



The Society for the Study of Gambling
Celebratory 50th edition: 1982 - 2013

Newsletter

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The Society for the Study of Gambling

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Autumn 2013, Number 50

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The Society for the Study of Gambling

The Society for the Study of Gambling was formed in 1977 to provide a forum for those concerned with research into gambling, to promote its scientific study especially as far as the psychological, legal, social and economic aspects are concerned, and to inform and educate the public about these matters. In more recent times the Society has broadened its focus to include a wide range of issues relevant to the field of gambling.

The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from gambling operators, regulators, academics, and those who work with problem gambling. It is a condition of the Society that there should be freedom of opinion and practice among its members, so that the Society does not take any particular stance in relation to gambling.

Meetings

The Society holds two meetings a year in London, usually in May and November. Meetings are held under the Chatham House Rule and cover a wide range of topics reflecting current gambling issues. In recent meetings this has included discussion on aspects of regulation, technology, research and social responsibility.

Newsletter

Talks and papers presented at the Society's meetings are often reproduced in the Newsletter at the invitation of the Editor and with the permission of the author. They are not intended to be an alternative to publication in a learned journal.

The Editor welcomes unsolicited manuscripts, book reviews, and other items which would be of interest to the Society's members.

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Editorial

Lorien Pilling, Research Director, Global Betting and Gaming Consultants

It has taken almost 32 years and 11 editors but this copy of the Society for the Study of Gambling's newsletter is the 50th edition of the esteemed publication. This is no mean feat of continuity for a publication created on a shoestring budget, with no funds to pay contributors or copyright fees, and in the editors' spare time from their main jobs. As such, it is an achievement worthy of celebration and reflection.

Looking back through the archives the initial idea for a newsletter for the Society came from Mr Thomas Breen but the two editors of the first edition in May 1982 (when the current editor was just three years old) were Professor Jack Dowie and Dr Michael Pokorny.

The former editors of the newsletter form an illustrious group of people. They include four professors, two doctors, and one holder of the OBE. A roll call of the newsletter's editors can be found below.

One former editor (and prolific contributor to the newsletter over the years), Professor Mark Griffiths, kindly agreed to write an article for the 50th edition reflecting on the last three decades of gambling research.

A critical area for current and future research in the UK is that of gaming machines and fixed odds betting terminals. Anyone who seeks to have an opinion in the argument (on either side of the fence) would do very well to read Dr Natasha Dow Schüll's *Addiction by Design: Machine Gambling in Las Vegas* (2012). Dr Schüll, associate professor at the Massachusetts Institute of Technology's Program in Science, Technology, and Society, has brought together 15 years' research in her book. The research covers both the technical design of machines and the way in which the machines are perceived and used by gamblers, including those who are problem gamblers.

I am very pleased that Dr Schüll agreed to contribute an article for this landmark edition of the society's newsletter.

From the archives

As it is the 50th edition I have also taken the chance to look back in the archives and republish some early articles. One of these is an article from Spring 2004 written by the late Professor Bill Eadington, who died earlier this year. Professor Eadington contributed his first article to the second edition of the newsletter and was a regular contributor over the subsequent decades. It seemed appropriate to recognise his contribution in the 50th edition.

Also republished is the foreword to the first newsletter by the Society's then chairman Dr Moran. It acts as a reminder of the origins of the Society and its purpose. Much has changed since 1977 and

there are many more venues for debate about gambling – both commercial and academic – than existed when the Society was created.

The Society does struggle to compete with the resources of commercial conference organisers but continues to have a very important part to play in the discussion of gambling in the UK. The diversity of speakers the Society presents and the expertise in their given sector is unrivalled. The newsletter, too, tries to capture that breadth of topics and expertise.

Given the low cost of membership, frankly, everyone who is interested in the future of gambling should be attending the Society's meetings.

Editors of the Newsletter of the Society for the Study of Gambling 1982 - 2013

| Newsletter Edition(s) | Editor(s) |
|-----------------------|--|
| 1 - 7 | Dr Jack Dowie Dr Michael Pokorny |
| 8 - 14 | Dr Jack Dowie |
| 15 - 16 | Professor Danny Saunders |
| 17 | Professor Danny Saunders Professor Mark Griffiths |
| 18 - 25 | Professor Mark Griffiths |
| 26 - 33 | Mr Christopher Hill |
| 34 | Dr Mark Neal |
| 35 | Mr Paul Bellringer OBE |
| 36 - 42 | Professor Peter Collins |
| 43 | Mr Ian Ellis |
| 44 | Mr Andrew Poole |
| 45 - 50 | Mr Lorien Pilling |

Speakers at recent meetings have included:

May 2013, London Mathematical Society, De Morgan House

Dr Jonathan Parke, Responsibility in Gambling Trust – The work and objectives of the Responsibility in Gambling Trust

Dr Joanne Lloyd, Department of Psychiatry, University of Oxford – Mood and gambling, a sample of internet gamblers analysed

Simo Dragicevic, Bet Buddy – Player tracking data and implications for responsible gambling

Stuart Tilly, Social Gaming Association – What really is social gaming? Is it gambling? Is it replacing gambling?

Jimmy Thomas, Hippodrome Casino – Lessons from the past and view on the future of the UK gambling industry

No speakers from the May 2013 meeting provided their presentation for publication in this edition of the newsletter.

November 2012, London Mathematical Society, De Morgan House

Dr Alan Littler, VMW Taxand – Dutch gambling reform and the moving feast in Europe

Jimmy Desai, DAC Beachcroft LLP – Cookies, social gaming and the risks to data privacy

John Greenway, former MP – Comments on the Government's plans for the gambling industry

Susanna FitzGerald QC, One Essex Court – Discussion of the case Camelot UK Lotteries Ltd v the Gambling Commission and the Health Lottery ELM Ltd

Foreword to the Newsletter, No 1, 1 April 1982

Dr E. Moran, former chairman of the Society

From the first edition of the newsletter, May 1982

It gives me great pleasure to write the foreword to this first Newsletter of the Society for the Study of Gambling. For some years the Reverend Gordon Moody, Secretary of the Churches' Council on Gambling, had arranged regular meetings of people from various parts of the country who had a professional interest in aspects of 'compulsive gambling'. The meetings took place on an informal basis and were organised in order to provide an opportunity for the participants to share their knowledge and experience. This group formed the nucleus of the Society for the Study of Gambling which was established in 1977.

The aims of the Society are to provide a forum for those involved in research into gambling, to promote its scientific study especially as far as the social, economic, psychological and psychiatric aspects are concerned, and to inform and educate the public about these matters. The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from social workers and psychiatrists who deal with 'compulsive' gamblers to members of the gambling industry. It is a condition of the Society that there should be freedom of opinion and practice among its members so that the Society does not take any particular stance in relation to gambling.

Since its inception, the Society has had regular twice yearly scientific meetings which have so far been held in London. Some two years ago Mr Thomas Breen, the Honorary Treasurer and now also the Honorary Secretary of the Society, suggested that a regular newsletter should be produced. Indeed initially he was the motive force behind the venture. More recently the actual production of the newsletter has been the responsibility of the joint editors, Dr Jack Dowie and Dr Michael Pokorny. The Society owes them a debt of gratitude for actually producing the first issue and thus ensuring that there will be a permanent record of the deliberations of the Society which can now reach a wider audience.

The changing face of gambling studies: a personal look at the last 25 years

Professor Mark Griffiths

Director of the International Gaming Research Unit and former editor of the newsletter

In 1988, I published my first article in the Society for the Study of Gambling *Newsletter* (some findings from my very first PhD study examining adolescent slot machine gambling). Since then I have published 25 articles including quite a few in the years that I was the editor of the *SOG Newsletter* (1990-1995, numbers 17 to 25). I was asked by the current editor to write an article for this 50th edition anniversary issue and decided I would use the opportunity to look back at what I believe to be the most significant changes that I have witnessed in the gambling field since I started my research career in 1987. Obviously I am biased in my choice, but hopefully some of the changes I believe are the most important will tally with some of you reading this. The first half of my article looks at six things that I predicted would happen: (i) gambling coming out of gambling environments, (ii) the increased use of technology in gambling activities, (iii) gambling becoming a more asocial activity, (iv) the rise of remote gambling, (v) the changing nature of family entertainment, and (vi) increase in gambling and gaming convergence. The second half of my article looks at changes I didn't see coming at all!

Gambling coming out of gambling environments: I remember vividly when the UK National Lottery was introduced in November 1994. One of the hidden impacts since the introduction of the National Lottery was that this was a widespread act of gambling that had been taken out of the gambling environment on a national scale. Pre-National Lottery, legal gambling mainly took place in betting shops, casinos, amusement arcades and bingo halls. Admittedly, there were exceptions including the football pools and fruit machines on single site premises. However, gambling can now be carried out in a wide variety of retail outlets. It is also clear that the newer forms of gambling (such as Internet gambling) are activities that are done almost exclusively from non-gambling environments - usually the home or the workplace.

The increased use of technology in gambling activities: Technology has always played a role in the development of gambling practices. I have argued in many of my papers that gaming is driven by technological advance and these new technologies may provide many people with their first exposure to the world of gambling. Furthermore, to some people they may be more enticing than previous non-technological incarnations. Technology is continuing to provide new market opportunities not only in the shape of Internet gambling but also in the shape of more technologically advanced slot machines and video lottery terminals, interactive television gambling, mobile phone gambling and gambling via social networking sites. In addition, other established gambling forms are becoming more technologically driven (e.g. bingo, keno).

Gambling becoming a more asocial activity: I have argued that one of the consequences of increased use of technology has been to reduce the fundamentally social nature of gambling to an activity that is essentially asocial (e.g. slot machine gambling, video poker, internet gambling, etc.). My research has shown that there are many different types of player based on their primary motivation for playing (e.g. to escape, to beat the machine, for social rewards, for excitement etc.). Those who experience problems are more likely to be those playing on their own (e.g. those playing to escape). An old 1988 study by the UK Home Office also made the point that those people who

played in groups often exerted social influence on problem gamblers in an effort to reduce the problems faced. Retrospectively, most problem gamblers report that at the height of their problem gambling, it is a solitary activity. Gambling in a social setting could potentially provide some kind of 'safety net' for over-spenders, i.e., a form of gambling where the primary orientation of gambling is for social reasons with the possibility of some fun and chance to win some money (e.g. bingo). However, I have speculated that those individuals whose prime motivation is to constantly play just to win money would possibly experience more problems. The shift from social to asocial forms of gambling shows no sign of abating. It could therefore be speculated that as gambling becomes more technological, gambling problems may increase due to its asocial nature.

Widespread deregulation and increased opportunities to gamble: Gambling deregulation is now firmly entrenched within Government policy not only in the UK but worldwide. The present situation of stimulating gambling in the UK appears to mirror the previous initiations of other socially condoned but potentially addictive behaviours like drinking (alcohol) and smoking (nicotine). As gambling laws become more relaxed and gambling becomes another product that can be more readily advertised (i.e. "stimulated") it will lead to a natural increase in uptake of those services. This could lead to more people who experience gambling problems (although this may not be directly proportional) because of the proliferation of gaming establishments and relaxation of legislation. What has been clearly demonstrated from research evidence in other countries is that where accessibility of gambling is increased there is an increase not only in the number of regular gamblers but also an increase in the number of problem gamblers.

The rise of remote gambling: In my early 1990s writings on internet gambling, my colleagues and I predicted internet gambling would take off for several reasons. At a very basic level, we argued that gambling in these situations was easy to access as it comes into the home via computer and/or television. I also made the point that Internet gambling had the potential to offer visually exciting effects similar to a variety of electronic machines. Furthermore, virtual environments have the potential to provide short-term comfort, excitement and/or distraction for its users. However, I also argued that there were a number of other more important factors that make online activities like internet gambling potentially attractive, seductive and/or addictive. Such factors include anonymity, convenience, escape, dissociation / immersion, accessibility, event frequency, interactivity, disinhibition, simulation, and asociability. There are many other specific developments that look likely to facilitate uptake of remote gambling services including (i) sophisticated gaming software, (ii) integrated e-cash systems (including multi-currency), (iii) multi-lingual sites, (iv) increased realism (e.g., "real" gambling via webcams, player and dealer avatars), (v) live remote wagering (for both gambling alone and gambling with others), (vi) improving customer care systems, and (vii) inter-gambler competition.

The changing nature of family entertainment: Back in 2000 I made some speculations about the increase in and development of home entertainment systems and how they would change the pattern of families' leisure activities. I claimed the increase in and development of home entertainment systems would change the pattern of many families' leisure activities. I said that the need to seek entertainment leisure outside the home would be greatly reduced as digital television and home cinema systems offer a multitude of interactive entertainment services and information. I claimed many families would adopt a leisure pattern known as 'cocooning' where the family or individual concentrates their leisure time around in-house entertainment systems. Rather than going out, the entertainment comes to them direct via digital television and internet services. Part of this entertainment for many families is online gambling and gaming (particularly, more recently, via social networking). Young people's use of technology (the so called 'screenagers' and 'digital natives') has increased greatly over the last two decades and a significant proportion of daily time is

spent in front of various screen interfaces most notably videogames, mobile phones (e.g., SMS) and the internet (e.g., social networking sites like *Bebo*, *Facebook*). These 'digital natives' have never known a world without the internet, mobile phones and interactive television, and are therefore tech-savvy, have no techno-phobia, and are very trusting of these new technologies. I have argued that for many of these young people, their first gambling experiences may come not in a traditional offline environment but via the internet, mobile phone or interactive television.

Increase in gambling and gaming convergence: One very salient trend is that technology hardware is becoming increasingly convergent (e.g., cell phones with internet access) and there is increasing multi-media integration. As a consequence, people of all ages are spending more time interacting with technology in the form of the internet, videogames, interactive television, mobile phones, MP3 players, etc. In addition to convergent hardware, there is also convergent content. This includes some forms of gambling including video game elements, video games including gambling elements, online penny auctions that have gambling elements, and television programming with gambling-like elements. Recently, there has been debate as to whether some types of online games should be regarded as a form of gambling, in particular those games in which the player can win or lose points that can be transferred into real life currency.

Most of the changes outlined above were things that I predicted would happen in various papers that I wrote in the 1990s. However, there are many things that I did not predict would be areas of growing interest and change. The most interesting (to me at least) include (i) the rise of online poker and betting exchanges, (ii) gender swapping online and the rise of female Internet gambling, (iii) emergence of new type(s) of problem gambling, (iv) increase in use of behavioural tracking data, and (v) technological help for problem gamblers.

Online poker and betting exchanges: Two of the fastest growing forms of online gambling are in the areas of online poker and online betting exchanges. I have speculated there are three main reasons for the growth in these two particular sectors. 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 odds. However, one of the potential downsides to increased competition is recent research highlighting that problem gamblers are significantly more likely to be competitive when compared to non-problem gamblers. My research unit has also speculated other factors that have aided the popularity of online poker. These include (i) social acceptability of this type of gambling, (ii) promotion through televised tournaments often with celebrity players, (iii) 24/7 availability, (iv) the relative inexpensiveness of playing, and (v) the belief that this is predominantly a game of skill that can be mastered.

Gender swapping and the rise in female internet gambling: One study by my research unit reported the phenomenon of gender swapping in online poker players. More female players (20%) in our study reported swapping gender when playing compared to males (12%). Typical reasons that female participants gave as to why they did this were that they believed other males would not take them so seriously if they knew they were playing against a woman. It also gave them a greater sense of security as a lone woman in a predominantly male arena. Males and females clearly had different motivations for gender swapping. For males it was a tactical move to give them a strategic advantage. For females it was more about acceptance or privacy in what they perceived to be a male dominated environment. Similar findings have been reported in relation to online computer game playing. In more general terms, the apparent rise in female internet gambling is most likely because the Internet is a gender-neutral environment. The internet is seen as a less alienating and

stigmatising medium when compared to male-dominated environments such as casinos and betting shops. The most obvious example is online bingo where online gaming companies have targeted females to get online, socialise, and gamble.

Emergence of new type(s) of problem gambling: The emergence of new technologies has brought with it new media in which to gamble. As noted above, the rise of online poker has been one of the success stories for the online gaming industry. This rise has also led to more research in this area including some that suggests a different way of viewing problem gambling. For instance, research has suggested that online poker may be producing a new type of problem gambler where the main negative consequence is loss of time (rather than loss of money). This research has identified a group of problem gamblers who (on the whole) win more money than they lose. However, they may be spending excessive amounts of time (e.g., 12 to 14 hours a day) to do this. This could have implications for problem gambling criteria in the future (i.e., there may be more criteria relating to the consequences of time conflicts as opposed to financial consequences).

Increase in use of behavioural tracking data: Over the past few years, innovative social responsibility tools that track player behaviour with the aim of preventing problem gambling have been developed including, for example, *Mentor* and *PlayScan*. These new tools are providing insights about problematic gambling behaviour that in turn may lead to new avenues for future research in the area. The companies who have developed these tools claim that they can detect problematic gambling behaviour through analysis of behavioural tracking data. If problem gambling can be detected online via observational tracking data, it suggests that there are identifiable behaviours associated with online problem gambling. Given that almost all of the current validated problem gambling screens diagnose problem gambling based on many of the consequences of problem gambling (e.g., compromising job, education, hobbies and/or relationship because of gambling; committing criminal acts to fund gambling behaviour; lying to family and friends about the extent of gambling, etc.), behavioural tracking data appears to suggest that problem gambling can be identified without the need to assess the negative psychosocial consequences of problem gambling.

Technological help for problem gamblers: Much of this article has discussed the potential downside of technological innovation. However, one area that was not predicted a decade ago is the use of technology in the prevention, intervention, and treatment of problem gambling. For instance, technology is now being used for health promotion using the Web, video games, and/or CD-ROMs. Internet gambling sites are beginning to feature links to relevant gambling awareness sites. For those sites that analyze their online behavioural tracking data, it may be the case that such data could be used to identify problem gamblers and help them rather than exploit them. Finally, help in the form of online therapy (such as online counselling) may be an option for some problem gamblers. For instance, an evaluation that we carried out of an online advice service for problem gamblers showed that clients were very positive about the service and that internet gamblers were more likely to access the service than non-internet gamblers.

Closing remarks: Obviously the changes I have listed here are the ones that have been most important to me personally and have formed the backbone of my research. In writing this article, part of me finds it hard to believe that I am still actively researching in the gambling studies field and that there is always something new to learn and discover. All I can hope is that I continue to find the field stimulating enough to want to carry on researching. Here's to the next 50 issues of the SSG Newsletter!

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Getting in the zone

Dr Natasha Dow Schüll

Associate Professor, Program in Science, Technology, and Society, Massachusetts Institute of Technology

Taken from *Addiction by Design: Machine Gambling in Las Vegas* (2012), Princeton University Press

Patsy, a green-eyed brunette in her mid-forties, began gambling soon after she moved to Las Vegas from California in the 1980s with her husband, a military officer who had been re-stationed at Nellis Air Force Base. Video poker machines had been introduced to the local gambling market in the late 1970s, and she discovered them on her trips to the grocery store. *“My husband would give me money for food and milk, but I’d get stuck at the machines on the way in, and it would be gone in twenty minutes. . . . I would be gone too, I’d just zone into the screen and disappear.”*

Ten years later, Patsy’s gambling had progressed to a point where she played video poker before work, at lunchtime, on all her breaks, after work, and all weekend long. *“My life revolved around the machines, even the way I ate,”* she recalls as we talk outside the Gamblers’ Anonymous meeting where we had met. Patsy dined with her husband and daughter only when the three met in casinos; she would eat rapidly, then excuse herself to the bathroom so that she could gamble. Most often she gambled alone, then slept in her van in the parking lot. *“I would dream of the machines, I would be punching numbers all night.”* Eating alone, sleeping alone, Patsy achieved a sort of libidinal autonomy. Her time, her social exchanges, her bodily functions, and even her dreams were oriented around gambling.

“When I wasn’t playing,” she tells me, *“my whole being was directed to getting back into that zone. It was a machine life.”*

Suspending social exchange

The tuning out of our worldly choices, contingencies, and consequences in the zone of machine gambling depends on the exclusion of other people. *“I don’t want to have a human interface,”* says Julie, a psychology student at the University of Nevada. *“I can’t stand to have anybody within my zone.”* Machine gamblers go to great lengths to ensure their isolation. Some select machines in corners or at the end of a row, while others place coin cups upside-down on adjacent machines to prevent people from sitting beside them. *“I resent someone breaking my trance,”* says Randall, who cashes out and moves to another machine if someone talks to him while he is playing. Sharon has learned to buy a litre of Pepsi and two packs of cigarettes before sitting at the machines, so that cocktail waitresses will not interrupt her. *“I put my foot up on one side and that’s the final barrier. Leave me alone. I want to hang a DO NOT DISTURB sign on my back.”*

Even as the zone ultimately effaces their sense of self, machine gamblers' rigorous exclusion of relationality appears, at least initially, to be an act of extreme autonomy and even selfishness. In this sense, video poker would seem to fit the script for the maximizing self—a being who is expected to pursue its goals without being hindered by human ties, commitments and dependencies. *"Other people break the flow and I can't stand it,"* says Julie of live-card gaming. *"I have to get up and go to a machine, where nobody holds me back, where there's no interference to stop me, where I can have my free rein—go all the way with no obstacles."* Other humans figure as a kind of "interference" that acts as a drag on her propensities.

Yet alongside machine gamblers' self-interested drive to pursue the zone unhindered by others runs an equally strong current of self-protection and distrust of social relations. This becomes readily apparent in the comparison with the interpersonal engagement of traditional card gambling. *"In live games,"* Julie observes, *"you have to take other people into account, other minds making decisions. Like when you're competing for a promotion—you're dealing with other people who decide which one is the best. You can't get into their minds, you can't push their buttons, you can't do anything about it—just sit back and hope and wait. But when you're on a machine, you don't compete against other people."* Live card play demands that she "take other people into account" in order not to be displaced or passed over by them, and yet, perversely, provides no clear feedback on which she might base her calculations or hedge her bets. The immersive zone of machine play, by contrast, offers a reprieve from the nebulous and risky calculative matrix of social interaction, shielding her from the monitoring gaze of others and relieving her of the need to monitor them in return.

Suspending money value

At the same time that machine gambling alters the nature of exchange to a point where it becomes disconnected from relationships, it alters the nature of money's role in the social world. Money typically serves to facilitate exchanges with others and establish a social identity, yet in the asocial, insulated encounter with the gambling machine money becomes a currency of disconnection from others and even oneself. *"You put a twenty dollar bill in the machine and it's no longer a twenty dollar bill, it has no value in that sense,"* Julie tells me. *"It's like a token, it excludes money value completely."* *"Money has no value, no significance,"* says another, *"it's just this thing—just get me in the zone, that's all."* *"In the zone state,"* echoes a gambler named Katrina, *"there is no real money—there are only credits to be maintained."*

Paradoxically, in order for money to lose its value as a means of acquisition, that value must be at stake in the gambling exchange. *"The transaction must involve money,"* the gambling scholar Charles Livingstone elaborates, *"because money is the central signification of our age, the materialization of social relations and thus the bridge to everyone and everything that is to be had in modernity."* It is possible for a sense of monetary value to become suspended in machine gambling not because money is absent, but because the activity mobilizes it in such a way that it no longer works as it typically does. Money becomes the bridge away from everyone and everything, leading into a zone beyond value, with no social or economic significance.

When credits get too low, money's everyday value moves to the fore and begins to matter once again. *"I get really tense if I only have twenty credits left,"* says Lola, *"the tension, the anxiousness, starts building in me; all I really want at that point is enough credits to just keeping playing."* *"When you start losing,"* Julie tells us, *"the pace picks up—you're running out of player credit, you're running out of money . . ."* As the worldly value-charge of money intrudes upon the zone, it introduces tension where tensionlessness is sought and relationality where dissociation is sought. *"In the back of my head I know it's going to end, I know the transition is going to come—no longer the world according to the zone, but the real world. The things I escaped from start crowding back into my brain."* In the moment of its total loss, money returns to the scene as a tangible limit and a medium of dependency. *"Money disappears in the zone,"* writes Livingstone, *"yet in the moment when the money's gone, so too is 'the zone.'"* The value of money reasserts itself precisely because money in its conventional, real-world state remains the underlying means of access to the zone.

Suspending clock time

The element of time is another resource of calculative selfhood that gambling addicts manage to convert into a means of escape through their machine play—again, by distilling its real-world value to a point where it assumes another value altogether. While gambling addicts may remain for seventeen hours or even whole weekends at machines, the "clock time" (as they call it) by which those long stretches are measured "stops mattering," "sits still," is "gone" or "lost." Like money, time in the zone becomes a kind of credit whose value shifts in line with the rhythms of machine play; gamblers speak of spending time, salvaging it, squandering it. Randall, noting a phenomenological kinship between his video poker play and his race car driving, comments that both activities make him feel he is "bending" time: *"I go into a different time frame, like in slow motion . . . it's a whole other time zone."*

Just as gamblers must maintain sufficient monetary credit to keep the zone state going, they must maintain sufficient temporal credit; too little time, and the real world will impinge upon the zone—work shifts to begin, doctors appointments to be kept, children to be picked up from school. When time begins to "run out," players thus seek to extract more and more plays from it. As Julie describes in the following passage, she extends zone time by constantly resetting the endpoint of her play:

"When the time comes to leave and the things I escaped from start crowding back into my brain, I find myself rationalizing, Well, I don't really have to go today . . . and I ask an attendant to hold my machine while I run to the payphone to call and buy myself more time, and then back to continue, and now there's three more hours. And when those three hours are up, I think, I'll have to save money for the phone calls I'll have to make to cancel all the appointments I am going to miss. . . . I'm thinking of how to arrange things so that I can stay there, how to economize."

In the intervals of tension that threaten the continuation of her play, Julie calculates in two registers of time at once—clock time and zone time: How can she parlay the former into the latter? Or, as she asks above, how to economize? At the edges of the zone, Julie must remain mindful of the coins she needs to "save" to cover the cost of phone calls that might free up clock time and thus buy her more

zone time. (Again, we see that the zone never entirely loses its economic market metric, for real-world money is what buys the clock time that buys zone time.)

When she can buy herself no more time and real-world demands press upon her, Julie resorts to speed, as she does when her play credits are running dangerously low. *“When I absolutely have to be somewhere, then I have to play as much as I can possibly play before leaving. I start chasing, I play faster and faster—Oh God, I only have fifteen more minutes, ten more minutes . . .”* In the zone, she experiences time as event-driven rather than clock-driven, elastic rather than rigid.

Conclusion

A complicated relationship exists between the technologically mediated mini-decisions that compose video poker and the ever-proliferating choices, decisions, and risks that actuarial selves face in free-market society. The activity narrows the bandwidth of choice, shrinking it down to a limited universe of rules, a formula. Although choices are multiplied, they are digitally reformatted as a self-dissolving flow of repetitious action that unfolds in the absence of “choosing” as such. In this sense, it is not the case that gambling addicts are beyond choice but that choice itself, as formatted by machines, becomes the medium of their compulsion. *“I was addicted to making decisions in an unmessy way,”* Sharon remarks, *“to engaging in something where I knew what the outcome would be.”*

“Most people define gambling as pure chance, where you don’t know the outcome,” she goes on. *“But I do know: either I’m going to win, or I’m going to lose. . . . So it isn’t really a gamble at all—in fact, it’s one of the few places I’m certain about anything.”* Counter-intuitively, what gamblers seek through their engagements with gambling machines is a zone of reliability, safety, and affective calm that removes them from the volatility they experience in their social, financial and personal lives. Although the activity deals in chance, it holds worldly contingencies in a kind of abeyance by immediately resolving bets with the quick press of a button, admitting gamblers into an otherwise elusive zone of certainty. In this zone, aspects of life central to contemporary capitalism and the service economy—competitive exchange between individuals, money as the chief symbol or form of this exchange, and the market-based temporal framework within which it is conducted and by which its value is measured—are significantly altered. Video poker distills these aspects of life into their elementary forms (namely, risk-based interaction, actuarial economic thinking and compressed, elastic time) and applies them to a course of action formatted in such a way that they cease to serve as tools for self-enterprise and instead serve as the means to continue play.

Yet the suspension of the self and its actuarial imperative is never entirely complete. This incompleteness is reflected in the ambivalence that gamblers express toward the “choices” they face while gambling, describing them as at once emancipatory and entrapping, annihilatory and capacitating, reassuring and demonic. Lola, the buffet waitress, speaks of “resting in the machine,” then later in her narrative describes video poker’s relentless stream of card choosing as commanding—the activity “hooks,” “holds” and “captures” her attention. *“You have no choice but to concentrate on the screen,”* remarks Julie, *“you simply cannot think about anything except which cards you are going to choose to keep and which you are going to choose to discard.”* Even as

gambling addicts in the zone strive for release from the procession of choices they face in their daily lives, they remain caught in the predicaments of the enterprising self.

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The wellbeing of British gamblers and problem gamblers¹

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Measurement of wellbeing

Over several decades faith has been growing in the social sciences that it is possible to measure wellbeing directly and systematically and that the results can and should be used to inform public policy in all spheres. The influence of this 'new science of happiness' (Layard, 2005) in fact grew to the point where, in June, 2011, the General Assembly of the United Nations passed a resolution that member states should gather data that would capture the importance of the pursuit of happiness "with a view to guiding their public policies". Accordingly, in Britain, the Office for National Statistics began publishing its new data series on wellbeing in 2012.

Such data, now gathered nearly routinely in all regions of the world, derive from surveys of 'subjective wellbeing' which simply ask people to evaluate their own lives. The question posed may be couched in terms of 'happiness' (all things considered, how happy would you say you are these days, on a scale of 1 to 10?) or in terms of 'life satisfaction' (how satisfied with your life would you say you were these days, on a scale of 1 to 10?). But which is used does not seem to matter very much: the European Social Survey uses both types of question and the data reveal very similar patterns of responses in terms of which positive and negative factors impinge on people's wellbeing (Helliwell, Layard & Sachs, 2012, pp. 14, 16).

Individuals' responses to such subjective wellbeing questions are liable, of course, to be somewhat idiosyncratic to the extent that they may interpret the scales very differently; and they will certainly have differences in personality that make them, for example, variously more inclined to optimism or to pessimism. But, so long as the number of people surveyed is sufficiently large, these differences tend to cancel each other out and very clear patterns then emerge as to what makes for happy and unhappy lives. For example, across individuals in a country, an individual's health is invariably the most influential explanatory variable in statistical models to predict wellbeing. Other universal findings include a large positive effect associated with living with a partner and the seriously negative impact (particularly for men) of unemployment. When comparing wellbeing across countries rather than across people, the degree of corruption in the society is, for example, a robust negative predictor of wellbeing. But according to analysis in the 2012 World Happiness Survey (Helliwell, Layard & Sachs, 2012, Ura, Alkire & Zangmo, 2012), prepared for the United Nations, mental health is the biggest single factor associated with differences in average happiness between countries. Such findings have policy implications, in this case that it is unjustified that so many countries provide such very limited resources to addressing mental, as opposed to physical, health issues.

¹ This contribution to the *Newsletter* summarises findings from a much longer, recently completed scientific paper, available from the author on request. The findings were first presented in the keynote opening address of the Asia-Pacific Association for Gambling Studies Conference, held in Macau in November, 2012.

Until now, gambling has been one area of public policy which has not been informed by analysis of wellbeing. However, sensing the zeitgeist, the Gambling Commission added a 'happiness question' to the British Gambling Prevalence Survey (BGPS), 2010. This makes it possible, for the first time anywhere, to study the relationship between wellbeing on the one hand and gambling and problem gambling on the other.

The BGPS achieved an adequate sample size, 7,756, which was judged suitably representative of the general population (Wardle et al., 2011). Of these, 7,721 (99.5%) answered the happiness question, demonstrating that respondents did not typically find it difficult to understand. In the statistical analysis of these 7,721 responses that I carried out, the happiness score was related to participation in gambling and to scores on the two screens for problem gambling included in the Survey, DSM-IV and the Problem Gambling Severity Index (PGSI). Each screen seeks to identify problem gamblers and those at risk of problem gambling. That they do not identify exactly the same people as problem gamblers no doubt reflects the different emphases in their questions, the first being more focused on indicators of dependence and the second on indicators of harm from gambling.

The raw data

Prior to statistical modelling, the raw data were examined to allow a preliminary assessment of the extent of any difference in wellbeing of problem gamblers and the rest. 'Problem gamblers' at this stage were defined as respondents who were so classified by either or both of the screens. There were 113 such individuals, 1.47% of the sample. These individuals indeed exhibited a very different pattern of responses to the happiness question from that of the rest. On the ten-point scale (where 1 was very unhappy and 10 very happy), the problem gamblers' mean response was 6.15, compared with 7.90 for the rest of the sample, a strongly statistically significant difference, and a large one given that responses in the Survey tended to crowd into a narrow range, 7-10. Perhaps more tellingly, problem gamblers were strikingly more likely to present very low happiness scores. In line with other British social surveys, approximately 15% of all respondents in the BGPS were in 'wellbeing poverty' (scores 1-6); but nearly half of problem gamblers offered answers in this range.

On the face of it then, problem gamblers tended to exhibit dramatically depressed wellbeing relative to the rest of the population. This would appear to imply that their problems should be addressed with high priority in public policy. However, there was a *possibility* that the findings were, to an extent, a statistical artefact. It is well-known that problem gamblers are disproportionately likely to be male, young-to-middle-aged, from an ethnic minority and economically disadvantaged. All these are established predictors of depressed wellbeing in the happiness literature. Therefore, it was possible that the results just reflected differences in the composition of the problem gambler and non-problem gambler populations.

To insure against this possibility, statistical modelling was required. The goal of the modelling was to establish whether problem gambling was an independent predictor of depressed wellbeing, holding constant 'life circumstances'. Fortunately, the BGPS collected information reflecting a rich variety of indicators of life circumstances. The statistical models to account for wellbeing in males and females were able to represent life circumstances by variables representing age, ethnicity, schooling, marital status, the presence of children, labour force status, household income, and consumption behaviour

with respect to drinking and smoking. The aim was to model the relationship between happiness score and gambling variables, controlling for all these life circumstances.²

Male and female models were estimated first using responses to the DSM-IV and then responses to the PGSI screen. The 'headline' findings proved similar in the two cases. Here, the PGSI results are discussed in detail (with passing reference to the DSM-IV results).

PGSI score as a predictor of wellbeing

The version of the PGSI screen employed in the BGPS asked respondents (who had gambled in the preceding twelve months) to consider nine items related to their experience of gambling, for example, did they bet more than they could afford to lose, did they need to gamble with increasing amounts of money and did they feel guilty about gambling. For each item, the possible responses were 'never', 'sometimes', 'most of the time' and 'almost always'. These replies scored zero, one, two and three points respectively. Hence, a total PGSI score could range from 0 to 27 points. Most (90.0%) of those sampled who had participated in gambling recorded a score of 0 on the screen and these are termed here 'recreational gamblers'. They exhibited no sign at all of problematic play. What of those who did? In the BGPS, a respondent with a score of 1 or 2 was classified as a 'low-risk' gambler. A score of 3-7 was considered to indicate a 'moderate-risk' gambler. The threshold for classification as a (full-blown) 'problem gambler' was set at 8 and the official estimate of the (PGSI) prevalence-rate of problem gambling in the BGPS was the proportion of the whole sample (0.7%) to score 8 or more. This suggested that there were about 360,000 problem gamblers in Great Britain.³

The wellbeing of 'official' problem gamblers is of course very important. But the formulation of gambling policy should take account also of the interests of the much larger numbers in the population who gamble fully responsibly (recreational gamblers) and the interests of those who show limited signs of problematic behaviour (low-risk and moderate-risk gamblers). For example, there are more than twice as many moderate-risk gamblers as problem gamblers in the sample and it is relevant to ask whether this group is one we should worry about. Simply because there are so many more of them, it is conceivable that the social harm associated with their behaviour is actually greater than the social harm associated with that of (official) problem gamblers (Wardle et al. 2011).

These thoughts drove the specification of the statistical models. Controlling for the life circumstances enumerated above, the model was designed to show the effect on predicted happiness score according to whether the individual was a non-gambler, a recreational gambler, a low-risk gambler, a moderate-risk gambler or a problem gambler.

² Results on the life circumstances variables are not discussed here but are presented in the full paper. They tend to be very similar to those reported in other wellbeing studies. For example, health is the most important predictor of wellbeing, the elderly are the happiest age-group, marriage and cohabitation are associated with sharply elevated wellbeing, and income has a positive but only relatively small influence on happiness score.

³ Most were male. The male prevalence-rate was estimated as 1.1%.

Results

Recreational gamblers

Among men, classification as a recreational gambler was associated with elevated wellbeing compared with non-gamblers. The effect was statistically significant, most evident in the white population, and of moderate magnitude (about 0.2 points on the ten-point scale). The same association was not found for women though a statistically significant happiness premium, similar in size to that for men, did emerge from the analysis when the recreational gambling included live bingo.

Thus it appears safe to say that recreational gamblers enjoy greater wellbeing than those in the population in similar life circumstances but who do not participate in gambling. However, it cannot be concluded that responsible gambling 'causes' happiness. The model is able to reveal only association, not causation. It is *possible* that a non-observed aspect of personality, such as extroversion or love of risk, influences both wellbeing and propensity to gamble and that this generates the positive correlation revealed by the data. On the other hand, Downs (2012), in this *Newsletter*, set out reasons why gambling activities, pursued responsibly, might promote wellbeing: they can provide thrills, hope, escape, social interaction and a feeling of gaining control over one's own life, all factors regarded in the positive psychology literature as contributing to a sense of wellbeing. It is therefore also *possible* that recreational gamblers lives are indeed the better because of their participating in gambling. This is one reason why any proposals for restricting the choice to gamble should be treated with caution. Given the positive association, amongst women⁴, between wellbeing and attending bingo, it is also one reason for regretting the decline of bingo in Great Britain.

Problem gamblers

The indicator variable to signify a PGSI problem gambler proved a very powerful negative predictor of wellbeing, with the magnitude of the effect around one full point on the ten-point happiness scale. In the parallel analysis using DSM-IV scores, the magnitude of the effect was even larger, -1.55 points and -1.38 points for men and women respectively. These are very large effects indeed. For example, classification as a DSM-IV problem gambler has a greater negative impact on predicted happiness score than changing an individual from having 'fair health' to having 'very bad health'.

Problem gamblers are therefore typically very badly off, comparably so with those experiencing serious physical disorders, even controlling for a variety of other life circumstances. As before, causation cannot be established from the available data. It is possible that the depth of unhappiness observed among problem gamblers is not mainly caused by their gambling: co-morbidities with other psychological disorders are common and unhappiness may reflect issues in their lives that go well beyond gambling. However, while causation is an open question, it is clear that 'problem gambler' is an important marker for very low wellbeing. This establishes a prima facie case for public policy to take the problems of problem gamblers (once identified) very seriously indeed. On the

⁴ There were too few male bingo players in the sample to test for the same association amongst men. By contrast, there were 394 female players, enough to permit a statistically robust conclusion to be drawn.

basis of measurement of wellbeing, problem gamblers' problems are as in need of addressing as those of patients with very poor physical health. Given this, it appears anomalous, for example, that Britain has only one dedicated problem gambling clinic within the National Health Service and that most countries within the European Union have made no attempt to measure the extent of problem gambling prevalence in their societies.

At-risk gamblers

Recreational gamblers are those who score zero on the problem gambling screen. Problem gamblers are those who pass the official threshold. What of those in-between? Should we be worried about those who exhibit some of the signs of problem gambling but not enough to be included in the official count of problem gamblers? Presumably we should be worried about them if classification as an at-risk gambler is a marker for low wellbeing.

According to the BGPS, only 0.7% of adults were PGSI problem gamblers. But the prevalence-rates of 'low-risk' and 'moderate-risk' gambling were very much higher, 5.5% and 1.8% respectively. The much higher number of at-risk gamblers in the population makes it important to consider their wellbeing levels as well as those of official 'problem gamblers'.

In the statistical analysis for males, controlling as always for life circumstances, 'low-risk' did not predict any change in wellbeing compared with that of non-gamblers. However, 'moderate-risk' was a highly statistically significant negative predictor. Moreover, the magnitude of the effect was large, -0.69 points on the ten-point happiness scale. This is a very large shift. For example, it is, coincidentally, exactly the same size of estimated effect as that from changing a man's labour force status from 'employed' to 'unemployed'. On the basis of measurement of wellbeing, moderate-risk gambling is a phenomenon to be taken as seriously, socially, as unemployment.

For women, low wellbeing emerged as an issue even for those classified as low-risk gamblers. This carried a penalty of -0.52 points on the ten-point scale. Moderate-risk gambling carried a penalty of -0.94 points. Again, these are very significant effects.

The DSM-IV analysis yielded the same contrast between men and women. In the DSM-IV screen, classification is based on how many endorsements of ten statements about his or her gambling behaviour a respondent records.⁵ For men, one or two endorsements made no difference to wellbeing compared with non-gambler status. Only once the official threshold (three endorsements) was reached was there the large, negative effect on wellbeing noted above. For men, the threshold seemed, then, to be successful in separating out those whose gambling was associated with depressed wellbeing. But for women, even one endorsement had a negative and important impact (about half-a-point) on predicted wellbeing and the effect of classification as an 'at-risk' gambler (two endorsements) was close to that from being a full-blown 'problem gambler'.

Two important implications follow from these results. First, interpretation of problem gambling screen scores should not necessarily be similar when considering male and female responses: even isolated signs of problematic gambling behaviour may be significant markers for low wellbeing among women. Second, the number of individuals affected by problem gambling issues in Great

⁵ For example, the first of the ten items asks respondents whether they chased losses: never/ some of the time/ most times/ every time. Choosing the third or fourth options counts as an endorsement. Endorsement of two items leads to classification as at-risk and endorsement of three or more to classification as a problem gambler.

Britain may be much larger than the headline prevalence-rate suggests. For example, the PGSI prevalence-rate implies 360,000 problem gamblers in the British population. But if those whose behaviour is described by 'moderate-risk' were added to the pool of those who might be considered problem gamblers (on the grounds that their gambling behaviour predicts depressed wellbeing), then the estimate would increase to more than one million. Inevitably this would point to a need for higher priority to be accorded to addressing the issue of dysfunctional gambling.

Affected family members

Orford et al. (2013) make the case, for addictive disorders generally, that the number of individuals affected is much higher than the number of individuals suffering those disorders. This is because addictive behaviour may inflict high costs on other family members.

To investigate this issue in the context of gambling disorder, a fresh statistical model was estimated, exploiting responses to a question in the BGPS which asked respondents whether they had any close relative (including partner) who had had a gambling problem in the preceding twelve months. 3.73% of the sample answered affirmatively, a similar proportion as the combined DSM-IV at-risk and problem gambler prevalence-rates. Many more women than men reported a close relative with a gambling problem. Presumably this reflects that problem gambling is much more common in men and therefore more partners of problem gamblers will be women.

The statistical model sought to predict happiness score on the basis of an indicator variable for having a close relative with a gambling problem. It also included the full set of 'life circumstances' controls as before and additional variables to reflect own-gambling behaviour.

The results were very clear. Having a close relative with a gambling problem was indeed a statistically robust predictor of depressed wellbeing. The size of the estimated effect was very large for men (-0.95 points) but somewhat lower (-0.39 points) for women. The apparent greater resilience of women in this situation possibly reflects that gambling disorder in women is so uncommon that male partners find it particularly hard to cope. But, whether for men or women, the association between wellbeing and having a problem gambler in the family is strong compared with the influence of other adverse circumstances, such as low income. Of course, the caveat that it is not possible to identify causation still applies. What can be said is that when a problem gambler is identified, any intervention is typically into a situation where not only is the subject likely to be experiencing unhappiness but also there will be a ripple of unhappiness present in his or her family. This underlines that problem gamblers' problems deserve considerable attention in health services and in the formulation of gambling policy.

General implications

The gambling industry claims to provide entertainment that enriches the lives of its customers. It recognises that some individuals experience problems with their gambling but notes that problem gamblers in fact account for well below 1% of the adult population.

The results of the statistical analysis are consistent with the claim that customers' lives are enriched. Recreational gamblers report higher levels of wellbeing compared with non-participants and, while

causation is unclear, this finding suggests that it might be risky to interfere with the ability of the majority of the population to choose to gamble as part of their lifestyle.

On the other hand, focus on low official prevalence-rates may lead to complacency concerning the problem gambling issue. First, even if there are 'few' problem gamblers, their wellbeing is typically so low as to make problem gambling a serious public health issue. Second, since 'moderate-risk' gambling proves to be a powerful negative predictor of wellbeing, it is arguable that the threshold for counting as a problem gambler has in any case been set too low. Third, the number of people affected by problem gambling is clearly higher than the number of problem gamblers because of spillover effects on relatives; and evidence on their wellbeing is consistent with the amount of spillover harm being large. All these points are subject to the caveat that causation is unclear; but the data do show a significant pool of unhappiness associated with disordered gambling behaviour.

In terms of public policy, the pool of unhappiness identified by the data suggests a case for generous provision of services to address problem gamblers' problems, though only, of course, where providers can demonstrate that intervention is capable of being effective. Regarding regulation, the evidence underlines a need to take seriously the potentially large social benefits and costs (to recreational and problem gamblers respectively) associated with the gambling industry. Many policies involving restriction of choice may involve a trade-off between the interests of the majority (recreational gamblers) and the minority (problem gamblers and their families). Much current thinking involves trying to avoid the trade-off by seeking to identify policies that would effectively target problem gambling behaviour without undue restriction of the pleasures which the majority appear to gain from their engagement with gambling.

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In-running football betting: past, present and future

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Introduction

In-running betting (IRB) can be defined as betting on the outcome of a sports event after the start of the event itself. The vast majority of IRB revenues are currently generated online, and global online betting revenue from IRB is dominated by football (75%), followed by tennis (10%), basketball (8%) and golf (4%). In certain markets where horseracing is an important part of the sports betting mix, such as the UK and Ireland, it has a moderate but solid share of the total IRB market. This article, however, concentrates on online football IRB - both the dominant sport and the dominant channel for this form of sports betting.

The arrival and growth of a vibrant new market

Whilst it is no exaggeration to describe the recent growth of IRB on sports as 'explosive', this is a market segment which has been on something of a 'slow-burn-fuse' for longer than one might imagine. IRB on football commenced in the late 1990s and was offered on a few selected weekly matches by Asian bookmakers, where pre-match betting turnover was high, and where forecast bettor interest in IRB was also expected to be strong. Invariably this meant offering IRB on the English Premier League or Italian Serie A, which was equally dominant at the time.

Such early games were traded entirely manually by bookmakers, and pricing on early games was both volatile and unpredictable. This was well before any consideration of automated pricing or trading tools and when 'trader opinion' was the default market-making position. Singles betting on football matches, whether off-line or online, was not the norm at this time and overall margins on football were generally attractive. Multiple-betting still dominated football betting at this time and gross win margins on football were typically in the 10% - 15% range.

At this stage, early IRB games were offered on a somewhat experimental trial basis, with early gross win margins on IRB – an improvement over pre-match wagers – highly-encouraging to those early Asian bookmakers. In Europe, when offshore online bookmakers began to offer 'no-deduction' betting at the start of the new decade, the nature of pre-match football betting began to alter fundamentally, with larger stakes at shorter prices on single matches being now both viable and of

undoubted interest and value to the betting customer. The subsequent arrival in 2001 of a Gross Profits Tax regime in the UK allowed the same 'value benefits' to domestic customers, who were also now able to choose another type of sports betting provider with the arrival of peer-to-peer sports betting exchanges from 2000.

Betfair, destined to become the largest such operator, offered its first in-running betting options on a football match in 2001. The days of 10%+ gross win margins on football were already starting to look under threat. Pricing system reliability in 'real time', plus 'player latency issues' – the depressingly slow internet connections on 56k dial-up modems - were still the norm for many online gambling operators and were major barriers to the success of such betting innovation.

It needed the arrival of broadband internet connectivity in Europe from 2003 before such initiatives, and greater IRB opportunities, could become a sustainable reality. The subsequent rapid adoption of broadband by bettors, coupled with record global sales of faster, cheaper and better home computers, also quickly helped resolve both player latency and interface issues.

The simultaneous rapid development of bookmaker pricing system capabilities and early algorithms, designed to semi-automate the pricing and liability management of key football markets during an event, were increasingly being used by innovative bookmakers by the middle of the decade. This led to an increase in customer demand for IRB opportunities and bookmakers began to improve supply.

An additional market feature which arrived from around 2005 was the widespread adoption of freely available video streams of live football matches shown on bookmakers' websites. Some of the early adopters, like Bet365, became quasi-sports broadcasters in their own right and now show up to 5,000 such live broadcasts per year.

Alongside the increasing growth of live football matches shown on both terrestrial and satellite TV platforms – up by more than half in the two key European football betting markets of the UK and Italy between 2000 and 2005 – bettors had more choice and increasingly adopted IRB as a regular and frequent addition to their sports betting repertoire.

By 2005/2006, some bookmakers (including Unibet and Sportingbet) were reporting that between 5% and 8% of all their sports bets were now being struck in-running and gross win margins continued to be attractive when compared with pre-match wagers. One strong argument from proponents of IRB was that, in real-time, the player had little or no chance of 'shopping around' for a better price when striking their in-running bet, a practice they most certainly exercised when placing a pre-match wager. By this time, even recreational players had multiple online sports betting accounts, and frequently sought the 'best-price' for their favourite football bets. Everyone, it seemed, had become what the marketers had dubbed 'value-seekers'.

IRB was continuing to deliver better margins when compared with pre-match wagers, and bookmakers were naturally keen to satisfy the growing demand in order to leverage, and exploit, that improved yield. The arrival of highly reliable 3G mobile devices – in particular the iPhone in 2008 – led to further growth in customer demand, satisfied by increasingly automated pricing tools and the widespread adoption of algorithms by most sportsbook operators to both meet that demand and better manage their in-running liabilities.

Bookmakers also invested heavily in delivering mobile IRB applications targeted at this player segment, some of whom had begun to choose mobile devices as their preferred betting channel, threatening to overtake desktops and laptops. Reliable mobile devices were simply tailor-made for in-running betting, and revenues continued to soar. By 2009 Unibet and Sportingbet were both reporting that around 40% of all sports bets were now being struck by players in-running. It was a segment increasingly attracting the attention of analysts and investors, and those listed bookmakers were equally keen to report on the rapid development of what was now a significant sports betting revenue stream.

The FIFA World Cup in South Africa in 2010 – played in the same time zone as the UK and Europe, and so particularly attractive for live betting purposes – was a watershed. This tournament became the first global football event dominated by in-running betting, with an estimated 55% - 60% of all bets struck on the event being an in-running wager. This was also the single most heavily promoted tournament in betting history, with major marketing campaigns, including TV, focusing heavily on the IRB opportunities, a trend which continues to dominate bookmakers' tactical promotional investment during the football season. By the time of the 2012 UEFA Euro Championships, IRB's share had risen to an estimated 65% - 70% of bets across the event. When one considers that at the time of the 2008 Euro Championships just four years before, IRB would have represented perhaps 20% of bets struck, it is a truly momentous shift in people's football betting behaviour.

Future outlook, issues and challenges

With the next World Cup approaching in 2014 where might this segment go from here?

One could argue that, despite all the creative efforts of the sportsbook operators over the past decade, the football bettor remains something of a creature of habit. A typical high-profile football match, shown live on TV, would generate the vast majority of its total in-running betting revenues on the traditional 'outright' 1x2 market. In Europe, for every euro bet during the 90 minute event, perhaps 60% would be transacted on the 1x2 market, 30% perhaps on the 'over-under' goals markets, with the residual 10% or so on the myriad of other markets (sometimes as many as 80 or so on a popular match).

Encouraging betting consumers to expand their betting repertoire is a constant goal of operators, as this typically leads to margin improvement, and it seems certain that this will continue to dominate their plans over the next 10 years. Having up to 90% of IRB bets on football on just two core markets is surely something the operators will want to adjust significantly, and with good reason. One by-product of the rapid growth of this pattern of football betting over the past decade has been the gradual 'commoditisation' of pricing: the increased use of automated trading tools and their associated mathematical algorithms have tended toward homogenous market prices, thus removing price as a significant differentiator, and which can tend to lessen customer loyalty.

Margin dilution is also a factor, with clear evidence that many players now eschew multiple betting on football in favour of more singles betting, and related, subsequent IRB bets. The clear trend is

now for far higher betting volumes, across a far broader profile of football betting customer, but at much lower gross win margins, now firmly in the 1.5% - 4% range. One recent development, designed to retain customers and stimulate bet re-cycling, both of which will help halt margin dilution for the operator, is offering the online player the option of 'cashing out' their original bet in the midst of their IRB event through a simple 'one-click transaction. A customer would choose this option either to protect their initial bet stake, lock in a guaranteed profit or mitigate a pending loss. Whilst this 'trading mechanic' has been open to more experienced users of exchanges since their launch, an automated 'cash-out' option targeted at the more recreational player is proving both a popular and fast growing element of the IRB football market. William Hill and Betfair have both launched such options for their football bettors – both exchange and fixed-odds - over the past 18 months or so and both are recording high uptake levels and major changes in player behaviour. Betfair recently recorded in a trading update to the City that *"...40% of cash-out users previously placed 'back-only' bets..."*, whilst William Hill stated in a recent analyst presentation that *"...in the first 2 months after launch, over 51,000 customers cashed out their winnings early, recouping more than £9m.....(and) the direction of travel's very good."* This opportunity is clearly attractive to players, and offers the operator clear benefits too, as they report increased betting frequency and increased average stakes. Up against a background of margin dilution, these are powerful mitigating features, and this sector seems certain to deliver continued grow and become an essential part of the IRB football betting landscape.

One potential issue on the horizon is the scope for any future legislative changes on this increasingly important segment by regulators in different jurisdictions. To date, there is certainly no unanimity of views by those jurisdictions who have undertaken any analysis of the segment. The UK Gaming Commission first published a 'position paper' on IRB in March 2009 and decided to continue to 'monitor' the segment rather than make any proposed changes, a position they continue to hold. On the other hand, the Australian authorities have elected to bring in a nationwide ban on the advertising of odds and IRB betting opportunities, whilst the sports event itself is underway from summer 2013. Australian regulators were originally against the very principle of IRB when initially legislating for online betting in the middle of the last decade, and these latest measures are apparently designed to 'dampen demand and protect players'. It will be interesting to see how these measures affect future demand and player behaviour, in both the short and longer term.

What does seem clear is that IRB segment growth and margin improvement over the next five years will be more challenging in 'mature' regions such as Europe and Australia. Future significant growth seems more likely to come from new and emerging markets and regions, where interest in football is high, but where betting frequency and stakes are comparatively very low. This would certainly include Africa and Latin America, with both regions needing infrastructure improvements, such as the widespread arrival and adoption of both internet broadband and smartphone ownership, to succeed. But with a combined population of more than 1.5 billion, these regions – already 'football-mad' – seem destined to offer some of the most significant future growth opportunities over the next ten years, and will help maintain this segment's undoubted continued vibrancy.

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The UK Gambling Bill: another spin of the wheel

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The internet gambling sector in the UK is one of the most fiercely competitive and open markets in the world. There is no limit on the number of licences, all gambling activities are permitted – from betting exchanges through to live dealer casino games – and gambling firms can advertise their services in print and on television. All of this was permitted by the Gambling Act 2005, which took quite an enlightened attitude towards regulating internet gambling. But the nature of the UK market could be changed by the new Gambling (Licensing and Advertising) Bill announced in the Queen's Speech in May 2013.

One of the strengths of the UK Gambling Act 2005 was that it recognised the internet gambling licences issued by certain other jurisdictions such as Gibraltar, Malta, and the Isle of Man. This meant that operators licensed in those jurisdictions on the 'white list' would be able to operate and advertise in the UK. The advantage was that it enabled firms to remain 'offshore' from the UK and not be liable for the UK's 15% remote gambling tax, which was the main weak area of the Gambling Act. But the proposed Gambling (Licensing and Advertising) Bill will bring this situation to an end.

The overall aim of the new Gambling Bill is to introduce e-gaming taxation based on a point of consumption scenario. To this end, operators wishing to take money from UK-based customers will have to hold a licence in the UK and will pay the UK rate of gambling tax on their gross win from UK players. It will still be possible for firms to be located offshore under the proposed regulation if they hold a UK licence. The Gambling Bill effectively ends the 'white list' arrangement, although white list licence holders will not have to go through complete relicensing process by the UK Gambling Commission.

The new bill is being promoted as offering better protection to the customer, an argument that has been used across Europe for the new internet gambling legislation that has been passed. But the UK government can't help but notice that the Gambling Bill will bring in some extra tax revenues too. GBGC calculates that UK gamblers spent GB£ 1.72 billion on internet gambling in 2012. The majority of this spending was with companies based offshore and not liable to UK gambling tax. Under the new regulatory set up the UK government would have collected some GB£ 260 million in gambling tax, assuming a rate of 15%. By the time the new bill actually comes into force in 2014/2015 the amount the government will collect in gambling tax will be approaching GB£ 300 million. Such an amount will not solve the UK's debt problems but it is a useful contribution and is a tax that is fairly easy to collect.

Prior to moving their operations offshore, the likes of William Hill, Ladbrokes, Betfair, and Coral all ran successful internet sports betting divisions from the under the 15% tax rate. Bet365 still does so, as one of the only major betting firms that has not moved offshore. What is less certain is how online gaming – poker, casino, and bingo – will fare under the 15% rate. Few companies have ever run their internet gaming services from the UK.

The evidence from other countries around Europe is that the likes of internet casino and poker do not thrive in high-tax set ups. The markets in France and Italy can hardly be described as great successes for many of the operators, although they are doing a good job of collecting tax for the respective governments.

The original model for internet gambling was based on low taxation and a high payout to the customer. The reason that the UK became such a competitive and successful internet gambling market was precisely because it allowed operators to work to this model and advertise their services.

The UK is too important a market for many operators for them to choose to leave or opt out when the new regulation is enforced but it will alter the reason for being in offshore jurisdictions for certain groups of operators

GBGC understands that under the new Bill revenues from non-UK based players will not be taxed by the UK government under the new arrangement. A point of consumption tax, rather than a country of origin tax, suggests that a UK-licensed gambling company will, therefore, not be required to pay gaming tax on revenues from players in the likes of Asia. So, for those companies with very few UK-based customers but who wish to sponsor English Premier League teams to advertise to their Asian-based customers, the new UK setup could look quite attractive to them.

In Gibraltar it is reported that the Gibraltar Betting and Gaming Association (GBGA) has created a legal 'fighting fund' to try and get a judicial review into the proposed UK regulatory changes, which would have an impact on the business model of many of the Rock's key licence holders. Earlier this year the GBGA made a submission to the House of Commons Culture, Media and Sport Committee in which it said: *"In the event that the Government determines to proceed with the proposed legislation and fiscal reforms, the GBGA will regrettably have little alternative but to institute judicial review proceedings to challenge these measures."* This statement was made before the new Bill was included in the Queen's Speech, so presumably the GBGA's challenge will now take place.

The GBGA believes that the UK government's proposals are unlawful and set out its arguments in its written submission to the committee:

"The proposed measures both separately and together with the related changes to the tax regime for online gambling are unlawful in terms of EU, national and international law and are liable to successful legal challenge."

"Absent some cogent evidential and rational basis for the change, EU law will not permit the UK to arbitrarily switch from a free market system that it specifically set up and reinforced in the Gambling Act 2005 to a significantly more restrictive regime that takes no account of licensed operators established and regulated within the EEA. It is a well established principle that where trading and fiscal rules are to be changed, the compatibility of any new rules with EU law must be examined in light of the pre-existing regime."

The regulatory regime for internet gambling under the 2005 Gambling Act has worked well for both operators and customers. It has fostered a competitive, open market with little need for customers to seek out 'unregulated' gambling, as has happened in other markets. One of the problems with

government being overly keen to introduce new regulation is that it can have unintended consequences that ruin a system that was working well. There is a fear that the Gambling Bill could have exactly that result for the UK's internet gambling sector.

Gambling (Licensing and Advertising) Bill summary

1. The stated aim of the Bill is to give the UK consumer greater regulatory protection
2. It will introduce regulation and taxation at the point of consumption rather than the country of origin.
3. It will mean all operators or advertisers of internet gambling in the UK market will have to hold a UK Gambling Commission licence.
4. The current rate of remote gaming tax in the UK is 15% of gross profits.
5. The likely date of implementation for the Bill is in early 2014.

What can be expected in the UK with the new Gaming Act?

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Compared to their American cousins, the British are very careful and deliberate when it comes to revising laws that have the potential to significantly affect present and future generations. The current path to revise the Gaming Act 1968 provides an interesting illustration of such a process.

In the United States, gaming legislation has often been passed through state legislatures toward the end of a hectic legislative session, sometimes with the intent of ‘sneaking it through’, often without careful forethought as to the implications of what was being passed, and usually influenced primarily by the economic interest groups who would be most directly affected, positively or negatively, by the legislation. Though this is more a commentary on the American legislative process at the state level than on gaming, this is perhaps the only way to explain how we have ended up with such a mish-mash of eccentric casino gaming industries in our various states: casinos on riverboats that must sail, small stakes casinos located in rural mining towns that last boomed in the 19th century, a wide variety of casino types on tribal reservation lands scattered throughout the country, racinos (race track casinos) which offer hundreds or thousands of well-attended slot machines while nearly no one watches the racing taking place on the other side of the grandstands, and urban casinos in the downtowns of two of America’s more distressed major cities: Detroit and New Orleans.

Had we used a more careful and deliberate process in America, then we would have— should have—collectively asked ourselves:

- What do we hope to gain from permitted gambling?
- Where would be the best places to locate casinos?
- What kinds of casinos and casino-style gaming should be permitted?
- How do we mitigate the unintended negative consequences that are associated with casinos and other forms of legal gambling?

Had states in the United States pursued such an inquiring approach, they might have come closer to the process that Britain is presently following. However, this also suggests an intriguing fundamental question: Will the resulting gaming industries in the U.K. on balance be better or worse from a variety of perspectives than their American counterparts?

The British story is a lesson in deliberation. In December 1999, the Home Secretary announced formation of a commission to review gambling policy in the U.K. The subsequent Gambling Review

Report (the Budd Commission Report) in 2001 laid out a variety of recommended principles for revising Britain's gaming laws. The Government, in their response ("*A Safe Bet for Success*," DCMS, 2002), largely agreed with the philosophy and the specific recommendations of the Budd Commission. To date, the pronouncements of the government regarding the specifics of the new bill have given it some shape and allow us to reasonably speculate what the new gaming industries and, indeed, the new casinos will look like.

The Budd Commission recommendations strongly adhered to the following principles:

- Gaming should be considered a normal commodity that adult consumers should be permitted to pursue if they so choose;
- Companies wanting to supply gaming services should not be inordinately constrained from doing so, nor should they be protected from competition in the marketplace;
- A single regulatory body should oversee all commercial gaming, with the exception of spread betting, which is regulated as part of the financial sector, and the National Lottery, which is given special status and a protected monopoly because of its role in raising revenues for good causes;
- The most important negative side-effect associated with widely available permitted gambling is problem or pathological gambling. However, this issue can be dealt with by requiring gaming industries to finance programs that address the education, treatment, and research needs of problem gambling in society. Recent pronouncements have established a formula by which casinos can offer the most popular gaming products. Small casinos are required to have a minimum of 5,000 square feet of gaming space, and no more than three gaming devices per table game. (Existing casinos that are below the minimum square footage requirements are "grandfathered" in.)

Large casinos are defined as those with a minimum of 10,000 square feet of gaming space and at least 40 table games. Large casinos are not limited in the number of gaming devices they may have.

The types of gaming devices permitted in casinos will be unconstrained in design, insofar as they can offer any wager size and maximum payout prize that the market will accommodate. The only constraint is a limitation regarding linked progressive jackpot machines: casinos will not be permitted to link progressive jackpots among casinos, though they will be able to do so within the confines of a single casino.

Regional Planning Bodies and local authorities will have considerable discretion in determining whether casinos should be permitted in particular geographic areas, specifically where casinos can be located, and other conditions that will need to be met for their construction and operation. It is likely the planning process will be an important determining factor in the shape of the emerging casino industry. However, because the national planning laws are also under revision at present, there is some uncertainty regarding how this will ultimately work out regarding the dispersion of casinos throughout the U.K.

Finally, there will still be a substantial convenience gaming market with limited prize gaming machines permitted in a wide variety of non-casino outlets throughout the country. Types of such gaming machines permitted will range from small wager (30p maximum)/low prize (£5 maximum)

amusement with prize machines for children and others, to gaming machines that are permitted to offer moderate (£25) to reasonably large (£500) jackpot prizes. The latter two categories will only be permitted in age restricted locations, primarily to protect the Nation's youth from exposure to such forms of gaming.

Finally, as of yet there has been no formal determination of the tax regime that will apply to the casino industry and gaming machines subsequent to enactment of the new Gaming Act. Interestingly, in many other jurisdictions throughout the world, this is often the first thing discussed, either because government's primary motivation for legalizing casinos or gaming machines is to raise revenues for government coffers, or because the tax rate has such a significant impact on the profitability of investments in the "bricks and mortar" of modern casino complexes.

What are the implications of this legal structure based on the experiences of gaming jurisdictions elsewhere in the world? First, we should note some of the major economic trends and social forces around modern gaming that will have a bearing on developments in the U.K. Among the more important of these are:

1. Commercial gaming industries typically have much more substantial economic presence than casual observers would expect. In the United States, spending on all legal gaming products approaches about one percent of disposable income, a figure comparable to the current situation in the United Kingdom. It is higher in other countries; in Australia, for example, gaming spend represented about 3.4% of disposable income in 2002.
2. The size and shape of legal gaming industries is largely determined by political decisions, as is being demonstrated in the U.K. today. However, this suggests that gaming industries are particularly vulnerable to arbitrary political decisions and to substantial investments in lobbying activities, to influence or protect the terms under which the industry must operate. This is particularly important when gaming markets are artificially constrained or under-supplied.
3. Slot machines - more accurately, modern electronic gaming devices - are now the gaming product of choice in casinos and other gaming venues in most parts of the world, with the notable exception of Asia. Such devices have undergone substantial technological innovation in the past decade, resulting in games that are more productive (in terms of win per device per hour of play), more attractive, more entertaining, and perhaps more seductive. An interesting implication is that, for many new generation gaming devices, the size of the top prize is not the most important dimension that defines its attractiveness to players. The United Kingdom has seen virtually none of these gaming products yet.
4. Slot machines are not only the most popular modern gaming product; they are the most profitable as well. A typical American casino (with the exception of those located on the Las Vegas Strip) generates about 80% of its gaming revenues and upwards of 90% of its gaming profit margins from slot machines. This reflects a continuing trend that is traceable at least as far back as the 1970s.
5. Convenience gaming venues that offer modern electronic gaming devices can be serious competitors to site-specific casinos. In jurisdictions as varied as Australia, Canada, and Spain, gaming revenues generated within casinos are dwarfed by revenues generated by gaming devices operating

outside of casinos. Sometimes these are called Video Lottery Terminals (when run for the benefit of the lottery) or Poker Machines (when limited to video poker machines), but the economic effects are similar: a large portion of the demand for casino-style gaming can be captured outside of casinos. When this happens, it limits the economic and catalytic potential of casinos.

6. Under relatively free market conditions, such as in Nevada, the casino industry demonstrates strong economies of scale and of scope. In recent years, this has been manifested in terms of both plant size (i.e. larger casino-hotel complexes) and company size (i.e. companies owning multiple casinos, even in the same market.) Reasons for this are a combination of cost efficiencies and the ability to segment product offerings and therefore appeal to customers in different socioeconomic categories, age groups, and to differing expectations regarding the casino experience.

7. Though this is a somewhat subjective observation, one can distinguish between 'attractive' gaming and 'ugly' gaming by the general image it puts forward. For example, Las Vegas style destination resorts would be considered 'attractive' not only because of their architectural splendor and substantial non-gaming amenities, but also because they are so popular across a wide swath of the population. On the other hand, slot machines in bars and taverns or at spartan racinos might be deemed 'ugly' because they present gambling in relatively unattractive settings, and draw their customers disproportionately from lower socio-economic groups and from ethnic minorities. As a result, once established, they might too obviously challenge the general public's sensibilities about government raising revenues in this manner, on the backs of people who look like they should not be spending their scarce resources on gambling. Furthermore, pro-active attempts to mitigate problem gambling through such strategies as self-exclusion are more difficult to implement in small dispersed 'ugly' locations than in large 'attractive' casinos. 'Ugly' gaming therefore is more likely to trigger political backlash than "attractive" gaming. It is worth noting, however, that jurisdictions in the United States in recent years have been more prone to consider or authorize 'ugly' forms of gambling, such as racinos or state operated slot machines, than 'attractive' private sector multi-faceted resort casinos. In 2003, for example, political debates in the states of Maryland and Pennsylvania, and elections in the state of Maine, reflected this anomaly.

8. Political backlash can also show up from 'too much gaming'. This has occurred in a number of jurisdictions throughout the world, including Australia, New Zealand, parts of Canada, and in South Carolina. The most dramatic of these cases have centered around problem gambling issues, and around convenience gambling in particular. In one important respect, this is directly understandable.

Convenience gambling brings about few of the tangible visible benefits often associated with large American-style casinos, such as tourism, new investments, major job creation, stimulation of the neighborhood or region, or complementary spin-off commerce. However, convenience gambling seems to intensify the visibility of problem gambling because of the ease of access to the gaming product among friends, neighbors, or relatives. Furthermore, the integration of convenience gambling into other social settings, such as the local tavern, may change the nature of the tavern itself, and the ability of neighbors to interact in that environment. Therefore, the general public sees fewer of the economic benefits and more of the social costs associated with expanded gambling, if the expanded gambling is largely of the 'convenience' variety.

Based on these realities and the strategy being pursued with the new Gaming Act, what is likely to occur? The following are my best guesses on the implications of the new

Gaming Act in its present form:

1. Small casinos, generally speaking, will have considerable difficulty surviving in this environment. Since the real profit in modern casinos is derived from gaming devices, the ratio of no more than three gaming devices per table game will make it very difficult for small operations to compete effectively against those large casinos who have more than 40 table games and a substantial multiple of gaming devices on the one hand, and age restricted venues that are able to offer attractive limited prize gaming machines on the other.

2. The Regional Development Agencies will probably limit the number of Large Casinos permitted in their specific regions and substantially determine casino locations for a number of reasons. They will want to harness the tourism and regeneration potential derived from new casinos, and guarantee the sustainability of those casinos they authorize. Furthermore, they will be likely to be responsive to concerns over the adverse impacts of new casinos on city centers, other businesses, and traffic patterns, and will be interested in avoiding “boomtown” developments around casinos that have occurred in the United States. For example, concerns have been raised about large casinos serving as ‘car magnets’, which would be considered to be an undesirable side effect of such developments.

Also, there have been pronouncements by government officials that regeneration of city centers is preferred to new developments in out-of-town locations, which is the same issue that has come up with regional shopping centres. Thus, even though Budd argued strongly for an unfettered competitive market in casino gaming, the combination of constraints on the product mix of small casinos and planning concerns for large casinos may create a restricted environment anyway.

3. As in Australia and Spain, the convenience gambling venues may end up being the most popular of all the casino-style gaming outlets in the Nation. This will depend to a large extent on what future constraints are placed on these venues, especially with respect to the number of permitted gaming devices per location.

The larger the convenience gambling sector in the U.K., the less profitable the Large Casino sector will be, especially in terms of its ability to attract financial capital.

4. The possible success of seaside resort areas - such as Blackpool - as casino centers, will depend on what decisions Regional Development Agencies make with respect to the number of permitted large casinos elsewhere in their respective regions. For example, if the North West Development Agency were to permit a significant number of Large Casinos in the Manchester and Liverpool areas, then much of the latent demand for casino gaming from that region would be taken up by those casinos—and by convenience gambling—because of their proximity to the region’s population centers. On the other hand, if there were only a limited number of large casinos permitted in the metro areas of the North West, the attractiveness of Blackpool as a destination resort area with casinos would be enhanced. The parallels between Blackpool and the American seaside resorts in

Atlantic City and Biloxi are very strong, but those American resorts were permitted to develop their casino industries without direct competition from nearby urban or suburban casinos. Had they

confronted such competition, the willingness of companies to invest large amounts of capital into either destination resort market would have been severely limited, and neither area would have been nearly as large as it is today.

5. Placement of significant large casinos in the Greater London area will be challenging because of the planning process, the scarcity of available sites that can be used for casino development, and the difficulties of access to some of the more obvious sites. For example, the Millennium Dome and Battersea Power Station may both become candidates for casino projects, but both pose serious challenges of access either by automobile or by public transport. Concerns over 'neighborhood effects' might bog down the planning process in political considerations for many potential gaming sites. Land costs alone make it difficult to envision the kind of mega-casino that has characterized Las Vegas and Atlantic City in recent years. That said, the substantial population and discretionary income to be found in the Capital City might overcome a lot of other negatives.

Finally, it is worth revisiting the issue of problem gambling. The problem gambling issue might become a topic of much greater concern within a few years after passage of the new Act than it is at present because of fundamental changes the Act will bring about with regard to the quality and amount of gaming that will confront the British population.

The existing gaming and betting products—with the exception of the National Lottery—are relatively primitive with respect to their market penetrations. Most products, such as the existing British casinos, gaming machines, betting shops, and bingos, are really niche markets that have only limited appeal beyond their core customer base. Modern casinos, on the other hand, are mass-market products. Their presence will substantially broaden the number of British participating in casino-style gaming, as well as the aggregate amount of money spent on this new form of leisure entertainment.

The fact that the quality of gaming products in the United Kingdom will improve dramatically—quickly achieving an international standard—along with the fact of substantially improved access to a wide variety of casino and casino-style gaming, will make gambling a popular topic for personal discussion as well as in the media. As has been the pattern elsewhere, there are going to be many more visible, dramatic, and tragic stories centering around problem and pathological gambling that will attract much attention. If the new gaming industry is perceived to be predatory, uncaring, or generally 'ugly', there is a real possibility of a backlash that might call for a roll-back of the liberalization taking place now.

From Budd and the Government Response, the proposed strategy for dealing with problem and pathological gambling is to allocate financial resources to invest in treatment, education, and research of the topic. This may or may not be enough to mitigate these unintended negative consequences of expanded gaming in Britain, or to protect against future political backlash. However, the experience of other countries and other jurisdictions should be drawn upon to steer a proper course in the further implementation of the new Gaming Act. Of all the issues that pose challenges for policy makers, this one might indeed be the most important.

Recollections of a career in gaming: the Playboy Club

Chris Moore, Independent Casino Consultant

This article first appeared in *Casino Life* magazine and is republished here with the kind permission of the publisher, Glyn Thomas, and the author.

The Playboy Club opened in London in 1965 and instantly became the world's most popular branded casino. Incredibly, for a short period in the early eighties, it was the most profitable casino in the world. Never before or since has a brand created such an iconic, international destination.

Working at Playboy was more of a lifestyle choice than a career move for me, although in 1977, when I started working there, I had the slightly uncomfortable feeling of being an outsider. There was no animosity or resentment, just an underlying requirement to do everything the Playboy way. The majority of the gaming staff had begun their careers with Playboy and most maintained a fierce pride in the company ethos. Having already plied my trade in various casinos around the world, I found it a challenge to fit into the Playboy mould. Whilst I struggled slightly to adopt the Playboy methodology and philosophy, I instantly accepted the 'Bunny Girl' phenomenon.

All the casinos I had worked in previously had been exclusively male. The Playboy was my first casino experience of working with women, and what an experience it was. I can recall everywhere I looked, the sight of stunning looking young women dressed in skimpy costumes, topped and tailed with velvet ears and fluffy white tails. The croupiers' costumes were significantly different from the cocktail waitresses'. The gaming authorities had decreed that the croupier bunnies had to wear hot pants rather than the traditional costume cut high over their hips. They were also required to wear white, cotton bibs to cover their cleavage. Cocktail waitresses wore the standard, erotic bunny costume and practiced the "bunny dip". The dip enabled them to place trays of food and drinks on low tables without having to lean forward and risk spilling out of their spectacular uniforms. In 1978 the Gaming Board changed their policy and allowed the croupier bunnies to begin wearing more revealing attire. The launch night came after the 'Bunny Mothers' had spent weeks working on planning a seamless transition. Sadly things did not go according to plan. A handful of croupier bunnies' new costumes failed to contain them when they forgot to bend from their knees and dip their hips, rather than lean forward to clear the Roulette layouts. In fairness to the customers they took the exposures stoically and carried on placing their bets without reaction or comment.

Each bunny was given a unique bunny name once they had successfully completed their training course. When I arrived they had run through most of the suitable names and were scraping the barrel a little. A few months before I started, they had begun using the American States as bunny names. I had the pleasure of working with Montana, Indiana and Tennessee. Fortunately they dropped the name pool just before they got to Idaho, Rhode Island and Nebraska. They had a strict rule never to refer to any bunny by anything other than their official bunny name.

Outside the confines of 45 Park Lane, life with the bunnies was a very different experience. The majority of the bunnies whom I had the pleasure of knowing were highly accomplished party animals. My best mate and I had the idea one day that an afternoon tea-party at our flat in Primrose Hill might be something different to spark the imagination. Little did we know that within six months our "tea" parties would become a regular feature of the Playboy social calendar. They kicked off early in the afternoon and ran through to the small hours. They were packed with bunny boys and girls, eating cucumber sandwiches and drinking almost anything but tea. A wealthy Mayfair casino owner sent us a message one night via a friend that he would happily pay all the food and beverage (F&B) costs if we invited him to our future tea parties. He was a very charming, rather short guy with a penchant for chatting with tall women. Gladly we accepted his generous offer to take on our growing catering costs. We went on to improve the F&B standards significantly and in deference to our new sponsor, substantially increased the average height of the invited bunnies.

After a short but memorable period of working on blackjack and roulette with a delightful crew of bunny girls, I was moved to the all-male dice pit. One evening I was part of a crew standing at the empty dice table, talking nonsense and making ridiculous bets amongst ourselves. A group of young, long-haired Americans approached. Normally we would have worked together to steer them toward the second table that was already open. To our surprise the box-man spluttered out the command to open our game immediately. For the next few nights the same long-haired Americans spent their time playing craps, laughing and joking. They cordially invited us all to join them after work for a drink in their hotel suite next door. Those nights at the Dorchester became legendary, as did their band - the Eagles.

The Playboy building was hardly the ideal layout. It consisted of long, narrow low-ceilinged rooms set up over four floors. The ground floor housed the restaurants, bars and night club. The other three floors housed the gaming tables. Each floor was referred to simply by an initial. The heaviest action took place on B level where the predominantly Middle Eastern clients created a constant level of action that has rarely, if ever, been seen since. In those days the customers, especially on B level, were almost exclusively male. The look that they had begun to develop fell somewhere between a formal European and a Middle Eastern style. Many sported ill-fitting, diamond encrusted Rolexes straight out of boxes from Bond Street. They wore expensive silk suits, often with the large manufacturer's labels still attached to the sleeves. In some cases they opted for wearing traditional open-toed sandals beneath trousers that had been bought off the peg and not been turned up. Lots carried worry beads and virtually all had a mandatory man-purse. Most were fastidiously polite and seemed to enjoy every moment of their time at Playboy, despite losing vast sums of cash. It was a time when everything seemed new and exciting and the casino world seemed ready for anything.

I often played for the Playboy football team, usually in the freezing rain on muddy pitches in Hyde Park. I recall one match vividly when a solitary man stood on the sidelines chain-smoking, dressed in a huge, pale pink overcoat and black fedora. Quite apart from the coat, it struck me as very odd that anyone would brave the lashing rain to watch Playboy versus Knightsbridge Sporting Club in a meaningless winter fixture. As I slid across the sideline in a miss-timed tackle I realised that the spectator, now standing next to me, was a huge international movie star. Telly Savalas laughed like deep rumbling thunder as he leaned forward holding out his hand. I remember noticing that the top of his index finger was missing as he clutched my hand and pulled me to my feet.

In 1978 Playboy acquired a licence to open a new casino in Nassau. Those of us that had worked in the Bahamas before were offered very well-paid jobs, despite our assertion that we would not be granted new work permits. It was interesting to see which people applied to go to the Bahamas and how many decided to stay in London. I was quizzed constantly by staff wanting to know everything that the islands held in store. I even got a call at three in the morning one night from a bunny asking if she should take her iron with her. The day before we were due to fly to Nassau we were informed that our work permits had been blocked. Whilst I never really regretted going back to the islands, I did regret seeing so many friends disappear out of my life.

Over the years thousands of people worked at the London Playboy Club. Some stayed for the duration, most of us just passed through. Everyone that ever worked there has their own spin on their experience and their own unique recollections. For me the Playboy was an integral part of the magical seventies. You never knew where you would be going next or who you would encounter along the way. It was a time when money flooded across the gaming tables of London and everyone had a dozen job options waiting around every corner.

Today there remains a strong connection between many of the ex-bunnies and male staff who still keep in touch on a regular basis. It is almost unique that a brand can maintain such adhesion for so long. It seems that for so many, working at the Playboy Club in London was their main career highlight. For me it was a lifestyle choice that created some very fond memories and long-term friendships.