing alcohol via second-party sales or shoulder tapping
 - Employee training programs to prevent underage drinking
 - Performance of A-B and its competitors in discouraging underage drinking



Methodology

- A total of 300 retailers from the *Retailer Exchange* program participated. A questionnaire was administered to the group. The sample was selected randomly from the *Retailer Exchange* database and interviews were conducted via telephone.
- The table below shows major retail segments and the number of participants per segment.

	Preventing Underage Drinking		
	On-Premise	Off-Premise	Total
Chain	27	133	160
Independent	32	108	140
Total	59	241	300



Corporate Social Responsibility

Preventing Underage Drinking

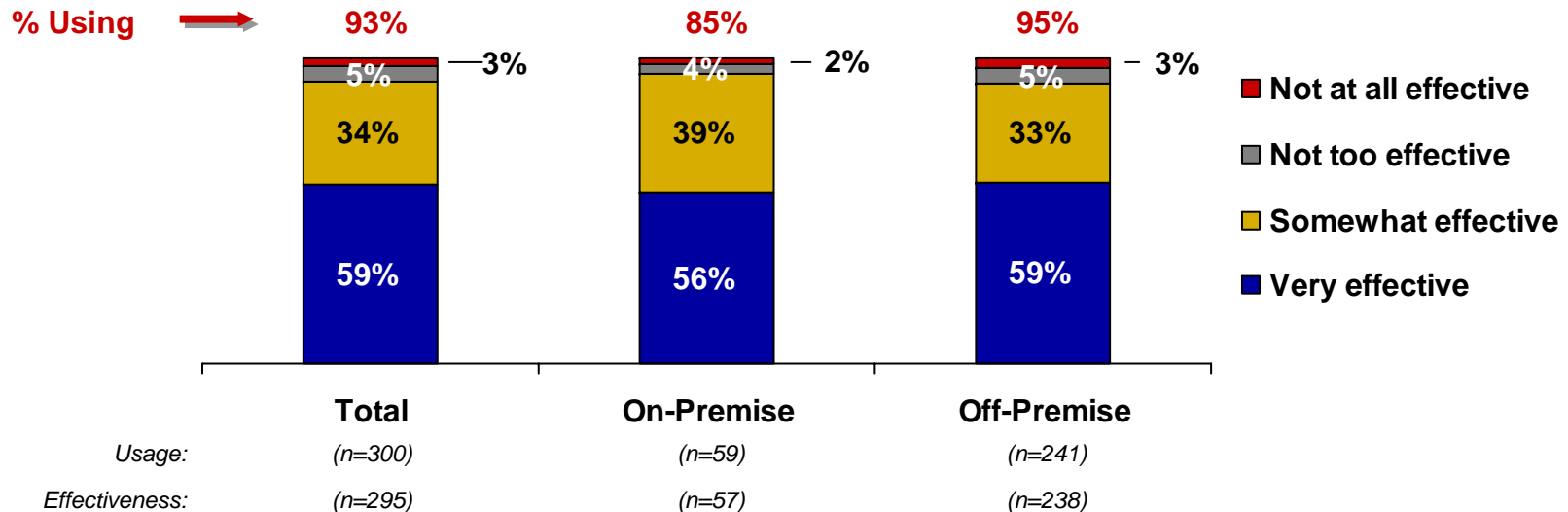


Retailers Use ID Checking Materials

Preventing Underage Drinking

- Nearly all establishments (93%) use some form of ID checking materials and consider them effective. This is consistent with results from the past two years*.
 - On-premise retailers are less likely to use ID checking materials than off-premise retailers (85% vs. 95%).
 - Nearly all retailers who use ID checking materials report they are effective in preventing sales to minors (95% on- and 92% off-premise top-two box).

Does your establishment use ID checking materials such as posters, cooler stickers, or driver's license booklets to help prevent sales to underage people? If yes, how effective are ID checking materials in helping to prevent sales to underage people?



* Trending across years not conducted due to differences in research methodologies.

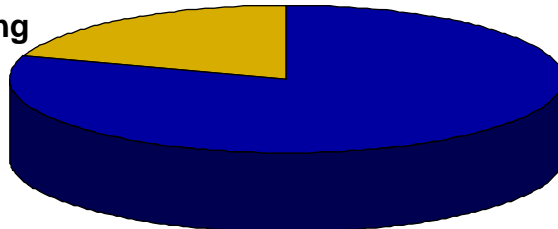


Employee Training Programs

Preventing Underage Drinking

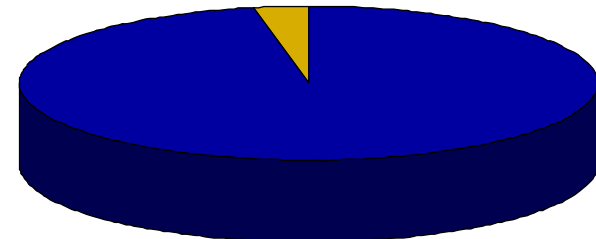
- Eight of every 10 establishments (80%) offer employee training programs to prevent sales to minors. All of them (100%) consider the training programs to be effective and virtually all (97%) say training is meeting their current needs.
- Retailers who do not provide training (20%) offer various reasons why it isn't necessary.
 - *"We are a small business and cannot afford the time for training classes."*
 - *"Most employees are part time and we just don't feel the need."*
 - *"Most new employees I hire have experience and already know the rules and regulations."*
 - *"I think the laws are pretty self-explanatory when it comes to selling to minors. If one of my employees does sell to a minor, then they will most certainly lose their job."*
 - *"Only managers are allowed to sell beer. They already have training."*
 - *"We live in a small town and know all the kids and people, so we do not feel there is a need."*

20% do not offer training



80% offer training, and all of them consider the training effective

3% say training does not meet needs



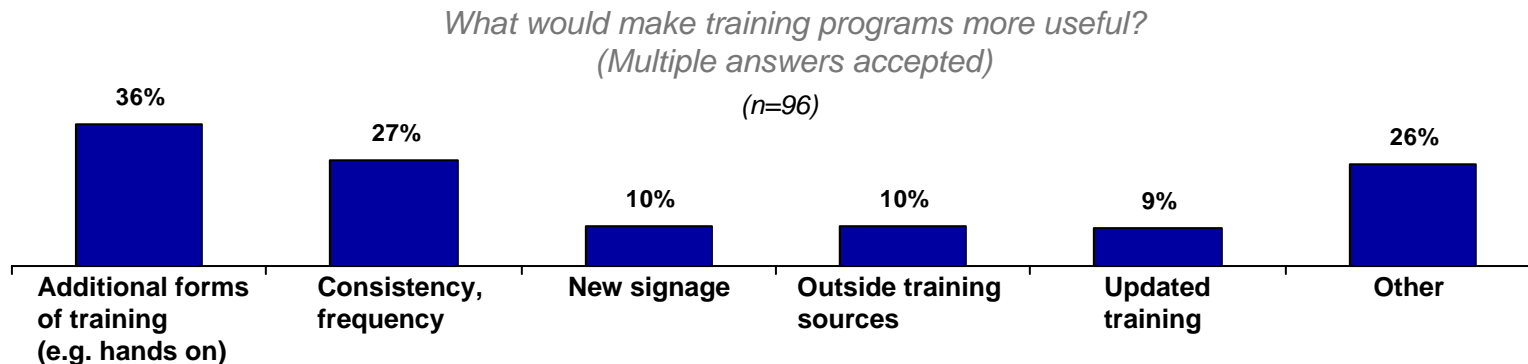
97% say training does meet needs



Ways to Improve Training Programs

Preventing Underage Drinking

- About a third of retailers (34%) offer suggestions for improving training programs. The need for additional forms of training was mentioned most often. Other mentions include frequency of training, new signage, and outside training sources.
 - *“Their training needs more real-life situations and more frequency.”*
 - *“If there was a video to watch in addition to written material, that would be useful.”*
 - *“They could be more frequent. Every five months or so is what they are now.”*
 - *“State training carries more weight than if I do it myself because it is done by the alcohol commission.”*
 - *“They could post information on state laws that show the intensity of the fines so our associates are more aware of the consequences.”*
 - *“Some visual reminders to keep the information fresh in our sales associates’ minds would be helpful.”*
 - *“First, I think that the programs need to be updated. The law seems to move faster than the training.”*



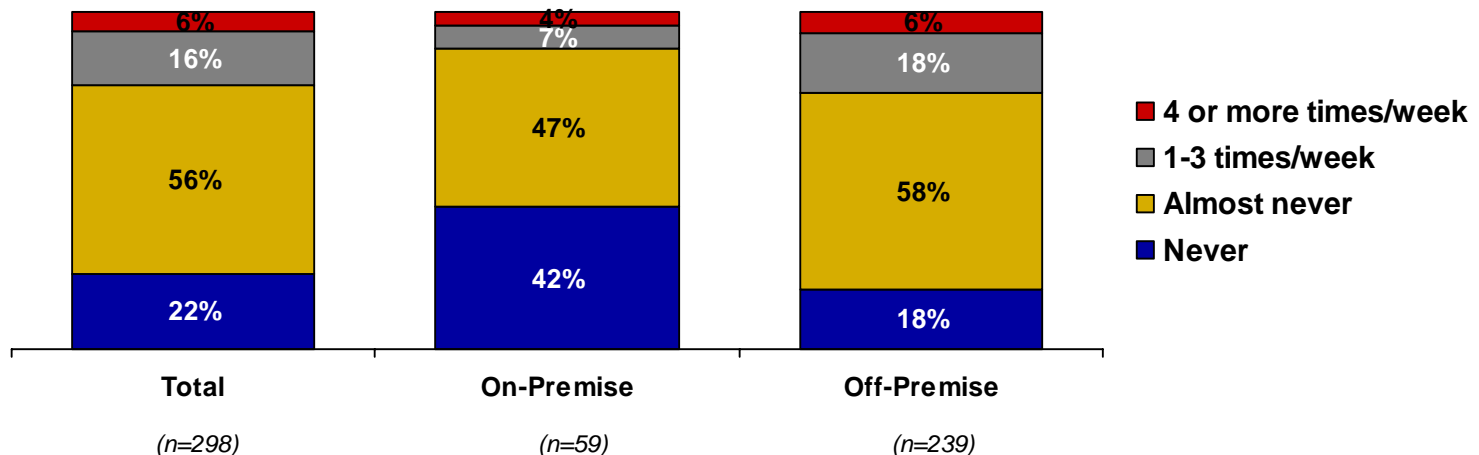


Second-Party Sales, or Shoulder Tapping

Preventing Underage Drinking

- In general, incidence of second-party sales, or shoulder tapping, is low for most retailers (78% never/almost never). However, off-premise retailers report a greater frequency than on-premise.
 - More off-premise retailers report purchase attempts for minors on a regular basis (one or more per week) than on-premise retailers (24% vs. 11%).
 - More on-premise retailers report never seeing second-party sales than off-premise retailers (42% v. 18%).

Which of the following best describes how often you see minors trying to purchase through second-party sales, or shoulder tapping?



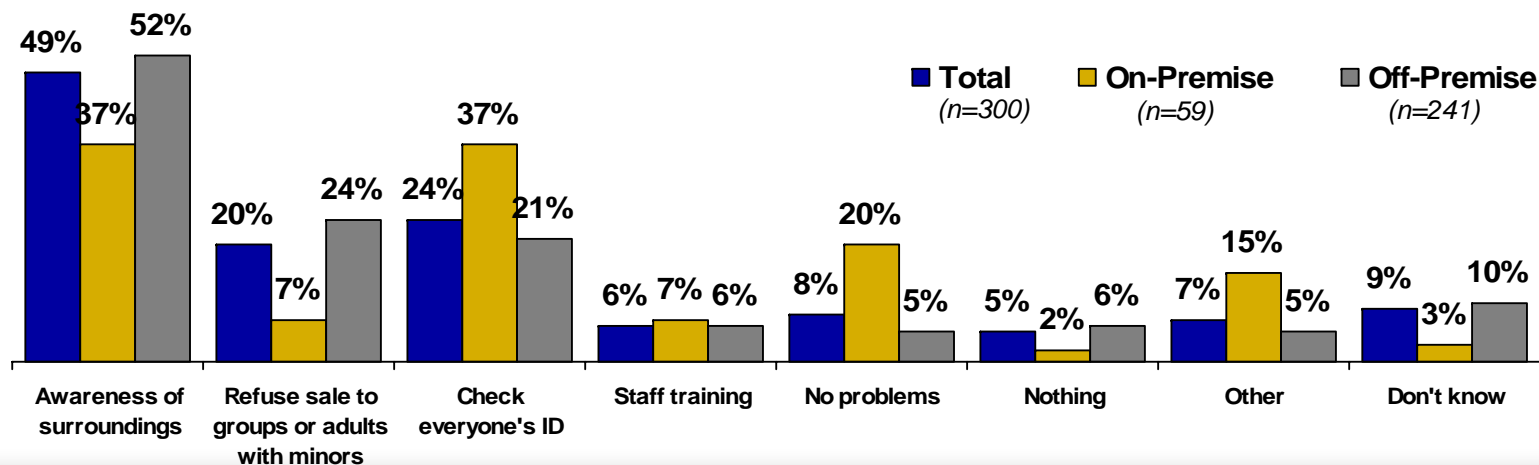


Preventing Second-Party Sales

Preventing Underage Drinking

- Roughly half of retailers (49%) report simply being aware of surroundings helps them avoid second-party sales. This is especially true for off-premise retailers (52%).
 - *“It is just observing what goes on and who comes in together.”*
 - *“If I see them get in a car and ask someone else to come in and buy for them or ask someone on the street to buy for them, I stop it.”*
- On-premise retailers are more likely to report that checking IDs helps them avoid second-party sales than off-premise retailers (37% vs. 21%).
 - This can likely be attributed to the very definition of on-premise ... that is, consumption is right there and immediate.

What steps do you take to avoid second-party sales, or shoulder tapping?





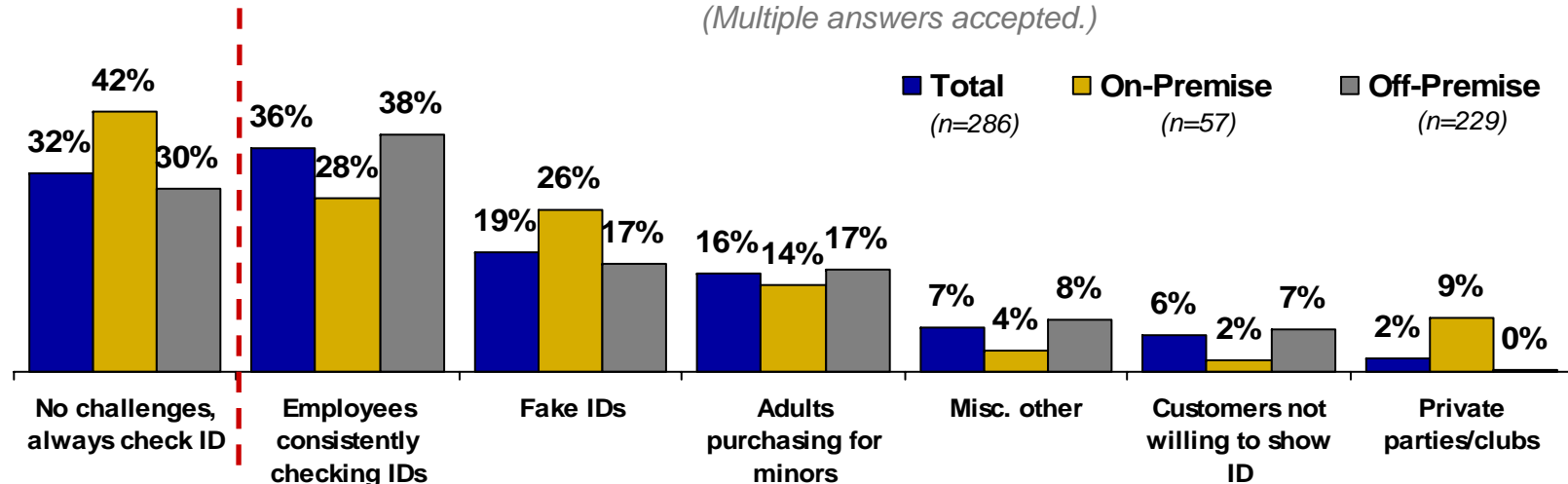
Challenges in Preventing Sales to Minors

Preventing Underage Drinking

- Retailers report their top three challenges in preventing sales to minors are:

- Employees consistently checking identification of everyone purchasing alcohol (36%)
 - “The biggest challenge is to remember to check IDs even when the store is busy.”
 - “People in other places let people slide and that makes it more difficult for us.”
- Minors using false identification (19%)
 - “A fake ID or using someone else’s ID who looks like them is a problem.”
 - “Basically trying to figure out which licenses are which. My book is outdated.”
- Adults purchasing for minors (16%)
 - “The big challenge is older kids buying for their friends.”

What is the biggest challenge you face in preventing sales to minors?
(Multiple answers accepted.)



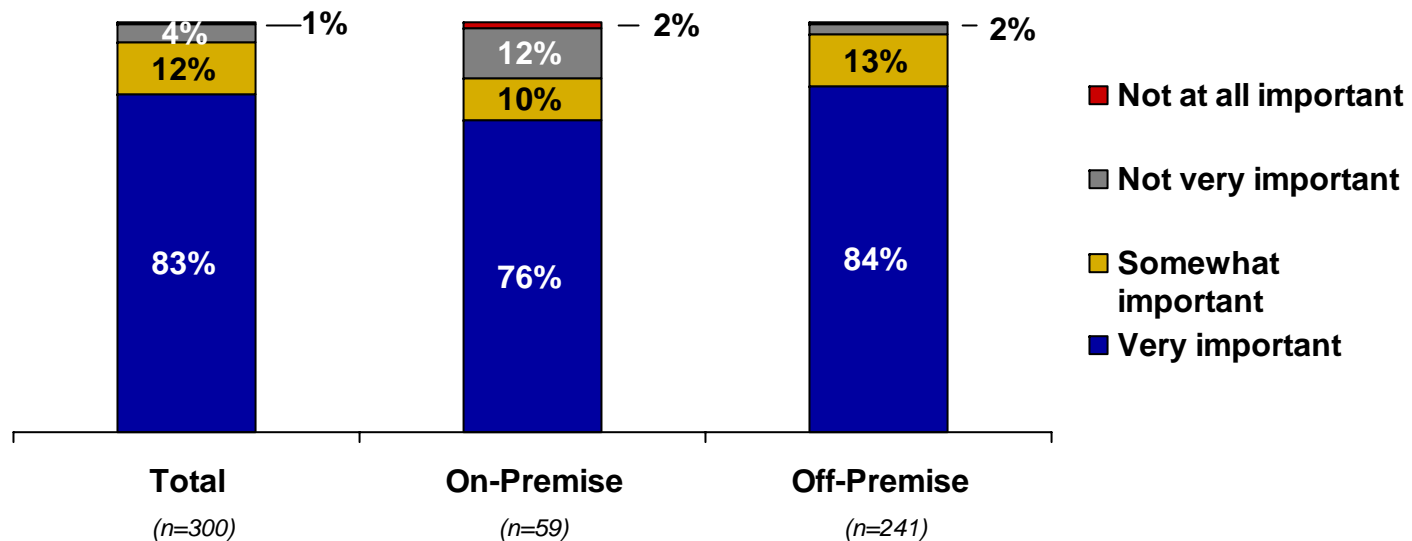


Importance of Investing in Programs that Discourage Underage Drinking

Preventing Underage Drinking

- In general, most retailers (83%) feel it is “very important” to invest in programs that discourage underage drinking, especially off-premise retailers (84%), who more often see purchase attempts by or for minors than on-premise retailers.

How important is it to your business to invest in programs that discourage underage drinking and/or drunk driving?



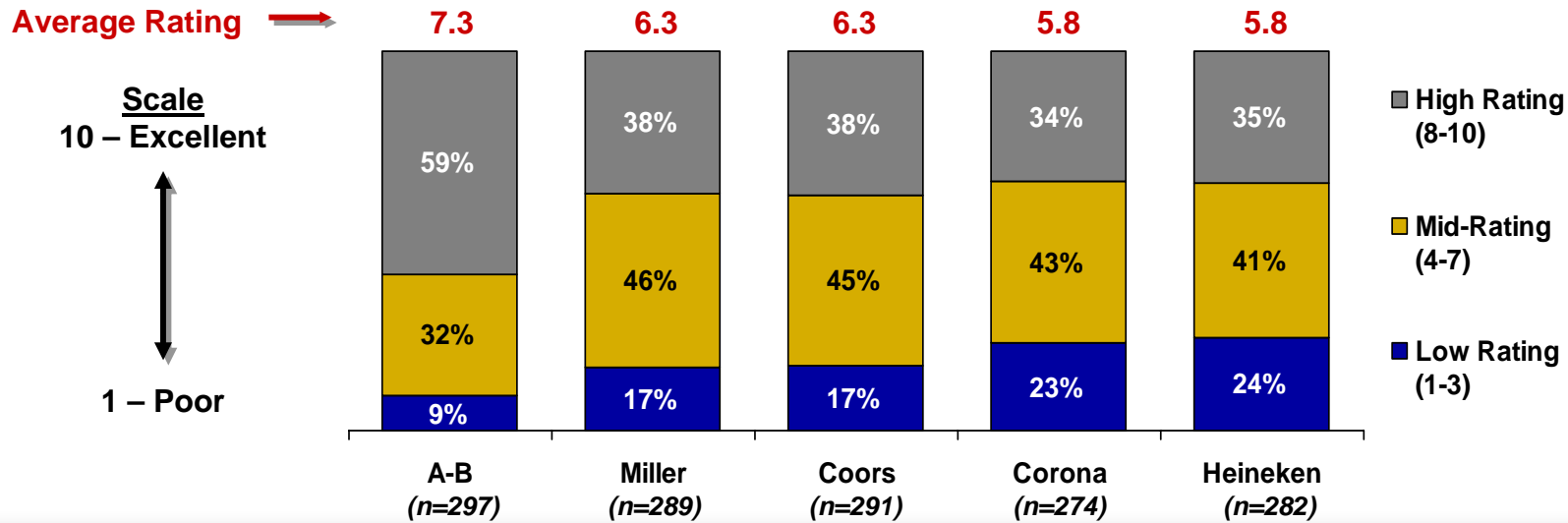


Performance of Beer Companies in Discouraging Underage Drinking

Preventing Underage Drinking

- While all brewers asked about receive moderate scores, retailers consider Anheuser-Busch more socially responsible in discouraging underage drinking than competitive beer companies.
 - More than half of retailers (59%) rate A-B favorably high on discouraging underage drinking, compared to 38% of retailers who rate each of the closest competitors (Miller and Coors) favorably high.
- Interestingly, scores for all brewers fell more than one point compared to 2006 (which was a blind study).

How would you rate *[insert company]* on being socially responsible by investing in advertising and retailer programs to discourage underage drinking and/or drunk driving?





Performance of "Beer Companies" in Discouraging Underage Drinking

Preventing Underage Drinking

- More on-premise retailers give a high rating to all brewers for investing in discouraging underage drinking than off-premise retailers.
 - This may simply be evidence that brewers are more active in programs for on-premise.

How would you rate [insert company] on being socially responsible by investing in advertising and retailer programs to discourage underage drinking and/or drunk driving?

% High Rating (8-10)			
	Total	On-Premise	Off-Premise
A-B	59%	68%	57%
Miller	38%	43%	36%
Coors	38%	45%	36%
Corona	34%	44%	32%
Heineken	35%	45%	32%
<i>Minimum Base</i>	274	52	222