



INDUSTRY ADVISORY

Multi-Media Advertising

The Department has received a number of inquiries regarding multi-media companies that have approached licensed retailers for the purpose of having customized video entertainment placed on television screens located inside licensed premises. The types of entertainment offered can vary but generally includes advertising from non-alcoholic beverage manufacturers. In some instances, the retailer has the ability to place its own advertising on the screens. This retailer-specific advertising often includes menu items, drink specials, and upcoming events at the retail premises.

The purpose of this advisory is to remind alcoholic beverage suppliers and retailers that it is a violation of Section 25503(h) of the California Business and Professions Code for a supplier to pay money, or to give or furnish anything of value, for the privilege of placing or painting a sign or advertisement, or window display, on or in premises selling alcoholic beverages at retail. This prohibition applies both directly and indirectly. Therefore, any alcoholic beverage supplier who pays a fee, or provides any other thing of value, to a multi-media company for the privilege of having its brand advertising placed on or in retail-licensed premises is in violation of the Alcoholic Beverage Control Act. While retailers often receive payments and/or things of value through third-party advertising schemes, the statutory language does not require monetary payments or things of value to be given or furnished to retailers for a violation of this specific provision to occur.

The giving or furnishing to on-sale retailers of video or other types of equipment or programming that includes alcoholic beverage advertising violates Section 25500(a)(2) of the Business and Professions Code. Section 25502(a)(2) has a similar prohibition involving off-sale retailers. Retailers who solicit or accept signs, advertisements, monetary payments or other things of value under prohibited conditions can face disciplinary action to the same extent as suppliers. These prohibitions likewise apply regardless of whether the equipment or programming is provided directly by the supplier or indirectly through a third-party promotion or multi-media company.

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