



Self-Regulatory Code of Conduct for the Sale of Alcohol products in European Duty-Free and Travel Retail



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Introduction

In recent years, retailers, manufacturers and industry associations have developed and implemented a series of voluntary codes and guidelines governing the responsible sale, promotion, marketing and advertising of alcohol products.

These codes address the personal, societal and health implications of alcohol consumption and establish the foundations for the responsible and ethical behaviour of all relevant business operators.

The European Travel Retail Confederation (ETRC) agrees fully with the availability of such codes and guidelines and has developed this Code of Conduct specifically for the duty-free and travel retail market.¹

The Code looks to work alongside existing codes by establishing a set of working principles that reflect the unique circumstances of this distinct, transparent and highly regulated environment – in particular where these circumstances differ from those of the European domestic market. This code is designed to be consistent and complementary to other codes and policies which may be proffered by individual alcohol manufacturing companies or trade bodies such as the International Centre for Alcohol Policies.

The ETRC Code is designed to be adopted and implemented by the full spectrum of industry players active in this retail space, many of whose codes are already in evidence in duty-free and travel retail shops across Europe, as well as external consultants in marketing, public relations, promotions, etc.

Above all the Code looks to harness the potential of duty-free and travel retail, an industry which has long been at the vanguard of responsible alcohol consumption thanks to its emphasis on luxury, premium quality brands and on an adult consumption experience. This Code of Conduct is designed to engage both retailers and producers, and to address in a holistic manner, all the aspects of duty-free and travel retail alcohol sales – from commercial communications to labelling, staff training and conduct as well as sampling.

Why a separate Code of Conduct for Duty-Free and Travel Retail?

Duty-free and travel retail is a unique retail environment which operates according to a variety of circumstances that distinguish it from the European domestic market. These include the following:

- Its unique customer base which consists of international travellers frequently unable to speak the local language and potentially unfamiliar with the national laws on age of purchase, labelling etc.
- Children and minors represent a very small proportion of airport users – in some cases less than 1% of total airport passengers - and are always accompanied by an adult except in very exceptional circumstances.
- The point of sale arrangements which must allow passengers in a rush to make purchases quickly whilst also facilitating those who see browsing in duty-free and travel retail shops as being an enjoyable part of the travel experience.

¹“Duty Free & Travel Retail” is defined herein as both tax and duty free sales and tax and duty paid sales of consumer goods to travellers airside at airports, on board aircraft and on board ferries and cruise ships in cross border traffic.



- Typically customers only avail of duty-free once or twice a year and are subject to strict customs limits by the country of entry on what they can carry as their personal tax and duty-free purchase allowance.
- Airport security requirements which guarantee that all customers must carry photographic proof of age identification, as well as requiring high standards of sobriety and conduct for passengers about to board aircraft. Further proof of identity is provided by the need for passengers to present their boarding passes before every purchase.
- Restrictions on consumption for passengers until many hours after purchase due to both customs restrictions on export of goods and airline restrictions on consumption of alcohol onboard aeroplanes.
- The distinct range of selected products sold in duty-free and travel retail shops compared to the domestic market. These are often launch products or special editions, intended for gifting and developed and promoted in the duty-free and travel retail market only.
- The significant presence of premium and super-premium liquor products and the marked absence of many products categories found in the high street.
- Airport opening hours mean duty-free & travel retail shops are often open 24/7 in line with flight movements in order to facilitate passenger purchasing.
- The highly-trained and multilingual staff employed in duty-free and travel retail outlets.

Why a separate code for Europe?

Given the unique and very different nature of the retail channel, it is appropriate that a Code of Conduct for products sold in duty-free and travel retail be established that is different to other codes adhered to by the domestic market.

In Europe, this Code of Conduct should reflect both the unique political and regulatory nature of the EU, whereby a single market for goods and services sits alongside twenty eight separate alcohol policies, as well as those of other non-EU countries.

It is also necessitated by Europe-specific regulatory and self-regulatory framework aimed at reducing the harmful use of alcohol, promoted by the European Commission and WHO Europe region.

This code also reflects the economic significance of European duty-free and travel retail – an industry which is a significant source of income for the European economy, generating €14,8 billion in sales and is a vital source of income and growth opportunities to European businesses, airports, airlines and ferry companies, creating jobs and helping to reduce travel costs in Europe.

Alcohol sales are an important contributor to this. Europe is home to nine of the top ten best-selling wines and spirits brands in European duty-free² and Europe is home to many of the largest players in the global wines and spirits markets.

Duty-free and travel retail is a significant channel for European brands to reach customers in and from rapidly growing markets in Asia, South America and the Middle East, to foster a taste for European products and establish a foothold there.

² Johnnie Walker; Chivas Regal; Rémy Martin; Ballantine's; Absolut; Hennessy; Bailey's; Martell; Jack Daniel's; and Piper Heidsieck.



This Code of Conduct seeks to ensure a retail environment that is both tailored to duty-free and travel retail's international customer base and capable of showcasing Europe's alcohol-producing heritage, demonstrating the premium quality of the products available while at the same time promoting a message about their responsible consumption by adults.



Code of Conduct for Duty-Free and Travel Retail Sales of Alcohol

Commercial Communication of Duty-Free and Travel Retail Sales of Alcohol

1. Commercial communications should:
 - (a) Be legal, decent, honest and truthful and conform to accepted principles of fair competition and good business practice;
 - (b) Be prepared with a due sense of social responsibility and be based on principles of fairness and good faith;
 - (c) Not in any circumstances be unethical or otherwise impugn human dignity and integrity.
2. Commercial communications should not encourage or condone excessive or irresponsible consumption, nor present abstinence or moderation in any negative way.
3. Commercial communications should have a clearly visible and appropriate responsible drinking message.
4. Commercial communications should not in any way be aimed at minors³ or show minors consuming beverages.
5. Commercial communications should ensure that the price of alcoholic beverage(s) is/are known to customers.
6. Price savings in comparison with the domestic market should be communicated in a manner that reflects the industry's sense of social responsibility.

In-store Communication of Duty-Free and Travel Retail Sales of Alcohol

7. In-store communication of alcohol products should remain responsible and consistent with the self-regulatory standards established for this product category. They may present a product's quality, heritage, luxury and exclusive nature (where appropriate) within the context of a relaxing, sociable and enjoyable adult experience.
8. Stands, promotional videos or banners should not make use of models or actors drinking who are under the age of 25.
9. The design, layout and content of in-store communication should not be appealing to customers under the legal drinking age.
10. Alcohol should not be merchandised adjacent to products in the duty-free and travel retail area aimed at children, such as confectionery, toys and clothing.
11. A responsible drinking message should be carried on all advertising and marketing materials and in a clear and eye-catching manner in the areas where alcoholic products are on sale.
12. Age restriction rules on the purchase of alcohol products should be clearly displayed.

³For the purposes of interpreting this code of conduct the term "minor" or "minors" will be afforded the definition as provided for in the local laws and regulations.



Staff Training

13. ETRC member companies and federations are encouraged to develop communication and education materials for distribution to staff in Europe such as guides, leaflets or websites as part of a specific training module for retail staff which should be updated on a regular basis.
14. Retail staff should be made fully aware of this Code of Conduct and its contents and should be fully trained about how to manage customers who might display aggressive or anti-social behaviour in store, and where appropriate, should be encouraged to alert the appropriate security personnel.
15. Retail staff must enforce age limits for selling alcoholic beverages. Anyone who looks under 18 (or under the legal drinking age according to national rules) should be asked for identification and proof of age.

Sampling / Tastings

16. Sampling / Tasting should be seen as an opportunity for customers to explore new products and flavours, and encourage purchase for consumption at a later date.
17. No sampling or tastings of alcohol products should be knowingly offered to pregnant women and to minors (persons below the local legal drinking age). In case of doubt about age, the customer should be asked for proof of age before being offered a product sample.
18. Alcohol sampling / tasting products should not be left unattended in the demonstration area.
19. Staff may not aggressively solicit travellers when conducting point of sale samplings.
20. Only staff and third parties (e.g. brands' promotional personnel) specifically trained to conduct sampling / tastings should be allowed to do so.

Compliance

21. All ETRC member companies should adhere to all applicable national laws and regulations on the marketing and sale of alcohol.
22. ETRC will endeavour to ensure observation of the code throughout its members companies.
23. A copy of this code shall be available for download from the ETRC website, and will be provided to external groups (e.g. European Alcohol and Health Forum, National Health Authorities), liquor manufacturers, distributors, airport operators, airport authorities, airlines and ferry companies, as well as wholesalers and any other external organisations upon request.
24. All signatory companies will confirm to ETRC that they are in full compliance with the code on an annual basis. In the event of a complaint about or observation of non-compliance by a signatory company, ETRC will take necessary steps to investigate and to seek to rectify the problem with the companies concerned.



The Code shall be introduced on:

Signed: _____

Print Name: _____

Title: _____

Signed on behalf of: _____

The European Travel Retail Confederation represents the interests of companies retailing tax and duty-free products and services to international air and sea travellers. The organisation works closely with European and international government, regulatory and other stakeholders and is composed of national trade associations made up of over 500 European companies.

The European Travel Retail Confederation's operations are directed by its Supervisory Board and carried out by a full-time Secretariat headquartered in Brussels. For more information about the organisation, please see our website – www.etr.org

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