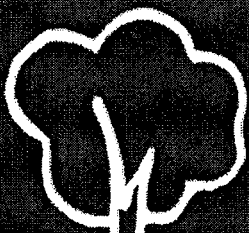


worldonline gambolinglawreport

FEATURED ARTICLE
07/08



cecile park publishing

Head Office UK Cecile Park Publishing Limited, 17 The Timber Yard, Drysdale Street, London N1 6ND
tel +44 (0)20 7012 1380 fax +44 (0)20 7729 6093 info@e-comlaw.com
www.e-comlaw.com

Opinion

'Foot-in the-door': player enhancement or player exploitation?

A gambler arrives at the port to heaven and hell. Petrus says: "You see, we don't know what to do with you. You may choose heaven or hell". The gambler peeks in heaven and sees a couple of old boring men sitting round a table. He takes a look in hell and sees beautiful women, sex, drugs, rock and roll, and most of all, gambling. He says: "I am a gambling man. I want to go to hell!" Once in hell, the gambler is immediately thrown into the fire. He says: "Hey, what the hell is this, I saw all the gambling, women, and sex?" The devil says: "That was just a demo version".

Hopefully, this opening joke highlights that gamblers need to be constantly aware that the gaming industry will always use every psychological trick in the book to get an individual to part with their money. The world of online gambling is no different and one of the most common ways that gamblers are tempted into playing online is when they try out games in the 'demo', 'practice' or 'free play' mode. Some recent research carried out by psychologists at the University of Laval in Canada¹ showed it was significantly more commonplace to win while 'gambling' on the first few goes on a 'demo' or 'free play' game. They also reported that it was commonplace for gamblers to have extended winning streaks during prolonged periods while playing in the 'demo' modes. Obviously, once a player starts to play for real with their own money, the odds of winning are considerably reduced.

This is not just an issue for adults. Children and adolescents can access 'demo' sites as they are technically not gambling, due to the fact that the player plays for points or virtual money. In a survey of 8,017 young people aged between 12 and 15 years carried out by our research unit², we found that one in twelve young people (8%) said they had played a National Lottery game on the internet. Over a quarter of the adolescents who had gambled on the internet said they had played free instant win games. Here, children are being introduced to the principles and excitement of gambling without experiencing the consequences of losing money. We wouldn't want our children to go into a betting shop and be shown how to fill out a betting slip, make a bet with pretend money, and get them to watch the race to see if they had won or lost, but this is exactly what happens on the internet. For instance, I recently witnessed an eight-year old child in my own extended family being taught how to play poker online (playing for points not money).

There are two immediate implications in terms of social responsibility here. Firstly, all companies should have 'demo' games that have exactly same chances of winning in both the 'play for free' and 'play for money' versions. Secondly, children should not be allowed to access 'play

for free' games and these should be subject to the same age verification techniques for games where money is staked.

The use of 'greater than chance' win probabilities during 'demo' modes is one example of the many tried and tested psychological 'foot in the door' techniques used by the online gaming industry. Another common technique is where an operator offers to match a gambler's first deposit of (say) £100. However, gamblers are often required to play several times this amount before they are permitted to make a withdrawal of funds. Consequently, gamblers may be winning initially, but have to gamble for longer to satisfy the financial withdrawal criteria. This form of 'pushed' loss can perpetuate chasing behaviour.

One of the reasons I don't gamble at online casinos is that the overwhelming majority of games on offer are likely to be pre-programmed. To me, this is the equivalent of playing with imaginary dice! Thankfully, many other online gamblers clearly realise this and this is reflected in the two biggest growth areas in online gambling - betting exchanges and online poker. Sports gambling on betting exchanges is a psychologically safer option because the gambler knows (or can check) who won a particular football or cricket match. There are three main reasons why betting exchanges and other types of online gambling (e.g. online poker) have become so popular. Firstly, they provide excellent financial value for the gambler. There is no casino house edge or bookmakers' mark-up on odds. Secondly, gamblers have the potential to win because there is an element of skill in making their bets. Thirdly, gamblers are able to compete directly with and against other gamblers instead of gambling on a pre-programmed slot machine or making a bet on a roulette wheel with fixed odds³.

One of the most interesting psychological ploys used by many online gambling operators is the use of 'bogus' players and their testimonials. This is a common practice used by the gambling industry to generate hype about their sites. People are 'disguised' as unbiased players who then rave about particular online gambling sites in online forums. There has been a lot of psychological research into under what circumstances information like this is taken on board or disregarded. There is a long established theory that has highlighted the most effective way of getting a message across. Most importantly, the information source needs to be credible (the important features of credibility being expertise and trustworthiness). Identifying yourself as an internet gambler means that you are more likely to treat someone else that is part of your 'in group' as trustworthy. Psychologists have highlighted that source credibility in this situation can be effective for two reasons. The first is that it leads to the processing of information in a half-mindless

state - either because the person is not motivated to think, doesn't have the time to consider, or lacks the abilities to understand the issues. Secondly, source credibility can stop questioning by players ('if other punters think it's a good site, then it must be alright').

Psychological research has also shown that successful persuasive messages should be short, clear, direct and one-sided for receptive audiences. Two-sided arguments should be used if the audience is likely to be unsympathetic to the message. The message must be explicit rather than letting the audience draw their own conclusions (although for informed audiences it can be equally if not more effective to allow the audience draw its own conclusions). Finally, the message should be colourful and vivid rather than full of technical terms and statistics. In short, in the use of psychological research on communication to underpin marketing strategies, the online gaming industry generates mass emails and instant messages with typical claims like: 'I just found the greatest online casino on the Net. You should check it out'. My advice would be that if it sounds too good to be true, then it probably is!

Dr. Mark Griffiths Professor of Gambling Studies
International Gaming Research Unit, Nottingham Trent University
mark.griffiths@ntu.ac.uk

1. Sevigny, S., Cloutier, M., Pelletier, M. & Ladouceur, R. (2005). Internet gambling: Misleading payout rates during the 'demo' period. *Computers In Human Behavior*, 21, 153-158.
2. Griffiths, M.D. & Wood, R.T.A. (2007). Adolescent Internet gambling: Preliminary results of a national survey. *Education and Health*, 25, 23-27.
3. Griffiths, M.D., Parke, A., Wood, R.T.A. & Parke, J. (2006). Internet gambling: An overview of psychosocial impacts, *Gaming Research and Review Journal*, 27(1), 27-39.

SIGN UP FOR FREE E-LAW ALERTS

World Online Gambling Law Report provides a free alert service. We send out updates on breaking news, forthcoming events and each month on the day of publication we send out the headlines and a précis of all of the articles in the issue.

To receive these free e-law alerts, register on www.e-comlaw.com/updates.asp or email kavitha.kasilingam@e-comlaw.com