

Submission to the Joint Select Committee on Gambling Reform in Australia

Gambling Advertising and Online Gambling

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## **INTRODUCTION**

Thank you for inviting me to provide a written submission on the topic of gambling advertising and online gambling. Since 2006 I have been conducting research on gambling advertising in regard to both land-based gambling and remote gambling. While there is no doubt that increased gambling opportunities afforded by new technologies, easy accessibility to online products via the internet and higher rates of internet participation and problem gambling rates have developed in tandem with the growing volume and ubiquity of commercial gambling advertisements, there is only a small body of empirical research on the topic.

## **EXPOSURE, UBIQUITY AND DESIGN**

That said we do know that the exposure to gambling ads is high and likely to trigger gambling urges and promote positive attitudes towards gambling perceptions and behaviours. Gambling advertisements has also been found to be ubiquitous. They are embedded in everyday life, appear in many mediums [radio, print, television, point of sale, internet] and locales and all times of the day and days of the week. Scheduling is often strategic to obtain maximum impact on sales by front-loading ads with the introduction of specific products, using teasers, blitzes and maintenance doses to stimulate interest and implant preferred beliefs and by calibrating the volume of media messages to coincide with daily, weekly, monthly and seasonal purchase cycles. For example McMullan & Miller (2008) studied the scheduling of internet gambling ads on television programs in Canada from January 2007 to June 2007 and found that while the majority of poker and blackjack ad showings aired on television between 8 p.m. and midnight (40%), almost one-third aired in daytime and early evening time periods between noon and 8 p.m. when children and adolescents watched television.

Design features such as graphics, colors, music, ambient sounds, speech idioms, voice overs and the like also have been studied in regard to their ‘framing’ of messages of persuasion, especially for land-based forms of gambling such as lotteries, casinos, and electronic gambling machines. But Zangeneh, Griffiths & Parke (2008) report that colorful graphics in internet settings are indirect forms of advertising that induce gambling by familiarity and repetition. This design feature, they say, creates attachments between gamblers and their products to stimulate and maintain playing activity and promote future consumption. McMullan & Miller (2008) studied the design features of internet gambling ads as they appeared on television channels in 2007 in Canada. They found that the visual frames favoured close-up camera shots that dramatized the sentient features of gambling and represented it as if it were a sport. Similar to rock videos, the ambiance was often raucous and fast-paced and the appeal was to a compendium of bodily senses – the exotic sight, sound and touch of gambling, the anticipation of competition and the joy of winning. Music was the most prevalent sound found in nine of ten of the ads and about half of the commercials deployed bright graphic displays for dramatic effects such as setting moods and stimulating gambling by highlighting bold captions like “Your Country Needs You!” to gamble in colorful red and white flags. Television advertisers for online gambling preferred conversational vocabularies that invited audiences to interact with the commercials through satire, turn-taking and role identification. Excitement was dramatized in two-thirds of the commercials and almost one-half used humour as a persuasive mechanism to conjure enjoyment

and inspire likeability in online gambling. In addition, McMullan and Kervin (2011) recently studied a random sample of 71 internet poker sites. They discovered that the marketing techniques favoured: (a) the promotion of “electronic friendship” through designing familiarity into website code and architecture, customer loyalty via multiple interface devices and programs, and branding through corporate sponsors, promotional materials and the use of celebrities; (b) the formation of a “culture of online gambling” through the widespread deployment of poker schools, tips and etiquette, practice sites and programs, learning centres, online commercials, dictionaries, podcast and video casts; and (c) the advertising of virtual space as “mysterious playgrounds” that invoke the spirit and competition of play as well as the urge to play.

So online advertising, like its brick and mortar counterpart, deploys a wide range of techniques to capture consumer interest, shape perceptions and create brand appeal. Indeed there is a troubling convergence of online gambling advertising with new social media and social networking sites that offer new dramatic access points to online gambling as well as gambling like experiences to young consumers (King et al, 2010). Downs (2010) in her research notes that there were 35 poker applications and over 500 poker groups on the Bebo site she studied, as well as 100 poker applications and 1000 poker groups on Facebook. The largest of these had several thousand players and in one group 15 percent were under the age of 18. Reynolds et al (2010) in their study find that popular networking sites such as Facebook, My Space, Orkut, and Hi5 provided direct and indirect opportunities for poker, sport betting, casino and slot gambling involving both credit and money wagers. These gambling applications often contained sidebar advertisements and hyperlinks to commercial gambling sites. As Kinnunen (2010) observes, “online gambling and social media are interconnected” and young people are learning the mechanics of gambling and the social rewards associated with risky consumption such as elevated social status, personal identity and cultural approval at a very early age.

## **MESSAGES AND PROMOTED BELIEFS**

Advertising also relies on content as well as style to sell gambling and advertisers produce and circulate “preferred beliefs” that become the basis for product purchase. What are the master messages that sell the experience of gambling to consumers? Again more is known about the sales pitches associated with land-based forms of gambling such as casinos, lotteries, horse racing and electronic gambling machines. Gambling is about winning and winners! Gambling is fun and exciting! Gambling is entertainment! Gambling is normal! Gambling can change your life! Gambling is a good benefactor for worthy social causes! - have been regular refrains in much of the advertising studied so far. However McMullan & Miller (2008) in their study of television ads and online poker and blackjack discovered that the dominant theme represented was that gambling was like sport (53%), followed by the messages that gambling was routine, natural and externally reoccurring (50%), gambling was a positive life-changing force that could alter peoples social status from a social loser to a high-net-worth person (42%), gambling was a way to prosper through wins and winnings (38%) and gambling was a reprieve from the mundane activities and relationships of everyday life (27%). McMullan & Kervin (2011) also found that the dominant narrative prominently and repetitively conveyed at 67 of 71 gambling websites was that these venues were domains of virtual socialization conveying knowledge, techniques, beliefs and expected behaviours about the culture of virtual gambling (94%). This was followed by the messages that poker was a consumption practice that occurred every minute

of every day rather than an occasional leisure activity (92%), that poker was part and parcel of a winning way of life (83%) and an alternative means to financial and social success (73%), and that poker was an overt skilled activity rather than a mixed skill/chance game (51%). These master messages, it must be said, were communicated in a web marketing context of highly attractive incentives and inducements – deposit bonuses, reload bonuses, generous ‘refer a friend’ programs, affiliate programs, online retail stores, free demo practice sites, and of course online tourneys – which rather constantly and aggressively exposed consumers to gambling to gain their attention to play, to inspire likability in their products and to incite returns to gamble continuously. These promotional practices and messages, in turn, were connected to the latest new media on the internet such as mouse to mouse advertising that was customized, ubiquitous and participatory where the industry increasingly outsourced advertising to customers to sell their brands in multiple on line contexts. According to McMullan & Kervin (2011), a growing number of the large online sites are in effect “involvement platforms” that produce and disseminate advertising as a form of entertainment or amusement alongside the gambling offer.

### **THE ADVERTISING OF ONLINE GAMBLING AS PEDAGOGY**

Online gambling sites, especially poker and blackjack sites, are increasingly engaging consumers in promotion and advertising designed as pedagogy to widen the demographic to people who know little about poker, to popularize it to potential customers and to reproduce the online gambling experience as a cultural product. McMullan & Kervin (2011) in their research discovered that 97 percent of all sites mixed free play programs and up-to-the-day lessons with tutorials sometimes featuring ‘of the moment’ pros represented in a style and a level that appealed to the gambling non-cognoscenti as well as the connoisseur. Ten venues provided separate “.net practice sites” where players were tutored about the basics of poker games and encouraged to “chat and play with the pros”. Ninety percent of the sites offered “free play programs” that allowed customers to play with credits to appreciate the value of an early gambling experience and get a “feel for the games” before they moved on to money status. Sixty-eight of the 71 sites hosted “academies” that taught players the rules, hand rankings, odds, correct hand selection, bluffs, rakes and limits of the games and tested them on their performances. These demo sites and poker schools were accompanied by website narratives that stressed the safety of learning through playing since such experimentations carried few risks to customers until they became cash players. Indeed a recent survey of 8,598 students from 201 UK schools discovered that at quarter of them used a money free mode to play online and that gambling in money-free mode was the most important predictor of whether an adolescent would gamble for real money (IPSOS MORI 2009).

Equally important to the advertising of poker as pedagogy is the learning and transmission of proper online demeanor and more than 2 of 5 sites (43.5%) studied by McMullan and Kervin (2011) featured “netiquette tips” for prospective consumers. These guided consumers on how to act while playing: “keep your chat to a minimum”, “wait your turn” and “be modest if you win big” and counseled consumers about how to approach other consumers: “be a bettor, not a caller”, “leave your ego at the door”, and “keep notes on opponents”. Indeed two-thirds (68%) of the gambling sites introduced online dictionaries as tools to educate consumers in the language and practices of poker. They provided glossaries of poker terms, lists of online chat phrases, and catalogues of coded references to poker hands, all of which were translated into

plain English for novice consumers. Three of the larger sites and this is surely a future trend, provided entertaining online pod-casts and video-casts that featured news, tips and personal stories from sponsored site pros and recent winners in interactive instructional formats.

So promotion designed as pedagogy schemes magnify the experience of skill in winning at poker online, connect customers to each other in easy interactive arrangements, build bonds and confidence between virtual participants, provide a sense of belonging for new and experienced customers and create a community of consumers with a sense of shared identity and common purpose around gambling.

## **SPORT SPONSORS, CELEBRITIES AND REAL WINNERS**

Gambling providers are increasingly selling gambling products so that they co-exist with culturally appealing images and practices related to sports, entertainment, and professional gambling proper. What I call the “sportification of gambling” and the “gambification of sport” has become an increasingly powerful coded referent system for both offline and online gambling products (McMullan and Miller, 2008). The volume and frequency of poker programs, poker competitions and interactive online tournaments played on television and the internet amount to an intense exposure campaign. Internet gambling is being portrayed as if it was a sport and successful players are being packaged to the public as the equivalents of soccer, baseball or hockey heroes. Indeed the prevalent use of imagery associated with media sport communication – play-by-play announcers, action replays, top poker hand plays of the week, elimination rounds, player interviews, expert commentators and end of game analysts – along with the use of sport-related terms - marathons, classics, legends, world series, face-offs, etc. – have effectively rebranded poker and other forms of gambling such as blackjack, lotteries and race books as sport products where skill, tactics and competitive spirit predominates over luck of the draw, which is ignored, downplayed or dismissed.

Furthermore, both offline and online gambling providers have increasingly used sport sponsorship as a marketing platform deploying huge investments of money to recruit and retain consumers (Binde, 2007; Monaghan et al., 2008). This sponsorship has included reaching people by putting posters in bars during National Football League (NFL) games, running billboard ads during college basketball tournaments, displaying racy billboards featuring models on the sides of trucks parked in the lots outside sport events, posting website addresses to gamble on women’s swimwear, and promoting corporate brands on team uniforms and replica promotional products (McMullan & Miller, 2008). According to Monaghan et al. (2008), corporate sponsorship deals in Premier League soccer in the United Kingdom, for example, have “increased from 2006 to 2007 by 25% to approximately £70 million” (p. 256). Gambling providers, in turn, have directed their viewing and listening audiences on their advertising slots and programs to watch sport programs such as soccer qualifiers, baseball events, tennis matches, snooker tournaments and the like. This symbiotic relationship between sports and gambling appears to be intergenerational in its effects with younger people learning about gambling through sport programming on television and the internet promotional products such as clothing, electronic gear and travel accessories, and sale ads and billboards at actual sport venues (Korn et al., 2005). Indeed Monaghan et al. (2008) suggest that merchandizing gambling through sports poses “a direct risk to youth at a developmental age that makes them susceptible to influence” (p.

257) and a New Zealand study states that gambling advertisers have created “unhealthy sponsorships” with gambling providers that excessively expose and normalize their products to young people (Maher, Wilson, Signal & Thompson, 2006). According to Dyall, Tse & Kingi (2007) the repeated promotion of gambling through sport products, images, usages and icons has created community wide legitimacy to participate in wagering at an earlier age overall. New Zealand children, they say, are heavily exposed to gambling advertisements that are “linked to sport or a major sport or track event, such as watching a major rugby game or horse racing event” (p. 6).

In addition, the messaging in more and more gambling advertising is evincing an emergent sport-related belief system within actual advertising content. McMullan & Miller (2008; 2009; 2010) found that the use of sport symbols such as footballs, hockey pucks, goal lines, goal posts, soccer pitches, golf greens, tennis courts, pool tables and stadiums, along with the shouts of players, the images of sport gear and the roar of spectators have come together in both online and brick and mortar advertising to associate winning at gambling with winning at sports. The sport content, they say, brings gambling products to consumers in new ways while simultaneously minimizing the negative impressions of wagering by relating online card games to popular approved uses, users and ideals that equate the fun of gambling with the fun of playing the big game on grass, clay or ice.

Finally, the gambling industry often advertises itself as a worthy provider for sport proper. Sportbet PLC, which runs Sportsbooks.ca, for example, sponsored a top American rodeo rider, a professional women’s volleyball duo, several prize fights on cable TV’s Home Box Office (HBO) and an Arena Football League team. Betfair, an online betting site in the United Kingdom sponsored the 2005 Ashes Cricket Series on television and William Hill a betting firm has its own T.V. channel which promotes arrangements between sport and gambling operators (Monaghan et al., 2008; RIGT, 2007). Many soccer teams in Europe have sponsorship contracts with gambling operators such as mansion casino, bet24, bwin, and boylesports. Indeed some providers regularly sponsor amateur sports and regional and international sporting events, and advertise their largesse as ‘win-win’ events (McMullan & Miller, 2009). Most recently, the European Parliament has acknowledged that sports in their jurisdictions are increasingly dependent on gambling as a primary source of revenue resulting in more promotional products being sold, more in-store product sales taking place and more celebrity endorsements occurring where the naming rights, brands and logos of gambling companies are associated directly with sporting teams and venues as selling techniques. Indeed some sport icons have been promoting preferred gambling sites by wearing branded merchandise available for purchase, offering their legendary status as prizes to tournament winners and sponsoring their own worthy causes through gambling. The sales pitch has been to twin gambling with sport culture and to encourage consumers to purchase the myth of gambling as a sport, an approach that has been especially appealing to adolescents in several countries (Dyall et al., 2007; Korn et al., 2005; Maher et al., 2006; McMullan & Miller, 2008; Monaghan et al., 2008).

The use of celebrities in gambling advertising, of course, has not been restricted to sport icons. McMullan & Miller (2008) also discovered that almost two-thirds of internet providers used professional player celebrities to help sell poker and blackjack and add credibility to gambling brands in their television advertising. Monaghan et al. (2008) reported that popular

entertainers, actors, and models have been used to make messages more believable, enhance message recall, improve brand recognition and create positive attitudes about gambling products that appealed to consumers and encouraged them to gamble online (p. 258). Indeed, Hollywood Poker.com is an internet site entirely dedicated to using celebrities to motivate gambling. It includes male and female film celebrities of the week, famous celebrity sightings, celebrity bounties, and celebrity tournaments to model internet gambling to consumers. However, McMullan and Kervin (2011) found that online gambling sites only occasionally feature celebrities (7%) but this exposure is especially prominent at the larger venues. These sites featured videos, action photos, poker programs and television commercials using celebrity players from their staff as well as sport and entertainment icons to sell their brand. More common is the portrayal of real winners as “online community celebrities” to back-talk their products, engender trust and familiarity, instill positive beliefs and experiences of winning, and cultivate images of fame and success. The use of real winners in tournaments is an especially attractive enticement to consumers to partake in cultural conversations and share in cultural myths about online gambling. In conjunction with celebrity endorsements from popular entertainers and sports stars, it creates an attractive iconography of identities, models, and consumption lifestyles for youth and young adults to emulate. So the quest to entertain in the form of “showmanship” while not yet as widespread on gambling websites as it is on poker shows and in television advertising, still provides online marketing with what Wolf (2000) calls the E. Factor, which allows for a much richer set of connotations than either a single billboard or poster or 30 seconds of T.V. time can buy.

## **SOCIAL RESPONSIBILITY MESSAGES**

It is increasingly common for gambling advertisements to include warnings, educational messages, or signposts for assistance since such information may limit the activities in question, support those who are quitting, offer an antidote to commercial messages and provide important sources of alternative information that may inform consumers on how to avoid problems. As Black & Ramsay (2003) observe, one way in which gambling businesses can respect consumers is by “providing adequate information in a non-distorting or manipulative way” so that their operations are wholly transparent (pp. 209-211). Typically this has taken the form of age advisories, warnings for people with gambling problems, odds of winning information, messages emphasizing reasonable play and bans. However, there has been little research on the performance of these remedial measures. Indeed in most jurisdictions guidelines for responsible advertising have been voluntary and seldom tested or subjected to mandatory, independent monitoring or regulation (Monaghan, 2009; Monaghan et al., 2008; RIGT, 2007; Griffiths, 2005; Black & Ramsay, 2003). Smeaton and Griffiths, 2004; Griffiths and Jawad, 2008 and Wiebe, 2006, for example, reviewed online poker, casino and sports betting sites for responsible gambling practices and found that providers were doing relatively little to safeguard their customers from problem gambling. McMullan & Miller (2008) discovered that a patchwork framework governed gambling advertising in Canada leading to practices where some gambling advertisers voluntarily balanced their ads by including responsible gambling messages while others did not. They found that only one in four T.V. ads for internet gambling, for example, contained responsible gambling messages usually in the form of age advisories and none provided health prevention statements. However, McMullan & Kervin (2011) found that responsible gambling messages were prominent at websites but they were contradicted by

aggressive commercial marketing techniques. On the one hand, website operators were rather predisposed to include responsibility caveats; all but one provided underage advisories, three of four contained self-help problem gambling signposts and responsible gambling statements, and two of three offered self-exclusion options. On the other hand, tag lines, pop-ups, bonuses, affiliate sponsorships, refer a friend incentives, free win games, prize promotions and persistent guarantees of pay outs and jackpots were common invitations and inducements that encouraged consumers to gamble and to gamble continuously.

It would appear that the presence of warnings, messages, sign posts and remedial measures for internet gambling is often ad hoc and voluntary. For example, Griffiths, Wood & Parke (2009) report that the usage of Play Scan at Svenska Spel the Swedish government's online gambling site was low. Only 26% of the 2,323 internet players activated the device that allowed features such as time-setting, studying gambling profiles, using diagnostic tests and setting spending limits. While there is some evidence that gambling providers are not opposed to messages on advertisements or responsibility measures at websites, there is often opposition to mandatory messages either through statutory regulation or as a condition of license, as well as uncertainty about what type of message is most effective (United Kingdom, 2007a). Blaszczynski et al. (2005) maintain that prevention messages are most effective if they selectively target specific behaviours that lead to problem gambling along with friends and families of problem gamblers, whereas research in South Africa and the U.K. favour the universal provision of information regarding access to sources of support in all advertisements for all consumers (South African National Gaming Board, 2004; United Kingdom, 2007a). In any event, responsibility messages and measures seem infrequently used or are perplexing paradoxes in much of the commercial advertising for online gambling.

## **VULNERABLE POPULATIONS: PROBLEM AND ADOLESCENT GAMBLERS**

While gambling advertising is frequent, embedded in everyday life and makes use of wider cultural referents in selling to consumers, it has been associated with vulnerable populations especially problem and adolescent gamblers. On the one hand, several research studies of land based gambling suggest that the constant exposure to advertising may be connected to the onset of disordered gambling. Of 131 problem gamblers interviewed in an American study, 46% reported that television, radio, and billboard advertisements were triggers for them to gamble (Grant & Wong Kim, 2001), and of 365 Canadian women gamblers who were interviewed about gambling problems 20 percent reported that exposure to ads was very or extremely important in creating urges or temptations to gamble (Broughton & Brewster, 2002). Furthermore, the results from a recent Swedish study found that advertising had a manifest impact on some problem gamblers triggering excessive play and blocking desistance from gambling while problem gamblers overall were more likely than regular gamblers to remember seeing gambling ads and to recall gambling emotions and events as a result of advertising exposure. In Binde's (2009) words, gambling advertising contributed to "the gambling problems of some individuals by arousing in them hard-to-resist impulses to gamble" (p. 15). On the other hand, Griffith (2005) was unable to answer the question "Does gambling advertising contribute to problem gambling? Moreover a second Swedish study found that most problem gambling reported little advertising impact on their play habits and several Canadian studies could not



confirm that advertising was a direct trigger for problem gambling (Hodgins & el-Guebaly, 2004; Hodgins & Peden, 2005; Jonsson et al. as cited in Binde, 2007, pp. 171-172).

A stronger case has been made that advertising contributes to problematic behavior in those players who have already developed problems. The Responsibility in Gambling Trust (RIGT) in the U.K., for example, noted that advertising contributed to faulty thinking regarding the role of personal skill and the probability of winning among a small sample of problem gamblers. Almost half of the subjects indicated that advertising constituted a trigger to gamble and that when they gambled in response to advertising they were more likely to develop pathological tendencies. The report concluded that the ubiquity and visibility of the ads along with the use of free plays and bonuses in online contexts encouraged those who had developed habitual problem behaviours to continue gambling and this, in turn, reinforced their addictive conduct (RIGT, 2007, pp. 23-26). McMullan & Miller (2008) and McMullan & Kervin (2011) found that T.V. internet gambling ads and internet website promotions exploited some of the factors that research has shown contributes to “at risk” gambling, such as the association between wins, winning and winners and the propensity to invest in continuous play, between over confidence in skill and the likelihood to chase losses, between the pursuit of pleasure in internet gambling settings and the alteration of persona where gamblers leave themselves behind to become someone else – unsung heroes, new found celebrities, courageous competitors – and attempt to make things happen not otherwise feasible in everyday life and between myth making, erroneous beliefs and the real likelihood of economic gain, social success and upward mobility derived from gambling.

So the preliminary findings regarding gambling advertising and problem play signal the need for a vigilant approach to advertising. On the one hand, advertising is one of several factors contributing to problem gambling including opportunities to play, access to money, machine design characteristics, and speed of play. As Binde (2007) concludes, “it can be inferred that advertising indeed increases the prevalence of problem gambling but its effect is less than those of other relevant factors” (p. 184). On the other hand, advertising that appeals to problem gamblers in the form of strategically located enticements, persistent inducements and constant reminders to play, as is often the case with online gambling, is likely to arouse negative habitual patterns and faulty cognitive beliefs that cause harm. The RIGT (2007) report suggests more “stringent controls might apply to ads aimed at those already gambling than to ads encouraging first time play” (p. 26).

However, there is a more definitive relationship between youth gambling and advertising. Over a decade ago, Derevensky & Gupta (2001) discovered that commercial advertisements had a general effect on youth enticing them to purchase lottery tickets, and Wood & Griffiths (1998) reported that the views youth held about gambling were radically changed by high levels of industry advertising. As Skinner, Biscope, Murray & Korn (2004) put it, society’s representation of gambling has had a “profound impact on youth, affecting their personal characteristics, social relationships and early gambling experiences” (p. 264). A more recent survey of youth between 10 and 18 years old found that they were acutely aware of gambling ads on television and billboards and in print, and two out of five respondents said that this awareness would likely encourage them to gamble (Felsher et al., 2004). Indeed Korn, Hurson & Reynolds, (2005) discovered that adolescents reported advertisements as both familiar and engaging especially the

Pro-Line Series for sport betting and the Holiday Gift Paks and Promotions, because advertisers used buying factors such as stimulating music and humor to mobilize their appeals to youth and encourage them to participate in gambling activities. Similarly, Derevensky, Sklar, Gupta, Messerlian, Laroche & Mansour (2007) and Derevensky, Sklar, Gupta & Messerlian (2010) also found that 42% of the adolescents they interviewed were influenced by the many different types of ads they saw or heard making them want to gamble, Griffiths & Barnes (2007) discovered that 40% of a sample of British young adult online gamblers did so as a result of advertising and McMullan & Miller (2008) and McMullan, Miller & Perrier (2011) concluded that youth were a constant by-catch of online gambling advertising. So there is growing evidence that gambling advertisements in the media along with point of sale advertising at websites, celebrity endorsements and the “sportification of gambling” by corporate sponsors, private online operators, and government providers are having a powerful effect on young people’s perceptions of gambling (McMullan & Miller, 2008; Monaghan, Derevensky & Sklar, 2008; King, Delfabbro & Griffiths, 2010; McMullan & Kervin, 2011; Planinac, Cohen, Reynolds, Robinson, Lavack & Korn, 2011). This has led some researchers to call for new regulations and better practices to ensure that ads do not target or unduly influence adolescent and problem gamblers (Binde, 2007; 2010, Monaghan et al, 2008; Poulin, 2006).

## **RESPONSIBLE ADVERTISING POLICY CONCERNS**

### **YOUTH AND HARM MINIMIZATION**

From this review it may be concluded that there are several areas that require careful considerations in regard to online gambling and advertising policy however provisional and pre-figurative these ideas might be. Given the scale, easy access, anonymity and impersonality of online gambling and its normalization, especially for youth, should there be tighter restrictions on gambling advertisements where minors constitute a convenient listening or watching audience? If advertising for internet gambling is going to be permitted then a responsible advertising program should insist that: (a) radio, T.V. and print advertisements for online gambling be permitted only during time slots and on programs where they cannot normally be accessed by adolescents or children; (b) online gambling products not be advertised on billboards, public transport, buildings, storefronts and the like or in print publications where they can be frequently and easily seen by young people; (c) online gambling advertisements only include or depict individuals who are or appear to be over the age of 25, so as to prevent youth from relating to models, actors or celebrities who endorse or glamorize online gambling; and (d) youth oriented sounds, graphics, music, games and thematic content suggesting or portraying gambling as ‘hot’, ‘in’ or ‘cool’ not be used to advertise or promote internet gambling products (Dyall et al., 2007; Korn et al., 2005; Monaghan et al., 2008). Similarly in order to protect problem gamblers who seem susceptible to the effects of advertising and to limit harm to consumers who can least afford the costs of online gambling, responsible advertising should insist that: (a) games that represent high risks (i.e. casino slot play) only be advertised in adult venues at the point of sale proper; (b) advertising at such websites not encourage repetitive play or reinforce patterns of consumption that support or bolster addictive gambling behavior (c) advertising not promote free play or free bet promotion messages that may target vulnerable

players to play more frequently or longer; and (d) social responsibility messages be mandatory at gambling venues, be screen friendly and accessible where gambling occurs and be reflexive providing real time self-evaluation mechanisms to monitor risk, control consumption and restrict play.

## **MESSAGES, APPEALS AND BALANCED IMPRESSIONS**

The early findings in the research have suggested the prevalence of some questionable content and persuasion techniques that have overestimated the chances of winning, exaggerated the fun and entertainment, over stressed the life-changing character and overemphasized the element of skill in online gambling. It might be objected – So what! The nature of advertising is after all biased. But it should also be remembered that gambling advertising encourages consumers to expose themselves to the risk of losing money and to the risk of addiction and this is particularly salient to the online environment where games are played quicker and anonymously and where problem gambling risks are reported to be higher (Wood and Williams, 2009; Papineau and Leblond, 2010). I think this places a certain burden on gambling providers and their advertisers to tackle questions such as: Are gambling ads promoting dubious beliefs or misleading perceptions about product performance? Are gambling ads subjectively misleading consumers by concealing the true costs of gambling and contributing to consumer harms? Some research indicates that the content of advertising may be “subjectively” misleading but not necessarily “objectively” deceptive (Binde, 2010; Gardner, 1975; Griffiths, 2005; Russo, Metcalf & Stephens, 1981). Ford-Hutchinson & Rothwell (2002) refer to this practice as “untruthful truthful advertising”, where the claim of the ad may be legally true but not telling the whole truth or where exaggerated statements of opinion, not fact, cannot be accurately evaluated. The use of hyperbole, for example, may conceal the untold facts about a product and the ad is thus economical with the truth. The message that “winning is easy” may be true for certain types of online casino products compared to others (baccarat versus slots). On the face of it the ad does not lie! But it is still easier to lose much more often than to win at either or both. The message “to heck with luck; this game is about skill” used in television for advertising on-line card games belittles the role of chance in the outcomes and insists that strategies, tactics and skills are paramount to winning. It is literally misleading when it refers to many forms of poker play, the outcomes of which are determined in some measure by random events such as the unwanted “rat” that falls at the “river” in Texas Hold’Em and permits a player with a weaker hand to eliminate one with a superior hand.

I would argue that there is a need for more exacting restrictions on the message content of much gambling advertising. Perhaps there should be more functional and factual attributes present in online gambling advertising and less emotional messaging conveyed. Binde’s (2010) precautionary position seems sensible. Gambling providers, he insists, should “be restrictive with advertising that can be suspected of being misleading” and emphasize advertising that is clear and factual (p. 16). How might this be accomplished? To start discourses and images that currently emphasize the following invitations or inducements to gamble on television ads or on websites should be avoided in any responsible advertising program as they encourage their audiences to play, play longer and play beyond their means: winning is easy; winning is guaranteed; winning is substantial; winning changes your status in life; winners are celebrities and vice versa; play every day; play online any time; prizes are free; guaranteed cash prizes; free

promotions in cash or kind; bonuses available; referrals for benefits; free money to play and deposit matching to recruit new consumers. In addition, a responsible advertising program might insist that gambling advertising not imply that games of chance are games of skill or imply that skill predominates over luck in mixed skill/luck games such as poker, blackjack, or pari-mutuel sport betting. It should not convey that gambling is a solution to financial problems or a method of earning income, or imply that gambling can make consumers more popular, attractive, successful or happy (Binde, 2010; Black & Ramsay, 2003; Dyall et al., 2007; McMullan and Miller, 2008, RIGT, 2007).

Because the form and content of online gambling advertising encourages people to expose themselves to the risks of monetary loss and addiction, there should be balanced impressions conveyed in the advertisements. At minimum, telling the truth in online gambling advertising, especially at point of sale websites that are accessible to citizen consumers should be regulated so that they include the rules of the games, the risks involved, the probability of losing or winning, and where to get help for disordered gambling. They should include educational messages to promote informed gambling, discourage continuous play and loss chasing and modify unrealistic expectations associated with gambling. This information should be conveyed in a clear, precise and transparent way to ensure that online gambling is conducted in a fair and open manner. The license status of the operator should be displayed in all gambling advertisements as a guarantee for consumer protection and for monitoring the accountability of the gambling provider. Licenses, signposts, warnings and messages should be conveyed with images, symbols and language that are visible, audible and continuous and are consistent with the principles and design features of commercial messaging, so that they can truly inform, warn, educate and assist (Binde, 2010; Black & Ramsay, 2003; Blaszczynski, Ladouceur, Nower & Shaffer, 2005; Eggert, 2004; McMullan & Miller, 2009, 2010; RIGT, 2007).

## **SPORTS, CELEBRITIES AND BRANDING**

The research suggests that the symbiotic relationship between sport sponsors, icons, referents and usages and gambling is strengthening and impacting children, youth, and problem gamblers because these forms of advertising are seductive, popular and indirect. This raises several important issues. Does the branding of sponsorship or online gambling products on children and adolescent clothing and other promotional products constitute direct promotion to or by those under the age of majority given that sponsored materials are often available for all ages? Since young people often adopt self-images, lifestyle choices, and consumption patterns based on media-generated models and celebrities, is it responsible to advertise online gambling using celebrity endorsements?

A responsible advertising program would restrict companies that generate their revenues primarily from gambling to promote or advertise their organizations or products, including branding, logos or naming rights through the sponsorship of sporting figures or teams who are under the age of majority. Products advertising gambling – shirts, shoes, hats, belts, travel bags, etc. – should not be sized for minors, be awarded as prizes or given away in free promotions. Furthermore, gambling providers should be discouraged from advertising their products directly through amateur sport sponsorship and encouraged to act with charitable intentions by providing money to independent government operated agencies who, in turn, can supply funds to sporting

events, community teams and individual athletes. Moreover real winners, or models and actors portraying real winners, should not be deployed to promote or advertise internet gambling products. Gambling providers and advertisers should not utilize celebrity endorsements that are likely to appeal to youth, and only be permitted to use them at locations and on time slots primarily frequented and viewed by adults and in a manner that does not suggest that gambling contributed to their success (Dyall et al., 2007; Maher et al., 2006; McMullan & Miller, 2008; Monaghan et al., 2008; Poulin, 2006; RIGT, 2007).

## **REGULATING INTERNET GAMBLING**

The expansion of online gambling venues over the past decade has been enormous and this has contributed to situations where online gambling advertising has flowed freely across borders without meeting minimum advertising or broadcasting standards in many jurisdictions. So in some jurisdictions, ads and websites for remote gambling are reluctantly tolerated even though they pose major concerns regarding deceptive messaging, targeting youthful populations via practice sites, free games and bonuses, cheating and fraud of consumers, ethical financial probity and appropriate responsible messaging. In other jurisdictions, internet gambling ads have been prohibited and websites blocked, and in still other jurisdictions, they have been regulated as part of a wider liberal gambling advertising strategy. The online gambling industry, for its part, has established a separate code of practice that covers several of the remedies already discussed, in this submission, but compliance is voluntary and enforcement is often varied and uncertain. What new rules might be followed to allow for controlled expansion of online gambling advertising so that the problems of underage gambling, big win inducements and promotions, and message misrepresentations can be addressed?

At minimum, territorial jurisdictions could license operators to advertise gambling products and services and where feasible licensed status could be prominently displayed on all marketing and promotional materials in all communication mediums. Where it occurs, advertising for internet “practice” gambling sites should be subjected to the same regulations pertaining to money sites and practice sites should be prohibited from containing or communicating ads to money sites that are in fact often the same operators. In addition, private remote gambling operators should be encouraged to meet the advertising standards of territorial bodies in regard to exposure, design features, message content and tone, promotional emails and bonus materials, branding, the use of celebrities and sponsorship, and responsible messaging and these standards should be reviewed on a regular basis. Practice sites offering free games must be honest at all times and odds of winning and payout ratios should operate on the same basis as money games at real sites which is currently not always the case (European Casino Association, 2008; McMullan & Miller, 2008; Monaghan et al., 2008; Sevigny, Cloutier, Pelletier & Ladouceur, 2005).

Establishing territorial controls over internet communications is complicated but at bottom and where appropriate it should include regulating internet ads on radio, newspapers, magazines and television that promote gambling websites in remote jurisdictions and regulating online advertising of offshore sites (i.e. “pop ups”) to play at other internet gambling sites in remote jurisdictions. This means, I think, encouraging the private providers to meet appropriate standards and inviting them into an inclusive, mandatory gambling advertising regime, rather

than “outlawing” them from protectionist marketplaces, This inclusive integrated regulated approach has the advantage of creating competitive level playing fields among all operators and imposing on all gambling advertising the same rules and obligations which have the potential to reduce harm and protect consumers.

A review of comparative legislation indicates that gambling advertising standards, codes and regulations in general have followed no single route. In some jurisdictions there are no statutory provisions, in others there are minimal duties, rules and restrictions, while in still others there are very comprehensive advertising codes or acts. To make matters more complicated not all gambling advertising within single jurisdictions are regulated equally or to the same degree. For example, advertising for most lottery products in Canada must adhere to the regulations of Gaming Control Acts but advertising for casino gambling are often exempt. This is especially noteworthy since casino ads sometimes show images of slot machines in their advertising on television and in print, while images of VLTs, which are also electronic gambling machines, are often restricted to point of sale advertising because of their “addictive” characteristics. So in many jurisdictions there is an absence of consistent principles, coherent statutory guidelines and rational regulatory provisions governing gambling advertising, while in other jurisdictions such as the United Kingdom there is an integrated advertising program that affects all forms of gambling and all types of gambling operators. Their code, for example, lists the general principles, prohibitions, mandatory social messaging and voluntary educational messaging associated with among other things online gambling. For example, it forbids private gambling providers to place their logos and promotional material on merchandise designed for use by children and forbids advertising by private internet gambling operators in the country unless their jurisdictions have been “white-listed” by the national government (United Kingdom, 2007b).

There is much merit in these practices, although it must be acknowledged that many of the measures are difficult to enforce. Creating the best accountability in gambling advertising environments, including virtual worlds, should likely include: (a) distinct mandatory gambling codes of practices above and beyond existing advertising guidelines and broadcast standards which will set the rules and practices against which gambling providers will be evaluated, (b) legislated gambling acts which set out clear obligations of care, firm restrictions with regard to advertising gambling, and precise penalties including the refusal or/and loss of license for those who do not comply with the codes and legislation, (c) independent third party control commissions who have extensive powers of investigation and prosecution in support of compliance and who can evaluate guidelines and regulations within a uniform stringent casuistic framework, and (d) independent review boards who have the authority to consult with interested parties and experts, and the power to assess the particulars of advertising codes and relevant legislation annually, monitor breaches and complaints on an ongoing basis and propose changes that are legally binding (Binde, 2010; Griffiths, 2005; RIGT, 2007).

More specifically, gambling advertising codes could include: (a) statements of principle covering the naming, packaging, advertising and promotion of gambling products and organizations and emphasize that actions will follow the spirit as well as the letter of the law; (b) language that as much as possible is exact, explicit and measurable; (c) monitoring systems that are proactive and foster climates of evaluation and exclusion before inappropriate commercials have run their course in the media; and (d) creative sanctioning systems for offenders who fail to

comply with the spirit and the letter of the codes involving negative publicity, revocation of privileges, services and licenses, fines, administrative controls, and referrals to civil or criminal bodies for repeat offenders where appropriate.(Griffiths, 2005; Korn et al.,2005; RIGT, 2007; McMullan & Miller, 2008) As Poulin (2006) notes, it is time for governments and public health advocates “to stop being seduced by the promise of anti-gambling campaigns and education that place the onus of control on the shoulders of the very individuals who have a serious disorder of impulse control”. Rather we should apply what has been learned from tobacco’s successful control strategies, namely that “success is achieved primarily through public policy” (p1).

In sum, I hope that this review of some of the issues surrounding advertising and online gambling will be of use to your deliberations regarding gambling reform. I congratulate the Joint Select Committee for addressing this issue as it has been neglected in much gambling research and public policy even though it is an urgent priority. The Joint Select Committee can do much to ensure public awareness about the problems associated with gambling advertising and establish new initiatives for improving advertising standards as they pertain to virtual gambling spaces and there promotion in real world contexts. I look forward to reading your final report.

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