

# THE PSYCHOLOGY OF SPORTSBETTING

## What should affiliates know?

**UNTIL FAIRLY RECENTLY**, there appeared to be a commonly held perception that consumers viewed the Internet as an information gathering tool rather than a place to spend money. The explosive growth in online gambling and betting shows this is no longer true. For me, one of the interesting questions is how affiliates can use the psychology of people who like to gamble on sports events to get them to access sportsbetting sites (as long as this is done in a socially responsible way that enhances the punter's experience rather than exploits them). I'm sure many people's view of psychology is that it is little more than common sense (and to be honest, some of it is). However, I hope that some of what I have to offer in the rest of this article is more than common sense.

### Trust and reliability

Let's look at it from an individual level. A sports fan has logged on to the Internet and is in the process of deciding which online sportsbetting website to make a beeline for. What things influence their decision? A recommendation from one of their friends? Advice from a gambling portal? An advert they saw in a magazine?

From a psychological perspective, research on how and why people access particular commercial websites indicates that one of the most important factors is trust. If people know and trust the name, they are more likely to use that service. Reliability is also a related key factor. Research shows that many people (including sports bettors) still have concerns about Internet security and may not be happy about putting their personal details online. But if there is a reliable offline branch nearby, it gives them an added sense of security (i.e., a psychological safety net). For some people, trust and security issues will continue to be important inhibitors of online gambling. Punters need assurance and compelling value propositions from trusted gaming operators and affiliates to overcome these concerns.

### Personalisation

One of the growth areas in e-commerce has been personalisation and most online

commercial organisations now have a personalisation strategy as part of its business plan. However, this practice is a double-edged sword that can prove to be a large logistical problem for companies who use such a strategy. Tracking every move for marketing purposes is one thing. Using these data for personalisation purposes can prove troublesome. The amount of data is potentially enormous. Producing personalised pages for everyone is also logistically difficult and may even turn potential punters away. The key is knowing what to ask the punter. Affiliates have to think intelligently and creatively about what to ask their customers in a way that the information gained can be used effectively. Attracting customers and providing recommendations relies on the affiliates putting punters first. Integration can also be a factor here. Gaming affiliates have to think of creative ways to make the website experience more personal.

### Imprinting

One of the most important marketing strategies that companies engage in is 'imprinting' new customers. Online punters quickly adopt predictable Internet usage patterns and evidence suggests that they don't switch online allegiances easily. Smart gaming affiliates will work at becoming a starting point for the novice gambler and capitalise on this opportunity for capturing player loyalty. The emerging post-teenage market is a key consideration although, from a social responsibility perspective, thought needs to be given so that teenagers are not exploited. There is a whole Internet generation of people coming through who have a positive outlook on online commercial activities. They may be happier to enter credit card details online and/or meet others online. This has the potential to lead to major clientele changes as the profiles of these people will be radically different from previous punters. The problem is that the young don't tend to have much disposable income and are less likely to own credit cards. Therefore, another market segment that affiliates need to target to are the over-50s who are starting to use the Internet for shopping and entertainment use. Early retirees have



both time and money. This is why gaming affiliates need to strategically target the 'grey pound'.

### Contextual commerce

So what can affiliates do next? Contextual commerce may be one avenue that gaming affiliates will need to go down. In most retail outlets, shoppers notice what other people are buying and this may influence the purchaser's choice. Companies are now using software that allows customers to do this online including interacting with other like-minded people. Seeing what everyone else is betting on may influence the decision process. There is also the potential to bring in techniques used on home television shopping channels. Presenters tell viewers how much of a product has been sold with viewers to instil a sense of urgency into the buying process, along with an element of peer review. This could be applied by gaming affiliates if people are gambling as part of a sportsbetting community.

### Getting the balance right on the chance-skill dimension

All forms of gambling lie on a chance-skill dimension. Neither games of pure skill nor games of pure chance are particularly attractive to sports gamblers. Games of chance (like lotteries) offer no significant edge to sports gamblers and are unlikely to be gambled upon. While games of skill



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provide a significant edge for the gambler, serious gamblers need more than an edge – they often need an opponent who can be exploited (which helps explain the popularity of online poker). Serious gamblers gravitate towards types of gambling that provide an appropriate mix of chance and skill. This is one of the reasons why sportsbetting – and in particular activities like horserace betting – is so popular for gamblers. The edge available in horserace gambling can be sufficient to fully support professional gamblers as they bring their wide range of knowledge to the activity. There is the complex interplay of factors that contributes to the final outcome of the race.

#### **Inter-gambler competition and the exercise of skill**

Over the last few years, I have often been asked by the media about the increasing popularity of online sportsbetting, particularly in relation to betting exchanges.

Psychologists claim that male gamblers are attracted to sportsbetting because they love competitiveness. Sports bettors clearly feel that gambling via betting exchanges provides value for money and an opportunity to exercise their skill. Another factor that I feel is important in the rise of sportsbetting is not just the inherent competitiveness but also the inter-gambler competition. Obviously, there is an overlap between competitiveness and skill but they are certainly not the same and affiliates need to show how the sites they recommend feed into the psychological needs and desires of the sports bettor.

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