

December 2008

Report on the Responsible Retailing Systems Project

Retailers and their associations have been working with alcohol regulators and researchers to validate a new model to reduce alcohol sales to underage customers. The new model is based upon the recommendations contained in a report prepared as a federal guidance document, *Best Practices for Responsible Retailing*¹. That report reaffirms the importance of law enforcement in achieving high compliance with alcohol sales laws but it argues that enforcement does not, by itself, show retailers what specific steps they can take to insure that staff consistently check IDs and refuse unlawful sales. The model calls upon public agencies to work collaboratively with retailers and their suppliers in a problem-solving approach to address community alcohol issues, such as 3rd party sales, fake IDs and furnishing of alcohol to underage users.

RR SYSTEMS PROJECT

Since 2003, the Responsible Retailing Forum (RRF) has been directing an effort to develop an operational model of the recommendations of the Best Practices report in the context of a quality improvement process for alcohol beverage licensees.

Phase 1 of the RR Systems project (2003 – 2005)

In four study sites (Birmingham, AL; Des Moines, IA; Santa Fe, NM; Springfield, MO), RRF developed and pilot-tested the tools to assist retailers, including a *Planning Tool for Retailers*, incorporating the recommendations of the 2002 reports. Phase 1 also identified the different decision-making processes in owner-operated vs. chain establishments and the challenges of implementing the model in different retail environments.

Phase 2 of the RR Systems project (2005-2008)

Phase 2 was a community roll-out of this RR quality improvement model in three study sites: Albuquerque, NM; Iowa City, IA; Waltham, MA. Participating retailers in these communities:

- are supplied with a *Planning Tool for Retailers*, which enables licensed establishments to assess their current RR practices and identify Best Practices that may be absent
- are provided with RR resources and assistance
- receive periodic feedback on store performance in checking IDs, as observed by young, legal-age Mystery Shoppers, and in refusing over-service, as observed by actors exhibiting visible signs of intoxication

The objectives of Phase 2 were to measure the impact of the retailer assistance model upon participating licensees and to engage retailers, regulators, law enforcement and public health stakeholders in examining the actual problems of alcohol access and use in the community.

¹ Center for Substance Abuse Prevention (2002) *Best Practices for Responsible Retailing* US Dept. of Health and Human Services, Substance Abuse and Mental Health Services Administration. Center for Substance Abuse Prevention, Conference Draft, March 2002. Available at www.rrforum.org/

HIGHLIGHTS OF THE RR SYSTEM PROJECT 2008

- Continued improvements in year 2 in age-verification above and beyond the high performance levels achieved in year 1.
- In each of the three study sites, additional off- and on-premise accounts have asked to be included in the program
- Sales and over-service of intoxicated customers has emerged as a concern of equal importance to preventing underage sales

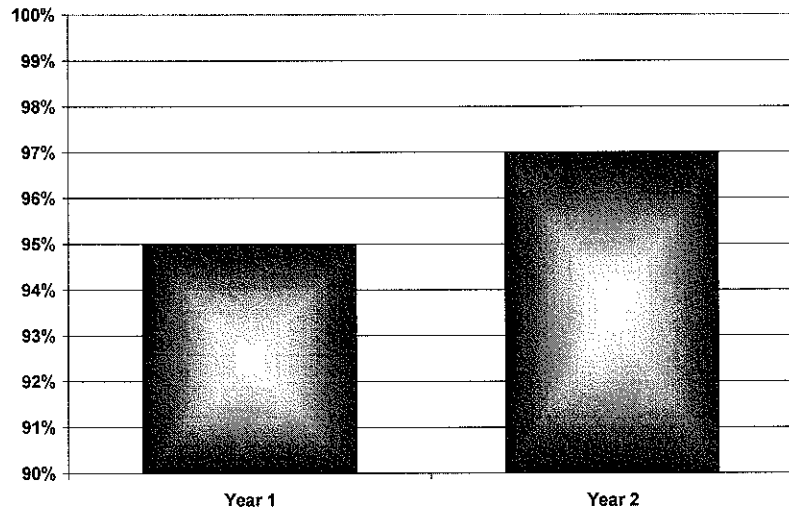
Albuquerque, NM

Project Partners: NM Alcohol and Gaming Division, NM Department of Health, NM Petroleum Marketers Association, NM Grocers Association, Joe G. Maloof Distributing Co.

The NM RRForum began in September 2005 and has worked with approximately 60 participating off-premise establishments: convenience stores/petroleum marketers; grocery stores; package stores. In the first year of the ABQ RRF, 335 Mystery Shops for ID checking were conducted with overall pass rates greater than 95%. In year 2, 288 Mystery Shops were conducted with overall pass rates of 97%.

Pseudo-intoxication inspections. The purpose of these inspections is to provide retailers with feedback on clerk performance in recognizing and refusing sales or service to intoxicated customers. In year 2, in 91 attempted purchases by mystery shoppers who displayed distinct signs of intoxication, sales were made 31 times, or 26.1%. In recognition of the potential value of this program, Value Options of New Mexico, the administrator of New Mexico's substance abuse prevention and treatment programs, has contracted with RRF to assist 16 New Mexico prevention agencies in addressing over-service.

Albuquerque: % Successful Compliance Age Verification



Issues in Albuquerque: The chain stores participating in the ABQ RRF have demonstrated consistently strong age-verification behavior and we are witnessing improvements as well in the refusal to sell to a pseudo-intoxicated customer. The project will shift its focus to on-premise alcohol beverage establishments in the downtown entertainment area as well as near the campus of University of New Mexico.

Iowa City, IA

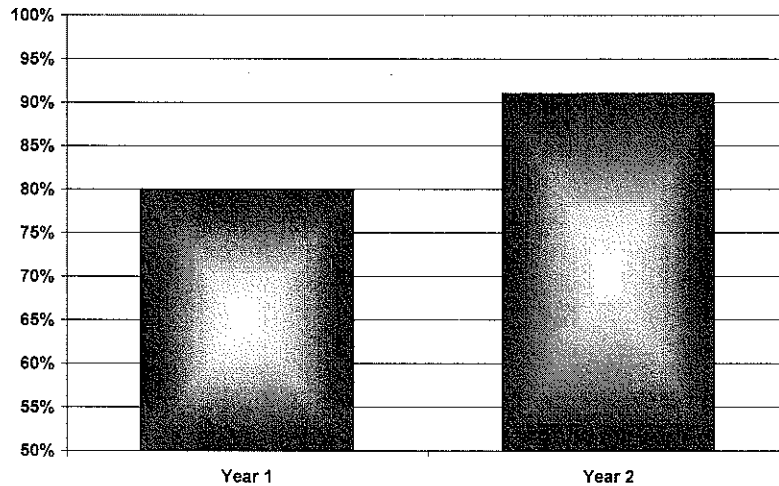
Project Partners: IA Alcoholic Beverages Division, IA Department of Health, IA Office of the Attorney General, IA City Police Department, IA Petroleum Marketers / Convenience Store Association, Fleck Distributing Co.

The Iowa City RRForum was begun in July 2006. 32 on-premise establishments—mostly taverns / restaurants—and 3 off-premise establishments in the vicinity of the University of Iowa campus have been participating in the project. In year 1, there were a total of 143 Mystery Shops for age-verification conducted between January and May 2007 by young, legal-age inspectors and an overall Pass rate for this time span of 80%. In year 2, there were 133 Mystery Shops and an overall Pass rate of 91%.

Pseudo-intoxication inspections began in July 2007. 69 inspections have resulted in 43 sales, for a sales and over-service rate of 62.3%.

Issues in Iowa City: Iowa City poses the daunting challenges of a large college community and the associated heavy alcohol use and abuse. In 2007, both public and private stakeholders were focused upon proposed changes that would have banned underage individuals from taverns/bars.

Iowa City: % Successful Compliance Age Verification

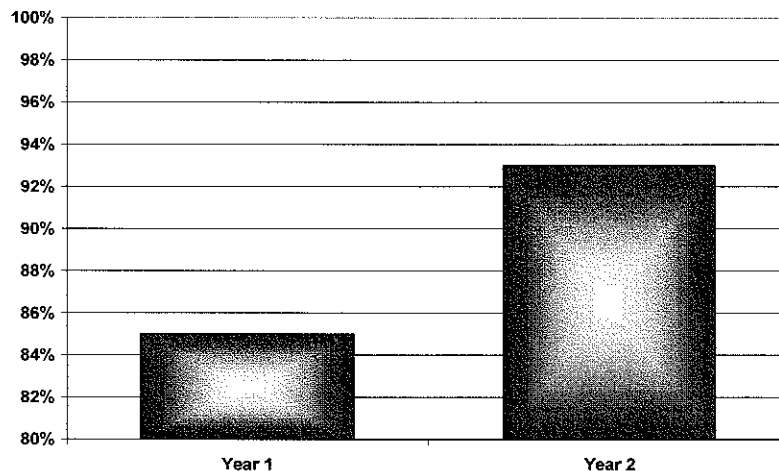


Waltham, MA

Project Partners: Waltham Police Department, Waltham Licensing Commission, Waltham Package Store Ass'n, Waltham Restaurant Ass'n.

The Waltham RRForum was begun in September 2006. 8 off-premise establishments (all package stores) and 46 on-premise establishments have been participating in the project. There were a total of 213 Mystery Shops for age-verification conducted in year 1 between November 2006 and May 2007 and an overall Pass rate for this time span of 85%. In year 2, 307 Mystery Shop inspections produced a Pass rate of 93%.

Waltham: % Successful Compliance Age Verification



Pseudo-intoxication inspections began in April, 2007. 100 pseudo-intoxication inspections have resulted in 37 instances of sales or over-service, a rate of 37%

Issues in Waltham: The Waltham PD and Waltham Licensing Commission, buoyed with the results of the Waltham RRForum, have urged other licensees to join the program. Participation has grown to over 70 licensees. Server/ clerk training is being scheduled on a regular basis; retailers are reporting fake IDs to police who in turn will follow-up with the three higher education institutions (Brandeis, Bentley and Lasell) to identify students who may have used fake IDs.

LESSONS LEARNED IN PHASE 2:

- Underage sales are “crimes of inattention.” Although a few “bad players” disregard the alcohol sales laws, in most cases underage sales result from inattention. Whether because of high customer traffic, multi-tasking or simple inattention, clerks and servers are susceptible to forgetting to check IDs. Reminder systems—shift reminders, cash-register prompts, Mystery Shopper reports, etc—are thus critically important in achieving strong RR performance.
- An establishment is neither “compliant” nor “non-compliant.” All staff—and thus all licensees—are susceptible to not correctly verifying age on occasion. A single inspection determines if one employee correctly checks an ID and refuses underage sales with one customer at one moment in time. One inspection does not, however, accurately characterize the RR conduct of a licensee. The key objective—and key performance measure—is consistent age-verification over time.
- Over-service is decidedly *not* a crime of inattention. But refusing sales / service to an intoxicated customer is a much more complex interaction that far too many clerks, servers and bartenders are handling inexpertly. Interestingly, many clerks and servers first checked the ID of pseudo-intoxicated mystery shoppers in their 20’s and 30’s before serving alcohol.

PLANS FOR PHASE 3

Phase 2 has shown that participating licensees demonstrate significant improvements in checking IDs and refusing sales. The next step is to determine whether the model produces similarly favorable outcomes for larger and more diverse numbers of licensees. In Phase 3, RRF will partner with state alcohol regulatory agencies and retailer associations to implement the model on a larger scale and in a variety of experimental conditions. One question is how to engage retailers in the program: voluntary participation? required participation for retailers that violate alcohol sales laws? incentives for participating retailers (e.g. mitigation of penalties, reductions in fees)?

ABOUT RRF

RRF is a 501(C)3 non-profit organization whose dual objectives are (1) to identify and promulgate Best Practices for RR, and (2) to engage diverse stakeholders in examinations of RR policy. RRF began as a project of the Florida Center for Prevention Research, Florida State University (which maintains the web site) and the Heller School for Social Policy and Management, Brandeis University (whose researchers head RRF’s research team). Researcher and mystery shop expenses for the RR Systems Project came from an unrestricted grant from Diageo NA, with in-kind support provided by the alcohol regulators and retail associations in the study states.