

Online ads and the promotion of responsible gambling

Many online gaming sites use a wide variety of promotions as a way of attracting new customers and generating repeat patronage. Mark Griffiths, Professor at Nottingham Trent University, discusses whether such promotions are socially responsible.

Many promotions include welcome bonuses, initial deposit bonuses, retention bonuses, re-activation of account bonuses and VIP bonuses. The issue here is to what extent the use of promotional 'hooks' to generate new custom or maintain repeat patronage can be regarded as a socially responsible strategy. Previous writings about advertising and marketing from a social responsibility perspective have noted that it is entirely appropriate for the gaming industry to advertise and market their products as long as it complies with relevant codes, is fact-based, does not oversell winning, and is not aimed at - or features - minors.

In gambling, there is a fine line between customer enhancement and customer exploitation, particularly when it comes to facilitating new clientele and repeat patronage. Given the political sensitivities around the liberalisation of gambling, the perception of what others think about a particular practice are sometimes given more weight than what it actually means in practice. However, irrespective of whether something is introduced in a socially responsible way and/or introduced into an environment with an embedded socially responsible infrastructure, there is always the possibility of a 'PR own goal' that may do more financial damage in the long run to the online gaming operator. There are some academic writings on the use of bonus promotions in

offline gambling environments but these are based on observational anecdotes rather than empirical research. For instance, the frequency of bonuses in offline gambling environments varies - depending on the establishment - but can occur hourly, daily, weekly or seasonally. Such bonuses are often used to entice the consumer in several retail environments. What makes them especially appealing in a gambling environment are the obvious similarities of the structural characteristics of such bonuses and gambling events in general - risk, uncertainty, interval-ratio reinforcement etc. Furthermore, the appeal is strengthened since gamblers feel they are 'getting something for nothing'.

Two forms of bonuses

There is a distinction between two fundamentally different forms of bonuses - the 'general bonus' and the 'proportional bonus'. These different types of bonuses may have different implications in terms of social responsibility. General bonuses are those offers that are provided irrespective of the type of player - for example, an occasional gambler is as equally entitled to the bonus as a 'heavy' gambler. Proportional bonuses are those offers that depend on how long and/or frequently the player gambles with a particular gaming establishment. This means that 'heavy' gamblers would receive disproportionately more bonuses than an irregular player. Given that a significant proportion of the 'heaviest' gamblers - sometimes referred to as 'VIP gamblers' - may be problem gamblers, it raises questions whether rewarding people the more they spend is the most socially responsible strategy. In relation to the use of promotional bonuses, two basic issues arise. The first one is

whether online gaming companies should offer bonuses. They can be perceived as ideologically incompatible with being socially responsible. The second is whether some types of bonuses are less socially responsible than others. In the absence of empirical evidence, it could be argued that general bonuses, which target potential adult online gamblers irrespective of play frequency and/or type, are acceptable within online gaming environments that have a good social responsibility infrastructure. However, bonuses that reward the biggest spenders could be argued to be much less socially responsible. Although this model is well accepted in most commercial environments (i.e. loyalty reward schemes), gambling is a commercial activity that can result in problems for the heaviest gamblers.

Applying these views to promotional bonuses in online gaming environments would mean that some bonuses appear generally acceptable from a social responsibility perspective (for example, a \$10 token, 100% welcome bonuses and possibly re-activation offers) whereas others may be considered less socially responsible and potentially exploitative (retention offers and VIP offers). It may be the case that other socially responsible measures implemented by an online gaming company (such as the use of a behavioural tracking tool like PlayScan) may help mitigate the potential exploitation of problem gamblers.

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