Young (and very young) people are being encouraged to ‘chase their losses’ when they buy certain brands of sweets and crisps.

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Instant-win promotions: part of the ‘gambling’ environment?

A nine-year-old boy goes into a shop and buys a packet of Walker’s Crisps. An eight-year-old girl goes into the same shop and buys a Cadbury’s chocolate bar. Nothing unusual in that, you might say.

However, this particular packet of crisps poses the question Is there a spicy £100,000 inside? in big letters on the front of the packet, with the added rider 1000s of real £5 notes to be won! The bar of chocolate offers £1 million in cash prizes — win instantly. Look inside to see if you’re a winner!!

This type of instant-win marketing has been around for some time, and so is not particularly new, but many companies appear to be aiming it at a younger and younger age group. There is no doubt that products like crisps and chocolate are popular, and appeal not only to the young but to adults too. However, the fact that the Walker’s promotion is coupled with the appearance of the Spice Girls suggests that the younger generation is being aimed at. Whether this is a deliberate ploy or whether it is a coincidence remains to be seen.

Other manufacturers include free gifts (e.g. stickers, tazos, stand-up cards, etc.) aimed directly at the under-14 market. Children buy these products in the hope that they will get one of the free gifts. As with the offer of instant cash prizes, these promotions advise in the small print on the back that ‘no purchase is necessary’.

‘Gambling’ is normally defined as the staking of money (or something of financial value) on a future event. By stating that ‘no purchase is necessary’ — a requirement for all such instant-win promotions — no ‘stake’ is involved and so the transaction is taken out of the realm of gambling in the legal sense.

However, the road to riches without actually paying any money over is hardly ‘instant’. On the back of the particular packet of crisps I bought, I read the following very small print:

No purchase necessary.
Should you wish to enter this promotion without purchasing a promotional pack, please send your name and address clearly printed on a plain piece of paper.
If you are under 18, please ask a parent or guardian to sign your entry.
An independently supervised draw will be made on your behalf, and should you be a winner, a prize will be sent to you within 28 days.

I wonder how many people actually do this! Manufacturers of instant-win products claim that people buy their products because customers want them. They further claim that the appeal of a promotion is secondary to the appeal of the product. This may well be true with most people, but instant-win promotions obviously increase sales, as otherwise so many companies would not resort to them in the first place.

As far as adult purchasers are concerned, I
Children are growing up in an environment where gambling is endemic.

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RECOMMENDATIONS

1. Companies should not directly or indirectly target the young with instant-win promotions, particularly on products like crisps and chocolates, which are universally popular amongst children and which appeal to their own small disposable income.

2. Scratchcards should not be given away with magazines whose readership is mainly an adolescent one.

3. Instant-win promoters should be required to declare the prize structure, so that (as with the National Lottery) people know their chances of winning are good.

4. Instant-win promotions should not be required to declare the prizes they are offering, but there is a danger that some will. It is also worth adding the consistent research finding that the earlier children start to gamble the more likely they are to develop a gambling problem.

5. Evidence that instant-win promotions cause problems is mostly anecdotal, although frequently appearing in the Channel 5 programme Espresso with a mother and her two children (aged nine and ten) who spent all their disposable income on instant-win promotions. These two children had spent hundreds of pounds of their pocket-money in the hope of winning the elusive prizes offered, but never won anything more than another bag of crisps.

6. The mother said that they had the 'gambling bug' and were terrified that they would have problems when they grow up. She claimed that she had done her utmost to stop them using their pocket money to buy instant-win products. This wasn't restricted to products they enjoyed, either. For instance, when they went to the supermarket they filled the trolley with anything that had an instant-win promotion, including tins of cat food — and they haven't even got a cat!

Recommendations

Harsh critics of instant-win promotions might advocate a complete banning of these types of marketing endeavours. However, this is impractical, if not somewhat over the top, for there is no empirical evidence of any problems apart from the occasional bizarre situation described. However, instant-win marketing does appear to be the increase, and it may be that young children are particularly vulnerable to this type of promotion if case-study accounts are anything to go by. (Recommendation 1.)

Another area of potential concern is the giving-away of free scratchcards with newspapers and magazines. The rise of this type of promotion may have had an influence on Camelot's declining scratchcard sales, but the idea has been taken up by some youth magazines, which require their young readers (often in their early teens) to scratch off the panels of their free scratchcards and then ring a premium-rate telephone number to see if they have won a prize. There is a likelihood that some of these children will develop a thirst for the 'real thing' when they get older. Children easily get caught up in crazes, and these latest promotions are probably a good example. This issue has been at least been taken up by the BBC's youth consumer programme Short Change. (Recommendation 2.)

There may also be a case for giving as much information as possible on the product itself, to enable people to make some kind of informed choice about whether it is worth buying the product for the chance of winning something. Although instant-win promotions state in the small print the number of possible prizes to win, there is no mention of the types of odds of winning. Admittedly many people might not take much notice of such information, and young people might not understand about odds and probabilities anyway. Nevertheless, Camelot are required to produce the National Lottery prize structure, so shouldn't they too? (Recommendation 3.)