

# CSR Communication in Problematic Sectors: The Example of Hungarian Brewers

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## Abstract

Thesis statement: CSR reputation indices (like MSC KLD400, Dow Jones Sustainability Index) exist in such form which exclude companies operating in ethically questionable industries like tobacco, gambling, nuclear power, adult entertainment or alcoholic drinks. However, drinking alcohol is a very important part of the culture and is a tradition in many European countries (for socializing and as a gift) even if in some cases it has very ambivalent judgment. Alcohol addiction, domestic violence, traffic accidents, serious health problems mean a real burden on the society. So the main question is how these companies try to legitimize their behaviour through their CSR actions? Methodology: Structured, qualitative comparison of the CSR communication of the four biggest Hungarian brewers has been made. Information provided on the homepage is tested as the main and most easily available source for concerned customers. Results: Significant difference can be seen among the examined brewers in their CSR activities and its communication. Some breweries which are subsidiaries of big international companies have CSR policy at corporate level but they are not actually translated it into local initiatives. The increased amount of alcohol-free beer offered and sold is a positive trend. Conclusions and Implications: Proving legitimacy of their activity is the central element of CSR communication, but responsibility-taking is mainly perceived as a role of the consumer or the employees but not for the company itself.

*Keywords: Beer manufacturer, CSR, qualitative research, ethical responsibility*

## 1. Introduction

Social responsibility of corporates has become a significant driving force for national and multinational companies in market competition and also a highly investigated area of research in business and marketing. (Alshehhi et al, 2018) Both positive and negative motivations can be found behind CSR (corporate social responsibility) actions: improving image, legitimizing behavior, gaining loyal employees, avoiding negative media attention, or serving the need of customers who take care of environment.

Although CSR is a volunteer action of a company - by definition -, the growing number of firms engaged in social issues put a pressure on the rest of the firms to do the same. This process has become more intensive by the standardization intention of CSR reports. UN Global Impact Principles, OECD Guidelines for Multinational Enterprises, GRI (Global Reporting Initiative) ISO 26.000, AA1000, ISO 14001 and SA8800 are just the most well-known standards about how to communicate CSR actions of the firm to the stakeholders.

However, there are some industries which really struggle to legitimize their business as

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real socially responsible. Tobacco and alcohol production, adult entertainment, armaments and firearm production, gambling are just a few which although satisfying real needs of customers, also generate lots of social problems. Dow Jones Sustainability Index calculates the long-term economic, environmental, and social effects of the biggest sustainability leader companies. The index excludes companies that generate revenue from alcohol, tobacco, gambling, and armaments & firearms.<sup>1</sup> The existence of that methodological exclusion turns attention to those companies which operate in these sustainably questionable industries.

Alcohol production is a very special segment, as there is a cultural tradition of alcohol consumption all over the world. It is inseparable part of hospitality: celebrations and social events can be hardly organized without alcoholic drinks. That helps people to start conversations (inviting each other for a drink), and it also means pretense for short meetings and conversations (“Let’s drink a beer together”). Some use it as tranquilizer, and it may help in stressful situation. Even if a person doesn’t consume alcohol, if someone offers him one drink and the other refuses, it can be interpreted as having a disagreement between them.

On the other hand, alcohol consumption has definitely negative side-effects. Frequency and the amount of consumption can vary a lot, and when it has becoming regular drinking and/or the amount is much more than the body can handle, it resulted serious individual and social problems. For men, low-risk alcohol consumption is an average of 4 or fewer drinks per day and less than 14 average drinks per week. According to US recommendations, 0.17 deciliter of pure alcohol is an average quantity. This is about 3.5 deciliter beer, 2.2 deciliter liqueur, 1.4 deciliter wine, 0.4 deciliter whiskey, gin or vodka. Research has shown that women's body processes alcohol less efficiently, which means that fewer men than women may have problems. For women, low-risk alcohol consumption is the average amount of 3 or less drinks a day and not more than 7 average amounts per week.<sup>2</sup>

Long-term regular alcohol consumption causes severe damage to the physical, psychological and social characteristics of the individual.<sup>3</sup> Frequent and large amounts of alcohol can also cause damage to the heart, nervous system and brain for extended periods of time. In addition, there is an increased risk of cancer in the mouth, throat and oesophagus. After a while, men may experience impotence and women may experience menstrual disorders.<sup>4</sup>

It is well known that the consumption of alcoholic beverages increases the reaction time, the risk-sensing and the counteractivity are changed, and the alcohol has a very negative effect on the optic nerve. Drunk driving is a major road safety problem not only in Hungary, but throughout Europe. Drunk driving in the European Union after speeding is the main cause of fatal traffic accidents, which adds to the danger that most drunk drivers generally exceed the permitted speed. According to expert estimates, about 2-3% of drivers on EU roads are drunk on the road and 30-40% of the deaths of drivers killed

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<sup>1</sup> <https://www.robecosam.com/csa/csa-benefits/index-family-overview/djsi-diversified-family.html>

<sup>2</sup> [https://www.hazipatika.com/psziche/fuggosegek/cikkek/mennyi\\_alkohol\\_a\\_tul\\_sok\\_alkohol/20150327153452](https://www.hazipatika.com/psziche/fuggosegek/cikkek/mennyi_alkohol_a_tul_sok_alkohol/20150327153452)

<sup>3</sup> <https://www.webbeteg.hu/cikkek/szenvedelybetegseg/1805/az-alkoholfogyaszat-veszelyei>

<sup>4</sup> <http://www.patikamagazin.hu/betegszervezetek/cikkek/cikk/56/9>

in traffic accidents are caused by alcohol.<sup>5</sup> By dropping drunk driving, road tragedies are crammed for approx. 25% could be prevented, which would save about 9-10,000 lives a year in the member states of the EU.<sup>6</sup>

## 2. Literature Review

Global environmental and social problems has strengthen the need for taking into consideration all stakeholders' interests when making strategic decisions of companies. Large companies show significant effort to inform and satisfy different stakeholder groups.

Theoretically, CSR actions and their disclosure help the firm to legitimize its existence (legitimacy theory) (Archel et al, 2009). It ensures the compliance according to social changes: enterprises need to adapt to the expectations of society to be legitimate in the changeable social phenomena over time (Deegan, 2002). Companies are allowed to operate when they adopt the practices which are in line with social norms, expectations and values (Suchman, 1995). From another point of view (stakeholder theory) firms are not only responsible for their economic performance but also for paying attention to the interests of other stakeholders, who affect the firm or affected by the business operations (Freeman, 1984). That means that different stakeholders (e.g. employees, business partners, NGO-s, natural environment) need different kinds of actions and information from the company.

Another aim of CSR is to guard the company's reputation and identity by engaging with the stakeholders (Reynolds and Yuthas, 2008) and to diverse institutional pressure (Young and Marais, 2012). CSR also helps to provide long-term profitability by reducing information asymmetries and improving stakeholder decision making (Du et al, 2010).

### 2.1 CSR measurement

CSR reporting is mostly voluntary based, but in Europe, there are countries in which CSR disclosure is already regulated (e.g. Sweden, France, Germany, Norway) (Bonsón and Bodnárová, 2015). Standardization is needed to make CSR dimensions (economic, environmental and social aspects) of different companies transparent and comparable. However, measuring CSR performance is quite complex. Sometimes qualitative features should be measured by quantitative methodologies. Subjective evaluation of the same CSR actions from different stakeholder groups make it difficult to calculate an objective measurement for it.

Recently, different methods exist at the same time - but their validity and reliability are questionable.

Fatma, Rahman and Khan (2014) differentiated four types of methods for measuring CSR: content analysis, reputation indices, single issue indicators and CSR perception by stakeholders.

In the academic literature, content analysis is the most common way to evaluate CSR performance (Tewari, 2011). This method is helped by the standardization of CSR

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<sup>5</sup> <http://www.baleset-megelozes.eu/cikk.php?id=210>

<sup>6</sup> <http://www.baleset-megelozes.eu/cikk.php?id=210>

reports. Difficulty of that method is that qualitative information should be translated into quantitative one. Some methods use binary code (0/1) if a particular topic is mentioned. Others make it more sophisticated by using Likert-scales for evaluating CSR dimensions. (Galant and Cadez, 2017). However, as the source of these data are the company itself, there is a danger that there is a gap between the real performance and the reported performance of the company (Ingram and Frazier, 1980)

Reputation indices (such as FTSE 4 Good, DJSI, MSCI KLD 400, Vigeo) are more popular as there is a wide range of indicators collected and evaluated by them. They are not only rely on company sources (annual financial and CSR reports) but collect information from the media, and also by a detailed questionnaire to the company, and by specialized interviews with key informants internally and externally (Márquez and Fombrun, 2005). Specialized rating agencies acknowledge the multidimensional nature of CSR. They also make it possible to follow economic, social and environmental performance of companies on a longer period. Good indices are vital for those companies who want to be attractive for institutional investors. However, these agencies don't calculate CSR scores for every companies- they are limited both in size of companies and in geographical location. (Galant and Cadez, 2017) Some researcher also criticize the lack of scientific method behind these indices (Graafland et al, 2004).

The third type of measurement is a single issue indicator (focuses only environmental or social issues – like rate of corporate crime (Baucus and Baucus, 1997). In this case the researcher can focus on the topic which is the center of his interest. However, if a researcher wants to get the whole picture of CSR than he needs to combine these single issue indicators – but it may still lack the real complexity of the issue itself (Maignan and Ferrell, 2000).

The fourth method is to measure CSR by its perception by those who are affected by the companies' actions. The theoretical bases for it is the already mentioned stakeholder theory. It is possible to measure the CSR values of managers or we can measure the perception of CSR by consumers or employees, or communities. (Fatma et al, 2014)

Decker (2004) suggests that industry-specific understanding of CSR is needed because of different stakeholder groups can be identified by industries. Pan et al (2014) also emphasize the industry-specific features of CSR in their study, which examines the Chinese mineral industry.

In this study, beer producers' special CSR actions are investigated which reflect to their legitimization challenge: these are the packaging problem, popularization of responsible alcohol consumption and providing alcohol-free alternatives for the consumers. The common feature of them is that they are connected very closely to the main stakeholder group, the consumers, and they affect heavily the basis of production (unlike e.g. giving donations to civil organizations or supporting volunteer actions of their own employees). Fatma, Rahman and Khan (2014) also specified the industry when they reported on CSR in the banking industry to be able to make significant and reliable comparison.

### **3. Hungarian Brewers and Beer Market**

The Hungarian beer industry is an important actor of the Hungarian economy and society. Almost two-thirds of the Hungarian population's alcohol consumption

comes from beer. This ratio has not changed since the millennium. As a result of the crisis in 2008, the price sensitivity of beer consumers increased. The average price of beer, if the price eliminated from inflation, has remained almost unchanged since 2000. The gross price of beer stagnated, while indirect taxes (excise duties and VAT) continued to rise, which, according to economic logic, would have had to rise. Therefore, the net price declined, which could only be counterbalanced by brewers at a significant loss of profitability to maintain their markets. (MSSZ, 2016)

According to the data, domestic sales of beer producers declined by 2 percent between 2012 and 2013 mainly due to the price increase due to the increase in excise tax, while in 2014 they achieved a 2 percent increase in sales, which doubled and reached 4 percent in 2015. The share of imports from domestic supply (661 million litres) did not reach 20%. At the same time, in previous years, insignificant beer exports (60 million litres) increased by about 40% in 2016 (KSH, 2016). In 2015, HUF 4.6 billion more taxes and contributions were paid into the budget compared to the previous year. This amounted to HUF 71,736 billion in 2015. The excise tax paid was 4 percent higher, the environmental product fee payment exceeded the previous year by almost HUF 1 billion in 2015. The beer industry also has significant role in employment: 10 employees in the brewing industry will provide employment for an additional 71 people in the national economy. (MSSZ, 2016)

The three biggest producers of beer in Hungary are Dreher, Borsodi and Heineken. Since its foundation in 1854, Dreher Breweries has become one of the leading brewing companies in Hungary thanks to its traditions and international background. (It had 34,7 % market share in 2017.) 95 percent of its suppliers are small and medium-sized businesses in Hungary. Since 2017, Dreher is a subsidiary of Asahi, one of Japan's largest brewers, has traditionally sold brands such as Asahi Super Dry, Kozel, Pilsner Urquell, Peroni, alongside the traditionally Hungarian brands Dreher, Arany Ászok and Kőbányai.

Heineken Hungária Breweries Zrt. has more than a hundred years of experience in brewing and internationally renowned brands and is the leading player in the Hungarian market, as a Hungarian subsidiary of the international HEINEKEN Group. The company has now just one factory in Sopron which has a great tradition dating back to 1895. The company is at the forefront of environmental protection. Their factories have managed to significantly reduce the water consumption of beer production worldwide.<sup>7</sup> In 2017, Heineken achieved the highest total volume share gain compared to the two leading breweries, Dreher and Borsodi. The reason for its success is the strategy of placing emphasis on premium lager with intensive mass media and online advertising, while introducing new premium products, both off-trade and on-trade.<sup>8</sup>

From 2012, Molson Coors Europe (MCE) is the owner of Borsodi Brewery. MCE's portfolio consists of about twenty local brands, including Staropramen and Borsodi. It is also responsible for distributing famous international brands such as Beck's, Leffe, Lowenbrau and Stella Artois. With such a wide product range, the company is the market leader in Central Europe. The headquarters of MCE is in Prague<sup>9</sup>. Borsodi dictates new trends in the domestic beer market with its innovations in both products

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<sup>7</sup> <http://www.heinekenhungaria.hu/a-vallalat/tortenelem>

<sup>8</sup> <https://www.euromonitor.com/beer-in-hungary/report>

<sup>9</sup> <http://www.sorszovetseg.hu/en/borsodi/>

and packaging. It was the first to produce non-alcoholic beer and to sell beer in cans. Borsodi Brewery introduced the first widely available range of flavoured beers into the domestic market in 2011: the 'Borsodi Fresh' product line which is the tool for targeting the segment of women.<sup>10</sup>

**Table 1:** The four biggest Hungarian brewers

	<b>Borsodi Brewery Co.</b>	<b>Dreher Breweries Ltd.</b>	<b>Heineken Hungaria Breweries Ltd.</b>	<b>Brewery of Pécs Ltd.</b>
<b>Owner</b>	Molson Coors Brewing Company (American-Canadian) (2012-)	Asahi Breweries Europe Ltd. (Japanese) (2017-) 1993 – 2016 SABMiller	Subsidiary of Heineken NV.	Zoltán and Tamás Szemerey through MAVÁ Befektetési Kft Bankkonzult Kft. (2017-)
<b>Beer sale<sup>11</sup> (2017)</b>	6,200,000 hl	2,300,000 hl	no data available (78,8 mhl in Europe)	230,500 hl
<b>Net revenue (2017)</b>	HUF 36 812 million (EUR 118 535 007)	HUF 46 461 million (EUR 149 605 312)	HUF 53 875 million (EUR 173 477 787)	HUF 4 125 million (EUR 13 283 311)
<b>Profit 2017<sup>12</sup></b>	HUF -606,8 million	HUF 379,3 million	HUF 169,6 million	HUF 246,5 million
<b>Number of employees</b>	458 (Febr.2019)	575 (Febr.2019)	494 (Febr.2019)	95 (Febr.2019)
<b>Average wage (monthly)<sup>12</sup></b>	HUF 432.000	HUF 432.000	HUF 508.000	no data available
<b>Company form</b>	limited liability company	private limited company	private limited company	private limited company
<b>Factory location</b>	Bócs	Budapest	Sopron (Martfű has already closed)	Pécs
<b>Homepage</b>	<a href="http://www.borsodisorgyar.hu/hu-hu">http://www.borsodisorgyar.hu/hu-hu</a>	<a href="http://dreherzrt.hu">http://dreherzrt.hu</a> <a href="https://www.dreher.hu">https://www.dreher.hu</a>	<a href="http://www.heinekenhungaria.hu/">http://www.heinekenhungaria.hu/</a>	<a href="http://pecsisor.hu/">http://pecsisor.hu/</a> <a href="http://pecsisorfozde.hu/">http://pecsisorfozde.hu/</a>

Source: <https://www.ceginformacio.hu/cr9317494604>; <https://www.ceginformacio.hu/cr9310048607>; <https://www.ceginformacio.hu/cr9310032238> [https://www.ceginformacio.hu/cr9310011088\\_EN](https://www.ceginformacio.hu/cr9310011088_EN)

The above mentioned three biggest producers of the Hungarian beer market form the Association of Hungarian Beer Manufacturers (MSSZ), which is currently a social organization representing nearly 90% of the Hungarian beer market. The members cooperate to represent their common interests, express their social responsibility and

<sup>10</sup> <http://borsodisorgyar.hu/hu-hu>

<sup>11</sup> [https://www.napi.hu/magyar\\_vallalatok/elnyomjak\\_a\\_magyar\\_vallalkozasokat\\_a\\_nagy\\_multik\\_a\\_kormany\\_nelkul\\_nem\\_megy.663686.html](https://www.napi.hu/magyar_vallalatok/elnyomjak_a_magyar_vallalkozasokat_a_nagy_multik_a_kormany_nelkul_nem_megy.663686.html)

<sup>12</sup> [https://www.napi.hu/magyar\\_vallalatok/elnyomjak\\_a\\_magyar\\_vallalkozasokat\\_a\\_nagy\\_multik\\_a\\_kormany\\_nelkul\\_nem\\_megy.663686.html](https://www.napi.hu/magyar_vallalatok/elnyomjak_a_magyar_vallalkozasokat_a_nagy_multik_a_kormany_nelkul_nem_megy.663686.html)

promote the beer culture. Another purpose of the alliance is to appear as a professional forum for individual government bodies and other advocacy bodies. Although Brewery of Pécs and Carlsberg Hungary Kft is not the member of the Association, they provide data for analysing the situation of the industry.<sup>13</sup>

The fourth, relatively biggest player on the market is the Brewery of Pécs. This company was owned by the Austrian Ottakringer Getränke AG, but in summer 2017, Tamás Szemerey and Zoltán Szemerey (Hungarian entrepreneurs), became the 99 percent owner of the brewery, and the company, which produced a loss of half a billion HUF in 2016, made a profit of HUF 264 million in 2017. The brewery was much less indebted than it was in 2016. Innovation and quality are very important for the firm. The beers of Pécs can be distinguished from their competitors by the traditional open-cell fermentation technology and by its long process. This technology needs human labour more than the others.<sup>14</sup> An important recent change in the structure is that the brewery now only deals with manufacturing, and they have created a separate company to coordinate trade.<sup>15</sup>

#### **4. CSR Activities Showing Ethical Responsibility of Borsodi, Heineken, Dreher and Brewery of Pécs**

According to Carroll (1991) the economic and legal responsibility of firms are “required” by society; while the ethical responsibility is “expected” and the philanthropic responsibility is “expected or desired” by society. In this article the ethical responsibility is in the centre of interest, because the basic activity of the companies are questioned: namely, those CSR activities (1) which motivate consumers’ responsible alcohol consumption and (2) which give alternatives for the consumers to drink non-alcoholic products.

##### **4.1 Promoting responsible alcohol consumption**

The first step to show responsibility of breweries is to keep the legislation relating to the legal drinking age of consumers. (In Hungary this is 18 years.) It is really difficult to put this selection into practice directly by the brewery, because the purchase of the product happens in a retail shop or in a restaurant or in a bar, not at the factory. The only sign of that is the login page when someone tries to open the homepage of a brewery: a visitor has to give its birthday or whether he is older than 18 or not. With that, companies just fulfill the legal responsibility requirements.

To take a further step for fulfilling the ethical responsibility expectations, companies show really diverse level of commitments and actions. Dreher performs the most complex program to motivate responsible alcohol consumption for the Hungarian consumers called “I drink with mind”. The company was the first in Hungary to launch a program that drew attention to responsible alcohol consumption in 2009. What makes their efforts special is that they try to reach the younger generation through different

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<sup>13</sup> <http://www.sorszovetseg.hu/en>

<sup>14</sup> <https://www.vg.hu/vallalatok/masolat-ujra-nyereseges-lehet-a-peccsi-sorfozde-840271/0>

<sup>15</sup> [https://index.hu/gazdasag/2018/05/30/szemerey\\_beszamolok/](https://index.hu/gazdasag/2018/05/30/szemerey_beszamolok/)

platforms. With the education of health visitors by prevention experts about underage drinking, their message has reached approximately 960.000 people.

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**Table 2:** Promoting responsible drinking as the part of the CSR – by the four biggest breweries in Hungary

	Borsodi Brewery Co.	Dreher Breweries Ltd.	Heineken Hungaria Breweries Ltd.	Brewery of Pécs Ltd.
<b>Homepage entry blocking</b>	Date of birth 'Ban' in text, but just shading the pages, so it is still readable for anyone	Date of birth	Date of birth	"Are you older than 18?" Yes/No (relatively easier to get access to the homepage)
<b>CSR on the homepage</b>	"Corporate Responsibility" menu	"Sustainability" menu	"Sustainability" menu	No
<b>Submenus</b>	- <i>Responsible alcohol consumption and more</i> - CSR activities - Sustainability strategy 2025	- <i>I drink with mind!</i> - Environmental protection - Sustainability reports	- Sustainability - Throw the C! Student competition - Certificates - Strategy - Green beer production and green commerce - Sustainability Reports - Responsible trade communication - Consumer information - <i>Responsible Alcohol Consumption Program</i> - Heineken cares - from Barley to Bar	None
<b>Responsible drinking logo/ message on the main page</b>	"Celebrate responsibly" at the very end of the homepage	No ( <a href="http://www.alkohol.info.hu">www.alkohol.info.hu</a> at the end of the homepage)	"Consume/enjoy responsibly"- at the first half screenshot of the main page -www.holahatar.hu	"Drink responsibly" – just the text at the very end of the homepage
<b>Responsible drinking actions</b>	No information on what responsible drinking is in Hungarian  Link to the English website of <a href="http://www.molsoncoors.com/en/sustainability/responsibly-refreshing">www.molsoncoors.com/en/sustainability/responsibly-refreshing</a>	- alcohol.info.hu website with lots of information: videos, effects of alcohol, drinking of youngsters, stress, pregnancy etc. -Blood alcohol-level calculator -Education of health visitors -Drama for high-school students	-"Where is the limit" website: tips, facts and misbelieves, alcohol in Hungary, one sip of culture and programs (festivals) -Collaboration with Krétakör (drama) -Nők Lapja Café – psychological help for parents and young adults	None
<b>Languages of website</b>	Hungarian	Hungarian	Hungarian, English	Hungarian, English, German

Source: <http://www.borsodisorgyar.hu/hu-bu>; <https://dreherert.hu>; <http://www.heinekenhungaria.hu/>; <http://pecsisorfozde.hu/>



They also targeted high school students by a drama about the alcohol problem. Together with the Kecskemét Theater Workshop and the HoTrio Theater Company, they created a play called *Badily*, which was introduced at high school classes during the teaching period. The play drew attention to the dangers of alcohol consumption. In 2017, about 750 students from 25 high school classes saw the *Badily* drama play. By the end of 2018, a total of 40 lectures were planned.

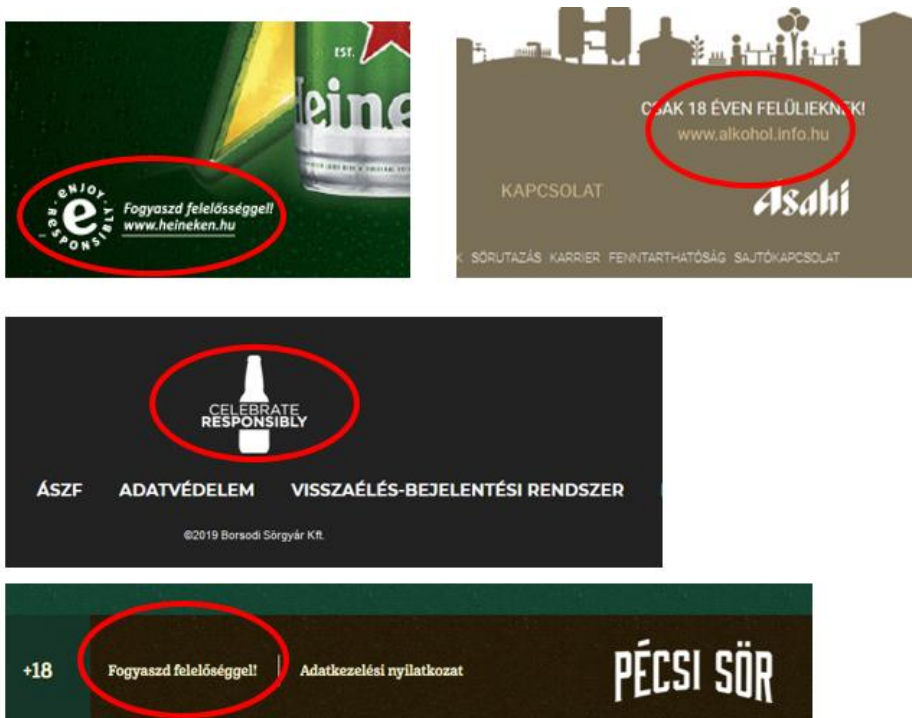


Figure 1: How to promote responsible alcohol consumption on the main webpage of the four biggest Hungarian brewers

Source: <http://www.borsodisorgyar.hu/hu-bu/>; <https://dreberzrt.hu/>; <http://www.heinekenhungaria.hu/>; <http://pecsisorfozde.hu/>

Dreher's special website: [www.alkohol.info.hu](http://www.alkohol.info.hu) gives very detailed and useful information on the dangers of alcohol consumption: measuring blood alcohol-level, relationship of alcohol and health, situations to consider, what happens when we consume alcohol and it also gives examples of advertising responsible consumption in other countries. Blood-alcohol level calculator helps to find out how much time is needed to get rid of the alcohol in blood after drinking – considering the consumers' age and weight.

Dreher also gives definition of what responsible drinking means: "Responsible alcohol consumption means I know when, where, what and how much I can drink. I know I am responsible - for myself and for the environment, and behave accordingly."<sup>16</sup>

<sup>16</sup> <https://www.alkohol.info.hu/dreher-felelos-alkoholfogyasztas-program/>

Dreher's program is multifaceted, because it includes self-regulation, internal training, and cooperation with civil organizations, too. They collaborate with state and non-governmental organizations: e.g. together with the Police of Veszprém (county), they raised awareness of the dangers of drunk driving. In another project in cooperation with experts they inform future moms about the risks of alcohol consumption during pregnancy. To attract more attention, Dreher invited Gabor Talmácsi, a world-wide known motor racer to be the face of their responsible drinking campaign. Dreher's program won the Best CSR Solution Award at CSR Market, in 2013.

Actions taken by Heineken are very similar to what Dreher did and do. Heineken has been launching its "Where is the limit? See clearly and decide responsibly" program in 2009.<sup>17</sup> They also operate an independent website ([www.holahatar.hu](http://www.holahatar.hu)) for alcohol-related information: tips, facts and misbeliefs, alcohol in Hungary, one sip of culture and program offerings. In 2010, they started a cooperation with a new partner, the creative community of Krétakör, and they addressed the young adult age group with small films and performances at the festival site, which drew attention to the research results of the program, including the often contradictory responses of young adults. Based on the experiences, in 2011 the program was reconsidered and a media partner was added to support the initiative. Nők Lapja Café is a popular communication site where people can not only read articles, interviews and stories about alcohol consumption, but can also share their opinions. Users can complete a test on a program website that a psychologist has put together to examine parents' attitudes and behaviour. In addition, the work continued with the Krétakör, who made some new films that made people think about the effects of excessive alcohol consumption. In some Youtube videos Heineken shares the slogan for promoting responsibility which is very straightforward: "Drink with moderation! Dare to consume less!"

Unlike the above, practically there is no real information on responsible drinking on Borsodi's website at "Responsible alcohol consumption and more" menu in Hungarian. There is only a link to the English website of Molson Coors's Responsibly Refreshing program. There one can find the program main principles and the very short description of actions from the past in the U.S., Canada and Bulgaria - but not for Hungary. The Hungarian "Responsible alcohol consumption and more" page mentions the responsible advertising policy of the firm and gives also a link to the Self-Regulating Advertising Body's homepage. Also, under "Sustainability Strategy 2025" the page mentions: "We are introducing more programs to promote responsible alcohol consumption, to reduce harmful alcohol consumption, to develop nutrition information for labels, and to ensure that consumers have access to low-alcohol and non-alcoholic beers on all markets we sell." However no concrete actions are shown and described.

As the three biggest breweries have the same goal and forming the attitude of consumers takes longer time and needs social marketing campaigns, it is not surprising, they tried to popularize responsible drinking via the MSSZ (Association of Hungarian Brewers) together.

In 2005, the three leading brewers' organizations launched their own program in Hungary, based on creative campaigns against drunk driving launched by members of

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<sup>17</sup> <http://www.heinekenhungaria.hu/fenntarthato-fejlodes/felelos-alkoholfogyasztasi-program>

the European Beer Manufacturers Association. The program named JÓFEJ („cool person” in Hungarian), as the abbreviation of Responsible Vehicle Driver Program. This was a social participation program of the MSSZ, which promoted responsible behavior that was indispensable for drinking and driving. The JÓFEJ Program was not a traditional drink or drive campaign. It did not build on the stress of negatives, but put persons in the position of a responsible driver as a positive role model for everyone to follow.<sup>18</sup> The program main tool was a free application which could calculate the blood alcohol-level. The program has been relaunched in 2010 with a new design, but it was finally terminated at the end of 2011.

The breweries above, which are owned by big international companies pay attention to motivate responsible alcohol consumption. However Brewery of Pécs, which main market is Hungary, pays almost no attention to forming attitude and behavior of consumers in order to be more conscious when drinking alcohol. This company takes no visible actions to motivate consumers to be responsible – just the very short “Drink responsibly” text appears at the left hand bottom corner on the webpage.

#### 4.2 Offering alcohol-free beer

Fortunately, consumers in the world are becoming more conscious and aware more of the harmful effects of alcohol consumption, so it is expected that the number of people who will look for other alternatives will increase. In the world, consumption of traditional beer declined in 2015 and 2016, but the market for non-alcoholic beers increased by 5 percent. The online market for alcohol-free wines and beers has also appeared.<sup>19</sup> The global market of non-alcoholic beer has grown 43 percent between 2011 and 2016, and now there are four hundred non-alcoholic beer brands available worldwide.<sup>20</sup>

**Table 3:** Alcohol-free and extra strong beer offerings at the four biggest breweries

	<b>Borsodi Brewery Co.</b>	<b>Dreher Breweries Ltd.</b>	<b>Heineken Hungaria Breweries Ltd.</b>	<b>Brewery of Pécs Ltd.</b>
<b>Alcohol-free beer offerings</b>	Borsodi Friss Zero (0.5%) Borsodi Póló (0.0%) till 1987 Staropramen alcohol-free	Dreher 24 (0.5%) Arany Ászok alcohol-free (0.5%) HB alkoholfrei (0.0%)	Soproni Radler (0.0%) Soproni Szűz (0.0%) Soproni 0.0 % Maxx Heineken 0.0 % Gösser NaturRadler (0.0%) Buckler 0.0 % (till 1994)	Pécsi Szalon alcohol-free (0.5%) Pécsi Radler alcohol-free (0,0 %)
<b>Price (for 0.5 litre beer)</b>	Borsodi Friss Zero HUF 219 in can	Dreher 24 HUF 269 in can	Soproni Radler and Szűz both HUF 229 in bottle or can	Szalon:HUF 219 in can) Radler: HUF 219 in can
<b>Extra strong beer</b>	Borsodi bivaly (6,5%)	Dreher Bak 7.3%	Soproni American Pale Ale 7.1% - only draft beer	Three Kings (6.3 %)

<sup>18</sup> <http://www.sorszovetseg.hu/ki-a-jofej-a-jozan-felelos-jarmuvezeto/>

<sup>19</sup> <http://www.origo.hu/gazdasag/20180404-az-alkoholmentes-sor-a-legujabb-orulet.html>

<sup>20</sup> <http://www.origo.hu/gazdasag/20180228-nepszerubb-az-alkoholmentes-sor.html>

*Source: <http://www.borsodisorgyar.hu/hu-bu>; <https://dreberzrt.hu>; <http://www.heinekenhungaria.hu/>; <http://pecsisorfozde.hu/> and prices from Tesco <https://bevasarlas.tesco.hu/groceries/hu-HU/products> (28.02.2019)*

Considering alcohol-free beer as a refreshment, it shows advantage over sweet-drinks, just because it is not sweet. Moreover, if we compare their price to the price of a half a litre Coca-Cola, which costs HUF 259 in PET, it is quite clear, why these non-alcoholic versions can spread on the market.

Hungarians' consumption habits are changing: more than half of beer drinkers are open to non-alcoholic versions. One reason for this is zero tolerance; if you have to work or drive, you are forced to give up beer because of alcohol. However, there are also beer drinkers who are completely refuse non-alcoholic versions because of the alleged difference in taste and lack of anxiety – although now technical advances make it possible to make alcohol-free beers with a real taste of beer.<sup>21</sup> In 2017, the consumption of non-alcoholic beers in Hungary increased by 25 percent to 114,000 hectolitres. The amount does not reach 2 percent on the Hungarian beer market.

However, brewers don't want to satisfy only the needs of those consumers who want a healthier beer but also those, who want a stronger beer with higher alcohol content. Each examined companies has a stronger than average offering which means – from our point of view – a step backwards.

## 5. Conclusion

Non-responsible alcohol consumption may cause very serious problems in our society. That is why it is an expectation by the society that beer-producers have to show commitment toward responsible drinking on two ways: via self-regulation and education of consumers. Many forms of communication of responsible drinking have been used by Dreher and Heineken: responsible drinking logos, special websites dedicated to alcohol-related issues, blood alcohol-level calculator, drama plays etc. However, Borsodi shows quite a lag behind the two - perhaps one reason can be that Borsodi has a relatively new internet page, which means that some menu points are under uploading. Another explanation can be that they actually cannot fulfill the very basic economic responsibility requirement, because they had a big loss in 2017.

Brewery of Pécs practically doesn't deal with responsible drinking at all. One explanation can be, that since the end of July 2017, Brewery of Pécs has been operating as a small-scale brewery – mainly because it wanted to decrease the excise tax burden. In their interpretation the smaller scale means less responsibility toward social problems.

For the three biggest players on Hungarian beer market, working together in an Association can strengthen the market position, however common acts cannot serve differentiation aims. That can explain why breweries have been launching there own education programs in responsible drinking. However, advertising the quality beer consumption can help more those small craft brewers who try to satisfy special, more sophisticated needs of consumers. The craft breweries increased their production by

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<sup>21</sup> <http://www.origo.hu/tafelpicc/20170711-a-frissito-jelleget-szeretjuk-a-sorben.html>

more than 40 percent in one year, and their market share in volume increased by one percent, while in value they increased by two percent.<sup>22</sup>

Brewing - taking into account the rules of responsible alcohol consumption - has a significant community-building power, strengthens the popularity of domestic sporting events, combines friendships and provides a cultural and recreational opportunity for both young and older sports fans. One of Hungary's outstanding tourist attractions is its wide and varied range of festivals. The biggest sponsors of these internationally listed events are the brewing companies operating in Hungary. The future is also dominated by new trends in Hungary, such as the increase in demand for craft beers, the aspiration of consumers for a conscious lifestyle and the growth of female customers<sup>23</sup>.

Beside the positive features of CSR actions of the biggest Hungarian beer producers, really conscious stakeholders must rely on other information sources than the company itself. Media and civil organizations can also help to shed light on problematic issues. For example Act XLVIII of 2008 on the Essential Conditions and Certain Limitations of Economic Advertising Activities prescribes that advertising of alcoholic beverages in public education and health care institutions is prohibited, as well as on the outdoor advertising media within a distance of two hundred meters from the entrance of such an institution. However, some shops and pubs bypasses the legislation by using the picture of the alcohol-free beer brands on their advertisements.<sup>24</sup> That is quite questionable ethically, and shows that ethical issues can be solved only if the whole system works for this same goal and taking ethical features as norms.

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<sup>22</sup> <https://www.origo.hu/itthon/20180608-pecsi-sorfozde-nyereseg.html>

<sup>23</sup> [https://www.news4business.hu/kozlemenyek/press\\_release.php?id=33334](https://www.news4business.hu/kozlemenyek/press_release.php?id=33334)

<sup>24</sup> [https://kocsmablog.blog.hu/2019/02/11/kocsmaba\\_csabit\\_egy\\_alkoholmentes\\_sorreklam?utm\\_medium=doboz&utm\\_campaign=bloghu\\_cimlap&utm\\_source=gasztro](https://kocsmablog.blog.hu/2019/02/11/kocsmaba_csabit_egy_alkoholmentes_sorreklam?utm_medium=doboz&utm_campaign=bloghu_cimlap&utm_source=gasztro)

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