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# CENTRALISED GAMING MODELS: PROVIDING OPTIMAL GAMBLING BEHAVIOUR CONTROLS

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The expansion in the gaming industry and its widening attraction points to the need for ever more verifiable means of controlling problem gambling. Various strategies have been built into casino venue operations to address this, but recently, following a new focus on social responsibility, a group of experts considered the possibilities of a centralised gaming model as a more effective control mechanism for dealing with gambling behaviours.



Last year, we were asked by the Nova Scotia Gaming Corporation to carry out an independent study examining whether centralised gaming models (CGMs) were more socially responsible than other distribution models (Wood & Griffiths, 2008). Although there is no single prescribed definition of a CGM we defined such a model as providing gambling opportunities within dedicated gambling environments and that these gambling environments were to some extent restricted in the overall numbers of outlets.

In order to more clearly understand what constitutes a CGM, we put together an advisory panel of world academic gambling experts to see how they would define the parameters. Overall, there was a general agreement that a CGM is a dedicated gambling environment that was restricted to one or two venues per city or major populated area. The position of the venue would be away from the downtown sector or major residential area such that a minimum of a 10-minute drive would be required to reach it. We made an assumption that CGMs would have strict codes, policies, and guidelines in relation to access and control. We also assumed that no gaming opportunities would exist in areas peripheral to the outlets' main purpose (e.g., no gaming machines in retail outlets, restaurants, bars, etc.).

## ECONOMIES OF SCALE

Overall, the advisors were in strong agreement that a CGM could provide a better framework for responsible gaming compared to a non-CGM. Advisors had noted that it should be easier for a CGM to be socially responsible due to economies of scale, and that one or two dedicated gaming environments would be easier to control than many smaller environments. This would be particularly pertinent for venues

such as bars and restaurants where gambling was not the primary service on offer.

### MONITORING AND AUDITING

However, in order for an effective CGM to be implemented, all the advisors were in strong agreement that the associated responsible gaming policies should be both regularly monitored and audited. Some concern was expressed that sometimes such policies, amongst operators generally, are no more than minimal attempts to appear conscientious (i.e., 'paying lip service' to social responsibility rather than actually believing in it). Such policies were viewed as short sighted and easy to identify. A transparent monitoring and auditing policy is the key factor in achieving and maintaining a responsible CGM, and a part of this process would be regular reviews of staff competencies and knowledge. Furthermore, it was noted that the advent of new technologies, and new research findings, requires that responsible gaming policies be regularly reviewed to keep up-to-date with any new developments.

### STAFF TRAINING

It was unanimously agreed that a responsible CGM would only be possible if staff were fully trained. Each staff member should be aware of the key values of responsible gaming and the operator's policy. Responsible gaming should be core to every staff activity. Overall, it was agreed that a CGM could potentially provide better supervision of players by staff than a non-CGM. This would be dependent upon suitable training and the provision of some dedicated responsible gaming staff who would not be distracted with competing primary aims (e.g., bartending, serving food, etc.).

### DESTINATION GAMBLING

Overall, there was a unanimous agreement that a CGM had the potential to minimise impulsive decisions to gamble as a player must travel to a specific location in order play. It was felt that this would only work in practice as long as it required

a reasonable amount of effort to get to the venue. This could be of considerable help to recovering problem gamblers who were trying to avoid the temptation to gamble. A specific advantage of a CGM would be that it should be obvious to potential customers that the primary activity was gambling, although this would need to be clearly communicated in the marketing of the venue. In particular, it is important that the message about the venue as a place for gambling does not become lost or diluted in marketing that emphasises non-gambling activities such as restaurants, shows, etc. There was also a general agreement that marketing campaigns and incentives to attend a CGM venue should not be targeted towards pensioners, unemployed people, or other specific groups, whether regarded as vulnerable or otherwise.

### NON-GAMBLING ENTERTAINMENT

There was some debate about whether or not offering non-gambling entertainment would mean that vulnerable customers spent less time gambling overall. It was pointed out that if a customer goes somewhere to gamble then they have the option of gambling as much as they want, or until the venue closes. However, if other services exist, there is at least the option of a break from gambling being taken, which would allow a reflective time out period. Engagement with non-gambling activities could be encouraged through offering prizes relating to non-gambling activities (e.g., a free meal).

There is a lack of empirical evidence to show the overall impact of mixing gambling and non-gambling activities. Therefore, it would be worthwhile conducting research before and after the implementation of a CGM in order to understand the implications, if any, upon levels of problem gambling behaviour within a particular area. However, such studies should consider that it is entirely possible that problem gambling in the immediate vicinity of a CGM venue could increase, whilst overall levels of problem gambling in the jurisdiction decreases.



**>> A REVIEW OF THE EMPIRICAL EVIDENCE AND THE EXPERT OPINIONS PROVIDED BY THE ADVISORS IN OUR STUDY INDICATE THAT A CGM APPEARS TO BE THE BEST MODEL FOR HARM MINIMISATION BY CONSIDERING BOTH THE POSITIVES AND NEGATIVES OF DEDICATED GAMBLING ENVIRONMENTS VERSUS OTHER TYPES OF ENVIRONMENTS. MANY OF THE NEGATIVES OF A CENTRALISED GAMING MODEL CAN BE MINIMISED OR ELIMINATED THROUGH APPROPRIATE PRE-PLANNING. >>**

### PROXIMITY AND VULNERABILITY

It was noted that the proximity of the CGM venue was critical and could be difficult for vulnerable players who lived in close proximity to the venue. However, by positioning the CGM venue some distance away from heavily populated areas would help to ensure that fewer vulnerable players were at risk compared to a typical non-CGM venue. There was a general agreement that a CGM venue should not be placed within the immediate vicinity (i.e., within walking distance) of a town/city centre or a major residential area, in order to minimise impulsive gambling. Whilst town/city centres are easy to avoid, consideration relative to residential areas is more complex, as a venue will inevitably be close to some residential areas.

The key to positioning would be to examine how far the majority from a particular area would need to travel to get to a CGM venue. One advisor provided the example of local bus drivers who would gamble on gaming machines or in betting offices between shifts (and sometimes missed shifts) because the venues were convenient and they had nothing else to do. CGM venues would be less likely to permit such kinds of impulsive gambling or secondary gambling (i.e., gambling is secondary to having somewhere to kill some time).

There was an overall agreement that the distribution and location of centralised gaming establishments should be carefully considered relative to local socio-economic regions to avoid placing near poorer areas. Placing venues close to such areas might be viewed as exploitative, and as one advisor noted "it looks really bad if studies find higher density of gambling in poorer areas." However, another advisor also suggested that problem gambling can impact on all income levels and that well placed CGM venue could bring regeneration to poorer areas, as long as it was not placed directly in one.

### REFRESHMENT AMENITIES

There was an overall agreement that having refreshments present at a CGM venue would mean that some players stayed longer as there was no need to leave the facility to eat and/or drink. However, this was not necessarily viewed as negative if taking a break for a meal or a drink could provide a break from gambling and a period of contemplation. Such a break would be very helpful for a vulnerable gambler. Furthermore, money spent on refreshments is money that cannot be spent on gambling. However, refreshments would be less likely to be purchased by a problem gambler who would most likely prefer to spend their money on gambling in any case.

### INCENTIVES TO GAMBLE

Offering direct incentives to gamble in the non-gambling areas (e.g., a free spin on a VLT after purchasing a meal) was not viewed as compatible with a socially responsible gaming policy for a CGM. Refreshment facilities should not be used as an inducement to gamble. The advisors were again unanimous in suggesting that gambling incentives should only be given in gambling areas of the venue. It was seen as important that customers have somewhere that they can get away from gambling and have a period of reflective contemplation. There should be no attempt to draw customers from a non-gambling activity to a gambling activity whilst in a CGM venue. Advertising gambling within the non-gaming areas may be less problematic as long as minors are not being exposed to them, and direct inducements are not involved.

### PLAYER LOYALTY PROGRAMMES

There was general agreement that player loyalty programmes have the potential to be used positively to identify players who may have, or show signs of developing, a gambling problem. However it was agreed that any form of player card that is used in a CGM should keep player loyalty features and responsible gaming features separate and distinct to avoid a conflict of interest. That is, in order to avoid a conflict of interest there should be separate and distinct policies on player loyalty schemes and responsible gaming initiatives when the same player card is used for both purposes.

These policies should be regularly reviewed and audited. Furthermore, there should be no inducement to continue with further gambling through rewards or promotions. There was some scepticism that such a system would only ever be used for responsible purposes. Whether or not rewards for using a player card should be given was not an issue that was specifically addressed. Consequently, any incentives to use a player card would need to be carefully assessed in terms of the possible impact that this could have for encouraging continued gambling.

### TICKET-IN-TICKET-OUT TECHNOLOGY

There was no overall agreement on whether the use of 'ticket-in-ticket-out' technology for purchasing gambling activities would be more problematic than cash purchases. On one hand, cashless technology lowers the psychological value of the money being spent. On the other hand, the rewards (i.e., prizes) are not as reinforcing either. Potentially, such technology could allow for better player control of their money through self-imposed spending limits. However, there is currently not enough empirical research evidence to fully

understand the impact that such technology may have on gambling behaviour.

### **OPENING HOURS**

There was complete agreement that a CGM should offer restricted hours of opening in order that vulnerable customers be prevented from engaging in continuous bouts of gambling. Such restrictions would allow customers a period of self-contemplation to decide when they had gambled enough. Examining the patterns of visits from vulnerable populations could be used to help understand suitable opening hours. However, it was acknowledged that one of the drawbacks of restricted hours was that they limit access to shift workers looking for places of entertainment and food.

### **IDENTIFICATION OF PROBLEM GAMBLERS**

Certain features of the CGM environment would need to be considered in order to maintain a responsible gaming environment. In particular, it was concluded that any gambling machines should be positioned in well lit areas and in clear sight of gaming staff so that any players exhibiting problematic behaviours can be identified. Whilst positioning machines in this way would be advantageous, one advisor pointed out that sufficiently well-trained staff should be able to identify players regardless of the positioning of the machine, assuming they have the time allocated to carry out such checks and that it is part of their job description.

### **SELF-EXCLUSION**

One of the main advantages that the advisors identified of a CGM over a non-CGM was that it should be easier to prevent access to those who choose to self-exclude. It was acknowledged that dedicated gaming environments have the best infrastructure for security checks and monitoring, and that it would be more effective to monitor one or two places than many. However, unless some kind of ID player card is needed to play, then it would be fairly difficult to exclude someone. In this respect, a player card could be useful but only if use of it was mandatory in order to access gambling activities. It was also suggested that self-excluded gamblers may be less likely to make the effort to travel to an out-of-town destination if they know they will be refused entry.

As with responsible gaming initiatives in general, self-exclusion policies will only work if there is a genuine commitment to make them work, supported by regular monitoring and reviews. Bigger venues might possibly make it harder to enforce self-exclusion, due to larger volumes of customers. Diffusion of responsibility is also an issue (i.e., staff at a larger venue may be more reluctant to approach a customer when there are many other staff members around who should also take responsibility for approaching that customer). Having staff that are assigned specific responsibility for enforcing self-exclusion would be an effective way to avoid the diffusion of responsibility effect. Overall there was agreement that a CGM has more potential than a non-CGM to have an effective self-exclusion policy.

### **RANGE OF GAMBLING OPPORTUNITIES**

There was an overall agreement that a CGM venue would be more likely to expose players to a broader range of gambling activities than they are used to playing. However, this was not necessarily seen as a negative factor. The fact that customers realise that they are entering a venue dedicated to gambling

should mean that having a variety of games should not be so much of an issue of concern. The idea that a range of gambling activities was present in a CGM venue, from 'softer' to 'harder' games, was seen as preferable to having 'harder' games spread across many venues. Again, it was stated by advisors that there would be less temptation for vulnerable players to impulsively play 'harder' games if they were only accessible at a CGM venue, where they would have to make a conscious decision to travel in order to play them.

### **GAMING FLOOR ATMS**

There was unanimous agreement amongst the advisors that ATMs should not be in close proximity to the gaming floor. Encouraging a period of reflective contemplation between playing and drawing out further cash was seen as a highly responsible action. Removal of ATMs cuts off the financial lifeline for chasing behaviour and further unplanned gambling. Typically, even problem gamblers only plan to spend small amounts, but non-problem gamblers are more likely than problem gamblers to stop within-session once all the allocated money is spent. There was a suggestion that any ATM should be at least a five-minute walk away so that players have sufficient time to cool down emotionally, and have a reflective time out to think about their behaviour.

### **GAMBLING AND ALCOHOL**

Offering alcohol for sale in a CGM venue was not seen as necessarily detrimental to an effective responsible gaming policy. The moderate consumption of alcohol is frequently a part of a normal social night out, particularly where such a social event includes a meal. However, there was agreement that alcohol should not be offered free or at subsidised rates, and that it should only be sold in the non-gambling areas of a venue. There is a co-morbid relationship between alcohol and some problem gambling behaviour.

Nevertheless, there is little evidence to show that consumption of alcohol causes problem gambling behaviour, although evidence has shown that those individuals who gamble excessively are more likely to undertake a number of excessive behaviours. Intoxicated individuals can become disinhibited and lose a lot of money as a consequence. It is therefore important that members of staff are aware of this impact, and know how to respond to intoxicated customers. However, there was no overall agreement as to whether or not staff in a CGM venue would be in a better position to detect intoxicated players than staff in a non-CGM venue. The point was made by several advisors that specific staff members could be trained to identify players who exhibit a range of problematic behaviours, including intoxication and problem gambling.

### **SHUTTLE BUSES**

Most advisors agreed that free shuttle buses should not be provided to transport customers to and from the CGM venue as this would make them too accessible to a vulnerable player. However, this was not unanimous and some suggested that they would be unlikely to impact upon the decision to gamble. Furthermore, it was suggested that such buses would provide better accessibility to elderly and disabled customers who should not be denied better access to an entertainment facility. However, such actions might also be construed as enticing vulnerable players. It was also noted that any shuttle bus service must provide regular return journeys, so that

customers are not forced to stay at the venue for extended periods, and possibly gamble more than they anticipated, whilst waiting for a bus home.

**CONCLUDING REMARKS**

It would appear there are various operational definition issues concerning centralised gaming. For instance, what actually constitutes centralised gaming? What are the parameters? For example, if there are multiple gaming centres, is it still correct to call the model centralised? Having one venue in one city means that the majority of people must be motivated to travel to gamble. This would reduce impulsive or opportunistic gambling.

There is currently no evidence to determine whether offering other non-gambling activities encourages responsible gambling, or encourages more excessive gambling by attracting vulnerable players drawn (initially) to those non-gambling activities. As mentioned above, there are two schools of thought about the mix of gambling with other activities. The positive view is that patrons who frequent establishments that have a range of activities can spend their time engaged in many non-gambling activities without the need to gamble. The more negative view is that getting patrons to enter the establishment to engage in the non-gambling activities may in fact stimulate the desire to gamble because of the proximity of the gambling and non-gambling activities. If peripheral activities are 'loss leaders' and are incorporated as a way of keeping patrons in the establishment, it could be viewed as an exploitative marketing tactic.

A review of the empirical evidence and the expert opinions provided by the advisors in our study indicate that a CGM appears to be the best model for harm minimisation by considering both the positives and negatives of dedicated gambling environments versus other types of environments. Many of the negatives of a centralised gaming model can be minimised or eliminated through appropriate pre-planning. In summary, the main advantages of a CGM are that:

- CGM environments can be well regulated and have more rigorous procedures in relation to social responsibility in gambling and player protection (e.g., control and monitoring).
- CGM environments have the infrastructure to introduce player card technologies that will help in terms of preventing underage access and aiding self-exclusion schemes.
- CGM environments can have effective age controls. This makes gambling by minors more difficult than in non-gambling environments (e.g., retail outlets, bars and restaurants).
- CGM environments are most likely to be frequented by people who have made a pre-determined decision to come to that environment to gamble (unlike gambling in non-gambling environments where the gambling may be an impulsive and unplanned behaviour).
- CGM environments have the flexibility to introduce socially responsible practices that may be harder to do in other non-gambling environments such as no ATMs on the gaming floor (which may be more difficult and/or impractical to do in a retail environment) and not drinking alcohol at the gaming tables, gaming terminals and gaming machines (which may be impossible or impractical in a bar).

**REFERENCE**

Wood, R.T.A. & Griffiths, M.D. (2008). A centralized gaming model social responsibility assessment. Report prepared for Nova Scotia Gaming Company. **CGI**

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