


GAMBLING COMMISSION

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Quarterly Research Briefing 01/14 (February 2014)

For Board approval	
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For Board information	

Prepared by:

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Executive summary

1. The purpose of this briefing note is to provide both the Board and all Gambling Commission (Commission) employees with a short summary of significant research that has either been published recently, or is due to be published in the near future. This, and future, research briefings will be shared with the Responsible Gambling Strategy Board (RGSB).
2. Copies of the full research documents featured in this briefing, or more detailed summaries, are available on request. Full citations of the studies featured in this briefing are provided in the annex.
3. Of particular interest this quarter are the Responsible Gambling Trust commissioned pieces; the two studies by NatCen and the evidence reviews and contextual papers in the special edition of the Journal of Gambling Business and Economics.

Recent/current research

Gambling Commission research

Gambling participation: activities and mode of access 2013 Gambling Commission (2014)

4. The following findings are based on a set of questions commissioned by the Gambling Commission in omnibus surveys conducted by ICM Research. These questions ask respondents about their gambling participation in the past four weeks. The data in this report is from the four quarterly surveys conducted in 2013.

Key findings

Gambling participation in the past four weeks

- An average of 55% of respondents had participated in at least one form of gambling in the previous four weeks. This compares to 57% in 2012.
- A larger proportion of male than female respondents had participated in gambling in the previous four weeks (60% of males and 50% of females).
- An average of 15% of respondents had participated in at least one form of online gambling in the previous four weeks. This compares to 14% in 2012.
- A larger proportion of male than female respondents had participated in online gambling in the previous four weeks (19% of males and 11% of females).
- If those respondents only playing the National Lottery online are excluded, the proportion of respondents who had participated in online gambling falls to 9%. This compares to 8% in 2012.

Participation in each activity

- The most popular gambling activity was National Lottery tickets (43% of respondents). This was followed by other lotteries (13%) and scratchcards (10%).
- No other individual activity was participated in by more than 4% of respondents.

How people gamble

- Overall, 73% of past four week gamblers had gambled 'in person only'. A further 16% had done so both 'online' and 'in person', and 11% had gambled 'online only'.

- For participation in all individual activities, respondents were more likely to report that they gambled 'online only' than they were to report they did the activity both online and in person, with the exception of virtual dog and horse races.
- Participating 'online only' was the most popular method of gambling for spread betting.
- Among past four week bettors, betting in person at a bookmakers was the most common option for all types of betting activity.

Gambling involvement

- The most common frequency of participation for past four week gamblers was 'once a month, less than once a week' with this being the most common frequency for twelve activities, although for a significant number of activities respondents indicated that their participation was 'once a week'.

Survey data on public perceptions of gambling 2013 Gambling Commission (2014)

5. The following findings are based on questions commissioned by the Gambling Commission in omnibus surveys conducted by ICM Research. These questions measure how far people (n=4,000) in this country think; firstly that gambling is fair and can be trusted, and secondly whether gambling is associated with criminal activity.

Key findings

- 42.3% of the 4,000 adults surveyed agreed that gambling in this country is conducted fairly and can be trusted.
- This compares with 48.5% in 2012, 49.3% in 2011, 48.4% in 2010, 49.6% in 2009, and 48.8% in 2008.
- 39.8% of respondents surveyed agreed with the statement that gambling in this country is associated with criminal activity. This compares with 39.6% in, 36.5% in 2011, 36.9% in 2010, 41.3% in 2009 and 42.0% in 2008.
- Participation in gambling is associated with a more positive perception of gambling, with past-year gamblers more likely than past-year non-gamblers to agree that gambling is conducted fairly and can be trusted (51.0% compared with 30.0% respectively) and less likely to associate gambling with criminal activity (37.8% and 42.5% respectively).
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Responsible Gambling Trust research

Scoping the use of industry data on category B gaming machines NatCen (2013)

6. This project used semi-structured interviews with gambling industry operators, sample machine data, lists of metrics and other information (shared by operators) to understand and assess what types of data gambling operators hold and retain on category B gaming machines, and how this data might be used for research purposes.

Key findings

Types of data

- The interviews identified three types of data generated and held by industry operators. These were:
 - *Transactional data* – financial accounting data that monitors how much money is paid in/out of a machine. In some sectors, such as licensed

betting offices (LBOs), every single transaction is recorded. This data is not linked to game system data, such as bonuses, features, near misses/wins.

- *Player tracking data* – data that is generated from loyalty card programmes, recording data in a unique session of play for that individual. Information is transactional and covers how much someone staked/won/lost in a single session of play. Availability and uptake of player loyalty cards varies by sector.
- *Proxy session data* – transactional level data that have been divided up into discrete chunks based on rules of what might constitute the start/end of a session of play. The rules which govern the identification of proxy sessions of play varied by operator, and the levels of accuracy (whether the proxy session really did identify a unique session of play) were largely unknown.

Gaps and limitations

- Inconsistency in the level and type of data collected, combined with variation in naming conventions, creates logistical challenges for researchers wanting to use the data.
- There is a vast amount of data held by the industry, but it provides insight into only a very narrow range of issues (namely those of financial transactions).
- Industry-held data does not provide information about what happens during the game, so reactions to game play cannot be explored.
- Information on whether the player generating the data is experiencing any form of gambling-related harm is not available.
- The data has an absence of contextual information, e.g. machine layout, opening hours, availability of ATMs, and the profile/demographics of the local area.

Opportunities

- Some of the gaps outlined above can be supplemented by knowledge from other research.
- Industry-held data offers some unique opportunities for researchers and policy makers. Transactional data can be used to better examine volumes of play at different levels, and to better understand staking patterns.
- Player tracking data offers the opportunity to examine within and between session play for some people.
- Proxy session data could be used to explore the sequence of staking events within a unique session of play.

Recommendations

- Demonstrator projects should be commissioned which would further document the processes and challenges of using industry-held data for research purposes, while seeking to demonstrate its analytic potential.
- Industry-held data should be perceived as contributing to researchers' methodological toolkit, but alone, it does not and cannot answer all research and policy questions in this area.

Machines 2: Examining machine player behaviour: a qualitative exploration NatCen (2013)

7. This study utilised a qualitative research design to explore how players interact with a range of machine features during 'real time' play. Research was conducted at an adult gaming centre and bingo club, with players (n=23) being observed and recorded playing machines, followed by an in-depth interview to explore behaviour.

Key findings

- Participant accounts suggest that patterns of play are complex and driven by the inter-relationship of three factors: personal, environmental and machine.
- These factors act in complex combination to operate as either restraining forces (helping players to limit play) or pulling forces (encouraging play). While most features were described as 'pulling' forces, their influence can vary between and within sessions.

Personal factors

- Players tended to focus on the enjoyment derived from play as well as its perceived social benefits.
- Players' preferences for specific machines/games was based on previous play experiences, and led them to believe they understood how these machines worked.
- Other relevant personal factors included the time players had available and their financial situation.

Environmental factors

- Geographical proximity (to home/work), easily accessible public transport routes and long opening hours attracted players to venues.
- Internal venue characteristics (such as music, lighting and staff friendliness) helped create an impression of a welcoming and relaxing environment.

Machine factors

- Unique features such as stakes, auto play, credit transfer, bonuses and jackpot size influenced participants' behaviour and decision-making during a session.
- Sensory stimuli (lights and sounds) were instrumental in how play progressed and led to some participants to attribute human characteristics to machines.
- For some players these features combined to pull them into the 'zone', a level of concentrated play where they were able to block out all ambient sounds.

Types of machine player

- *More controlled* – specific pre-play intentions, which were maintained as play progressed and ended. Used a range of strategies to support this, from choosing particular types of machines to play, to only coming to the venue with the money they were willing to spend.
- *Less controlled* – specific pre-play intentions, but did not maintain these, typically spending more money and/or time than intended. Appeared to be more influenced by some machine characteristics, using them in a way that did not

support their pre-play intentions (e.g. using auto play or changing stake depending on how they perceived the machine to be playing).

- *Not controlled* – no pre-play intentions, with sessions of play guided more by their interaction with the machine. Typically chose to play more complex machines with more features, and did not have personal strategies in place to limit play.
- Due to the dynamic nature of gambling behaviour, players do not remain static on this control spectrum. Players' ability to maintain their pre-play intentions are influenced by the interaction of personal, environmental and machine factors.
- It is likely that the level of control players display varies from one session to another, and varies (often rapidly) in response to specific stimuli within a single play session.

Consumer behaviour and harm minimisation in relation to gaming machines: special issue of the Journal of Gambling Business and Economics (2013)

8. This special issue of the Journal of Gambling Business and Economics (commissioned by the Responsible Gambling Trust) consists of a number of evidence reviews and contextual papers, which aim to provide a concise and accessible understanding about some of the key issues around gambling, with a particular focus on machines. The individual articles are summarised below.

An economic and social review of gambling in Great Britain Forrest (2013)

9. This paper uses the tools of welfare economics and the emerging science of happiness studies to evaluate the nature and scale of the benefits and costs of gambling, particularly machine gambling.

Key findings

- Gambling is a popular leisure activity in Great Britain, with a low proportion of gamblers exhibiting problematic behaviour. However, the proportion of gamblers classified as problem or at risk gamblers is higher for some areas of the industry, including the slot machine sector.
- Gambling in general, and machine gambling in particular, employs significant numbers of people. All gambling taken together contributes approximately 0.6% of GDP, meaning it is a moderately important industry. However, its influence at a macroeconomic level is likely to be very limited as it simply displaces activity in other entertainment sectors.
- The value in gambling therefore lies more in the fact that its existence allows people greater choice in how they spend their leisure budgets (rather than in its contribution to employment or output).
- Given the majority of gamblers behave responsibly their choice to gamble implies that they gain more satisfaction from their limited budgets when they spend part of their income on gambling.
- Rough calculations show gambling has a consumption value for Britain equivalent to the benefit from every household in the country receiving extra disposable income of £75 per year. Further consumption value is generated and transferred to government through duties on gambling.
- The economic and social costs of gambling fall predominantly on problem gamblers and their families. Estimates in Australia are that these costs are

- substantial, but lower than consumption benefit (by a wide margin for most forms of gambling, but by a much narrower margin in the case of machines).
- Data from the British Gambling Prevalence Survey 2010 suggests that recreational gamblers are slightly happier than non-gamblers, but problem gamblers exhibit exceptionally low levels of wellbeing. This is consistent with evidence that the aggregate benefits and costs of gambling are both very substantial, but shared amongst many people in the case of benefits, and concentrated in relatively few in the case of costs.
- As both the benefits and costs of gambling are significant (albeit hard to measure) proposals to change regulatory rules should consider both the effects on the consumption value of responsible gamblers and the effects on gambling-related harm.
- A wide range of policy options will require a trade-off between maximising entertainment value of recreational gamblers and minimising harm to problem gamblers and their families.
- A possible strategy is to bypass this trade-off by adopting few blanket restrictions on gambling, while targeting harm mitigation measures explicitly at problem gamblers.

Problem and pathological gambling: a conceptual review Delfabbro (2013)

10. This study provides a summary and critique of problem and pathological gambling and how these terms are used in research, policy and clinical practice. The author summarises the different disciplinary approaches to understanding gambling-related disorders, the distinction between harm and behavioural indicators, measurement issues, and the importance of longitudinal evidence in relation to the stability of gambling-related problems.

Key findings

- Pathological gambling is the principle term used in the psychiatric and medical literature, and is largely defined in terms of the mechanisms which are central to substance use disorders (cravings, tolerance and withdrawal).
- Problem gambling, by contrast, appears to have two common usages referring to either a less severe form of the disorder, or a public health conceptualisation that defines the disorder mainly in terms of its harmful consequences.
- Commonly used psychometric measures of the disorder vary according to which of these conceptualisations is being captured, but the majority include items relating to both behavioural indicators and harmful impacts.
- The available longitudinal evidence suggests that problem gambling symptoms are not stable over time, with individuals commonly shifting between categories.
- This suggests that, for some individuals at least, gambling-related disorders are unlikely to be solely determined by underlying, unchanging neurophysiological and dispositional factors.
- This study supports the view that the causes of problem/pathological gambling are multifaceted and require a multi-disciplinary approach to understand its development and maintenance.

A critical examination of the link between gaming machines and gambling related harm Blaszczynski (2013)

11. This paper considers and contextually evaluates what is known about harms associated with electronic gaming machines (EGMs), whether these differ from those caused by other forms of gambling, and whether it can be concluded that such machines are more harmful compared to other forms of gambling.

Key findings

- In common with other forms of gambling which allow the generation of excessive expenditure and accumulation of losses, EGMs are associated with significant personal, familial and socio-economic harms.
- It remains debatable whether EGMs have higher rates of problem gambling as a proportion of participants compared to other forms of gambling.
- Gambling-related harms tend to be attributed to identified forms of gambling without taking into account intensity (expenditure and frequency) and involvement in gambling activities in aggregate.
- The evidence around whether EGMs represent the most addictive form of gambling is inconclusive. This lack of clarity is at least partly attributable to methodological difficulties and jurisdictional differences present in most studies.
- Rather than directing attention to EGMs (over other forms equally capable of causing harm) it is preferable to instead investigate the complex interaction between cultural/social values, accessibility and availability of all gambling products and the factors that promote participation in multiple forms of gambling.

Does size matter? A review of the role of stake and prize in relation to gambling-related harm Parke and Parke (2013)

12. This paper provides a critical examination of the literature in relation to the role stakes and prizes play in the development and facilitation of gambling-related harm.

Key findings

- Limitations of the research literature make it difficult to draw definitive conclusions regarding the effects of stake and prize variables.
- In addition to studies' methodological limitations, there is often a lack of conceptual clarity around many constructs, and a failure to take into account wider game parameters and environments.
- A critical examination of the evidence suggests that stake and prize levels merit consideration in relation to clinical, commercial and regulatory efforts to minimise gambling-related harm.
- There remain, however, substantial knowledge gaps that need to be filled before knowing their precise impact on behaviour, and the appropriate harm minimisation response can be identified.
- Any relationship between stakes and prize and gambling-related harm may not be linear. For example, a low sized prize may provide optimal conditions for within session chasing, and excessive monetary loss could still be incurred even in the absence of high stake gambling.
- A further complicating factor is that the need for stake/prize thresholds may vary according to individual (e.g. risk preferences, trait-based arousal) and situational (e.g. disposable income, social support) differences.

- Policy makers should therefore avoid basing harm-minimisation measures on the assumption that increases will necessarily increase risk, and/or reductions will necessarily reduce risk.
- Empirical research needs to be carried out into stakes and prize and their interaction with wider game characteristics and configurations.
- Harm minimisation responses to address the potential impact of stakes and prizes could include:
 - Product-based restrictions/modifications (e.g. limits on stakes, prize or game speed).
 - Operator-led, player-focused initiatives that; restrict access (e.g. self-exclusion), facilitate awareness (e.g. statements and player analytics) and facilitate control (e.g. limit setting).
- Player-focused harm minimisation approaches have the advantage of allowing the retention of the core properties of the gambling game that make it an attractive leisure activity.

The relationship between the regulatory environment governing commercial gambling and the shape of the market in the supply and game parameters of gaming machines Miers (2013)

13. This paper outlines the regulatory controls governing the supply of gaming machines, and their game parameters, in Great Britain. The paper also indicates how these controls have shaped both the market and the debate around how the government should protect the interests of players and operators. Finally, the paper provides a critical account of the regulatory regime covering the availability of gaming machines.

Key findings

- Regulation of gaming machines is complex, with them being subject to a wide range of controls – ranging from the long-established, to those which reflect and seek to anticipate technological developments.
- Viewed as a whole, there is a hierarchy of games which runs from the least to the most financially demanding permitted levels. However, there is an inconsistency in this broadly pyramidal hierarchy in the form of FOBTs/B2 machines.
- This hierarchy of categories makes it difficult for the government or the Gambling Commission to respond to an individual sector's request for change without affecting the conditions under which the others operate.
- There is the potential for incremental changes to regulation to undermine the principles governing the legislation. This is one of the reasons why the Triennial Review seeks an alternative basis on which to base regulation of machines, such as technology-driven harm minimisation measures.
- Restricting the availability of (Category D) gaming machines to children would require amendment to both the regulatory structure and substantial parts of the primary legislation.

Young people

14. The following studies focus on the gambling behaviour of young people:
 - Risk, Compensatory, Protective, and Vulnerability Factors Related to Youth Gambling Problems (Lussier et al).
 - Differences in gambling problem severity and gambling and health/functioning characteristics among Asian-American and Caucasian high-school students (Kong et al).

- A prospective study of adolescent risk and protective factors for problem gambling among young adults (Scholes-Baloug et al).

Treatment and interventions

15. The following studies focus on problem gambling treatment and interventions:
- The feasibility of providing gambling-related self-help information to college students who screen for disordered gambling via an online health survey: an exploratory study (Martin).
 - Evaluation of the quality of services provided by a gambling helpline: an empirical study (Ferland et al).

Offenders

16. The following studies focus on the gambling behaviour of individuals in the criminal justice system:
- Gambling behind bars: does prison provide ideal conditions? (Beauregard & Brochu).
 - Jeux de hasard et d'argent chez les adolescents en centre jeunesse : comparaison en fonction des lois¹ (Savard et al).
 - The prevalence of problem gambling among substance abusing offenders (Zorland et al).

Other research

How gaming venue staff use behavioural indicators to assess problem gambling in patrons Hing, Nuske and Holdsworth (2013)

17. This study interviews gambling venue staff (n=48) in Queensland, Australia to assess whether they feel they can detect customers with possible gambling problems, and what indicators they use to assess this to decide whether to intervene. The results showed a wide variation in the indicators used by respondents with only one indicator, aggressive behaviour, reported by the majority. Most venue staff surveyed only contemplated intervening if customer behaviour is perceived as a threat to themselves or others. The authors argue that venue staff would benefit from clearer direction on indicators of problem gambling behaviour and when to intervene.

Problem gambling and family violence: family member reports of prevalence, family impacts and family coping Suomi et al (2013)

18. This study reports on the Australian arm of a large-scale multinational study of the patterns and prevalence of family violence and problem gambling, screening help-seeking family members (n=120) of problem gamblers. The main results showed that 52.5% reported some form of family violence in the past 12 months: 20.0% reported only victimisation, 10.8% reported only perpetration and 21.6% reported both victimisation and perpetration of family violence. Parents, current and ex-partners were most likely to be both perpetrators and victims of family violence.

¹ Games of chance and money among adolescents in youth centre: comparison on the basis of laws.

**The concerned significant others of people with gambling problems in a national representative sample in Sweden – a one-year follow-up study
Svensson et al (2013)**

19. This study examined a group of concerned significant others (CSOs - defined as someone who reported that someone close to them currently or previously having problems with gambling) identified in a large scale population study. Male and female CSOs experienced similar problems including poor mental health, risky alcohol consumption, economic hardship, and arguments with those closest to them. Female CSOs reported less social support than other women and male CSOs had more legal problems and were more afraid of losing their jobs than other men. One year on, several problems remained even if some improvements were found.

Forthcoming research

[Exempt information under section 22 of the Freedom of Information Act 2000]

Annex A – full citations

Beauregard & Brochu (2013) Gambling behind bars: does prison provide ideal conditions? *Journal of Gambling Issues*, DOI: 10.4309/jgi.2013.28.6.

Blaszczynski (2013) A critical examination of the link between gaming machines and gambling related hard, *Journal of Gambling Business and Economics*, Vol. 7 No.3 pp55-76.

Delfabbro (2013) Problem and pathological gambling: a conceptual review, *Journal of Gambling Business and Economics*, Vol. 7 No.3 pp35-53.

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Savard, Giroux, Ferland, Goulet & Jacques (2013) Jeux de hasard et d'argent chez les adolescents en centre jeunesse : comparaison en fonction des lois, *Journal of Gambling Issues*, DOI: 10.4309/jgi.2013.28.18.

Scholes-Balong, Hemphill, Dowling & Toumbourou (2014) A prospective study of adolescent risk and protective factors for problem gambling among young adults, *Journal of Adolescence*, DOI: 10.1016/j.adolescence.2013.12.006.

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Annex B

[Exempt information under section 22 of the Freedom of Information Act 2000]