

Policy Summary

Low-Price, High-Volume Drink Specials

This policy summary is excerpted from:

The 2013 Report to Congress on the Prevention and Reduction of Underage Drinking

submitted to Congress by The U.S. Department of Health and Human Services.

To obtain more information and a copy of the full Report to Congress go to:

<https://www.stopalcoholabuse.gov>

Low-Price, High-Volume Drink Specials

Policy Description

Low-price, high-volume drink specials restrictions prohibit or limit the ability of on-premises retailers from using various price-related marketing tactics such as happy hours, two-for-one specials, or free drinks that encourage heavier consumption. These promotions are particularly prevalent in college communities, where large numbers of underage students are present.

Research has examined the impact of on-premises retail drink specials on binge drinking among college students. For example, one study measured self-reported binge-drinking rates among college students from 119 colleges, conducted an assessment of marketing practices of on-premises outlets in neighboring communities, and determined whether these communities restricted low-price, high-volume drink specials. The results demonstrated that price-related promotions were significantly correlated with higher binge drinking and self-reported drinking and driving rates among students (Wechsler et al., 2003).

Based on this and other research, the *Surgeon General's Call to Action* concluded that “increasing the cost of drinking can positively affect adolescent decisions about alcohol use,” and recommended “[e]limination of low price, high-volume drink specials, especially in proximity to college campuses, military bases, and other locations with a high concentration of youth.”

A state low-price, high-volume drink specials law may prohibit or restrict the following practices:

1. Providing customers with free beverages either as a promotion or on a case-by-case basis (e.g., on a birthday or anniversary, as compensation for poor services)
2. Offering additional drinks for the same price as a single drink (e.g., two-for-ones)
3. Offering reduced-price drinks during designated times of day (“happy hours”)
4. Instituting a fixed price for an unlimited amount of drinks during a fixed period of time (e.g., “beat the clock” and similar drinking games)
5. Offering drinks with increased amounts of alcohol at the same price as regular-sized drinks (e.g., double shots for the price of single shots)
6. Service of more than one drink to a customer at a time

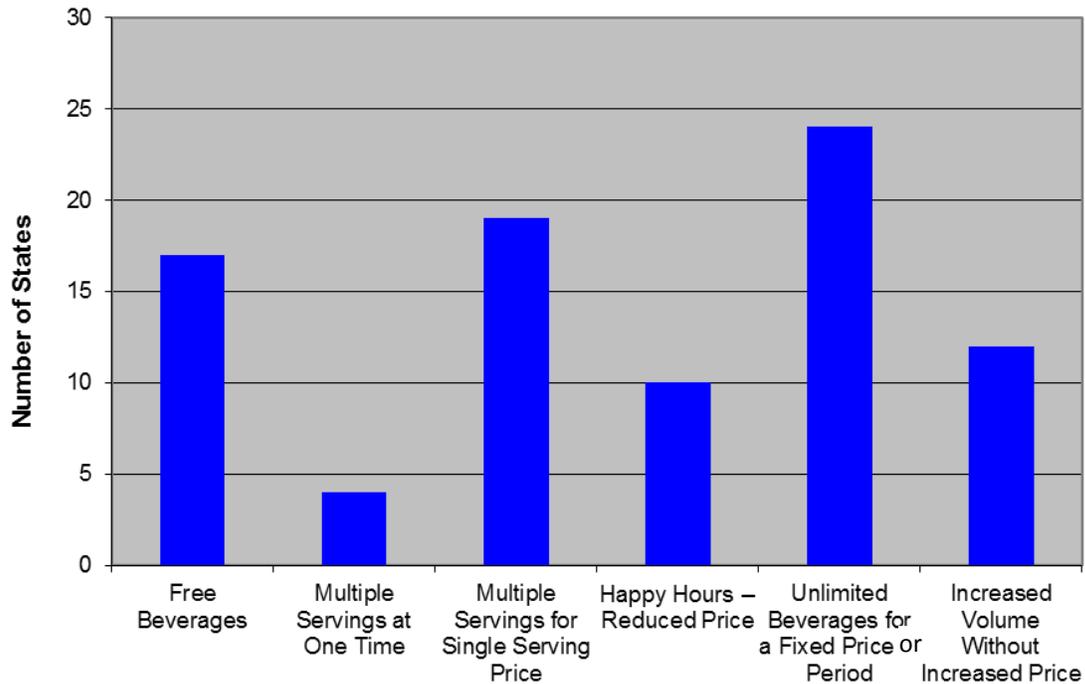
Status of Low-Price, High-Volume Drink Specials Law

Exhibit 4.3.49 shows the number of states that prohibited the six low-price, high-volume specials listed above.

Seventeen states prohibited *free beverages*. Five additional states (New Jersey, New Mexico, South Carolina, Texas, and Washington) allowed a licensee to offer a free drink on a case-by-case basis only (e.g., on a birthday or anniversary, as compensation for poor services).

Four states prohibited *multiple servings at one time*. In one of these states (Tennessee), this prohibition applied only after 10 p.m. Nineteen states prohibited *multiple servings for single*

Exhibit 4.3.49: Number of States Prohibiting Various Low-Price, High-Volume Drink Specials



servicing price. Twenty-four states prohibited *unlimited beverages for a fixed price or period.* In one of these (Louisiana), this prohibition applied only after 10 p.m. Twelve states prohibited *increased volume without increase in price,* with Tennessee making it unlawful after 10 p.m.

As can be seen in Exhibit 4.3.50, 10 states prohibited *happy hours (reduced prices).* Eight additional states allowed happy hours but restricted the hours in which they may be offered.

Trends in Low-Price, High-Volume Drink Specials Law

Between 2010 and 2011, only one small change occurred in low-price, high-volume drink specials law. One state expanded its definition of “drink” to include two different drinks customarily served at the same time. Such a change created a decrease by one state in “multiple servings at one time.” Between 2011 and 2012, one state (Pennsylvania) increased the number of hours during which discounts may be offered. No other changes occurred.

References and Further Information

Legal research for this topic is planned and managed by SAMHSA and conducted under contract by The CDM Group, Inc. To see definitions of the variables for this policy, go to Appendix B. For further information and background, see:

Babor, T., et al. (1978). Experimental analysis of the ‘happy hour’: Effects of purchase price on alcohol consumption. *Psychopharmacology*, 58, 35–41.

Beverage Information Group, Fact Book. (2010). Norwalk, CT: Beverage Information Group (annual publication).

