

Lopez-Gonzalez, H. & Griffiths, M.D. (2018). Sports betting and problem gambling: What can the United States expect based on other legalized markets?

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Keywords: Sports betting, in-play, sport, problem gambling, advertising

Introduction

Following the recent Supreme Court ruling to overturn the previous federal ban, the gradual legalization of sports betting across many jurisdictions in the United States (US) will likely translate into a surge of new sports betting opportunities for the American public. Although betting on sports has long been engrained in the American gambling tradition¹, the new legal status is likely to create large pockets of illegal sports wagering, which the commissioner of the National Basketball Association (NBA), Adam Silver, has estimated at approximately \$400 billion². Furthermore, it is similarly likely that the rerouting of very large sums of money through legal channels will set up a favorable scenario for new business partnerships between sport leagues and bookmakers.

Over the past decade, Europe and Australia (among others) have already witnessed a similar proliferation of new legislation intended to tackle the increasing penetration of online gambling

¹ Richard O Davies and Richard G Abram, *Betting the Line: Sports Wagering in American Life* (Columbus: The Ohio State University Press, 2001).

² Adam Silver, 'Legalize and Regulate Sports Betting', *The New York Times* (New York, 13 November 2014) <<https://www.nytimes.com/2014/11/14/opinion/nba-commissioner-adam-silver-legalize-sports-betting.html>>.

in everyday life³. Sports betting is viewed by the gaming industry as a major business opportunity, with continuous growth whereas most forms of gambling have stagnated⁴, but also associated with sport integrity issues (i.e., match fixing, an issue often raised by professional and college leagues to stop the legalization of sports betting), and the psychosocial impact (e.g., problem gambling). In particular, sports betting-related problem gambling –once a rare gambling preference for pathological gamblers undergoing treatment⁵– has gained attention since the number of patients seeking help for this specific problem appears to have increased⁶.

Sports betting has many commonalities with other gambling types, but also features a number of significant dissimilarities. In this brief article, we provide evidence of three specific idiosyncrasies that are largely exclusive to sports betting products. These idiosyncrasies – namely, (i) in-play betting, (ii) the sporting component of bets, and (iii) the growth of media exposure to betting products– can be viewed as facilitating factors for problem gambling, and have guided some of the most recent research on the detrimental consequences of sports betting for consumers in Europe and Australia⁷. In the following sections, we outline the characteristics of each risk and detail the implications for problem gambling.

In-play betting

³ European Commission, *Towards a Comprehensive European Framework for Online Gambling* (Brussels: European Commission, 2012); Kerry Sproston and others, *Marketing of Sports Betting and Racing* (Melbourne: Gambling Research Australia, 2015).

⁴ European Gaming & Betting Association, *Market Reality* (Brussels: European Gaming & Betting Association, 2016).

⁵ Susana Jiménez-Murcia and others, ‘Gambling in Spain: Update on Experience, Research and Policy.’, *Addiction*, 109.10 (2013), 1595-1601.

⁶ Nerilee Hing, Alex M. Russell and Matthew Browne, ‘Risk Factors for Gambling Problems on Online Electronic Gaming Machines, Race Betting and Sports Betting’, *Frontiers in Psychology*, 8.May (2017).

⁷ Hibai Lopez-Gonzalez, Ana Estévez and M.D. Griffiths, ‘Marketing and Advertising Online Sports Betting: A Problem Gambling Perspective’, *Journal of Sport & Social Issues*, 41.3 (2017), 256–72. Nerilee Hing, Peter Vitartas and Matthew Lamont, ‘Understanding Persuasive Attributes of Sports Betting Advertisements: A Conjoint Analysis of Selected Elements’, *Journal of Behavioral Addictions*, 6.4 (2017), 658–68. ; Emily G. Deans, Samantha L. Thomas, Mike Daube and Jeffrey Derevensky, ‘The Role of Peer Influences on the Normalisation of Sports Wagering: A Qualitative Study of Australian Men’, *Addiction Research & Theory*, 25.2 (2017), 103–13. ; Elizabeth A. Killick and Mark D. Griffiths, ‘In-Play Sports Betting: A Scoping Study’, *International Journal of Mental Health and Addiction*, 2018 <<http://dx.doi.org/10.1007/s11469-018-9896-6>>.

In-play or live betting is currently the most popular form of sports betting in Europe, and in some countries, accounts for approximately 70% of money staked in bets⁸. In-play betting occurs when the gambler places a bet (or multiple bets) once the sport event has commenced. As opposed to bets placed before sporting events, as was historically the case in horse racing and football pools, in-play betting provides a direct link between betting and watching live sport, either on a small television screen, a jumbotron, or in the stadium itself⁹.

There is a potentially detrimental side to in-play betting in terms of consumers' harm minimization. First, recent empirical research has shown that in-play betting is more associated than traditional betting with impulsive and/or problem gambling¹⁰. In-play betting entails instantaneous, instinctive betting judgments based on quick reactions to ongoing in-game stimuli. This specific type of betting is therefore more likely to be subject to cognitive biases and distortions. Available time in in-play betting contexts is reduced, therefore individuals are required to resort to cognitive shortcuts to make decisions¹¹. This is particularly apparent in innovative features introduced by in-play betting such as 'contextual betting'¹², which is the kind of live bet opportunity that emerges when a specific game situation arises (e.g., betting on whether someone will score a two-point conversion in American football or score a goal in soccer penalty shootout).

In-play betting has also changed the structural characteristics of sports betting from a type of betting that was typically discontinuous with a low event frequency (e.g., betting once a week on whether a team would win or lose) to a continuous form of gambling with high event frequencies in which dozens of bets (if not more) can take place within the length of game

⁸ Directorate General for the regulation of gambling [DGOJ], *Datos Del Mercado de Juego Online* (Madrid: Spanish Ministry for Finance and Public Administration, 2017).

⁹ Betradar, 'Live Sports Betting. In-Play Soccer Games. The Gamification of Your Live Betting Portfolio', 2016 <https://www.betradar.com/wp-content/uploads/sites/4/2016/01/betradar_virtual_gaming_brochure.pdf> [accessed 5 January 2017].

¹⁰ Hibai Lopez-Gonzalez, A. Estévez and M.D. Griffiths, 'Internet-Based Structural Characteristics of Sports Betting and Problem Gambling Severity: Is There a Relationship?', *International Journal of Mental Health and Addiction*, 2018 <<http://dx.doi.org/10.1007/s11469-018-9876-x>>; Nerilee Hing and others, 'Demographic, Behavioural and Normative Risk Factors for Gambling Problems amongst Sports Bettors', *Journal of Gambling Studies*, 32.2 (2016), 625–41.

¹¹ Killick and Griffiths.

¹² iGaming Business, 'In-Play Focus 2016' (London: Clarion Events Ltd, 2016).

which can be two or more hours in games like soccer and tennis to days at a time for sports such as cricket that can take up to five continuous days to complete. Research has consistently shown that types of gambling with high event frequencies have a greater association with problem gambling¹³. In-play bets are also generally associated with live game rituals. These rituals sometimes entail risky behaviors that in-play magnifies. For instance, in the UK and Spain, gambling commercials that depict individuals betting in-play are more likely to depict them drinking alcohol and eating junk food¹⁴. Such depictions normalize the identification between watching sport, and engaging in other potentially risky health behaviors, all in an atmosphere of instant decision-making and impulsivity. This is further complicated by the transference of emotions from sport viewing to spectators, who are encouraged to bet in emotionally-charged situations (sometimes involving the team they support) with limited decision time.

The ‘sporting’ component

Another fundamental risk associated with sports betting is the sporting component itself. Sports wagering differs from other modes of gambling across a number of attributes. Some scholars have argued that the sporting component *sanitizes* gambling, stripping it from its more negative (‘dark’) connotations¹⁵. Additionally, sport provides another dimension to gambling. As a betting type, sports betting proposes a game within an existing event that preexists the betting practice, and happens independently. In other words, sport competitions do not exist to be bet upon, betting always comes later. Conversely, gambling is created *ad hoc*, and the rules and parameters of gambling games only make sense within (and for) the act of gambling on them (or within them in the case of in-play betting). This means that gamblers develop attachments to gambling, but bettors not only develop such attachments to betting, but also to that reality that preexists the betting itself (in this case, sports).

¹³ Mark D. Griffiths and Michael Auer, ‘The irrelevancy of game-type in the acquisition, development and maintenance of problem gambling’. *Frontiers in Psychology*, 3.621 (2013); Andrew Harris and Mark D. Griffiths ‘The impact of speed of play in gambling on psychological and behavioural factors: A critical review. *Journal of Gambling Studies*, 34 (2018), 393-412.

¹⁴Hibai Lopez-Gonzalez, Ana Estévez, and others, ‘Alcohol Drinking and Low Nutritional Value Food Eating Behavior of Sports Bettors in Gambling Advertisements’, *International Journal of Mental Health and Addiction*, 2017, 1–9.

¹⁵ John L. McMullan and Delthia Miller, ‘All in! The Commercial Advertising of Offshore Gambling on Television’, *Journal of Gambling Issues*, 22 (2008), 230–51.

Sport is also a massive transcultural bearer of significance, identity, emotions, and belongingness¹⁶. The acquisition of such attributes is constantly sought after by other forms of gambling by decades of marketing strategies that have idealized gambling practices such as poker and casino gaming. However, sports betting operators do not need to construct anything *ex nihilo* (i.e., out of nothing). They simply need to jump on the bandwagon and build on the preexisting sports imagery. This imagery is replete with characteristics that might encourage sports fans to put themselves in harm's way in terms of irresponsible gambling. For example, bragging about one's knowledge of sports is part of the typical atmosphere in betting lifestyle¹⁷. Other examples include showing risk-seeking behavior, and engaging in unrealistic bets to prove to significant others an individual's ability to predict sport outcomes. These rituals and behaviors of sports communities are widely shared, cemented over long periods of time, transmitted between generations, and difficult to deactivate¹⁸. Consequently, one of the main battlegrounds in contemporary responsible gambling strategies when it comes to sports betting literacy is the deactivation of the idea that the relationship between sports and sports betting is natural, inherent, and inevitable¹⁹.

A second component of the association between betting and sports is the predominance of sports in children's imagery. Minors feel pressure from friends to engage in risky behaviors, and normalize betting when they see others practice them, and perceive how normal and prevalent betting is in their community²⁰. In sports betting, sport infuses many attributes, including health, fair play, justice, competitiveness, equal opportunity, improvement through hard work, and merit²¹. Sports betting benefits greatly from such attribute transference, thus validating the practice socially, and removing many negative connotations that betting, inasmuch a form of gambling, possesses.

¹⁶ Garry Crawford, *Consuming Sport: Fans, Sport and Culture* (London: Routledge, 2004).

¹⁷ Ross Gordon, Lauren Gurrieri and Michael Chapman, 'Broadening an Understanding of Problem Gambling: The Lifestyle Consumption Community of Sports Betting', *Journal of Business Research*, 68.10 (2015), 2164–72.

¹⁸ Anthony King, *End of the Terraces: The Transformation of English Football* (Leicester: Leicester University Press, 2002).

¹⁹ Emily G. Deans, Samantha L. Thomas, Mike Daube, Jeffrey Derevensky, and others, 'Creating Symbolic Cultures of Consumption: An Analysis of the Content of Sports Wagering Advertisements in Australia', *BMC Public Health*, 16.1 (2016), 208.

²⁰ Deans, Thomas, Daube and Derevensky.

²¹ Hibai Lopez-Gonzalez, Frederic Guerrero-Solé, and others, 'Betting Is Loving and Bettors Are Predators: A Conceptual Metaphor Approach to Online Sports Betting Advertising', *Journal of Gambling Studies*, 2017, 1–18 <<http://dx.doi.org/10.1007/s10899-017-9727-x>>.

The growth of media exposure

The aforementioned risks are all likely to be fueled by the very large expansion of media exposure to sports betting products. If the US follows suit of what has happened in European and Australian markets, the federal legalization of sports betting will provoke a race for legitimization of betting products. Such legitimization operates more subtly than mere legalization, and (according to ‘Institutional Theory’²²) adds two more pillars to it: (i) the normative pillar, which comprises the tolerance and acceptance by the American public of sports betting as a harmless product; and (ii) the cultural-cognitive legitimacy pillar, which comprises the symbolic representations of sports betting and its *de facto* incorporation in American imagery. The successful fulfillment of this agenda is likely to result in the adoption of sports betting as a positively sanctioned recreational activity.

Media representations of sports betting are likely to become much more abundant than the current commercial spots populated by the fantasy gaming industry. In Europe and Australia, most legislation allows bookmakers to advertise before, during, and after sport events, even if such events occur before the watershed that protects minors from adult content²³. Such proliferation has stirred up a social discomfort, reflected in numerous media reports that frequently cover testimonies of sports betting-related harm²⁴. Concomitant with the advent of online gambling, the money spent on television marketing and advertising has increased greatly in the UK in recent years²⁵.

Marketing and advertising claims of sports betting-like products in the US have been widely articulated through the skill versus chance axis (emphasizing skill components) to avoid

²² Walter Scott, *Institutions and Organizations* (Thousand Oaks, CA: Sage Publications, 1995).

²³ Hibai Lopez-Gonzalez and Mark D. Griffiths, ‘Is European Online Gambling Regulation Adequately Addressing In-Play Betting Advertising?’, *Gaming Law Review and Economics*, 20.6 (2016), 495–503.

²⁴ Paul MacInnes, ‘Experts warn of £12.6bn scale of UK gambling problem’, *The Guardian*, 2017 <<https://www.theguardian.com/sport/2017/apr/27/12-billion-pounds-scale-uk-gambling-problem-experts-warn>> [accessed 26 July 2018].

²⁵ Rob Davies, ‘Betting Firms Spent Half a Billion Pounds on TV Adverts since 2012’, *The Guardian*, 2016 <<https://www.theguardian.com/society/2016/jul/15/betting-firms-spent-half-a-billion-pounds-on-tv-adverts-since-2012>> [accessed 5 January 2017].

breaking the federal law²⁶. This battle for conceptual framing now appears to have been rendered obsolete. However, skill components are likely to remain, even more so, at the core of marketing enticements. In Europe and Australia, bookmakers have been found to exaggerate the knowledge and skill-based aspects of sports betting, hence reducing the chance-based elements that determine game outcome, and consequently increasing the illusion of control in bettors²⁷. It might be easy for these strategies to gain traction in the US context, wherein fantasy gaming has already paved the way for a skill-focused understanding of gambling.

Final remarks

In-play betting, sport, and media exposure are not independent attributes of contemporary sports gambling. Firmly based on the developments in remote gambling via smartphones and tablets, the three attributes constitute potentially inter-connected threats that cross-fertilize the sports betting market and its neighboring industries. These attributes pose a great challenge for gambling policymakers, who are struggling to tackle properly the powerful intersection of sports and gambling in Europe and Australia. The lessons from these countries could help the US to anticipate some of the areas that need examining and developing to grant consumer protection to vulnerable groups.

²⁶ I Nelson Rose, ‘Are Daily Fantasy Sports Legal?’, *Gaming Law Review and Economics*, 19.5 (2015), 346–49.

²⁷ Hibai Lopez-Gonzalez, Ana Estévez and M.D. Griffiths, ‘Controlling the Illusion of Control: A Grounded Theory of Sports Betting Advertising in the UK’, *International Gambling Studies*, 18.1 (2018).