

## **Policy Summary**

# **Low-Price, High-Volume Drink Specials**

This policy summary is excerpted from:

**The September 2016 Report to Congress on the Prevention and Reduction of Underage Drinking**

## Low-Price, High-Volume Drink Specials

### Policy Description

Restrictions on low-price, high-volume drink specials regulate on-premises retailers in their use of 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, Lee, Nelson, & Lee, 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.”

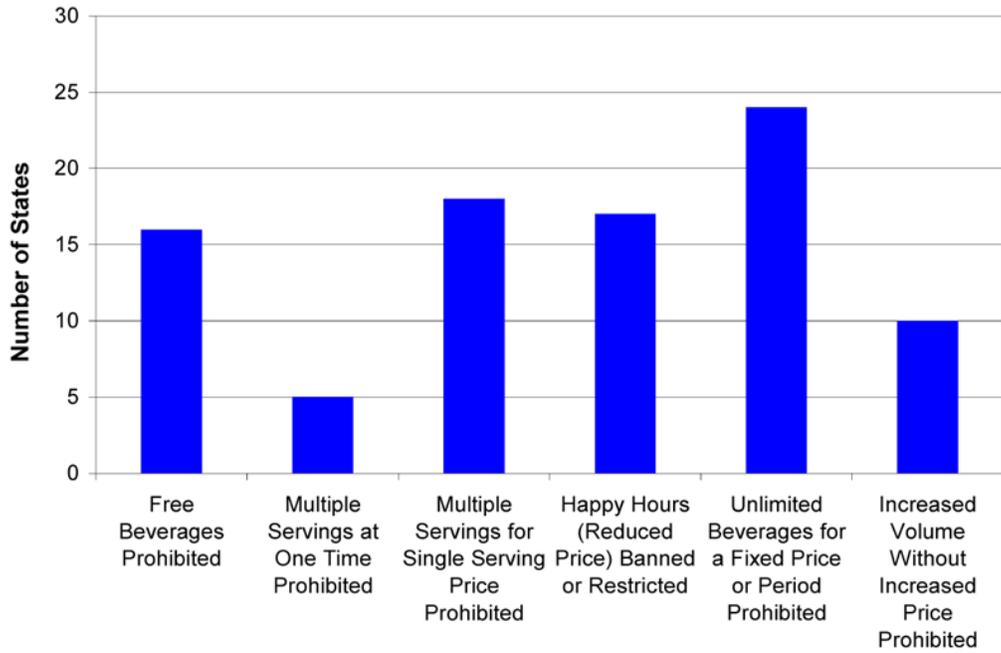
A state law concerning low-price, high-volume drink specials may prohibit or restrict the following practices:

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

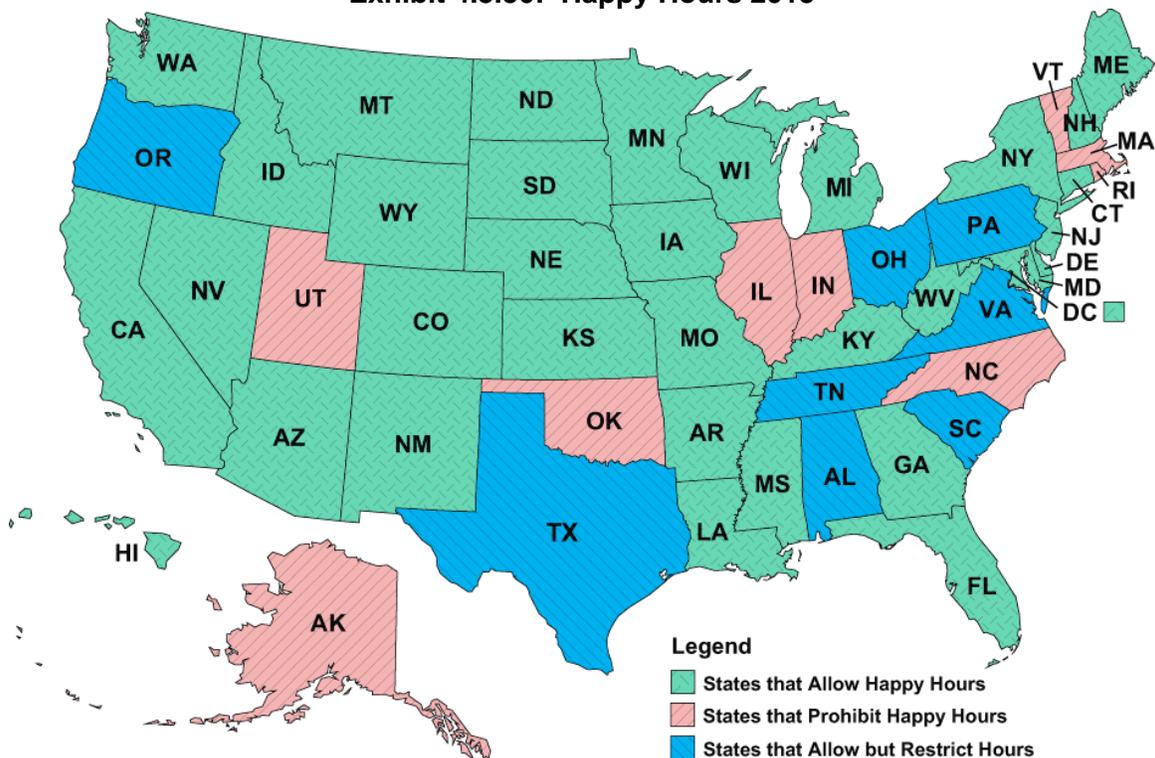
Exhibit 4.3.49 shows the number of states that prohibited the six low-price, high-volume specials listed above. Sixteen states prohibited *free beverages*. Six additional states (California, New Jersey, New Mexico, South Carolina, Texas, and Washington) allowed a licensee to offer a free drink on a case-by-case 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. Eighteen states prohibited *multiple servings for single serving 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. Ten states prohibited *increased volume without increase in price*, with Tennessee making it unlawful after 10 p.m.

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



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

**Exhibit 4.3.50: Happy Hours 2015**



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

Since 2011, one state (Pennsylvania) has increased the number of hours during which discounts may be offered. Since 2012, Kansas has changed its law to allow reduced-price drinks during designated times of day and increased volume of an alcoholic beverage.

### References and Further Information

All data for this policy were obtained from the Alcohol Policy Information System (APIS) at <http://www.alcoholpolicy.niaaa.nih.gov>. Follow links to the policy titled “Drink Specials.” APIS provides further descriptions of this policy and its variables, details regarding state policies, and a review of the limitations associated with the reported data. To see definitions of the variables for this policy, visit [stopalcoholabuse.gov](http://stopalcoholabuse.gov) and go to Report to Congress, Supplemental Information, “Definitions of Variables.” For further information and background, see:

Babor, T. F., Mendelson, J. H., Greenberg, I., & Kuehnle, J. (1978). Experimental analysis of the ‘happy hour’: Effects of purchase price on alcohol consumption. *Psychopharmacology*, 58, 35–41.

Beverage Information Group. *2010 Fact Book*. Norwalk, CT: Beverage Information Group.

Chaloupka, F., Grossman, M., & Saffer, H. (2002). The effects of price on alcohol consumption and alcohol-related problems. *Alcohol Research & Health*, 26(1), 22–34.

Kuo, M., Wechsler, H., Greenberg, P., & Lee, H. (2003). The marketing of alcohol to college students: The role of low prices and special promotions. *American Journal of Preventive Medicine*, 25(3), 1–8.

National Highway Traffic Safety Administration. (2005). Research report: Preventing over-consumption of alcohol – sales to the intoxicated and “happy hour” (drink special) laws. Springfield, VA: National Technical Information Service, DOT HS 809 878.

U.S. Department of Health and Human Services. (2007). *Surgeon General’s call to action to prevent and reduce underage drinking*. Rockville, MD: Office of the Surgeon General. Retrieved from <http://www.ncbi.nlm.nih.gov/books/NBK44360>.

Wechsler, H., Lee, J., Nelson, T., & Lee, H. (2003). Drinking and driving among college students: The influence of alcohol control policies. *American Journal of Preventive Medicine*, 25(3), 212–218.