

# The use of social media in gambling

Sally M. Gainsbury,<sup>a</sup> Daniel King,<sup>b</sup> Paul  
Delfabbro,<sup>b</sup> Nerilee Hing,<sup>a</sup> Alex Russell,<sup>a</sup> Alex  
Blaszczynski,<sup>a</sup> Jeffrey Derevensky<sup>c</sup>

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<sup>a</sup> Centre for Gambling Education & Research, Southern Cross University

<sup>b</sup> School of Psychology, University of Adelaide

<sup>c</sup> J. Derevensky Consulting, International Centre for Youth Gambling & High Risk Behaviors, McGill University

Please direct correspondence to:

Dr Sally Gainsbury, Senior Lecturer, Centre for Gambling Education & Research,  
Southern Cross University, PO Box 157, Lismore NSW 2480, Australia  
Email: [sally.gainsbury@scu.edu.au](mailto:sally.gainsbury@scu.edu.au)

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GRA Secretariat

Telephone: 07 3872 0938

Facsimile: 07 3237 1656

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## **Disclosure Statement**

This research has been conducted independently by the research team. Gambling Research Australia set the research questions and scope, but had no involvement in the research design, conduct, analysis, or the preparation of this report. The draft report was peer-reviewed by GRA members and external peer-reviewers, with suggested changes incorporated into the final report where relevant and at the discretion of the research team.

## **Transparency Declaration**

In the past three years, SG has worked on projects that have received research funding from government bodies (NSW Office of Liquor, Gaming and Racing; Australian Institute of Family Studies; British Columbia Lottery Corporation; Nova Scotia Provincial Lotteries and Casino Corporation), research organisations (Ian Potter Foundation; Gambling Research Australia; Victorian Responsible Gambling Foundation; National Association for Gambling Studies; Manitoba Gambling Research Program; Ontario Problem Gambling Research Centre; European Society for the Study of Gambling) and gambling industry bodies (Echo Entertainment; Clubs NSW; Sportsbet; Techlink Entertainment; Gaming Technologies Association). She has spoken at events attended by all stakeholders in the gambling field, in some cases with travel costs paid to attend these events. SG declares that she has no personal stake in any organisation, nor personal views or beliefs that may bias this report.

In the last 3 years, DK has received research funding in from the National Association for Gambling Studies and presented at Responsible Gambling Awareness Week in 2013 courtesy of the Victorian Gambling Research Foundation. DK does not have any personal stake or involvement in any organisation that would influence his role in this project.

In the last three years, PD has worked on research projects funded by the Australian National Research Council, Gambling Research Australia, SA Department for Treasury and Finance, SA Department for Communities and Social Inclusion, Victorian Department of Justice and Responsible Gambling Trust (UK) and New Zealand Gambling Commission. He has also conducted peer-review work for Provincial governments in Ontario, Manitoba, Saskatchewan and Alberta. He has conducted occasional minor reviews (<\$1000) of responsible gambling products or services for regulatory bodies in Australia or on behalf of industry groups such as Echo Entertainment. This has included safety assessments of new electronic gaming machine (EGM) products, and reviews of indicator lists for the identification of problem gamblers in venues. PD has presented at numerous conferences and seminars attended by a variety of stakeholders, including representatives drawn from government, the welfare sector, academia and industry. PD does not have any personal stake or involvement in any organisation that would influence his role in this project. He supports the legalisation and regulation of gambling products and services within frameworks that encourage harm minimisation and responsible gambling.

In the past three years, NH has worked on projects that have received research funding from government bodies (NSW Office of Liquor, Gaming and Racing; Australian Institute of Family Studies; Queensland Department of Justice and Attorney General), research organisations (Gambling Research Australia; Victorian Responsible Gambling Foundation; National Association for Gambling Studies) and gambling industry bodies (Echo Entertainment; Sportsbet; Singapore Pools), and she has spoken at events attended by all stakeholders in the gambling field, with travel costs paid to attend these events. NH declares that she has no personal stake in any organisation, nor personal views or beliefs that may bias this report.

In the past three years, AR has worked on projects that have received research funding from government bodies (Gambling Research Australia; Victorian Responsible Gambling Foundation; National Association for Gambling Studies; and Queensland Justice and Attorney General) and gambling industry bodies (Echo Entertainment). AR has no personal stake in any organisation, nor personal views or beliefs that may bias this report.

In the past three years, AB has worked on projects that have received research funding from government bodies (NSW Office of Liquor, Gaming and Racing; British Columbia Lottery Corporation; Gambling Research Australia; National Association for Gambling Studies; Manitoba Gambling Research Program; Ontario Problem Gambling Research Centre; European Society for the Study of Gambling; Responsible Gambling Trust [UK]) and gambling industry bodies (Clubs NSW; Sportsbet; Aristocrat Leisure Industries; La Loterie Romande [Switzerland]; Comelot [UK]; La Française des Jeux [France]; Loto-Québec [Québec, Canada]; and National Lottery [Belgium]), and he has spoken at events attended by all stakeholders in the gambling field, with travel costs paid to attend these events. AB declares that he has no personal stake in any organisation, nor personal views or beliefs that may bias this report.

During the past three years, JD has been actively involved in multiple research projects and has been a consultant that has received research funding from a wide variety of governmental bodies (Australian Research Council; British Columbia Lottery Corporation; Mise sur toi; Ontario Problem Gambling Research Centre; Manitoba Gambling Research Program; Nova Scotia Provincial Lotteries and Casino Corporation; Social Sciences and Humanities Research Council of Canada). He has also consulted and received research-related honorariums from multiple governmental agencies (Social Sciences and Humanities Research Council of Hong Kong; Public Policy Research Division, Central Policy Unit, Hong Kong Special Administrative Region [HKSAR]; Health Management Systems of America [HMSA] and the Michigan Department of Community Health; Nishnawbe Aski Nation; Ontario Ministry of Health and Long-Term Care; Israel Science Foundation; UK Gambling Commission; French National Research Agency; Victorian Responsible Gambling Foundation; Ottawa Department of Public Health; Ontario Ministry of Education [Special Education Policy and Programs Branch]; National Addictions Management Service and the National Council on Problem Gambling, Ministry of Health, Government of Singapore). He has been a research consultant to a number of gambling industry bodies (Techlink; Spielo, GTech; Paddy Power), and several private foundations and groups (Templeton Foundation; National Collegiate Athletic Association; AXA Research). JD has spoken at numerous events attended by stakeholders in the gambling field, with travel costs paid to attend these events. JD declares that he has no personal stake in any organisation, nor personal views or beliefs that may bias this report.

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# Table of Contents

<b>Disclosure Statement .....</b>	<b>ii</b>
<b>Transparency Declaration.....</b>	<b>iv</b>
<b>Acknowledgments .....</b>	<b>vi</b>
<b>Table of Contents .....</b>	<b>vii</b>
<b>List of Figures.....</b>	<b>xiv</b>
<b>List of Tables .....</b>	<b>xvii</b>
<b>List of Abbreviations .....</b>	<b>xxii</b>
<b>Executive Summary .....</b>	<b>xxiii</b>
<b>Chapter 1: Introduction .....</b>	<b>1</b>
1.1 Methodological design.....	1
1.1.1 Justification of methodological design .....	2
<b>Chapter 2: Literature Review.....</b>	<b>5</b>
2.1 Social Media: An Introduction.....	6
2.1.1 Social media: a definition and overview.....	6
2.1.2 Social gaming .....	7
2.1.3 Social media use in Australia and worldwide.....	9
2.2 The Structure and Nature of Gambling and Social Casino Gaming on Social Media.....	9
2.2.1 Gambling opportunities on social media .....	9
2.2.2 Social casino games .....	11
2.2.3 Gambling within computer and video games .....	13
2.3 The Use of Social Media by Gambling Operators to Promote Products and Services .....	14
2.3.1 Corporate use of social media.....	14
2.3.2 Use of social media by gambling companies.....	17
2.3.3 The use and effect of promotions via social media on gambling .....	20
2.4 The Availability and Use of Gambling and Social Casino Gaming on Social Media, Web and Mobile Platforms Provided by Gambling Operators .....	23
2.4.1 Social casino games used by gambling operators.....	23
2.4.2 Social betting .....	26
2.4.3 Gambling products on social media platforms .....	27
2.4.4 Practice games .....	29
2.5 The Uptake and Use of Social Casino Games in Australia .....	31
2.5.1 Participation and revenue.....	31
2.5.2 Platforms and access modes .....	32
2.5.3 Demographics and profile of users .....	33
2.5.4 Motivations for play.....	35
2.6 Social Media, Social Casino Gaming and Gambling Problems .....	36
2.6.1 Player migration.....	37
2.6.1.1 <i>Migrating from social casino games to gambling</i> .....	37
2.6.1.2 <i>Migrating from gambling to social casino gambling</i> .....	38
2.6.2 The impact of social casino games on gambling and related problems.....	38
2.6.2.1 <i>A third variable explanation</i> .....	40
2.6.3 The impact of social media promotions of gambling on youth .....	42

2.6.3.1	<i>Age restrictions</i>	44
2.6.3.2	<i>Normalisation of gambling</i>	45
2.7	Social Media Gambling Promotions and Gambling Problems	45
2.8	The Use of Social Media to Promote Responsible Gambling Practices	46
2.8.1	Responsible gambling messages hosted on social media sites	46
2.8.2	Promoting safer gambling habits when using social casino games	49
2.8.3	Promoting safer gaming habits when using social casino games	49
2.9	International and Future Trends in Gambling Via Social Media	51
2.9.1	Convergence and regulation	52
2.10	Summary	54
<b>Chapter 3: Audit of Australian Gambling Operators Use of Social Media</b>		<b>56</b>
3.1	Overview	56
3.2	Methodology	56
3.2.1	Sampling procedure	56
3.2.2	Analytical strategy	57
3.2.3	Sample characteristics	57
3.3	Results	58
3.3.1	Use of social media	58
3.3.2	Desktop v. Mobile access	59
3.3.3	Discussion forums and blogs	59
3.3.4	Social media and promotional content	60
3.3.4.1	<i>Information about the venue/operator</i>	61
3.3.4.2	<i>Promoting gambling products and offers</i>	62
3.3.4.3	<i>Posts about competitions and promotions</i>	67
3.3.4.4	<i>Promoting gambling wins</i>	69
3.3.4.5	<i>Promoting features to assist with betting</i>	70
3.3.4.6	<i>Promoting in-venue events</i>	72
3.3.4.7	<i>Promoting food and beverages</i>	75
3.3.4.8	<i>Encouraging customer engagement</i>	76
3.3.4.9	<i>Links to football clubs</i>	77
3.3.4.10	<i>Promoting community engagement</i>	78
3.3.4.11	<i>Betting tips</i>	79
3.3.4.12	<i>Sports and racing news</i>	80
3.3.4.13	<i>Non-gambling content</i>	82
3.3.5	Use of social media by online wagering operators	85
3.3.5.1	<i>Bet365</i>	85
3.3.5.2	<i>Betfair</i>	86
3.3.5.3	<i>Centrebet</i>	88
3.3.5.4	<i>TomWaterhouse.com</i>	90
3.3.5.5	<i>Sportsbet</i>	93
3.3.5.6	<i>Tatts.com</i>	95
3.3.6	Games, apps or practice games	97
3.3.7	Responsible gambling	99
3.4	Limitations	99
<b>Chapter 4: Case Study of a Social Media Site</b>		<b>102</b>
4.1	Overview	102
4.2	Methodology	102
4.2.1	Analytical strategy	103
4.3	Results	103



4.3.1 Types of push advertising on Facebook.....	103
4.3.2 Specific social casino and gambling companies and products advertised on Facebook .....	106
4.3.3 Prevalent themes in social casino game advertising.....	110
4.3.3.1 <i>Theme 1: New technology</i> .....	110
4.3.3.2 <i>Theme 2: Birthday promotions (individual users)</i> .....	110
4.3.3.3 <i>Theme 3: Seasonal themed programs (mainly slots—Christmas, Halloween)</i> .....	110
4.3.3.4 <i>Theme 4: Cartoon-like characters</i> .....	110
4.3.3.5 <i>Theme 5: Hollywood crossovers</i> .....	111
4.3.3.6 <i>Theme 6: Compulsive element of gaming</i> .....	113
4.3.4 Regulated and unregulated gambling operators: Thematic summary .....	113
4.3.5 Prevalent themes in gambling advertising.....	118
4.3.5.1 <i>Theme 1: The big win experience</i> .....	119
4.3.5.2 <i>Theme 2: Seasonal promotions</i> .....	122
4.3.5.3 <i>Theme 3: Sports events (Melbourne Cup, NRL finals)</i> .....	123
4.4 Limitations .....	127
<b>Chapter 5: Interviews with Gambling Operators.....</b>	<b>130</b>
5.1 Overview .....	130
5.2 Methodology .....	130
5.2.1 Respondents .....	130
5.2.2 Procedure .....	131
5.2.3 Analytical strategy .....	131
5.3 Results.....	131
5.3.1 Perceived value of social media by gambling operators.....	131
5.3.2 Social media platforms .....	132
5.3.3 Posted content.....	133
5.3.3.1 <i>Notifications</i> .....	133
5.3.3.2 <i>Advertisements and product promotions</i> .....	134
5.3.3.3 <i>Customer engagement</i> .....	134
5.3.3.4 <i>Wins and community engagement</i> .....	135
5.3.3.5 <i>Venue visitation</i> .....	135
5.3.3.6 <i>Non-gambling content</i> .....	135
5.3.4 The intended audience for promotions via social media .....	136
5.3.5 The impact of social media on use of products.....	137
5.3.6 Perceived motivators, advantages and disadvantages related to using social media.....	138
5.3.6.1 <i>Brand engagement</i> .....	139
5.3.6.2 <i>Customer feedback</i> .....	139
5.3.6.3 <i>Reputational damage</i> .....	140
5.3.6.4 <i>Cost and staff resources</i> .....	141
5.3.7 The inclusion of responsible gambling frameworks in social media.....	141
5.3.8 Exposure of vulnerable groups to social media promotions, including children, adolescents and problem gamblers.....	142
5.3.8.1 <i>Age</i> .....	142
5.3.8.2 <i>Problem gambling</i> .....	143
5.3.9 Considerations for future use of social media .....	143
5.3.10 Social casino games .....	143
5.4 Limitations .....	144

<b>Chapter 6: Interviews with Social Media, Gaming, Policy and Prevention</b>	
<b>Experts .....</b>	<b>148</b>
6.1 Overview .....	148
6.2 Methodology .....	148
6.2.1 Respondents .....	148
6.2.2 Procedure .....	149
6.2.3 Analytical strategy .....	149
6.3 Results .....	151
6.3.1 Developments in social media and social games .....	151
6.3.1.1 <i>Industry use of social media</i> .....	151
6.3.1.2 <i>The role of cyber environments and social media in promotions</i> .....	151
6.3.1.3 <i>People's perceived motivations for playing social games</i> .....	152
6.3.1.4 <i>Perceived challenges posed by social casino games</i> .....	154
6.3.1.5 <i>The market for social casino games</i> .....	154
6.3.2 The regulation of social casino games .....	156
6.3.3 Impact on vulnerable or high-risk populations .....	158
6.3.3.1 <i>Potential risks</i> .....	158
6.3.3.2 <i>Protective factors</i> .....	160
6.3.4 Social casino games and other gambling: Evidence for transitions and migration to gambling .....	163
6.3.5 Responsible gambling and how to promote it .....	165
6.4 Limitations .....	168
<b>Chapter 7: Interviews with Social Media Users .....</b>	<b>171</b>
7.1 Overview .....	171
7.2 Methodology .....	171
7.2.1 Participant recruitment .....	171
7.2.2 Procedure .....	173
7.2.3 Analytical strategy .....	173
7.3 Results .....	174
7.3.1 Introduction to social casino games .....	175
7.3.2 Promotions for social casino games .....	175
7.3.3 Cross-promotions for gambling .....	176
7.3.4 Motivations for playing social casino games .....	177
7.3.5 Player experiences with social casino games .....	179
7.3.6 Transitions between social casino games and gambling .....	181
7.3.7 Interactions with problem gambling .....	182
7.4 Limitations .....	184
<b>Chapter 8: Survey of Online Gamblers and Social Media Users .....</b>	<b>186</b>
8.1 Overview .....	186
8.2 Method .....	186
8.2.1 Respondents .....	186
8.2.2 Survey instrument .....	186
8.2.3 Consent .....	186
8.2.4 Survey completion time and completion rate .....	187
8.2.5 Data handling .....	187
8.2.6 Analyses .....	187
8.3 Adult Results .....	188
8.3.1 Sample characteristics .....	188
8.3.2 Gambling behaviour .....	189

8.3.2.1	<i>Classification of gamblers</i>	189
8.3.2.2	<i>Problem Gambling Severity Index</i>	190
8.3.2.3	<i>Online gambling behaviour</i>	191
8.3.3	<i>Social media use</i>	192
8.3.3.1	<i>Classification of social media users</i>	192
8.3.3.2	<i>Frequency and Length of Social Media sessions</i>	193
8.3.3.3	<i>Use of ad-blocking software</i>	194
8.3.3.4	<i>Exposure to and engagement with gambling operators via social media</i>	194
8.3.3.5	<i>Reasons for connecting with a gambling operator via social media</i>	197
8.3.3.6	<i>Opinions on promotions by gambling operators via social media</i>	198
8.3.3.7	<i>Self-reported impact of promotions via social media on gambling desire and behaviour</i>	199
8.3.3.8	<i>Recall of responsible gambling messages on social media</i>	200
8.3.3.9	<i>Using social media to seek information about responsible and problem gambling</i>	201
8.3.4	<i>Social casino game use</i>	202
8.3.4.1	<i>Classification of social casino game users</i>	202
8.3.4.2	<i>Number and length of social casino game sessions</i>	203
8.3.4.3	<i>Alternate activities to social casino games</i>	204
8.3.4.4	<i>Purchases in social casino games</i>	205
8.3.4.5	<i>Year in which social casino game users first played these games</i>	207
8.3.4.6	<i>Most common sites/platforms, devices and individual social casino games</i>	208
8.3.4.7	<i>Interest in gambling on social casino games</i>	211
8.3.4.8	<i>Self-reported impact of social casino game use on gambling desires and behaviour</i>	213
8.3.4.9	<i>Gambling as a result of social casino game use</i>	214
8.3.4.10	<i>Social casino game use as a result of gambling</i>	214
8.3.4.11	<i>Perceived similarities between social casino games and gambling websites</i>	215
8.3.4.12	<i>Social casino game use and gambling on the same form</i>	216
8.3.4.13	<i>Recall of responsible gambling and age recommendation messages on social casino games</i>	217
8.3.4.14	<i>Self-reported negative consequences due to social casino game use</i>	218
8.3.5	<i>Practice game use</i>	219
8.3.5.1	<i>Classification of practice game users</i>	219
8.3.5.2	<i>Length of practice game sessions</i>	219
8.3.5.3	<i>Gambling and playing practice games of the same form</i>	220
8.3.5.4	<i>Reasons for playing practice games</i>	220
8.3.5.5	<i>Opinion on whether practice game operators encourage users to gamble</i>	221
8.3.5.6	<i>Self-reported impact of practice game use on gambling desire and behaviour</i>	221
8.3.5.7	<i>Recall of responsible gambling messages in practice games</i>	222
8.3.6	<i>Impact of social media use, social casino game use and practice game use on gambling-related problems</i>	222
8.4	<i>Adolescent Results</i>	224
8.4.1	<i>Sample characteristics</i>	224

8.4.2 Gambling behaviour .....	225
8.4.2.1 Classification of gamblers .....	225
8.4.2.2 Problem Gambling Severity Index .....	226
8.4.2.3 Online gambling behaviour .....	226
8.4.3 Social media use .....	228
8.4.3.1 Classification of social media users .....	228
8.4.3.2 Frequency and length of social media sessions .....	228
8.4.3.3 Use of ad-blocking software .....	229
8.4.3.4 Exposure to and engagement with gambling operators via social media .....	229
8.4.3.5 Reasons for connecting with a gambling operator via social media .....	232
8.4.3.6 Opinions on promotions by gambling operators via social media .....	233
8.4.3.7 Self-reported impact of promotions via social media on gambling desire and behaviour .....	234
8.4.3.8 Recall of responsible gambling messages on social media .....	234
8.4.3.9 Using social media to seek information about responsible and problem gambling .....	235
8.4.4 Social casino game use .....	236
8.4.4.1 Classification of social casino game users .....	236
8.4.4.2 Number and length of social casino game sessions .....	237
8.4.4.3 Alternate activities to social casino games .....	238
8.4.4.4 Purchases in social casino games .....	239
8.4.4.5 Year in which social casino game users first played these games .....	241
8.4.4.6 Most common sites/platforms, devices and individual social casino games .....	242
8.4.4.7 Interest in gambling on social casino games .....	245
8.4.4.8 Self-reported impact of social casino game use on gambling desires and behaviour .....	246
8.4.4.9 Gambling as a result of social casino game use .....	247
8.4.4.10 Social casino game use as a result of gambling .....	248
8.4.4.11 Perceived similarities between social casino games and gambling websites .....	249
8.4.4.12 Social casino game use and gambling on the same form .....	249
8.4.4.13 Recall of responsible gambling and age recommendation messages on social casino games .....	250
8.4.4.14 Self-reported negative consequences due to social casino game use .....	251
8.4.5 Practice game use .....	251
8.4.5.1 Classification of practice game users .....	251
8.4.5.2 Length of practice game sessions .....	252
8.4.5.3 Gambling and playing practice games on the same form .....	252
8.4.5.4 Reasons for playing practice games .....	253
8.4.5.5 Opinion on whether practice game operators encourage users to gamble .....	253
8.4.5.6 Self-reported impact of practice game use on gambling desire and behaviour .....	254
8.4.5.7 Recall of responsible gambling messages in practice games .....	254
8.4.6 Impact of social media use, social casino game use and practice game use on gambling-related problems .....	255
8.5 Limitations .....	256

<b>Chapter 9: Discussion .....</b>	<b>259</b>
9.1 The Use of Social Media by the Gambling Industry .....	259
9.2 Gambling-Style Services and Promotions Offered That Are Not Played for Money.....	262
9.3 The Impact of Social Media on Gambling and Gambling-Type Activities.....	263
9.3.1 The impact of gambling operator's use of social media .....	263
9.3.2 The impact of social casino games .....	266
9.3.3 The impact of social media in gambling for vulnerable populations.....	268
9.3.3.1 <i>Problem gamblers</i> .....	268
9.3.3.2 <i>Youth</i> .....	271
9.4 Migration from Conventional Forms of Gambling to New Forms through Social Media.....	276
9.5 Using Social Media to Promote Safer Gambling Habits .....	279
9.5.1 Presence of responsible gambling messages.....	279
9.5.2 Use of social media to promote responsible gambling .....	281
9.6 Future Directions of Gambling, Gaming and Social Media .....	282
9.7 Limitations .....	285
9.8 Future Research .....	285
9.9 Conclusions.....	286
<b>References.....</b>	<b>289</b>
<b>Appendices.....</b>	<b>302</b>

## List of Figures

Figure 2.1. Taxonomy of online gambling-themed activities. Source: Gainsbury, Hing et al. (2014).	11
Figure 3.1. Sportsbet blog post, 14 August 2014	60
Figure 3.2. ‘About’ information posted on Facebook by the Casuarina All Sports Club, NT, 19 August 2014.	62
Figure 3.3. Facebook post by SkyCity Darwin, 12 January 2014	63
Figure 3.4. Facebook post by IASbet.com, 22 May 2013	63
Figure 3.5. Facebook post by Tatts.com, 6 February 2014	64
Figure 3.6. Facebook post by Keno, 10 January 2014	64
Figure 3.7. Facebook post by Sportingbet Australia, 19 January 2014	65
Figure 3.8. Facebook post by SkyCity Adelaide, 5 May 2014	65
Figure 3.9. Twitter post by TomWaterhouse.com, 18 August 2014	66
Figure 3.10. Facebook post by Redcliffe Leagues Club, 17 August 2014	66
Figure 3.11. Facebook post by Raiders Belconnen, 6 February 2014	67
Figure 3.12. Facebook post by SKYCITY Adelaide Casino, 9 August 2014	68
Figure 3.13. Facebook post by Betfair Australia, 13 January 2014	68
Figure 3.14. Twitter post by Lotterywest, 18 August 2014	69
Figure 3.15. Twitter post by Kedron-Wavell Services Club, 18 August 2014	69
Figure 3.16. Facebook post by Redcliffe Leagues Club, 16 August 2014	69
Figure 3.17. Facebook post by Centrebet, 5 August 2014	70
Figure 3.18. Facebook post by SKYCITY Adelaide Casino, 3 June 2014	71
Figure 3.19. Twitter post by Ladbrokes Australia, 18 August 2014	71
Figure 3.20. Facebook post by Mounties, NSW, 16 August 2014	72
Figure 3.21. Facebook post by the Canberra Labor Club Group, 19 August 2014	73
Figure 3.22. Facebook post by The Juniors, Kingsford Sports Club (NSW), 19 August 2014	74
Figure 3.23. Twitter post by Crown Melbourne, 17 August 2014	75
Figure 3.24. Facebook post by Crown Melbourne, 16 August 2014	75
Figure 3.25. Twitter post retweeted by The Star, NSW, 19 July 2014	76
Figure 3.26. Twitter post retweeted by The Star, NSW, 22 July 2014	76
Figure 3.27. Response to Twitter post by Bet365, 17 August 2014	77
Figure 3.28. Facebook post by Parramatta Leagues Club, 15 August 2014	77
Figure 3.29. Twitter post by Canterbury Bulldogs, NSW, 9 June 2014	78
Figure 3.30. Twitter post by Lotterywest, 14 August 2014	78
Figure 3.31. Twitter post by Canberra Southern Cross Club, 21 August 2014	78
Figure 3.32. Facebook post by Caloundra RSL, 18 August 2014	79
Figure 3.33. Twitter post from Sportingbet Australia, 13 August 2014	79
Figure 3.34. Twitter post from Bet365, 18 August 2014 (Content also available on YouTube)	80
Figure 3.35. Twitter post from Betfair Australia, 18 August 2014	80
Figure 3.36. Facebook post by Tatts, 9 July 2014	81
Figure 3.37. Twitter post by Centrebet, 16 August 2014	81
Figure 3.38. Twitter post by Tom Waterhouse.com, 19 August 2014	82
Figure 3.39. Facebook post by IASbet.com, 16 May 2013	82
Figure 3.40. Facebook post by Palmerston Sports Club, 17 August 2014	83
Figure 3.41. Facebook post by Sportsbet, 16 August 2014	84

Figure 3.42. Facebook post by Betfair Australia, 9 August 2014.....	85
Figure 3.43. Twitter post by Bet365, 18 August 2014.....	86
Figure 3.44. Twitter feed by Betfair, 17 August 2014.....	86
Figure 3.45. Google+ post by Betfair Australia, 11 July 2014.....	87
Figure 3.46. Instagram post by Betfair .....	87
Figure 3.47. Facebook post by Betfair Australia, 16 August 2014.....	88
Figure 3.48. Facebook post, Centrebet, 29 July 2014.....	89
Figure 3.49. Twitter post by Centrebet, 19 August 2014.....	89
Figure 3.50. Examples of YouTube posts by Centrebet, 19 August 2014 .....	90
Figure 3.51. Twitter post by TomWaterhouse.com, 17 August 2014.....	90
Figure 3.52. Facebook post by TomWaterhouse.com, 15 August 2014.....	91
Figure 3.53. Facebook post by TomWaterhouse.com, 1 August 2014.....	92
Figure 3.54. TomWaterhouse.com YouTube videos, 19 August 2014 .....	92
Figure 3.55. Facebook post by Sportsbet, 10 June 2014 (linked to YouTube Video).....	93
Figure 3.56. Facebook post by Sportsbet, 28 May 2014 .....	94
Figure 3.57. Twitter post by Sportsbet, 18 August 2014 .....	94
Figure 3.58. Facebook post by Tatts.com, 9 August 2014 .....	95
Figure 3.59. Twitter post by Tatts, 6 May 2014 .....	96
Figure 3.60. Twitter post by Tatts, 16 April 2014 .....	96
Figure 3.61. Twitter post by Tatts.com/racing, 19 August 2014 .....	96
Figure 3.62. Facebook post by Tatts, 2 July 2014 .....	97
Figure 3.63. Facebook page, Wests Playland, hosted by Wests Illawarra Leagues Club, 21 August 2014 .....	98
Figure 3.64. Twitter post by Sportsbet, 4 June 2014 .....	99
Figure 3.65. Twitter post by Betfair Australia, 18 August 2014 .....	99
Figure 4.1. Sidebar advertisements for social casino games and online gambling websites, 18 November 2013 .....	104
Figure 4.2. Suggested post on the author's Facebook timeline advertising a promotion for DoubleDown Casino, 1 September 2013.....	105
Figure 4.3. Suggested post on the author's Facebook timeline advertising a promotion for House of Fun, 19 November 2013.....	105
Figure 4.4. Suggested post on the author's mobile Facebook timeline advertising a promotion for Fresh Deck Poker, 26 August 2013 .....	106
Figure 4.5. Suggested post on the author's mobile Facebook timeline advertising a promotion for DoubleDown Casino, 29 August 2013 .....	106
Figure 4.6. Birthday promotion on the author's mobile Facebook timeline for DoubleDown Casino, 25 September 2013 .....	110
Figure 4.7. Suggested post on the author's mobile Facebook timeline advertising a promotion for Slot Roulette, 6 January 2014 .....	111
Figure 4.8. Suggested post on the author's mobile Facebook timeline advertising a promotion for Babel Casino, 18 November 2013 .....	111
Figure 4.9. Terminator-themed suggested post on the author's Timeline advertising a promotion for Hit It Rich!, 6 January 2014.....	112
Figure 4.10. Wizard of Oz-themed suggested post on the author's Timeline advertising a promotion for Hit It Rich!, 8 January 2014.....	112
Figure 4.11. Tomb Raider-themed suggested post on the author's Timeline advertising a promotion for WinTingo, 15 November 2013 .....	113
Figure 4.12. Sidebar ad for Best Casino Slots Bingo & Poker in which 'addiction' is framed as a promise to the gamer, 23 October 2013.....	113

Figure 4.13. Suggested post on the author's Facebook Timeline advertising a promotion for NZ Games, 22 October 2013 .....	118
Figure 4.14. Suggested post on the author's Facebook Timeline advertising a promotion for Casino 88, 8 October 2013 .....	118
Figure 4.15. Suggested post on the author's Facebook Timeline advertising a promotion for Bingo Cabin, 17 March 2014.....	119
Figure 4.16. Suggested post on the author's Facebook Timeline advertising a promotion for Bingo Cabin, 22 March 2014.....	119
Figure 4.17. Suggested post on the author's Facebook Timeline advertising a promotion for Pokie Game, 28 February 2014 .....	120
Figure 4.18. Suggested post on the author's Facebook Timeline advertising a promotion for Play Slots, 10 March 2014.....	120
Figure 4.19. Suggested post on the author's Facebook Timeline advertising free online bonuses, 10 March 2014 .....	121
Figure 4.20. Suggested Post on the author's Facebook Timeline advertising free online pokies, 27 March 2014.....	121
Figure 4.21. Suggested post on the author's Facebook Timeline advertising free online slots in a 'Halloween special', 30 October 2013 .....	122
Figure 4.22. Suggested post on the author's Facebook Timeline advertising free online slots in a 'Halloween special', 28 October 2013 .....	122
Figure 4.23. Suggested post on the author's Facebook Timeline advertising free online slots, 18 November 2013 .....	123
Figure 4.24. Suggested post on the author's Facebook Timeline advertising All Slots, 17 December 2013 .....	123
Figure 4.25. Suggested post on the author's Facebook Timeline advertising free bets in the Centrebet online sports betting site, 10 October 2013.....	124
Figure 4.26. Suggested post on the author's Facebook Timeline advertising free bets in the Sportsbet online sports betting site, 4 October 2013 .....	124
Figure 4.27. Sponsored post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Ladbrokes, 5 November 2013.....	126
Figure 4.28. Suggested post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Tom Waterhouse. There is also an ad for All Slots Casino, 5 November 2013 .....	126
Figure 4.29. Suggested post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Sportingbet Australia, 5 November 2013 .....	127
Figure 8.1. Frequency histogram depicting the first year in which adult social casino game users first reported playing a social casino game (adults, n = 521) .....	208
Figure 8.2 Frequency histogram depicting the first year in which adult social casino game users first reported playing a social casino game (adolescents, n = 127) .....	242



## List of Tables

Table 3.1. <i>Number of gambling operators sampled by type and jurisdiction in which they are licensed to operate</i> .....	57
Table 3.2. <i>Number and percentage of each venue type indicating social media use</i> .....	58
Table 3.3 <i>Means and standard deviations of Facebook and Twitter followers across gambling operator type</i> .....	59
Table 4.1 <i>Products and companies advertised on Facebook during the observation period</i> .....	107
Table 4.2 <i>Examples of social casino game push advertising on Facebook</i> .....	108
Table 4.3 <i>Examples of regulated gambling operators' push advertising on Facebook</i> .....	114
Table 4.4 <i>Examples of offshore online casinos and lotteries' push advertising on Facebook</i> .....	115
Table 4.5 <i>Examples of push advertising for gambling products on Facebook around the Melbourne Cup 2013</i> .....	125
Table 7.1 <i>Sample description of social casino game users</i> .....	172
Table 7.2 <i>Themes and sub-themes</i> .....	174
Table 8.1 <i>Demographic characteristics (Adult sample, n = 1,554)</i> .....	189
Table 8.2 <i>Frequency of engagement in each of six categories of gambling in the last 12 months (% of adults, n = 1,554)</i> .....	190
Table 8.3 <i>Responses to items on the PGSI scale (% of adults, n = 810)</i> .....	190
Table 8.5 <i>Percentage of respondents who reported ever gambling online (% of adults, n = 1,136)</i> .....	191
Table 8.6 <i>Monthly gambling expenditure statistics in Australian dollars (% of adults, n = 1,136)</i> .....	191
Table 8.7 <i>Proportion of respondents who reported the following reasons for gambling (% of adults, n = 1,136)</i> .....	192
Table 8.8 <i>Number and percentage of respondents who reported activity within social networking sites in the last 12 months (% of adults, n = 1,554)</i> ..	193
Table 8.9 <i>Frequency of social media engagement (% of adults, n = 1,338)</i> .....	193
Table 8.10 <i>Length of time spent on a typical day on which respondents reported using social media (% of adults, n = 1,338)</i> .....	194
Table 8.11 <i>The proportion of respondents who have used social features on the website or social media page of a gambling operator (% of adults, n = 1,338)</i> .....	195
Table 8.12 <i>Proportion of respondents who reported seeing content from gambling operators on social media platforms (% of adults, n = 1,338)</i> .....	196
Table 8.13 <i>Proportion of respondents who reported interactions with gambling operators on social media platforms (% of adults, n = 1,338)</i> .....	197
Table 8.14 <i>Reported importance of each of the following in terms of encouraging respondents to connect with a gambling operator on social media (% of adults, n = 251)</i> .....	198
Table 8.15 <i>Views on and impacts of promotions by gambling operators on social media sites (% of adults, n = 1,334)</i> .....	199
Table 8.16 <i>Impacts of promotions by gambling operators on social media sites in terms of gambling (% of adults, n = 1,334)</i> .....	200

Table 8.17	<i>Responses to questions about responsible gambling on social media sites (% of adults, n = 1,554)</i>	201
Table 8.18	<i>Responses to questions about how likely respondents were to do each of the following actions on social media sites (% of adults, n = 1,554)</i>	202
Table 8.19	<i>Frequency of engagement in each of six categories of social casino game in the last 12 months (% of adults, n = 1,554)</i>	203
Table 8.20	<i>Number of social casino game sessions on a typical day on which respondents reported using social casino games (% of adults, n = 521)</i>	204
Table 8.21	<i>Length of time spent on a typical day on which respondents reported using social casino games (% of adults, n = 521)</i>	204
Table 8.22	<i>Activities in which respondents would engage if they were not playing social casino games (% of adults, n = 521)</i>	205
Table 8.23	<i>Social casino games on which respondents have spent real money (% of adults, n = 521)</i>	205
Table 8.24	<i>Frequency of spending money on social casino games during the last 12 months (% of adults, n = 261)</i>	205
Table 8.25	<i>Usual spend each time respondents made a purchase on social casino games during the last 12 months (% of adults, n = 261)</i>	206
Table 8.26	<i>Reasons for spending money on social casino games (% of adults, n = 261)</i>	206
Table 8.27	<i>Number of different social casino games on which respondents typically spent money each month (% of adults, n = 261)</i>	207
Table 8.28	<i>Agreement with the statement ‘the cost of any purchases for social casino games was made clear before you paid’ (% of adults, n = 261)</i>	207
Table 8.29	<i>Descriptive statistics for first year in which respondents engaged in social casino games (% of adults, n = 521)</i>	207
Table 8.30	<i>Sites and platforms on which respondents have played social casino games (% of adults, n = 521)</i>	208
Table 8.31	<i>Devices on which respondents have played social casino games (% of adults, n = 521)</i>	209
Table 8.34	<i>Reported use of social features while playing social casino games (% of adults, n = 521)</i>	211
Table 8.35	<i>Responses to hypothetical questions about gambling on social casino games (% of adults, n = 521)</i>	212
Table 8.36	<i>Agreement with the statement ‘To what extent do you agree or disagree that social casino game operators encourage you to try real-money gambling’ (% of adults, n = 521)</i>	213
Table 8.37	<i>Impacts of social casino games in terms of gambling (% of adults, n = 521)</i>	213
Table 8.38	<i>Aspects of social casino games that had encouraged respondents to gamble (% of adults, n = 101)</i>	214
Table 8.39	<i>Aspects of gambling sites that encouraged the playing of social casino games (% of adults, n = 83)</i>	215
Table 8.40	<i>Responses to questions about perceived similarities between social casino games and gambling, among those who both use social casino games and gamble (% of adults, n = 521)</i>	216
Table 8.41	<i>Effects of playing social casino games on gambling (% of adults, n = 521)</i>	217

Table 8.42	<i>How often respondents reported noticing responsible gambling messages in social casino games (% of adults, n = 521)</i> .....	217
Table 8.43	<i>Age restrictions or recommendations on social casino games noticed by respondents (% of adults, n = 521)</i> .....	218
Table 8.44	<i>Self-reported negative consequences due to social casino game use (% of adults, n = 169)</i> .....	218
Table 8.45	<i>Frequency of engagement in each of six categories of practice game in the last 12 months (% of adults, n = 1,554)</i> .....	219
Table 8.46	<i>Length of typical session playing practice games (% of adults, n = 425)</i> .....	220
Table 8.47	<i>Effects of playing practice games on gambling (% of adults, n = 425)</i> ..	220
Table 8.48	<i>Proportion of respondents who reported the following reasons for playing practice games (% of adults, n = 425)</i> .....	221
Table 8.49	<i>Extent to which respondents agreed or disagreed that practice game operators encourage people to try gambling (% of adults, n = 425)</i> .....	221
Table 8.50	<i>Self-reported impact of practice game use on gambling desire and behaviour (% of adults, n = 425)</i> .....	222
Table 8.51	<i>How often respondents have noticed responsible gambling messages in practice games (% of adults, n = 425)</i> .....	222
Table 8.52	<i>Agreement with the statement 'To what extent has your use of social media, social casino games or practice games increased or decreased any problems you have had with your gambling' (% of adults)</i> .....	223
Table 8.53	<i>Demographic characteristics (Adolescent sample, n = 561)</i> .....	225
Table 8.54	<i>Frequency of engagement in each of six categories of gambling in the last 12 months (% of adolescents, n = 561)</i> .....	226
Table 8.55	<i>Responses to items on the modified PGSI scale (n = 84)</i> .....	226
Table 8.56	<i>Percentage of respondents who reported ever gambling online (% of adolescents, n = 101)</i> .....	227
Table 8.57	<i>Monthly gambling expenditure statistics in Australian dollars (Adolescent sample, n = 101)</i> .....	227
Table 8.58	<i>Percentage of respondents who reported the following reasons for gambling (% of adolescents, n = 101)</i> .....	227
Table 8.59	<i>Number and percentage of respondents who reported activity within social networking sites in the last 12 months (% of adolescents, n = 561)</i> .....	228
Table 8.60	<i>Frequency of social media engagement (% of adolescents, n = 553)</i> .....	229
Table 8.61	<i>Length of time spent on a typical day on which respondents reported using social media (% of adolescents, n = 553)</i> .....	229
Table 8.62	<i>Proportion of respondents who have used social features on the website or social media page of a gambling operator (% of adolescents, n = 553)</i> .....	230
Table 8.63	<i>Proportion of respondents who reported seeing content from gambling operators on social media platforms (% of adolescents, n = 553)</i> .....	231
Table 8.64	<i>Proportion of respondents who reported interactions with gambling operators on social media platforms (% of adolescents, n = 553)</i> .....	232
Table 8.65	<i>Reported importance of each of the following in terms of encouraging respondents to connect with a gambling operator on social media (% of adolescents, n = 105)</i> .....	233
Table 8.66	<i>Views on and impacts of promotions by gambling operators on social media sites (% of adolescents, n = 553)</i> .....	233

Table 8.67	<i>Impacts of promotions by gambling operators on social media sites in terms of gambling (% of adolescents, n = 553)</i>	234
Table 8.68	<i>Responses to questions about responsible gambling on social media sites (% of adolescents, n = 561)</i>	235
Table 8.69	<i>Responses to questions about how likely respondents were to do each of the following actions on social media sites (% of adolescents, n = 561)</i>	236
Table 8.70	<i>Frequency of engagement in each of six categories of social casino game in the last 12 months (% of adolescents, n = 561)</i>	237
Table 8.71	<i>Number of social casino game sessions on a typical day on which respondents reported using social casino games (% of adolescents, n = 127)</i>	237
Table 8.72	<i>Length of time spent on a typical day on which respondents reported using social casino games (% of adolescents, n = 127)</i>	238
Table 8.73	<i>Activities in which respondents would engage if they were not playing social casino games (% of adolescents, n = 127)</i>	238
Table 8.74	<i>Social casino games on which respondents have spent real money (% of adolescents, n = 127)</i>	239
Table 8.75	<i>Frequency of spending money on social casino games during the last 12 months (% of adolescents, n = 51)</i>	239
Table 8.76	<i>Usual spend each time respondents made a purchase on social casino games during the last 12 months (% of adolescents, n = 51)</i>	239
Table 8.77	<i>Reasons for spending money on social casino games (% of adolescents, n = 51)</i>	240
Table 8.78	<i>Number of different social casino games on which respondents typically spent money each month (% of adolescents, n = 51)</i>	240
Table 8.80	<i>Descriptive statistics for first year in which respondents engaged in social casino games (% of adolescents, n = 127)</i>	241
Table 8.81	<i>Sites and platforms on which respondents have played social casino games (% of adolescents, n = 127)</i>	242
Table 8.82	<i>Devices on which respondents have played social casino games (% of adolescents, n = 127)</i>	243
Table 8.83	<i>Social casino games played by respondents (% of adolescents, n = 127)</i>	244
Table 8.84	<i>Proportion of respondents who reported the following reasons for playing social casino games (% of adolescents, n = 127)</i>	245
Table 8.85	<i>Reported use of social features while playing social casino games (% of adolescents, n = 127)</i>	245
Table 8.86	<i>Responses to hypothetical questions about gambling on social casino games (n = 127)</i>	246
Table 8.87	<i>Agreement with the statement 'To what extent do you agree or disagree that social casino game operators encourage you to try real-money gambling' (% of adolescents, n = 127)</i>	246
Table 8.88	<i>Impacts of social casino games in terms of gambling (% of adolescents, n = 127)</i>	247
Table 8.89	<i>Aspects of social casino games that had encouraged respondents to gamble (% of adolescents, n = 35)</i>	248
Table 8.90	<i>Aspects of gambling sites that encouraged the playing of social casino games (% of adolescents, n = 32)</i>	248

Table 8.91 <i>Responses to questions about perceived similarities between social casino games and gambling, among those who both use social casino games and gamble (% of adolescents, n = 127)</i> .....	249
Table 8.92 <i>Effects of playing social casino games on gambling (% of adolescents, n = 127)</i> .....	250
Table 8.93 <i>How often respondents reported noticing responsible gambling messages in social casino games (% of adolescents, n = 127)</i> .....	250
Table 8.94 <i>Age restrictions or recommendations on social casino games noticed by respondents (% of adolescents, n = 127)</i> .....	251
Table 8.95 <i>Self-reported negative consequences due to social casino game use (% of adolescents, n = 59)</i> .....	251
Table 8.96 <i>Frequency of engagement in each of six categories of practice games in the last 12 months (% of adolescents, n = 561)</i> .....	252
Table 8.97 <i>Length of typical session playing practice games (% of adolescents, n = 122)</i> .....	252
Table 8.98 <i>Effects of playing practice games on gambling (% of adolescents, n = 122)</i> .....	253
Table 8.99 <i>Proportion of respondents who reported the following reasons for playing practice games (% of adolescents, n = 122)</i> .....	253
Table 8.100 <i>Extent to which respondents agreed or disagreed that practice game operators encourage people to try gambling (% of adolescents, n = 122)</i> .....	253
Table 8.101 <i>Self-reported impact of practice game use on gambling desire and behaviour (% of adolescents, n = 122)</i> .....	254
Table 8.102 <i>How often respondents have noticed responsible gambling messages in practice games (% of adolescents, n = 122)</i> .....	254
Table 8.103 <i>Agreement with the statement 'To what extent has your use of social media, social casino games or practice games increased or decreased any problems you have had with your gambling' (% of adolescents)</i> ....	255

## **List of Abbreviations**

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
CEO	Chief Executive Officer
COPPA	Children’s Online Privacy Protect Act
DBCDE	Department of Broadband, Communications and the Digital Economy
EGM	electronic gaming machine
MMO	massively multiplayer online
NRL	National Rugby League
NSW	New South Wales
PGSI	Problem Gambling Severity Index
RSL	Returned Services League
SSI	Survey Sampling International
UK	United Kingdom
US	United States
WSOP	World Series of Poker

## **Executive Summary**

The purpose of this project was to identify and describe the availability and promotion of gambling and social casino game opportunities via social media; whether there has been a transition between social casino game play and gambling; and the potential for social media to be used to promote responsible gambling.

### **Methodology**

The results reported below are based on a multi-stage study, including:

- A literature review of academic, government, industry and other relevant publications.
- An audit of the Australian-facing social media pages for 101 gambling operators licensed in Australia, which included a cross-section of types of gambling operators. Basic analyses examined the reach of social media and gathered examples of the types of posts made by operators.
- A case study of the Facebook site of an Australian male user (aged 35), to collect and analyse examples of social media advertisements and promotions for gambling products and social casino games visible to an Australian consumer.
- Interviews conducted with representatives of 12 Australian gambling operators, including a range of different types of gambling providers.
- Interviews conducted with representatives of 12 organisations with expertise and insight into online gambling and social casino games. These included Australian and international policy makers, Australian and international social casino game operators, industry groups and international online gambling operators.
- Interviews conducted with 12 Australian adult social casino game players.
- An online survey of 1,554 adults (aged 18+) and 561 adolescents (aged 12–17), conducted in May–June 2014 using Australian online panels recruited by a market research firm. The respondents were representative of the Australian population based on age, gender and State.

### **How gambling operators use social media**

- Many Australian gambling operators were using social media to promote their brand and engage with customers.
- Social media use by gambling operators centred around Facebook and Twitter, although YouTube and Google+ were used to a lesser extent.
- Promoted material varied depending upon the type of gambling service being provided and also across operators. Venue-based operators typically focused on posts to encourage venue visitation, such as highlighting events and specials within venues. By contrast, online wagering and lottery providers focused more strongly on the promotion of their brand and strategies to increase and maintain customer engagement. These operators provided a greater volume of material with betting-related content (e.g., sports news) and also engaged in greater product promotion.

- Online betting providers had the highest and most successful social media presence, based on the number of followers.
- Social media posts by Australian licensed gambling providers appeared to abide by advertising codes of conduct, although this did not always extend to the required display of responsible gambling messages and warnings; these were rarely provided or were difficult to discern.
- The majority (88%) of adult social media users surveyed had not actively engaged with gambling operators through social media. Less than half of those surveyed (41%) had seen advertisements for gambling operators on social media sites. However, two-thirds of respondents thought that there were too many promotions for gambling on social media, indicating that these are not particularly welcome by users generally. Two-thirds of respondents agreed that gambling operators used social media to encourage users to gamble, despite this not being stated as a main aim by those gambling operators interviewed.
- Almost two-thirds (66%) of adult social media users surveyed reported that social media use by gambling operators had no impact on how much they would like to gamble, and three-quarters (76%) stated it had no impact on how much they did gamble. One-in-ten respondents (11%) indicated that promotions or content posted on social media by gambling operators had increased how much they gambled. Younger respondents, those with higher levels of gambling problems and gamblers were significantly more likely to state that these promotions had increased their gambling.
- Unregulated offshore gambling providers were advertising directly to Australians through social media, despite this being explicitly prohibited by the *Interactive Gambling Act* (2001). These advertisements tended to misrepresent the typical experience of using the product by overt display of the apparent ease of winning, fictitious winners and a direct call to gambling.
- Gambling products were not directly offered via social media, although a few land-based venues and several large EGM manufacturers offer social casino games.

### **Non-monetary gambling-style products available to Australians**

- Social casino games refer to online gambling-themed games that do not require payment to play or provide a direct payout or monetary prizes. These are typically based on social media sites or mobile apps that can connect with a player's social media network and generally allow in-play purchases.
- Social casino games were advertised as being 'addictive', included themes based on popular culture (e.g., movies) and had no age restrictions.
- One-third of adults surveyed had played these games in the last 12 months. Compared to non-social casino gamers, these adults were slightly younger (43 years old on average v. 48 years for non-casino gamers), more likely to work full time (37% v. 30%) and more likely to be gamblers (91% v. 64%). No gender differences were reported. These games were played to pass time, for fun and for the competition and challenge.
- Social casino game operators used social media to advertise these games to users. Interviews and surveys suggested that this marketing, combined with peer-endorsement via social media, does influence customer take-up of these games.



- Half of social casino game players surveyed had paid money for these games, mostly to increase their enjoyment, take up promotions, to progress or as an impulse decision. The majority (60%) reported that the cost of the purchase was clear to them (only 11% disagreed).
- Amongst those who had at least moderate gambling problems, a subgroup of social casino game players (27%) reported some negative consequences of their game use, and one-quarter thought that they might have a problem with these games. Younger adults as well as those with higher levels of problem gambling more commonly reported problems. Negative consequences reported included unsuccessful attempts to limit gameplay time, using games to escape problems, feeling upset when they could not play games, and other life problems due to the use of these games. Interviews revealed that for some, these games could be highly problematic in terms of excessive time and money spent and disruption to life.
- Practice games refer to free-play versions of primarily online gambling products provided by gambling operators intended to replicate the gambling activity. These did not appear to be heavily promoted on social media by gambling operators. Over one-quarter (27%) of adults and one-fifth (21%) of adolescents surveyed reported having played practice games online.

## **Impact of social media and gambling on vulnerable populations**

### **Problem gambling**

- Gambling operators interviewed reported being mindful of the potential impacts of social media use on problem gamblers and many involved their responsible gambling team or manager in reviewing posts and responding to any potential concerns.
- Despite reported attempts to limit this by gambling operators, adults classified as problem gamblers were more likely than non-problem gamblers to engage with gambling operators using social features such as reading and posting comments online.
- Among those at-risk for problems, the majority (57%) reported that the use of social media by gambling operators had no impact on their gambling problems. Over one-quarter (26%) reported that this had at least somewhat increased their problems, while only 7% reported a reduction in problems as a result.
- Social media use by gambling operators did not appear to be an independent cause of gambling problems and had no impact on most social media users. However, it may act as a trigger to gamble for those with existing vulnerabilities and exacerbate existing problems.
- Surveyed respondents with higher problem gambling severity levels were more likely to report an increase as a result of playing social casino games in both their desire to gamble and how much they actually gambled. Around one-quarter of those surveyed who were at some risk for gambling problems reported that these games increased their problems. Similar results were found for practice games.
- These results provide evidence that, for some problem gamblers, playing social casino and practice games may exacerbate problems.
- Conversely, some gamers interviewed reported positive impacts of social casino games. Using these games, they could play a gambling-like game

without spending money. This lessened the urge to gamble and helped some to resolve their gambling problems.

## **Youth**

- Gambling operators, social casino game operators and industry representatives interviewed claimed that they did not directly advertise to children via social media.
- Similar proportions of adolescents were engaged with gambling operators via social media as in the adult sample (42% had seen promotions on social media, 15% had engaged with operators via social media), suggesting that age restrictions on social media are not effective.
- Among the adolescents surveyed, three-quarters (75%) reported that social media use by gambling operators had no impact on how much they would actually gamble. However, around one-in-ten (11%) reported that the promotions had increased how much they gambled.
- Among those adolescents at some risk for gambling problems, one-third (34%) reported that social media use by gambling operators had at least somewhat increased their problems.
- Just over one-fifth of adolescents surveyed (23%) reported playing social casino games. These adolescents were more likely to be male and were slightly older than non-players. Of those adolescents who reported gambling, 73% played these games, compared to 12% of non-gamblers.
- Among the adolescents who played social casino games, two-fifths (40%) had spent money on these games. Over one-third (37%) of social casino gamers reported they thought they had a problem with these games.

## **Migration between gambling and social casino games**

- There was a high crossover between gamblers and social casino game players in the sample surveyed; 91% of social casino game users in the adult survey sample also engaged in gambling, compared to 64% of social casino game non-users.
- Two-thirds of adolescents (66%) surveyed and over half of adults (55%) agreed that social casino game operators encouraged them to try gambling.
- The majority of respondents indicated that their use of social casino games had no impact on their desire to gamble (61%) or their actual gambling (66%). Further, playing social casino games to improve gambling skills was the lowest ranked motivation for play.
- Nonetheless, 17% of adult and 28% of adolescent social casino game users surveyed reported having gambled more as a result of playing a social casino game. This was more common among males and gamblers in the adolescent sample, and among males, younger respondents and those with higher problem gambling severity levels among adults. The most common reason endorsed for moving from a social casino game to gambling was to win money.
- A similar proportion of survey respondents reported moving from gambling to social casino games (14% of adults and 24% of adolescents) as migration in the other direction. Commonly reported reasons included a desire to play

without spending money, that social casino games are easier to play, and that they are more social, as much fun and ‘better’ than gambling.

- Just under one-in-three adolescent social casino game players (30%) and one-quarter (23%) of adults reported that they had gambled on the same type of activity they played in social casino games. Just under half of adolescents (48%) and over half of adults (58%) reported that they had engaged in the gambling activity first, suggesting that social casino game use is not necessarily migrating players to gambling. Rather, a common interest in these activities may drive engagement in both activities. Although as the majority had moved from the social casino game to gambling, a migratory pathway should not be discounted.
- One-third of adolescents (33%) and 15% of adults thought that their experience with social casino games would increase their success with gambling.

### **Using social media to promote safer gambling habits**

- Gambling and social casino game operators rarely include responsible gambling messages or warnings in their advertisements on social media.
- The vast majority of social media users surveyed were not interested in using social media to find information about responsible or problem gambling, or to seek advice or share their opinions about these issues. Younger adults, those with higher problem gambling severity levels and adolescents showed more interest in using social media to seek information or help regarding gambling problems, although only a minority was likely to do so.
- Investing in social media for the promotion of responsible gambling and to encourage help seeking or information sharing may have limited effectiveness due to the general lack of interest among social media users in seeking help via these platforms. Nonetheless, given the potential impact of social media, further exploration is warranted of strategies to enhance the use of these platforms to promote safer gambling habits.

### **Conclusions**

- This is the first comprehensive study worldwide to look into the newly emerging areas of social media and social casino games in terms of their convergence with and impacts on the marketing and use of gambling.
- Gambling operators licensed within Australia appear to abide by advertising codes of conduct. Many do not specifically promote gambling products via social media, instead focusing on brand promotion. However, most do not include mention of responsible or problem gambling in their social media promotions.
- Social casino games are readily accessible via social media and mobile apps and have a strong market in Australia.
- For the majority of people, social casino games have no impact on their gambling. There is little evidence that gambling promotions via social media or social casino games influence gambling for the majority of users. However, for a minority of at-risk gamblers and adolescents, social casino games may encourage increased gambling and irrational beliefs, which may exacerbate existing gambling problems.

- There is a very high overlap between gamblers and social casino game players, indicating an underlying interest in gambling-themed activities driving both activities. However, these activities appear to be used for different purposes for the majority of players.
- Australian social media sites are likely to continue to feature gambling themes through games and promotions from gambling operators as long as a large number of relevant target audiences use these platforms. Policy makers and stakeholders should continue to monitor the use of social media for the promotion of gambling as well as gambling-themed games to ensure that there are minimal potential negative consequences for users, particularly people vulnerable to gambling problems and youth.

# **Chapter 1: Introduction**

The purpose of this project was to identify and describe the availability and promotion of gambling and social casino game opportunities via social media; whether there has been a transition between social casino game play and gambling; and the potential for social media to be used to promote responsible gambling.

The following research questions were considered:

1. What is the structure and nature of the gambling services being offered by industry providers using social media?
2. What gambling-style services or promotions are offered and are not played for money?
3. What new and emerging media can be identified for use in the promotion of gambling products?
4. Does social media act as an impetus/stimulus to exacerbate gambling problems in high-risk segments/vulnerable populations?
5. Has there been a migration from conventional forms of gambling to new forms using the new media?
6. What factors would promote safer gambling habits when using these new media forms?
7. Do problem gambling messages and/or warnings appear on social media sites that provide access to or promote gambling? If so, what form do they take, and do they influence help-seeking behaviours?

## **1.1 Methodological design**

This report is structured around these central research questions. To address the research questions, a multi-stage study was conducted, including:

- A literature review of academic, government, industry and other relevant publications.
- An audit of the Australian-facing social media pages for 101 gambling operators licensed in Australia, which included a cross-section of types of gambling operators. Basic analyses examined the reach of social media and gathered examples of the types of posts made by operators.
- A case study of the Facebook site of an Australian male user (aged 35), to collect and analyse examples of social media advertisements and promotions for gambling products and social casino games visible to an Australian consumer.
- Interviews conducted with representatives of 12 Australian gambling operators, including a range of different types of gambling providers.
- Interviews conducted with representatives of 12 organisations with expertise and insight into online gambling and social casino games. These included Australian and international policy makers, Australian and international social casino game operators, industry groups and international online gambling operators.
- Interviews conducted with 12 Australian adult social casino game players.

- An online survey of 1,554 adults (aged 18+) and 561 adolescents (aged 12–17), conducted in May–June 2014 using Australian online panels recruited by a market research firm. The respondents were representative of the Australian population based on age, gender and State.

Ethics approval for this research was granted by Southern Cross University's Human Research Ethics Committee.

### **1.1.1 Justification of methodological design**

The designed methodology used mixed methods to respond comprehensively to the research questions. The inclusion of multiple types of investigation, audit, case study, interviews, a survey and literature review was intended to provide multiple ways to answer each research question (i.e., triangulation).

The literature review was conducted to provide an overview and background to each research question based on existing and available knowledge. The literature review was conducted to inform the subsequent stages and was updated throughout the project to reflect changing developments within the field.

The audit of Australian gambling operator's use of social media was designed to respond to research questions 1, 2, 3, and 7. Preliminary investigations revealed that some types of operators are more involved in social media than others. A decision was made to focus on the largest operators in terms of customer numbers, provision of gambling, brand recognition, and revenue to provide information about more active use of social media by operators. The audit was limited to operators that were licensed to provide gambling to Australians. By examining the use of social media by operators of all gambling services within Australia this was considered to provide an overview of what gambling promotions are available through these sites, whether gambling operators are providing non-monetary gambling products through social media, and the extent to which problem gambling messages or warnings are incorporated into gambling promotions on social media.

A case study of the promotions for gambling and non-monetary gambling services viewed on Facebook for a young Australian male was included to respond to research questions 1, 2, 3 and 7. The best way to evaluate promotions typical Australian users would be exposed to on social media was considered. Facebook was considered the most relevant site to examine as this is the most popular social networking site in Australia and at the time of project commencement it was the social media site most commonly used for advertisements. Establishing and evaluating proxy user accounts was considered, which would allow relevant factors to be controlled for, including age, gender, and engagement with gambling-themes and promotions. However, given that many Facebook promotions are based on a user's connections, faux accounts with no connections may not be exposed to these. Accessing a large number of social media accounts from real users to determine the promotions they viewed would be difficult due to privacy settings and would either require users to provide their account details and passwords, or be relied upon to monitor promotions themselves, document and share these. An ethnographic case study approach was selected as although this would not be representative of all users, it would provide insights into the types of advertisements and promotions viewed by young males on Facebook, which appeared to be an important target audience based on preliminary investigations.

Interviews were conducted with Australian gambling operators representing a wide range of gambling services to respond to research questions 1, 3, and 7. Although the audit of social media would provide an objective view of the types of promotions posted by gambling operators on social media, this stage was considered important to gather information directly from operators and provide insight into the considerations behind the use of social media. In addition, interviews aimed to further the understanding of how approaches to using social media were formed and potential future trends and developments. Being able to verify the information provided in the interviews with the results of the audit was important to reduce any potential bias that may be present in the interviews. A range of respondents were aimed to be included, including those with direct knowledge and responsibility for social media content as well as senior business developers and responsible gambling managers, as these perspectives were all relevant to the various research questions. The information gained from these interviews would not be readily available from any other sources.

Interviews were conducted with experts from operators of social casino game and gambling products, social casino game operators, representatives of gaming industry associations, government organisations, and other relevant experts to respond to research questions 1, 2, 3, 5, 6 and 7. The intention of the interviews was to gather information not publicly available in the rapidly developing field about regulations and codes of conduct for gambling and gambling-style services on social media, including in comparison with international jurisdictions. Interviews with international experts aimed to identify trends relevant to Australia including about how gambling and gaming opportunities were treated by companies providing both, perceived distinctions between gambling and gaming and points of convergence, regulatory and policy concerns, consideration for incorporating responsible gambling and gaming frameworks into promotions and products, and whether social media may be used to facilitate responsible gambling. Combining the different stakeholder groups was considered appropriate as the knowledge and expertise within the various groups are all relevant to similar questions. Interviewing respondents with different perspectives was considered important to provide balance and account for the range of organisations with the potential to influence the gambling and gaming fields. As the gambling and gaming fields develop and change quickly in terms of products and promotions and regulatory and policy changes were underway during the course of the project, interviews with key expert stakeholders was considered an important element of the research to ensure that current views and information was obtained that would not otherwise be publicly available

Interviews with users of social casino games, including those who also gambled were conducted to inform research questions 2, 3, 4, 5, 6, and 7. In particular, in-depth interviews intended to understand transitions between gambling and gaming over time, the impact of gaming on gambling (and vice versa), including any negative consequences experienced and individual preferences, motivations and experiences. Including representatives with a range of experiences was intended to provide insights into the differential impacts of gaming on gambling. The results could be used to provide illustrative examples and insights into the experience reported by survey respondents.

A large online survey was conducted to inform most research questions, but particularly questions 4, 5, and 7. Including a large sample of both adults and adolescents was important to understand the differential impact of social media, social

casino and practice games on these separate populations. The sample was not intended to be representative of all Australians, but attempts were made to make it was representative of Internet users as possible, and include online and land-based gamblers, including individuals with gambling problems, social media users, and social casino game users. The analysis of results aimed to provide descriptive statistics to understand how Australians use social media, social casino and practice games, whether these activities have any impact on gambling and gambling problems, including migration between activities, whether responsible gambling messages are observed through these activities, and whether social media may facilitate responsible gambling. In addition to the descriptive statistics, comparisons would be possible between groups based on demographic characteristics, use of social casino games, use of gambling and experience with gambling problems.

The following chapters describe the results of each stage of the study. The final chapter comprises a discussion of the combined results and situates them in the context of the existing literature.



## **Chapter 2: Literature Review**

### **2.0 Overview**

This chapter presents a comprehensive overview of the research evidence base on social media and gambling to provide a background to the research conducted and outline existing knowledge relevant to all research questions. Specifically, this review provides a summary of the structure and nature of gambling and social casino gaming opportunities available through social media platforms, and how gambling operators employ social media to promote and facilitate access to gambling products and services. The capacity of social media to promote social responsibility messages and activities is examined in this context. This review also examines rates of user uptake and participation in social media gambling activities in Australia, with particular attention to new non-financial gambling activities such as free-to-play apps, termed ‘social casino games’, typically hosted on online social networks and mobile platforms. It then summarises research findings and expert opinion on the known and possible influences of these social media gambling activities on other types of gambling behaviour, including disordered gambling. Drawing on these findings and observations within this new and rapidly changing field, this review summarises local and international trends in gambling activities via social media.

#### **2.0.1 Scope of the review**

The scope and structure of this review is as follows:

1. An overview of social media in general
2. The structure and nature of gambling and social casino gaming opportunities available through social media platforms
3. Use of social media by gambling operators to promote products and services
4. Availability and use of gambling and social casino gaming on social media, web and mobile platforms provided by gambling operators
5. Uptake and use of social casino games in Australia
6. Relationships between use of gambling, social casino gaming and gambling problems
7. Relationships between social media promotions by gambling operators and gambling problems, including the use and effect of promotions, and impact of exposure to promotions via social media
8. Use of social media to promote responsible gambling practices
9. International and future trends in gambling via social media.

#### **2.0.2 Methodology**

The purpose of this review is to summarise academic, industry and governmental reports on the crossover of social media and gambling activities. The scope of this review is mainly limited to social media and gambling accessible in Australia; however, some pertinent information and details from international jurisdictions are included where relevant. Given that research on social media and gambling is a relatively new field of study, and that modern social media technologies and applications are only a recent technological development (i.e., the majority of online social networks are less than 10 years old), it was recognised that academic peer-

reviewed literature would be limited in quantity. To identify peer-reviewed academic literature, literature searches were conducted on multiple available bibliographic databases, *Academic Search Premier*, *PubMed*, *PsychINFO*, *ScienceDirect*, *Web of Science*, and major Internet search engines, such as *Google Scholar*. Searches were conducted using a wide range of relevant keywords and logic, including ‘social casino games; Internet OR online gambling; Internet OR online gaming; social media AND games; social media AND gambling; social gaming AND gambling; gambling AND social media promotions OR advertising; social gaming AND gambling problems; gambling AND mobile; gambling AND gaming consoles; responsible gambling AND social media’. Reference lists of identified publications were also searched to lead to further relevant publications. In addition, this search process identified key authors, and the computer database searches were then re-searched in the *Scopus* database. Reference lists of reviews of social media and gambling were also examined, as were the references of the included studies.

This review was conducted between September 2013 and November 2014 to identify more recently published and ‘in press’ publications. In addition, the review searched the websites of university-based research centres to identify any relevant research publications or projects, either completed or in progress, both in Australia and internationally. Published conference proceedings from major gambling conferences held worldwide were also consulted for relevant papers. Additional search methods were employed to identify literature outside traditional academic sources, including: (1) government websites and State gambling regulatory bodies; (2) industry reports, such as reports published by *SuperData* and other companies that specialise in market research, and (3) verbal consultations with experts, including key authors identified by the previous search processes who were contacted directly by email with requests for ‘in press’ and unpublished works.

## **2.1 Social Media: An Introduction**

### **2.1.1 Social media: a definition and overview**

Social media refers to Internet sites and platforms on which the primary purpose is to facilitate social interactions between users to exchange information, communicate and/or undertake collaborative activities. Social media has fundamentally changed the way in which users engage with content and with each other on the Internet, predominantly through its creation of virtual communities focused on interactive content that is created and supported by users. For this reason, social media is argued to be a major component of ‘Web 2.0’ (i.e., the second stage in Internet development), owing to its use of dynamic and user-created content rather than static non-interactive websites that offer passive user experiences (Weber, 2007). Users may include individuals or groups (and companies) who are both consumers and publishers of content. User interactions typically revolve around a focal point such as a personal profile, discussion board, photo or video sharing, product reviews, blog post or other public content. Focal points may also include gaming apps or other interactive entertainment products. The majority of social media platforms are free services that employ revenue models that draw income from advertising or by offering paid premium services for users via subscription or ‘pay per use’ models (Bernal, 2010). In 2015 it was predicted advertisers worldwide will spent US\$23.68 billion on paid media to reach consumers on social networks in 2015, a 33.5% increase from 2014 (Media Buying, 2015). Future projections indicated that social network advertising

spending will reach US\$35.98 billion by 2017, representing 16% of all digital advertising spent globally.

Several types of Internet content and services fall under the general category of social media. These include but are not limited to:

- *Social network sites*—platforms that allow users to create a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system (Boyd & Ellison, 2007), e.g., *Facebook*, *Google+*, *Instagram*, *MySpace*.
- *Blog sites*—a website containing an online diary or commentary, typically written by a single user and designed to provide regular commentary on particular topics, e.g., *Booksie*, *Wordpress*.
- *Micro-blog services*—a digital broadcast medium that exists in the form of blogging, where content typically includes short sentences, individual images or video links, e.g., *Twitter*.
- *News groups*—a non-commercial repository for messages posted from many users in different locations, usually for the purpose of user discussion of news stories, e.g., *Google Groups*.
- *Wikis*—a predominantly text-based web application that allows people to add, modify or delete content in collaboration with others, e.g., *Wikipedia*.
- *File sharing*, also known as social tagging or classification—a website enabling collaborative creation and managing of tags to annotate and categorise content; a community of users who share, tag and comment. Users can connect through their social media profiles, comment on videos, post common content and remix common files and media. Examples include:
  - Photos, e.g., *Pinterest*, *Flickr*.
  - Videos, e.g., *YouTube*.
  - Podcasts.
  - Media files, e.g., torrent sites.
  - Documents, e.g., *Google docs*.
- *Social bookmarking*—a centralised online service that enables users to add, annotate, edit and share bookmarks of web documents, e.g., *Diigo*, *del.icio.us*.
- *Discussion/message boards/forums*—online discussion sites on which people can hold conversations in the form of posted messages, generally around a specified topic, e.g., *Yelp*, *TripAdvisor*, *UrbanSpoon*.
- *Location tagging* —websites on which geographical services and capabilities such as geocoding and geotagging are used to enable additional social dynamics. User-submitted location data (often using mobile GPS or hotspot trilateration) allows social networks to connect and coordinate users with local people or events that match their interests, e.g., *FourSquare*, *Tinder*, *Grindr*.
- *Virtual worlds*—virtually simulated environments where users take on digital representations (avatars) and interact with each other using verbal and gestural communication, e.g., *Second Life*, *World of Warcraft*.

### 2.1.2 Social gaming

In addition to providing new ways for people to connect with others by sharing personal and public content, many social media sites provide a platform for socially-

oriented games or gaming apps, often referred to collectively as ‘social games’. A notable feature of social games is that users are able to link their online social network account to their gaming activities, so that their actions, progress and accomplishments in their game may be visible or promoted on their profile page. Social gaming may occur seamlessly and simultaneously with other social network activities (e.g., messaging, posting, likes, etc.). Social games have grown rapidly in popularity and attract, on average, an estimated 800 million monthly users worldwide (Morgan Stanley, 2012; [www.statista.com](http://www.statista.com)). The increased ubiquity of smartphones and use of social media has driven gaming away from specific gaming consoles and allowed them to fit the ever-growing niche devices and interests of a global population. The ease of installation and accessibility of social games is also a major advantage over traditional video games. The economic value of the social media market is substantial and has been increasing rapidly since its inception. Valued at US\$5.4 billion in 2012, the market for social games is expected to reach US\$17.4 billion by 2019, largely driven by mobile gaming (Transparency Market Research, 2015). Revenue is primarily generated through advertisements, lead generation offers and micro-transactions within games (virtual goods).

Social games are sometimes referred to as ‘casual’ games, in recognition of both their appeal to a broad mainstream audience that may not typically play popular video games within the console or personal computer gaming market, and their highly accessible and simplistic structural design and user interface. Social game sessions can take place in very short periods of time (i.e., less than 30 seconds), may be ‘turn-based’ (i.e., asynchronous play) and may be interrupted at any time. This structural design enables users to access and exit the game at any time, without the need for preplanning or scheduling. Social games are relatively easy to learn and intuitive to play (i.e., they have low difficulty compared to popular shooter, strategy or massively multiplayer [MMO] video games), may require minimal hand-eye coordination or reflexes, and usually have few (if any) requirements for registration or payment. Notably, a common playing practice in social games is ‘grinding’; that is, the process of engaging in unskilled, repetitive tasks to advance game or character levels or ranks, to access or unlock newer content. This can generally be avoided by making payments to access additional content or in-play features. Games generally include various game-specific currencies (lives, coins, jewels), which may be earned through in-game play or purchased. Players are always given some free currency when they begin the game and can earn bonus currency for various tasks; however, once depleted, players have to wait for a set period (generally overnight) for their currency to be refreshed, unless they opt to purchase more.

Given that these gaming activities are nested within the online infrastructure of a social network, communication and interaction between users is often a core feature of the game, and often players are required to share the game or items in the game with other players to make progress or earn virtual currency. Players are also generally encouraged to share updates on their progress within their networks, to both drive ongoing achievements and celebrate accomplishments. The core social reward or ‘prestige’ elements of social games that influence ongoing engagement are badges, progression, rewards, status and points—objective virtual indicators of social status and progress, as well as an indirect measure of time invested in the game (Billings, 2013).

Social games operate directly on a social media site, typically a social networking site, or through a standalone social media platform, as well as through social media mobile apps. Some social games employ a ‘hybrid’ approach on these platforms—for example, by allowing play without access to social media platforms—although this may limit some game play and social functionality (Parke, Wardle, Rigbye & Parke, 2013). Although these games are referred to as ‘social’ this descriptor primarily refers to the ability of the games to interact through a social media site, rather than this requirement. Users can play most social games without any interaction with other users. Most social games have accessible user interfaces that can be viewed on different devices such as personal computers, laptops, smartphones and tablets (Church-Sanders, 2011).

### **2.1.3 Social media use in Australia and worldwide**

Social media has a very strong presence in Australia and worldwide. Forecasts predict that one-in-four people worldwide will be an active user on at least one of the hundreds of social media networks, and that the global audience is expected to reach 2.6 billion by 2018 (eMarketer, 2013). In October 2014, over 15 online social networks had more than 100 million monthly active users (socialmedianews.com.au). Facebook is the world’s most popular social networking site, with 1.6 billion monthly active users in 2014 (Facebook, 2014), up from 1.11 billion monthly active users in 2013 (O’Loughlin, 2013). Other popular social media platforms include Twitter, with over 550 million users, and YouTube, with more than 1 billion unique users each month (likely including anonymous users without accounts). There are also more than 2.1 million LinkedIn groups, Pinterest has around 50 million users and about 40 million photos are uploaded to Instagram every day (O’Loughlin, 2013).

In Australia, it is estimated that Facebook has 13.8 million users who access the site on a monthly basis and 9 million who access it daily (Cowling, 2013, 2015). This latter group includes 7.3 million people who access Facebook via a mobile device (Godfrey, 2013). YouTube is estimated to have 13.5 million active Australian users, while Instagram, LinkedIn and Twitter have 4 million, 3.1 million and 2.8 million active Australian users, respectively (Cowling, 2015). Australian research indicates that 62% of Australian Internet users have at least one social networking account (Sensis, 2011), with 97% of youth aged 16–17 years using at least one social network (ACMA, 2009). A study of younger people reported that two-thirds of 12–13 year olds (67%), 85% of 14–15 year olds and 92% of 16–17 year olds had used a social networking service in the last four weeks on a computer (ACMA, 2013). Australians are prolific users of social media; the average Facebook user spends nine hours per month on the site (Cowling, 2012).

## **2.2 The Structure and Nature of Gambling and Social Casino Gaming on Social Media**

### **2.2.1 Gambling opportunities on social media**

Gambling has a growing presence on social media, both in terms of promotional content for gambling operators, venues and activities, and in the form of interactive entertainment such as social casino gaming. A recurring issue for discussion in this and subsequent chapters is the extent to which the latter type may be considered either a form of gambling, a promotion or an entertainment product like a video game that simply has some features of gambling (but little else in common to distinguish itself

as legally recognised gambling). This section will describe ‘social casino games’, the most popular gambling-like activity on social media, available on sites such as Facebook and as downloadable apps for iOS and Android devices. Many of these activities are ‘free-to-play’ (although Apple no longer uses this term), but involve optional small (and sometimes large) purchases of additional virtual currency. An additional section highlights online video gaming for its use of gambling themes (both interactive and non-interactive) and explains why this domain of gaming does not fall under the intended definition of social media.

A recent paper by Gainsbury, Hing, Delfabbro and King (2014) proposes a taxonomic classification scheme for the broad range of activities within online gambling and social media domains. In this model, the principal features that characterise online gambling-themed games include: the requirement for payment, the role of skill, the type of platform and the centrality of the gambling theme. According to the taxonomy (see Figure 2.1 below), a social casino game is defined as a game that does not require payment to play, is based on or has a substantial interaction with a social media platform, and whose central theme is a simulation of a gambling activity (e.g., poker, slots, roulette, bingo, keno, other forms of betting). Social games that are free to play, are based on a social media platform, but only include optional casino-themed activities are not considered social casino games within this taxonomy, although they may include features of interest to regulators. Practice games are also free to play, but these are not based on social media sites; they are typically provided by gambling operators on a site related to an Internet gambling site. Games that require monetary payment to play but that do not provide monetary prizes include console games and paid mobile apps with gambling themes. Games that require payment to play and do award prizes but that are not chance-based are classified as skill-based tournaments or competitions. In contrast, Internet gambling is classified as an online game or activity with outcomes determined substantially by chance requires financial payment, and awards prizes of monetary .

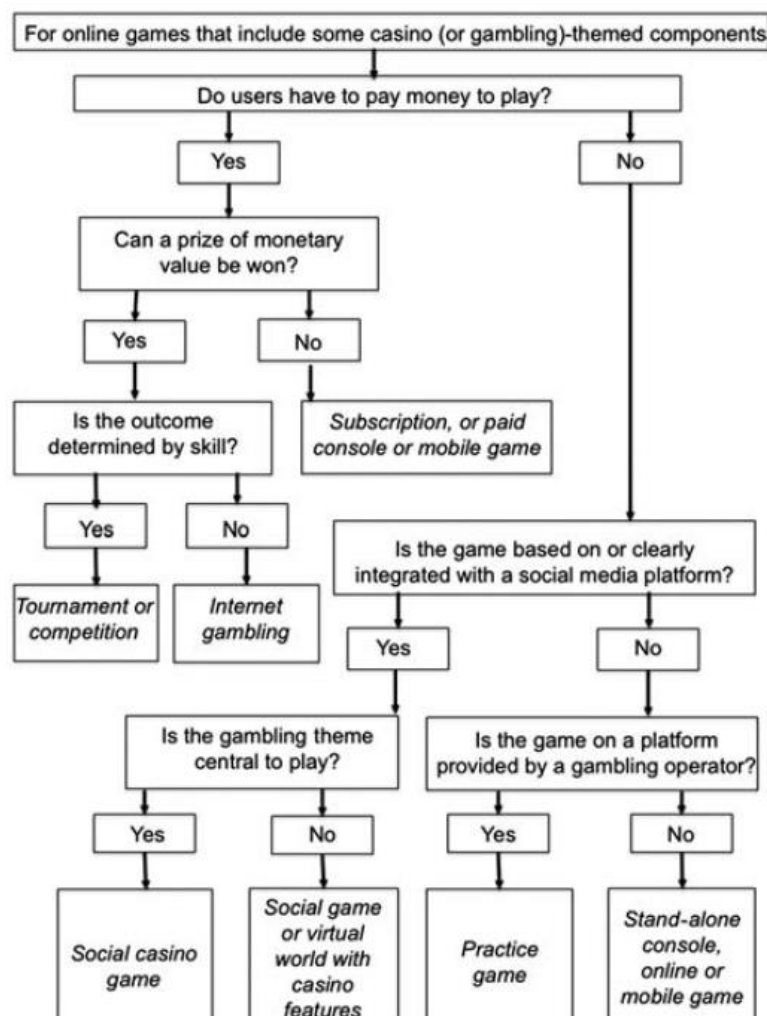


Figure 2.1. Taxonomy of online gambling-themed activities. Source: Gainsbury, Hing et al. (2014).

### 2.2.2 Social casino games

One of the most popular genres of social games are games that simulate casino or other gambling (or betting) activities. These are referred to in this report as social casino games (NB: On the Apple and Google app stores, many of these games are classified as ‘casino’ games; they may be located on the internal search engine using the search term ‘gambling’, but they are not themselves labelled as gambling games). Social casino games are a class of social gaming that attempts to replicate the basic structural design of gambling activities (i.e., wagering on an uncertain outcome), such as slot machines or casino card games, but that cannot be played for direct monetary gain. Players in social casino games earn or purchase virtual currency that is won or lost on activities in the social casino game, but that cannot be redeemed for purchases or cashed out as winnings at any time. These games have been referred to as ‘buy in’ amusement or entertainment (Owens, 2010) and have prompted legal debate and discussion given their strong apparent structural similarity to gambling activities. There have been some recent calls for policy reform and/or industry regulation within Australia (and particularly, South Australia) to reclassify social casino games as a mature- or adult-audience-only entertainment product, if not as a formally recognised gambling activity. Presumably, as a social responsibility measure, the Apple online

and Google app stores have independently introduced some restrictions to in-app purchasing that affect the financial nature of play in social casino games for some players.

Social casino games differ from legally recognised gambling activities in several important ways. Currently, they are not legally recognised as a form of gambling. Social casino games do not require users to stake monetary wagers and they usually do not return monetary prizes or anything equivalent (Owens, 2010). Although social casino games feature virtual credits that are not directly redeemable for cash, virtual currencies and items (usually in the form of player accounts) in social casino games have been known in some cases to be transferred or sold to other players of the game (Charif, 2011). Some social casino games have been known to award points that can be redeemed for real-world rewards, such as deals and vouchers for accommodation and entertainment, most notably in United States (US) casinos.

Another feature of social casino games is the incorporation of player skill to some aspects of the game, including in-game events that do not have predetermined odds. Some social casino games employ algorithms that respond to individual users and playing behaviour to increase player engagement and game satisfaction (Sapsted, 2013). As social casino games are not classified as gambling activities, social casino game operators are not obliged to reveal how outcomes are determined or how game mechanics work, so it is difficult to verify the fairness of games from a consumer viewpoint.

Social casino games are typically offered through a ‘freemium’ model in which games are ‘free-to-play’ but users may purchase credits to access additional features and game experiences. The most common incentives for users to make in-game purchases include to allow continued game play once free credits run out (free credits are reloaded after time delays such as 30 minutes or overnight), to enhance standing, to unlock content or to progress in the game (as measured by leaderboards or other ranking systems). Users can also pay to purchase gifts for themselves or friends, which may be aesthetic or allow self-expression, and to obtain rare objects, which may be very difficult or impossible to obtain without paying. Social casino game operators encourage users to make purchases with many devices. For example, *Slotomania* by Playtika encourages users to risk more coins per spin by offering extra experience points for higher wagers (Casual Games Association, 2012). *Bingo Bash* by BitRhymes allows users to purchase credits to buy in-game items like ‘power ups’ (Casual Games Association, 2012). Importantly, social casino game users who purchase virtual credits do so with no prospect of directly receiving monetary rewards, as these games do not allow players to cash out winnings. This has prompted suggestions that social casino game players may be motivated by prestige, social interaction, competition and entertainment (Morgan Stanley, 2012), and may therefore appeal to and involve a predominantly separate player market to online gambling.

Although there is no obligation to make in-game purchases, social casino game users may be enticed to become paying customers due to incentives to purchase more (e.g., limited time offers) or to advance progress. Some data estimate the average user spending on micro-transactions in social casino games as 40% higher than for other social games (Kontagent, 2012; SuperData, 2012). The transition from free-play to paying (i.e., making in-game purchases) customer is referred to as conversion.



Industry data suggest that social games in general have quite low conversion rates, with only 2–5% of monthly active users spending any money on social games. Social game operators appear to rely on a small proportion of paying customers to generate the majority of their revenue. The Casual Games Association estimates that a typical social game generates 60–70% of its revenue from less than 15% of paying users and that the next tier of paying users (25–40% of players) account for one-quarter of revenue (Casual Games Association, 2013, reported by Macquarie, 2013).

Social casino games typically involve activities that resemble gambling, whereas some social games have casino-type activities embedded as an optional or smaller feature within the context of a larger game. Similarly, social games, such as *CityVille*, allow users the option to play on a slot machine with credits earned or purchased with real money to win virtual credits to be used for in-game purchases (Parke et al., 2013). *Pet Fish Society* by Playfish is a virtual pet simulation game in which users look after and interact with a virtual pet. To care for and buy gifts for their pet, users need coins. These can be obtained in various ways, including in ‘the Daily Lottery’ and by racing their pets and betting on the outcomes of races. For parsimony, social games that include optional areas or themes related to casino activities could be argued to be separate from social casino games, but they may have some overlap with this genre.

### **2.2.3 Gambling within computer and video games**

Computer and video games do not necessarily interact with social media. However, given the increased use of the Internet for entertainment activities, an increasing proportion of these games now offer online game play and features, and many include interactions with other users via social media. Newzoo estimated that the global video/console game industry revenue will reach US\$26.4 billion in 2015, which will be the first year it is exceeded by mobile game revenue (Stuart, 2014). These figures differ from a 2013 report from Gartner, which estimated mobile game revenues would be US\$22 billion in 2015, against over \$55 billion for console games and \$21 billion for PC games (Gartner, 2013). These sets of figures indicate the continued popularity of games and their relevance as an entertainment activity.

It should be recognised that the video gaming industry is composed of many different types of games and markets, akin to the gambling industry being composed of lotteries, casino games and gaming machines. For this reason, the degree to which ‘gambling’ features appear in video games must be considered in the appropriate context. A relatively small segment of the video game industry produces games with indirect association to gambling. For example, video, console, online and computer games (i.e., dedicated gaming systems that support what is sometimes termed ‘hardcore’ gaming) can sometimes feature gambling-type activities, such as poker, casino games and/or slot machines, that offer opportunities to gamble with virtual currency or to earn points or advance through the game in which the simulation is positioned. Some research evidence suggests that these games represent only a small proportion of the overall online gaming market (King, Delfabbro, Derevensky & Griffiths, 2012). However, it may be that gambling simulations within certain video games are altered structurally or aesthetically such that the gambling-like content is not easily identifiable.

By design, many video games that involve simulated gambling often do not have a social infrastructure or tools to facilitate the same types of social interaction available through social media. For example, the online video game *Red Dead Redemption* involves player-to-player poker simulation, but the activity operates on a private network of game users; that is, it is not shared or promoted publicly to a broader social network. Therefore, despite some apparent similarity, many games in this category do not directly link or interface with social media, necessitating their taxonomic separation from social casino gaming *per se*. Many console games also tend to be played with more primary gaming motivations, such as challenge, achievement, competition and narrative, as distinct from casual games that cater to social interaction. Some online video games include elements of casino games, although these are not the central focus of the game and are typically optional in-game activities. For example, in the MMO video game *Runescape*, users can purchase the opportunity to play ‘Squeal of Fortune’ (a lottery-style game in which outcomes are determined by chance) to win prizes (virtual currency or items for use within the game).

The increased capabilities for online play that enable many other users to join the experience, including the use of social media by gaming companies to connect with and create a community of customers, means that the distinction between ‘social’ and ‘online’ video games is decreasing. For example, a partnership between large gaming and gambling companies Electronic Arts and Caesars Entertainment has led to a *World Series of Poker (WSOP)* social casino game being launched on Facebook, which is in addition to existing *WSOP* computer and video games. Given that these video/computer/console games have limited association with social media, they will not be a focus of this review and research project.

## **2.3 The Use of Social Media by Gambling Operators to Promote Products and Services**

### **2.3.1 Corporate use of social media**

Social media provides organisations with opportunities to engage with existing and potential customers, using a range of strategies beyond traditional marketing. Broadcast marketing messages are one-way communication; however, social media enables customer engagement, which is viewed as the key to successful marketing (Weber, 2007). Many businesses have made the decision to switch from offline media advertising to social media marketing, or at least place an increased focus on the latter form of marketing. Although social media platforms generally involve no upfront costs (from the platform), managing and maintaining a social media presence involves committing considerable time and resources. However, all businesses can use the platforms to reach out directly to a receptive audience.

Companies use social media to identify, generate and maintain consumer networks around their sponsored brands and products with a wide range of demographic groups. Social media enables corporations to connect directly with users by creating exclusive offers, information, competitions and other desirable products, such as services or promotions. For example, the Bellagio and MGM Grand casinos in Las Vegas employ social media to promote their gambling products and associated services (Stansberry, & Strauss, 2015). A key feature of social media is that it enables and encourages users to share messages with other users, as well as with other visitors to the social media page. When users share content from companies with their own

contacts, this is generally not restricted to any age group or geographical location. Marketing objectives for social media by companies may include improvement of relationships with existing customers, building market share (i.e., acquiring new customers), enhancing brand awareness, encouraging product trial and ultimately increasing sales revenues (Weber, 2007).

Companies commonly use popular social networking sites for their social media marketing. The creation of a profile, such as a fan page on Facebook, allows users to connect with a company; for example, by 'liking' a page, or becoming a friend or follower, depending on the platform being used. Social media profiles create a brand presence without requiring users to leave the social networking site. Content created on these profiles is typically only seen by those who opt in to these sites; however, if users share content with their own networks, this broadens the audience who views the statement, post or 'tweet'. Consequentially, generating positive word-of-mouth content is a significant aim of many social media marketing campaigns (Shang, Chen & Liao, 2006).

However, not all followers and social media users are exposed to content promoted by companies via these platforms. Although posts on Twitter appear in the newsfeed of all followers, Twitter users may not see these if they do not check their entire newsfeed regularly. Facebook posts organically reach 8% to 25% of fans, with reach more limited for brands with more fans (Loomer, 2015). Organic reach has reduced on Facebook, which is related to the greater volume of content being shared by users as well as brands, as well as changes in Facebook's algorithms to limit lower quality content, promotional posts, and 'spam' (Boland, 2014). For Facebook fans to view all content posted by a brand, they must actively visit the brand's Facebook page.

In addition to organically reaching an audience with posted content, brands can also pay for advertising on Facebook, which appears in sidebars and typically targets to individual user characteristics, such as age, gender, location and interests. Suggested posts can also be paid for on Facebook and Twitter, and these are displayed in a user's newsfeed, similar to other content that they have opted in to receive. In the case of Facebook, companies can pay to enhance the number of their fans who receive promoted content within their newsfeed, which is otherwise limited. On Twitter, companies can pay to promote tweets to a wider network beyond their immediate followers.

Paid advertisements on social media sites or within social games may also promote services to users of the network, usually targeted to particular specifications based on age, gender, geographical location and other preferences. Advertising through social media or within social games has traditionally been performed using banner advertisements that link to the operator's website. Profiling of users online allows operators to target advertisements based on an individual's demographic details, including age and gender as well as geographic location. Methods for tailoring advertisements to users are becoming more sophisticated, employing increasingly specific user details, including online activities such as games played, pages visited, friends' activities and purchases made. This approach also enables customised advertisements and promotions to social media users. For example, by knowing a user's favourite sports team, a gambling operator can offer a personalised sign-up incentive for the user in relation to an upcoming game of that sports team.

Finally, companies can create their own social media site, which allows them to broadcast content such as online videos, blogs and host forums for their customers. By hosting their own social media platform, companies gain a much greater degree of control over content and format, and can position themselves as a 'community' rather than a business. Many companies also use social media analytic tools to learn about their competitors and potentially attract receptive users to their own site. Businesses can add social media buttons and links to their websites to encourage users to visit these pages and to share content with their own networks.

In 2012, nearly one-in-five Australian businesses reported having a social media presence (18%), and over half of companies with more than 200 employees had social media profiles (52%) (Australian Bureau of Statistics [ABS], 2012). Businesses in the arts and recreational service industries recorded the highest proportion of social media activity. Interviews with 1,809 small and medium businesses (less than 200 employees) and 150 large businesses in Australia in 2013 found higher rates of social media use based on business size, with small (30%), medium (47%) and large (79%) businesses reporting a social media presence (Yellow Pages, 2013). Social media use generally meant Facebook, although two-thirds of large businesses were also active on Twitter, one-third used LinkedIn and one-quarter were active on YouTube. Small businesses were most likely to use social media to invite users' comments, ratings or reviews, whereas medium and large businesses used social media for interactive communication with customers (Yellow Pages, 2013). Over one-third of medium and large businesses offered incentives for customers, such as competitions, discounts and giveaways. Almost all large businesses (91%) had a strategy to drive traffic to their social media profiles, and two-thirds had social share buttons on their websites to encourage users to share their content with their connections (Yellow Pages, 2013). These observations suggest that social media is important for business success within large companies in Australia.

There are important differences between social media platforms, and these are relevant for companies using social media for marketing purposes:

- Facebook is one of the most popular social media platforms among businesses. However, it is unclear how effective and reliable the platform is in influencing sales. Facebook's main advantage over other online networks is its large reach; as one of the most popular social media platforms, businesses can potentially appeal to a large number of users. Facebook users tend to be older and wealthier than users of other social media platforms (SmartBrief, 2014), which suits businesses looking to target this demographic. Businesses can set up a Facebook page, invite people to like their page and post updates about upcoming events. Users can also post photos and videos as well as links to other content. Further, businesses can buy advertisements, which appear in the newsfeeds of Facebook users who fall within the targeted demographics.
- Twitter is a concise messaging system with a simple interface. It is generally used for text-based messages rather than image sharing, although images can be posted. Twitter users are more likely to be younger, male, better educated and more highly paid than are the members of other social networks (SmartBrief, 2014). Businesses use Twitter to initiate public conversations among customers. This platform offers businesses a means of engaging with customers in real time to answer questions, resolve disputes and share special offers. Twitter is also useful for gathering feedback from customers and

tracking content related to their business. Businesses can pay for ‘promoted tweets’, to post content to Twitter users who are not linked to or following the business’s account.

- YouTube is a highly popular video sharing site and is now the world’s second largest search engine, with 1 billion unique monthly visitors (Mushroom Networks, 2013). Businesses can post professionally created content, including advertisements, how-to guides, tips, news or informative clips, which can be viewed, liked and shared by users. YouTube videos can be embedded into other social networks, such as Facebook, creating links between sites.
- LinkedIn is a business-oriented network. A profile on LinkedIn can be used to establish a company’s credibility and connect with industry leaders. Businesses can connect with individuals, share blog posts and participate in discussions. Businesses can also request referrals to enhance their reputation. Businesses can use LinkedIn as a source of recruitment for employees.
- Pinterest is a pinboard-style discovery platform that allows users to ‘pin’ images onto inspirational ‘boards’ dedicated to specific subjects. Users are more likely to be well-educated, high-earning women (SmartBrief, 2014). Businesses can set up accounts and encourage users to ‘pin’ on their boards. Businesses can also post coupons to be redeemed or graphics to promote upcoming events or sales.
- Instagram is an image-sharing site that features stylised images and filters. Businesses can post their own content and encourage users to share images of themselves interacting with their products or services.

### **2.3.2 Use of social media by gambling companies**

Gambling operators are increasingly using social media to promote their products and services to a wide audience of potential and existing customers. However, there is variation in how the gambling industry is using social media to promote their products and services. Further, there is an element of volatility in using social media for promotion because users who engage with the promotion may freely post reactions that may include unfavourable or hostile commentary. (Note: Some social media pages allow creators to delete their content and others’ reaction to it; however, this does not prevent such content being saved or ‘screen-captured’ prior to deletion). Many companies simply create a Facebook fan page as an adjunct to their traditional advertising approach. Shortt (2012) suggests that social media campaigns have several aims:

- To market new and existing products
- To bring new customers to the brand
- To improve customer service
- To increase awareness of offers, services and promotions
- To introduce social gaming as an additional product/revenue stream
- To build brand awareness and a database of users in various markets.

Social media allows gambling operators to gather data about their customers with respect to preferences, activities and spending habits, which can then be used to generate customer-specific marketing (Doyle, 2007). Social networking sites do not simply replicate online gambling sites; rather, they are used to portray a brand to engage their communities (Knight, 2012). This is achieved through novel content as

well as exclusive promotions and odds that drive customers towards transition to active gambling (either online or in-venue). Online and offline gambling operators can extend their loyalty programs through social media and web-based apps. Customers can be encouraged to 'check in' and may be given exclusive offers to entice them into visiting actual gambling sites or venues, such as exclusive odds, or discounts on food, beverages or accommodation.

Facebook has been gradually accommodating gambling-related content and activities since its inception. In 2011, Facebook began allowing gambling companies to launch non-gambling social gaming apps on the site, provided they did not allow earnings to be cashed out or converted into gambling credits (Morgan Stanley, 2012). Facebook also altered its advertising policy to allow gambling operators to advertise to users, provided the product advertised was legal in the region in which the advertisement was being displayed. However, there do not appear to be any restrictions on gambling operators engaging with social media users through fan pages and other methods not considered 'advertisements'. An analysis of the total Facebook audiences of Australian online wagering businesses in 2012 found that the three most popular operators had more than a million fans (Simmons, 2012).

Importantly, although gambling operators may advertise their products via most social networks and create business profiles, within Australia it is not possible to gamble directly on social media sites. That is, customers must link from social media sites to an online gambling site or mobile app to place bets. Twitter prohibits the promotion of gambling content, except for campaigns targeting specified countries where this is allowed. In Australia, for example, sports betting and lottery advertisements are permitted, provided the advertiser has prior authorisation from Twitter. Advertisers may not accept live bets online. Similarly, when advertising via Google, companies must comply with applicable laws and industry standards for the locations being targeted. Only locally licensed gambling operators can legally advertise via Google to Australians, and advertisements must not target minors and must be pre-approved by Google if they promote online gambling-related content (only wagering and lottery are allowed in Australia). In Australia, online gambling companies that meet the licensing requirements can promote gambling, including vouchers and bonuses, gambling-related tutorials and educational materials, and relevant information such as tips, odds and handicapping.

Despite the use of social media by gambling companies in Australia, its regulation as a form of advertising is unclear. According to the Australian Competition and Consumer Commission (ACCC), companies must still abide by the basic advertising codes of conduct on social media; for example, they cannot make false or misleading claims (ACCC, 2014). Companies may be held responsible for all posts, including public comments made by others on their social media pages, including those that are false or likely to mislead or deceive consumers. However, the Advertising Standards Bureau advises that not all material on an advertiser's Facebook page will necessarily be considered advertising or marketing communications, although branded material will be subject to the Code of Ethics (Advertising Standards Bureau, 2013). Further, the content of gambling advertisements is regulated at the State level, making it unclear who has responsibility to ensure promotions on a site available nationally abide by responsible gambling standards. The lack of clear and legally binding regulations relating to social media may lead some companies to experiment with these platforms more liberally than they would using traditional advertising media.

An analysis reported by Experian revealed that searching for (or being inadvertently exposed to) gambling promotions on Facebook and YouTube were the most common ways for customers to access gambling websites and social casino games (Experian Hitwise, 2010). Online social networks currently host hundreds of discussion forums, groups and chat rooms focused on gambling, often endorsed by gambling operators. These sites are not regulated or designated as gambling sites; they typically have no age restrictions and contain no reference to responsible gambling or information about the risks of excessive gambling, including gambling problems.

Several analyses have been conducted on online bookmakers' social media presence in the UK. A QuBit white paper in 2013 found that Betfair and Paddy Power had the greatest social media presence out of 10 bookmaker sites analysed, and were represented on Facebook, Twitter, LinkedIn, Google+ and Pinterest (QuBit, 2013). All sites were strongly engaged with Facebook and Twitter with an average of more than 62,000 likes and 30,000 followers. An analysis of social media activity from September to October 2013 found that William Hill accounted for the largest proportion of content (28%), followed by Paddy Power (22%) and Ladbrokes (22%) (Marketing Magazine, 2013).

In 2013, Paddy Power asserted that they had over 1.7 million Facebook fans and Twitter followers, twice the number of their closest international competitor, and that every adult male on Facebook in the United Kingdom (UK) was connected to at least one Paddy Power fan (Lauchlan, 2013). Chief Executive Officer (CEO) Patrick Kennedy estimated that half of Paddy Power's UK fans were existing customers, which allows reduced online marketing expenditure. Analysis of user-generated content posted from September to October 2013 found that 44% of the conversations related to brand preference (Marketing Magazine, 2013).

An analysis of the official Twitter accounts of hotel casinos owned by MGM Resorts found unique voices or 'personalities' projected by the different properties (Stansberry & Strauss, 2015). For example, the upscale Bellagio and Aria tended to use complete sentences and formal language, while the more value-oriented Excalibur and Luxor used common text-messaging abbreviations, informal and slang language. Other different personalities identified include 'cool friend who knows the city' (Monte Carlo), 'family-oriented tour guide' (Circus Circus) and shopping guru/fashionista (Mandalay Bay). These differences likely represent the different clientele targeted by the properties and subsequent intended audience for tweets. The use of Twitter allows the company to market its different properties to a wide population of potential customers. The brands can also engage with customers, and customers can share and amplify the brand within their own networks, thus improving the reach of the marketing messages (Stansberry & Strauss, 2015).

Some other examples of social media marketing and promotions by gambling operators include the following:

- Caesars Entertainment's social media strategy has used multiple social media platforms, encouraged fans to upload photos, and awarded, in a single campaign, more than 90,000 prizes, worth over US\$2 million (Masterminds Agency, 2012). From this campaign, loyalty program membership increased by 20%, Facebook fans increased by 93% and the Twitter account increased by 101%.

- Sportsbet's 'Punt' campaign was liked 3,000 times and shared 1,000 times, providing free promotion for the operator.
- Sportingbet spokesman, Andrew Brown, claimed that, of the site's referral traffic, 20% comes from social media, led by Twitter and Facebook. This represents a doubling between 2012 and 2013 (Gartner, 2013).
- Paddy Power has become involved in several cultural issues. For example, the company launched a support campaign for gay footballers in the UK, with one tweet receiving over 1000 retweets, a Facebook update liked 1,862 times, and the related hashtag used more than 15,000 times (Marketing Magazine, 2013).
- Betfair has run promotions on Twitter, including a competition during the 2013 Ashes Test asking followers to guess how many runs would be scored per session. Users who picked correctly would get credit worth 100 times the correct run rate deposited into their Betfair account.
- Swedish betting operator, Mr Green, has launched a smartphone app in the UK that allows customers to log in to the gambling site via their Facebook accounts (Stradbrooke, 2014).

Despite the potential advantages of social media use for marketing purposes, there are some risks for the businesses involved. The nature of social media means that companies have limited control over content posted on their pages and about them online. Subsequently, negative word-of-mouth, cynical comments and campaigns may cause damage to the company's reputation. Content posted on social media platforms is generally publicly available and therefore difficult if not impossible to remove, meaning that unwanted information is difficult to hide. Attempts to remove or minimise exposure to such information can also have the unintended consequence of such information going 'viral' due to reactive users reposting unwanted information. A social media presence also requires ongoing effort and many large gambling companies have dedicated social media managers and teams. In some cases, an unattended social media presence can be more detrimental to a company's image and reputation than having no presence, resulting in some companies' caution in adopting a wide suite of social media marketing tools.

### **2.3.3 The use and effect of promotions via social media on gambling**

Given the relatively new and evolving functionality of social media promotions, there is no single best measure for appraising the success of social media marketing campaigns (Behmann, 2013). It has been suggested that, aside from standard indicators of commercial success (e.g., sales, membership), word-of-mouth, brand awareness and customer engagement (e.g., likes, shares) may indicate the success of a campaign (Weber, 2007). The quantity of user comments and interactions (e.g., Facebook posts, Twitter mentions) could also indicate or forecast commercial success (Hoffman & Fodor, 2010). However, Cha, Haddadi, Benevenuto and Gummadi (2010) provide some evidence to suggest that the number of followers on social media platforms does not necessarily relate to market influence. A metric based on a combination of measures has been suggested to measure social media effectiveness (i.e., commercial success):

- Number of fans/followers
- Page views
- Appearance in search results



- Quality of community—who is following the operator, what is the size of their own networks?
- Sentiment—are users posting positive or negative content?
- Level of engagement—how much do users talk with the operator and with other users?
- Reach—the volume and locations of references within the web.
- Discussions—all aspects of word-of-mouth; namely, brand perceptions, discussion topics, trends, feedback and analysis.

A survey of Australian businesses reported that just over 25% of small to medium-sized businesses measure the effectiveness (i.e., return on investment) of their social media strategies, compared to just over half of large businesses (Yellow Pages, 2013). Small businesses were most likely to ask customers how they found their business, while medium and large businesses monitored the number of responses on social media. Counting the number of likes, followers or subscribers on social media was the most popular way of measuring success, followed by sales, revenues and profits. Combining interview data with a business index indicated that businesses with social media were more likely to report increased sales, profitability and employment and to be actively growing their businesses, compared to companies without a social media presence.

As compared to other business sectors, there is minimal research examining the impact of marketing via social media from gambling companies. A survey of 107 gamblers examining social media use reported that, although most preferred to obtain information from social media sites, the majority of gamblers were dissatisfied with the quality of the social media content provided by their gambling providers (Behmann, 2013). However, participants were generally satisfied with the frequency with which content was being published, and agreed that new content encouraged user retention on social media sites. These results suggest that frequency of social media engagement is insufficient to produce user satisfaction and that companies must also concentrate on quality of content.

Behmann's (2013) study also involved interviewing gambling operators and found that many companies had avoided social media marketing strategies due to fear of 'losing control' of their brands (i.e., allowing users to influence the messaging of their product or service in unwanted ways). Problems were also encountered by gambling operators due to the need to update their skills continually to use social media effectively. Advertisements on social media were viewed as unlikely to be successful, as consumers often ignore them. The platforms chosen for social media use appeared to be based on audience size. Social media was also seen as a relatively low cost and easy way to interact quickly with large audiences. This approach seems appropriate, as the majority of gamblers were likely to be on Facebook, Twitter and online community forums, with fewer gamblers active on other social media sites.

Although the design philosophy of social media is to develop user communities, the study showed that many operators perceive social media as a one-way communication tool, and very few have attempted to engage with users who might be particularly influential to other users (Behmann, 2013). This lack of two-way interactions is likely one of the reasons for reported dissatisfaction by customers. The majority of gamblers in Behmann's study reported that frequent gambling promotional content would encourage them to visit social media pages more frequently. Gambling operators also

perceived social media as a relatively useful tool to increase traffic to the company website to raise interest, awareness and eventually increase sales. Interviewed participants described using social media to promote competitions and ask customers for their opinions and contributions (e.g., submitting photos). In contrast, survey data from gamblers revealed that the majority were looking for news, entertainment and social offers, followed by new experiences and advice. Gambling operators perceived social media as a useful source for reviews and feedback. These results suggest users are likely to be existing customers of a gambling operator if they are visiting their social media page and see social media as a way to develop a relationship with a gambling operator.

In Behmann's (2013) study, the gambling operators held mixed views on the value of social media, but stated that this was one tool used to interact with customers, which was a strategy to increase customer retention and loyalty. Social media was also perceived as a way to build brand awareness and reputation, although it also consumed significant time and resources, with uncertain success and outcomes. Some operators were still attempting to create a brand 'narrative' (i.e., a story about their product that incorporated specific messages about the company's values) through one-way and two-way communication. The majority of gamblers agreed that interaction with 'attractive' social media content from a gambling provider would raise their interest in becoming familiar with the official website and gambling products. Around two-thirds of gamblers also reported that social media was considered more trustworthy than traditional advertising and that a company with a social media presence was viewed as more trustworthy than was a company without this. However, more than half of gamblers agreed that interaction with other customers was important to them, which did not appear to be a priority for the gambling operators. The majority of gamblers indicated that the comments and experiences of other users influenced their opinion of an online gambling brand, which again highlights the importance and impact of peer-to-peer engagement. Behmann (2013) concluded that the interviewed gambling operators saw how social media could be valuable, but were reluctant to use its full benefits and continued to measure value through traditional indicators, rather than fully embracing the new opportunities available. The implication is that many gambling companies have not yet discovered how social media can be effectively used, and many have adopted a 'trial and error' approach.

There has been little consideration of the impact of promotions on social media on gambling and related problems. From a social responsibility perspective, limiting 'push' marketing strategies such as communications and promotions to only those individuals who have opted in to receive this information may reduce the extent to which promotions are disseminated to individuals who are not interested in, and perhaps should not be exposed to, these offers, including youth. Similarly, 'pull' marketing strategies (i.e., social media pages on which users make demands for specific products or services) warrant consideration of whether the operator caters to user demands in a responsible way.

It has been argued that digital marketing strategies have the potential to embed brands in the lives and lifestyles of consumers, creating a relationship between individuals and brands (Jernigan & O'Hara, 2004). Social media marketing can reinforce social norms and over-represent certain attitudes among fans, followers and their peers, even when products are not explicitly promoted (Martin et al., 2013; Nicholls, 2012).

Consequently, even limited use of social media by gambling operators may have a considerable impact in terms of promoting brands and products and influencing consumer behaviour in various contexts (Cotte & Latour, 2009).

## **2.4 The Availability and Use of Gambling and Social Casino Gaming on Social Media, Web and Mobile Platforms Provided by Gambling Operators**

A major aspect of the evolution of the social media and gambling industries has been the blurring of boundaries between what constitutes gambling and gaming (Charif, 2011). This has occurred in parallel with some conceptual confusion among researchers, regulators and users as to what each activity encompasses exclusively (Gainsbury, Hing et al., 2014). Often referred to as ‘digital convergence’ (King, Delfabbro & Griffiths, 2012), this phenomenon examines the overlap between social media, and gambling and gaming products and platforms, where such activities that were previously encountered separately now co-exist and/or interface with each other through connected or all-in-one technology. For example, players can download video games to be played on a personal computer, mobile phone or a dedicated game console, and some games can be accessed through multiple devices and allow users to play with other users via Internet connections. In contrast, the social gaming industry has been proactive in distinguishing social gaming and social casino games as a form of entertainment that is entirely distinct from gambling. However, the classification of social gaming activities that contain gambling elements, such as social casino games, has become more difficult with mergers, acquisitions and partnerships between gambling and gaming operators. Gambling operators are increasingly offering social casino games through affiliated companies and partnerships, and social casino game operators have begun offering online gambling products via in-game promotions.

### **2.4.1 Social casino games used by gambling operators**

Some major gambling operators offer social casino games through their own platforms, affiliated companies and partnerships. Although they are not the only companies with market share in this area, gambling operators and equipment suppliers including Caesars Interactive Entertainment, IGT, WMS Interactive, Aristocrat Technologies and Bally Technologies generate approximately 24% of social casino game revenue (Macquarie Equities Research, 2013). These games may be offered on social media sites, mobile apps or a combination of both. Gambling operators provide social casino games for several reasons, including (i) engagement with customers and potential customers; (ii) promotion of brands outside of venues; (iii) to increase customer satisfaction; (iv) to increase revenue from these games; (v) to position themselves in a market prior to legalisation of online gambling; (vi) to obtain data on their customers, including game preferences and play patterns; and (vii) to try out new and innovative gaming formats (Billings, 2013; Shortt, 2012; Takahashi, 2012b; 2013a; Wheeler, 2012).

On the basis of user engagement (i.e., frequency of use) and number of downloads, the most active gambling operators in the social game industry include the following:

- In February 2015, a group of Queensland RSL Clubs partnered with a UK Company, GameAccount, to offer social pokies and table-style casino games at *Club 8 Casino*. To play, customers had to register online by entering their

name, date of birth, email and address. Club members could enter their membership number for fast registration, as well as to receive 1% cash back on any purchases. Players received free credits, which were replenished each night, and could purchase additional credits. Play was restricted to Australian adults aged over 18 years, and the virtual credits could not be cashed out or redeemed. Individuals who had self-excluded from the clubs could not play the game. In contrast to most social casino games, the site included links to responsible gaming information and encouraged players to set themselves limits and not play if they had any dependencies or the game interfered with their other responsibilities. Links to gambling support and other types of help were provided, and players could request a time out or exclusion if they wanted to close their account. At the time of writing (June 2015), there were 4,878 players online, and the pokies leaderboard showed that one player had won over \$3 million in non-redeemable credits in the last week.

- SkyCity, which operate monopoly casinos in New Zealand and Australia, launched a free-play online gaming site in June 2015. The site requires users to enter their date of birth to verify that they are over the age of 20 and requires users to enter some personal details to set up an account to play. Free credits are provided a maximum of two times per day. Players who are members of the loyalty program can win additional virtual credits and vouchers which can be used in New Zealand SkyCity venues for goods, services and as gambling credits. A SkyCity spokesman described the site as only being advertised to existing customers (Walters, 2015).
- Caesars Interactive Entertainment, a subsidiary of Caesars Entertainment Corporation, the world's largest gambling company, acquired Playtika in May 2011, a social casino game operator that operates *Slotomania*. This was the highest grossing app on iPhone, iPad and Android in 2012, earning US\$10.72 million in revenue in December 2012, with over 6.1 million monthly active users and over 10 million downloads (Casual Games Association, 2012; SuperData, 2013). Caesars Interactive Entertainment also owns *Caesars Casino* (which made US\$2.83 million in December 2012, with over 1.6 million monthly active users) and Buffalo Studios, which operates *Bingo Blitz*. Additionally, Caesars Interactive Entertainment owns the licence for *WSOP*, the most popular poker brand in the world, and has launched a social version of this game on Facebook, in addition to an online gambling *WSOP* site available to customers in Nevada. Caesars generated US\$113 average yield per month for each paying customer in the first quarter of 2013 (Altaner, 2013a). Playtika accounted for 22% of the entire social casino game market in 2015 (Grove, 2015).
- Gaming machine manufacturer IGT, recently taken over by GTech, a subsidiary of Lottomatica, purchased the popular Facebook-based *DoubleDown Casino* in 2012, earning US\$11.85 million in revenue in December 2012, with over 4.6 million monthly users. It was ranked as the third highest grossing app on Facebook, with 6.7 million monthly active users in the third quarter of 2013 (IGT, 2013a; SuperData, 2013). In addition to being highly popular, social casino games are making money in their own right: revenue rose 105% to US\$61 million in the third quarter of 2013 from the same period in the prior year (IGT, 2013a). *DoubleDown Casino* includes IGT-branded slot games in addition to other social casino games; it is hosted by numerous land-based casinos to offer their customers a social casino

experience. IGT has taken a diversified approach in offering slot games to other gambling companies as well as directly to customers. Compared to 2013's first quarter, social casino gaming revenues increased 57% in 2014 to US\$65 million and average spend per daily active user grew 35% to \$0.42. IGT accounted for 11% of the social casino game market in 2015 through *DoubleDown Casino* (Grove, 2015).

- MGM's *myVEGAS* was the third most popular social casino game in January 2014, offering a virtual casino world. Players enrol in MGM's loyalty program and can receive coupons or vouchers for meals and entertainment by playing the virtual casino. A report in December 2013 claimed that the game's 100,000 players have redeemed over US\$10 million in physical rewards (Street, 2013). *myVEGAS* has partnered with several land-based casinos across the US and offers an extensive collection of rewards through social game play, including the possibility to be rewarded with chips to gamble in land-based casinos.
- In 2013, Delaware's casinos launched social casino games (slots, poker, blackjack and roulette games) in advance of their gambling games going live. The casino homepage directs visitors to the Facebook-linked game platform *DoubleDown Casino*.
- Aristocrat Leisure Industries purchased social casino game operator Product Madness for an estimated US\$20 million and has launched several new slot games directly to consumers (Macquarie, 2013). Within the US, Aristocrat has also launched several social casino game sites for land-based casino operators.
- 888 acquired social game developer Mytopia, specialising in cross-platform games for mobiles and social networking platforms, including *Bingo Island 2*, one of the most popular Bingo applications on Facebook, as well as a social poker application.
- *Marylands Live!* is one of the most successful examples of how social casino games can be used to support a land-based casino by reinforcing the brand, growing the player database and driving customers to the casino. The online social game site was launched prior to the casino opening, enabling the casino to enrol players into its loyalty program before they visited the venue, familiarise customers with the brand and promote the casino complex. Player rewards are based on games played online as well as in the casino. In April 2013, casino officials reported that 12% of its online player base eventually came to the casino to gamble, and that those players visited 40% more often, spent 20% more per visit and stayed 10% longer than the average patron.
- The Golden Nugget Casino launched Facebook's first casino-branded game *Golden Nugget Las Vegas Casino* in August 2010. This game allows users to play a casino manager and manage their own gambling property.
- PokerStars, one of the world's largest online poker companies, launched a Facebook social poker app in February 2013, as well as a social casino game app for users in the US.

The financial success of these business ventures has demonstrated that casino games may be a valuable revenue stream for companies that specialise in interactive entertainment. The relatively higher number of users engaged in social casino games as compared to online gambling activities demonstrates the reach of these games and that users can be motivated to play without the possibility of monetary prizes.

Although, as previously mentioned, social casino games do not involve monetary payout, some companies have employed social casino games that ‘pay out’ tangible rewards in the form of prizes or luxury items. Such activities currently appear to be unregulated. For example, casino operator MGM Resorts International launched a standalone social gaming website that offers social casino games that enable users to construct casinos on a virtual Vegas strip, called *myVEGAS* (Takahashi, 2012b). All games are ‘free-to-play’, but users can win points that can be redeemed for real prizes such as complementary hotel rooms, restaurant meals and show tickets. Although these have monetary value, and despite the fact that players can purchase chips, because the games are free-to-play and purchasing chips is not a requirement to play, this is classified as a promotion rather than a gambling product. This was one of the first examples of a gambling operator offering a social casino gaming site on Facebook (Billings, 2013). The company launched the games in May 2012 and reportedly reached 4 million players by November 2013, including 250,000 who were active on a daily basis, with more than US\$10 million worth of real-world rewards redeemed (Takahashi, 2013b). *myVEGAS* has partnered with many land-based casinos within the US as well as other companies, such as Allegiant airlines.

A vast number of social casino games and related pages are available on social media and mobile platforms (Charif, 2011). In attempting to assess the number of gambling opportunities available to young people on social networking sites, Korn, Norman and Reynolds (2010) conducted an environmental scan of available sites. Using the search term ‘poker’, 458 direct gambling ‘applications’ and over 3,810 indirect gambling opportunities via ‘pages/groups’ were identified. Similarly, on the Apple iPhone, a broad range of casino, poker and sports betting applications was available; a search of ‘gambling’ in the Apple App Store in November 2012 revealed 798 hits. In November 2014, an inspection of the Apple App Store identified specific categories labelled ‘dice’ and ‘casino’ that contained social casino games. However, many of these games were not related to or provided by companies that also offered financial gambling products.

While several major gambling companies have launched social casino games, the majority of land-based operators and gambling suppliers appear to be watching and waiting to see what developments will occur. Many gambling equipment suppliers have chosen not to launch their own games, but rather to partner with other operators, particularly land-based casinos in the US. As the US appears to be regulating online gambling on a State-by-State level, it is likely that social casino games may be launched as a precursor to online gambling in many jurisdictions. For example, IGT’s *DoubleDown Casino* offers online gambling through its slot machine games in the UK and the same games as social casino games in the US, where online gambling is limited to a few states. Social casino games may be provided by gambling operators as a way to engage with customers when they are unable to gamble.

#### **2.4.2 Social betting**

Social sports betting is legal in many jurisdictions and is specifically exempt from laws that prohibit Internet gambling (Gainsbury, Hing et al., 2014). This includes fantasy sports and tipping competitions, even when money is paid to play these and monetary prizes can be awarded. Allowing for these types of wagers is generally based on the consideration that outcomes are determined largely by the user’s own skill rather than predominantly chance events; in some cases, the prizes that can be

awarded are limited and must be predetermined. In fantasy sports betting, players draft athletes into a fantasy team and earn points based on their performance over a specific period. Tipping competitions usually involve participants correctly predicting which team will win an event and run for the length of a sport's season.

Some social games are run specifically to recruit players to online wagering sites or to promote affiliated sites (such as television networks) or sporting teams and leagues. In 2012, revenue from fantasy sports bets in North America totalled US\$1.6 billion, with 73% of fantasy sports players spending money on either bets or subscription fees (SuperData, 2013). Mobile apps have proved popular for fantasy sports, which is likely due to the ability of players to use these apps while watching sporting events (SuperData, 2013). Several online social betting applications have been launched through social media platforms and on standalone sites (e.g., Paddy Power, *YouBetMe*). In general, social network sports betting apps have failed to replicate the success of social casino games in other genres, and less than 1% of social casino games are sports betting games (SuperData, 2013). An Australian firm, Favourit, was launched as a social media platform for sports bettors. The site partners with online wagering providers and allows users to bet with virtual currency or real cash through the partner wagering firms. The site is available online and through an iPhone app, increasing its accessibility and recognising the cross-platform preferences of online gamblers and social media users.

Hybrid products are emerging that combine elements of gambling activities with gaming. For example, a free mobile app, *GiiUp*, allows players to 'bet' on real horse, harness and greyhound races across Australia, with animated versions of the race shown. The game was described as intended for novice punters, including young adults and women, to increase enjoyment of watching races. The official press release for the app describes it as a way to save money while at the races, allowing the 'thrill of winning, with out [sic] the pain of the loss' (SFG, 2014). The app provides data to analyse race results and helps users to develop strategies for 'betting'. When offering free credits, the app indicates that only those aged over 18 years should proceed; however, close reading of the terms and conditions indicates that the app is not intended for children under 13 years of age, without the involvement of a parent.

A Sydney-based start-up game-design studio, Royal Wins, announced plans to develop a series of hybrid games that look like casino-style games but combine skill and betting (Business Wire, 2014). Within the first games launched players can access casino slot and card games as well as skill games. Players can bet on how they would perform in the game. All games incorporate elements of skill and random number-generated outcomes. No monetary rewards are available in the free-play Facebook version; however, there are plans to launch a gambling version of the game outside of Facebook (ABC News 24, 2014).

### **2.4.3 Gambling products on social media platforms**

Social media platforms permit online gambling in specific jurisdictions, including the UK. Given the popularity of social media and social networking sites, several gambling operators have begun to offer gambling products directly on these platforms, or have created their own social media platforms for gambling entertainment purposes. As gambling products require money to be wagered, the

revenue associated with online gambling is considerably larger than that generated through social casino games, although the latter is a growing market.

Conceptualising online gambling through social media can be difficult given the many permutations of structural design within this class of gambling. To provide gambling via social media, operators must have a relevant gambling license, most commonly in the UK, and they must meet the same standards and requirements as online gambling sites. Some examples of online gambling via social media include:

- *Bingo & Slots Friendly*, offered by Gamesys as a gambling version of its popular social casino games, were launched on Facebook offering in the UK in April 2012, with jackpots of up to \$80,000. Gamesys also operates one of the UK's leading bingo and slots websites, *Jackpotjoy*. In May 2014, Gamesys withdrew the application from Facebook.
- *Bingo Appy*, from 888 Holdings Ltd, is another gambling product offered through Facebook by a gambling operator. 888 Holdings withdrew another gambling app, *Magig888 Casino*, from Facebook in July 2014, with indications that the product was not performing well.
- In 2013, Paddy Power introduced the first sports betting product on Facebook with *Paddy Power In-Play!* This gambling app was intended to add social engagement to online betting, enabling customers to bet on sports via Facebook, while including social elements such as 'expert' tips and the opportunity to engage with other users. Users could customise their settings and choose whether to share bet selections. They could also see an index of who was successful, and to challenge bets and discuss bets and results. Paddy Power also launched *Bet Dash*, a social sports betting game. In May 2014, *Paddy Power In-Play!* was re-launched; however, in December 2014, it was announced that the app would be discontinued for failing to meet company expectations.
- Williams Interactive, a subsidiary of WMS Industries (an electronic gaming machine [EGM] manufacturer), launched *Jackpot Party Casino* in 2010 in the UK, which offers online gambling on casino games.
- Social game operator Zynga launched an online casino in the UK in 2013, *ZyngaPlusCasino*, which included games with the same themes as its popular social casino games and included highly social components. Zynga also entered into an agreement with Bwin.party, a large gambling operator, to provide poker gambling in the UK. This partnership enabled customers to play on *ZyngaPlusPoker*, but they were essentially playing with *Party Poker*. In March 2014, these undertakings were scaled back in response to lower than expected user uptake and interest. In 2015, Zynga announced the gambling sites would be closing and the company was to re-focus on social casino games.
- Big Fish Games created a gambling version of their popular social casino game with the company Betable. However, this relationship was finished in May 2014, with indications that social gamers did not readily adopt the model.
- Odobo provides social casino and gambling-capable games online and has partnered with the world's largest bookmaker, Bet365. The games can be played free on Odobo's standalone platform or for money in the UK, with users in supported markets able to connect directly to the gambling games on



mobiles or tablets. Odobo has subsequently partnered with other large betting companies, including Betfair, Unibet and Gala Coral Interactive.

- Betable develops and markets a gambling platform for the social gaming industry. Third-party game developers use the Betable API to apply gambling functionality to their social games. The software can convert social casino games as well as non-traditional gambling-themed games to gambling products. Betable ensures all regulatory standards are met through its gambling licenses from the UK Gambling Commission.
- In December 2013, IsisFriends was announced as the world's first regulated social network built for the online gaming and gambling market, to be initially offered in the UK. It was subsequently launched in March 2014. Members are able to play, share and wager on games with their online networks within a legal environment regulated by the Isle of Man. In September 2014, IsisFriends was renamed Softcard due to a coincidental association with a terrorist organisation.

Internet gambling sites outside social media often include optional tools that facilitate social interaction between users, such as chat-boxes during play and online forums and discussion boards to discuss strategies and tips. In-game socialisation may be particularly used in games lacking a dynamic element of strategy, such as slots and bingo, although chat options may be used by some players in games with a strategy component (e.g., poker) to distract or otherwise influence opponents (Kinnunen, Rautio, Alha & Paavilainen 2012). Post-game socialisation may involve congratulations or commiserations with other players, as well as sharing experiences and reliving the game with others (Kinnunen et al., 2012). Although it is not an essential component of gambling, the ability to interact with others is important for some online gamblers. Internet gambling operators recognise that competition and social interaction is a central motivator for some players (Kinnunen, 2011).

All gambling activities on social media, as on other online platforms, are required to comply with gambling regulations where applicable. Consequentially, the age and identity of users must be verified to prevent play by those under 18 years of age. Geolocation software is often employed to ensure that only customers from jurisdictions that allow gambling are able to gamble. However, the extent to which these requirements protect vulnerable individuals is a subject of increasing scrutiny. For example, on its website, Betable has a statement that it is illegal for persons younger than 18 years of age to gamble. However, the site relies on players to self-verify that they are 18 years or above and only conducts age verification checks at its own discretion.

#### **2.4.4 Practice games**

Some online gambling operators provide free-play versions of their gambling products for users to try the activities without having to spend money. These games are also referred to as 'demo', 'trial' or 'practice' games. Practice games are typically portrayed by operators as 'educational', enabling players to try out gambling without risking their own money. Game play typically requires users to register, but does not require identity or age verification or have restrictions on who can register for an account and play. Therefore, practice games may also be offered to users in many jurisdictions where the gambling operator is not legally allowed to offer gambling products. However, many of these sites provide links to a gambling site, and users

may be encouraged to 'try out' real gambling and be provided with free credits. Even in the absence of direct encouragement for users to migrate to gambling sites, the practice game sites represent advertisements for these sites due to the identical branding and product promotion.

As practice games are not regulated in the same way as gambling activities, operators are not obliged to provide transparency about how in-game outcomes are determined. Some research has demonstrated that this has been used to the advantage of operators to misrepresent gambling odds. A formative study by Sévigny, Cloutier, Pelletier & Ladouceur (2005) found that many casino sites offered very high and unrealistic payout rates (i.e., over 100%) during the demo mode, which were not maintained on the gambling product when playing for money. Some sites also focus on results of practice games and encourage users to gamble with money using pop-ups and messages during game play and in subsequent emails (e.g., 'Challenge your skills with real money') as well as offers of free credits for depositing and playing funds in a gambling account (Sévigny et al., 2005). As the online gambling industry has become more regulated, many jurisdictions now require gambling operators to ensure that payout rates for practice games accurately represent real gambling products.

Practice sites may also avoid restrictions on advertisements for online gambling in many jurisdictions. For example, in Canada, where online gambling may only legally be provided by Provincial governments (see Gainsbury & Wood, 2011), .net practice game sites are widely advertised through many forms of media. One Canadian Football League team, the Hamilton Tiger-Cats, has a sponsorship agreement with an offshore gambling provider, Bet365, and promotes the site at games and on its website. Fans are encouraged to visit the Bet365.net Sportsbook Zone at the stadium and play free proposition games each week (a form of sports tipping); they can also win prizes, despite the Bet365.com site being illegally provided within Canada.

In Australia, two of the world's largest poker sites (at the time in 2010), PokerStars and Full Tilt Poker, signed sponsorship deals with the National Rugby League (NRL) to advertise their .net practice site and brand on various NRL team websites and uniforms. Initially, the deal was approved, as the .net sites did not offer any gambling products. However, following complaints, the Australian Communications and Media Authority found that these sponsorship arrangements were in breach of the *Interactive Gambling Act* (2001) as they are in effect advertisements for the related prohibited services, which prohibits the advertising of interactive gambling services in Australia. The 'free-play' sites themselves may also be considered to be prohibited advertisements, if they are accessible by Australians and deemed (by virtue of content and marketing) to be aimed at a predominantly Australian audience (DBCDE, 2012, p91). Consequently, practice games are required to adhere to the same advertising codes of conduct as gambling, which include not depicting unrealistic expectations of winning or appealing to children and vulnerable populations. However, these findings have been contended, for example, Free TV Australia noted in its submission to the review of the IGA, that the IGA is not very specific in relation to prohibited advertisements.

## **2.5 The Uptake and Use of Social Casino Games in Australia**

### **2.5.1 Participation and revenue**

Social casino games have been one of the fastest growing and most profitable genres of social games. Between 2010 and 2012, participation rates in social casino games doubled, demonstrating the massive and sudden growth in this online activity (SuperData, 2012). Worldwide participation in social casino games is more than triple that of online gambling and is predicted to grow from 173 million users in 2012 to 269 million users by 2016 (Morgan Stanley, 2012). A more recent estimate suggests that social casino revenues worldwide will reach US\$4.4 billion in 2015, with the market dominated by Australia and North America on a per capita basis (SuperData, 2014). This growth is being led by mobile growth, which now generates more than half of global revenue. Social casino games are one of the most lucrative mobile gaming categories (Kushnir, 2014).

In 2012, Australia was estimated to account for US\$59.8 million in social casino revenues (3% of worldwide revenue) and to have approximately 2 million social casino game players (Casual Games Association, 2012; SuperData, 2012). In Australia, social games have been found to be popular, with around one-fifth (21%) of social media users reporting that these games were a contributing factor to continuing use of these platforms (Yellow Pages, 2013). Social gaming has been equally popular with males and females, and was most popular with Australians aged 14–19 years of age, with 35% of this cohort reporting this as a reason for using social media. The second most involved age group was 20–29 year olds, who comprised 24% of the group. The available data suggest that Australian player engagement in social casino games has varied slightly on a yearly basis, with 24% of users active in these games in 2011, and 18% in 2012. Australia has the highest monthly average revenue per paying user for social casino games by country in 2012 (SuperData, 2012).

Recent data provided by Superdata Research (SuperData, 2015) stated that the Asia Pacific is the second largest international market for social casino games in terms of revenue (following North America). These data are based on recorded player transactions shared by games and surveys of 1,195 respondents (aged 18+) taken between October 2011 and December 2014. Despite its relatively small population, Australia was estimated to generate US\$115 million, representing 13% of all revenue from social casino games from the Asia Pacific region. This is expected to increase to \$131 million by 2017. The average monthly spend (in US dollars) on social casino games by Australian players who pay money in these games ranged from \$45 to \$80. The report stated that although the audience of desktop players is smaller than on mobile, it accounts for the majority of revenue. This was attributed to high spenders using desktops, indicating that these are serious players, in contrast to casual players engaging when they have a free moment. On average, paying users on desktops spend almost three times more than do those on mobile. However, mobile users account for 54% of players and this market is growing more rapidly than that of desktop users. These players are also more likely to make purchases, although they spend less on average. Consistent with our findings, SuperData estimated that Australian social casino players also like to gamble, with 71% visiting land-based venues and almost four-out-of-five gambling online. Australian players also spend more per paying user than do US players, and a greater proportion of all players spend money as compared

to other Western markets, although this still represents less than 4% of all social casino players.

In 2012, social casino games accounted for almost one-quarter of total social gaming revenue (Kontagent, 2012; SuperData, 2012). The social casino game market was estimated to be worth US\$1.7 billion in 2012, with the majority of revenue coming from North America and Europe. It has been forecast that the audience for these games will continue to grow, and that a greater proportion of users will choose to spend money on these games, resulting in over US\$3 billion in revenue by 2016 (Macquarie, 2013). Nevertheless, this market is significantly smaller than the online gambling market, which has an estimated worth of US\$35 billion. The lifetime player value of social casino gamers is estimated to be around US\$535; however, only a very small proportion of social casino game players ever spend money (1–5%), suggesting that operators rely on a particular subtype of player for most of their revenue (Morgan Stanley, 2012).

Poker is the most popular form of social casino game, accounting for nearly 50% of the market, followed by slot machine games, which account for one-quarter of social casino games, with the remainder made up of casino and card games, bingo and other games such as sports betting (Morgan Stanley, 2012). However, in terms of participation, a survey of 500 US social casino game players reported that only 28% played social poker games, while 24% played casino games, 22% played slots and 11% played bingo (SuperData, 2013). Taken together, it may be suggested that poker and slot machine games are the most popular social casino gaming activities.

Overall market figures suggest that slot machine games generate the highest average revenue per user, followed by casino, poker and other table games (SuperData, 2013). The 2013 SuperData survey reported that over 60% of social casino gamers play for more than 30 minutes each session and over 50% of players play at least once a day. In contrast to the low rate of purchasing reported in the Morgan Stanley (2012) report, almost half (48%) of social casino game players had paid for games or virtual goods, with the average amount spent per social casino transaction valued at US\$11.82. These differences highlight that figures may vary greatly depending on methodological issues, such as sampling and measures.

Although there are numerous social casino game operators, the market is dominated by the top five operators (Zynga, Caesars, IGT, GSN and Blue Shell Games), which account for around 60% of total daily active users and generate 42% of total industry revenue (Macquarie, 2013). In 2012, the top five social casino games on Facebook—*Texas HoldEm Poker*, *Slotomania*, *Double Down Casino*, *Bingo Blitz* and *Best Casino*—together attracted over 11 million daily users (Zainzinger, 2012). Zynga's *Texas HoldEm Poker* was the third most popular Facebook game in April 2013, with over 34.5 million monthly active users and almost 6 million daily active users, although these were lower than the previous month; Zynga's slot game *Zynga Slingo*, Playtika's *Slotomania* and IGT's *DoubleDown Casino* were also among the top 20 most popular games (Maiberg, 2013).

### **2.5.2 Platforms and access modes**

Social casino games require an Internet connection due to content being hosted remotely, and therefore these activities are accessed through Internet-enabled devices only. The term 'social' refers to games that are connected to an online social

networking site, which requires players to have a profile and enables connections between players (Gainsbury, Hing et al., 2014). The largest platform for social casino games is Facebook, which is estimated to have 98 million monthly social game users and 22.5 million daily users (Macquarie, 2013). Facebook mandates the use of its virtual currency (Facebook credits) in games and receive 30% of all purchases made. According to a market survey of US social casino game players, the majority of all social casino game play occurs on Facebook (SuperData, 2013).

According to a survey of users, the preferred access mode for social casino game play was personal computers (83%), followed by mobile phones (51%) and tablets (36%) (SuperData, 2013). In 2013, there were nine social casino games in the top 100 gaming apps sold on iPhones in the US. Google Play has banned gambling apps that offer users the chance to obtain any monetary prizes. Industry estimates suggest that mobile platforms are accounting for an increasing rate of social casino game revenue. SuperData (2013) estimated that mobile revenue is growing more quickly than revenue on desktop platforms, which remains the primary mode of revenue generation. A 2013 report estimated that mobile social casino game revenue rose 18% in 2013 compared to the previous year, while Facebook social casino game revenue increased by only 1% (Krafcik, 2013). In the second quarter of 2013, mobile social casino game revenue accounted for 36% of the overall social casino game market, compared to 23% in the prior-year period. The uptake of tablet devices has also increased rates of mobile gaming, with iPads estimated to monetise 1.5 to 3 times better than iPhone games, although this may reflect differences in player demographics across devices rather than features of the devices themselves. SuperData (2014, public announcement via Twitter) reported that social casino games on desktops have the longest lifetime, followed by tablets, but that tablet games have the highest average revenue per user, followed by mobile applications.

A study by Shaul (2013) of 1,500 cross-platform gamers reported that gamers appear to interact more frequently with Facebook games, with 56% playing three or more Facebook games per week as compared to 48% playing three or more mobile games per week. However, in-game purchases were more likely to be conducted on mobile apps than in Facebook games, with 35% of gamers having made an in-game purchase on Facebook, compared to 43% in mobile games.

### **2.5.3 Demographics and profile of users**

Research on the demographic profiles of individuals involved in social gaming and gambling is a growing area of study; however, few studies currently exist, and conceptual inconsistencies (i.e., inconsistent definitions of gaming and gambling activities) that mar measurement approaches make it difficult to obtain an overall picture of these markets. A key research question in this area is the degree of similarity between users of social gaming activities and users of Internet gambling services. Some marketing research suggests that, although many social gamers have no history of gambling or intention to gamble, there may be some overlap in these markets. The potential for even a small fraction of the social gaming population to migrate to gambling activities is hypothesised to be one of the driving reasons for gambling operators in targeting this group with their own marketing strategies. Another possibility that has not been discussed in research and marketing literature is that some gambling operators may offer social games to target those players seeking to reduce or terminate their online gambling but still maintain involvement in a form

of interactive entertainment. In this way, social casino games may provide a secondary source of revenue to the gambling operator that is distinct but complementary to primary gambling services.

Several reports suggest that the demographic characteristics of social gamers are similar to those of Internet gamblers. Industry reports state that the average demographic of a social casino game player is aged 35–44 years, which is younger than land-based gamblers, but similar to Internet gamblers (Gainsbury, Wood et al., 2012; GamblingData, 2012; Macquarie, 2013). A survey of 500 social casino game players in the US in December 2012 reported that 57% were female and 44% were aged 21–34; the player age groups of 34–44 and 45–54 each contributed 20% of the sample, and less than 1% were under 21 years of age (SuperData, 2013). Social casino game players are more likely to be female; in particular, users who spend money in social casino games are more likely to be female and approximately 70% of top spenders are female (Morgan Stanley, 2012). Similarly, figures released by social game provider IGT reported that women play 10 million virtual chips per session, while men play 7.6 million chips (IGT, 2013b). Social poker game players are younger than non-poker social casino game players, with an estimated average age of 27 years; unlike other social casino games, but similar to Internet gamblers, social poker game players are more likely to be male (Church-Sanders, 2012; Macquarie, 2013).

In terms of level of educational attainment, 40% of social game customers have obtained college degrees or higher, 25% work in professional or managerial positions, and 23% have a household income of US\$70,000 or more (Information Solutions Group, 2010; 2011; Media & Entertainment Consulting Network, 2010). Internet gamblers are also likely to have completed tertiary education; work full time, often in professional roles; and have higher household incomes than average (Gainsbury, Wood et al., 2012; Wood & Williams, 2011). However, these results are not based on representative samples, but rather on online surveys of self-selected participants or players with one particular operator, which may favour sampling of this demographic group. A US-based survey found that gamblers with university degrees were less likely to play social casino games than those who had completed less than a high school education (Abarbanel & Rahman, 2015). The profile of social casino gamers is less well understood than online gamblers, and the similarities between these groups may be related to greater likelihood of Internet use for a variety of activities, including entertainment.

A survey of Facebook users in Australia in November 2012 reported that there are over 3.5 million social gamers across Australia, with a majority (69%) of respondents reporting playing social games on Facebook (Wenkart, 2012). This figure suggests that social gaming is more popular than other activity posts, including sharing photos and reading friend's profiles. Females outnumber males (67% v. 33%) and most gamers (67%) are aged 25–54 years, with one-quarter aged 14–24 years. Most social gamers are in relationships (54%), and 62% of female respondents reported having children. The majority are in paid employment (62%), with 18% studying and 20% acting as homemakers. Nearly 70% play social games daily on their computer or laptop, and 30% play social games daily on their mobile phone or tablet. Almost half (46%) have purchased virtual currency for themselves or others as a gift.

#### 2.5.4 Motivations for play

Understanding the psychological motivations for playing social games (including social casino games) may be useful to understanding the uptake and use of these games. As winning in a social casino games does not produce the same outcome as standard types of gambling (i.e., winning money), these games are often assumed to be largely intrinsically motivating (i.e., referring to factors such as the desire for new knowledge, experiences or challenges), notwithstanding some academic observations that virtual goods may have significant contextual value to players. There is an emerging research base on motivations for playing social games; however, often these studies do not differentiate between various classes of social gaming and therefore conflate gambling and non-gambling-related apps, making it difficult to interpret results. Key motivating factors driving social game play include entertainment, competition, challenges and opportunities for achievement, immersive experiences and escapism, fantasy or role-playing, passing time, relief from boredom and interactions with other players (Lee, Lee & Choi, 2012; Liu, Li & Santhanam, 2013). Surveys suggest that users are more loyal (i.e., maintain involvement) to games that provide status, enjoyment and social cohesion, and that they are willing to pay for games that facilitate social interaction (Liu, Li & Santhanam, 2013). Research in the wider online gaming field suggests that men are more likely to seek out games that include direct competition, whereas women tend to select games if they involve cooperation and positive social encounters (Scharkow, Festl, Vogelgesang & Quandt, 2012).

The social aspect of social casino gaming has emerged as the most appealing feature of these activities (Hou, 2011). A study of 1,500 adult social gamers from the US found that 46% of social gamers said that playing with friends is the most important feature to them and 40% have more than six friends playing a game with them (Shaul, 2013). Another survey of 280 social game players found that the factor that had the most critical influence on attitudes towards social games was whether the game was perceived as playful, and thus fun (Shin & Shin, 2011). In contrast, concerns about the security of the game and potential privacy breaches also had a significant impact on attitudes towards games, and hence, likelihood of play. A survey of US social casino game players found that the quality of gameplay was the most important factor in selecting a game to play, followed by a Facebook invitation and word-of-mouth referral (SuperData, 2013). Facebook advertisements, brand recognition and in-game offers were less important factors, indicating that personal interaction drives player acquisition. Competition may be another strong influence on user engagement. Zynga's executive producer described the success of Zynga's social casino games as taking games people have been playing with friends and family and making them accessible and social in new ways, with additional 'surprises' and 'game experiences' to make them more entertaining and fun. Their player feedback reportedly showed that users want to play their favourite games with their friends, which purportedly led to Zynga launching a Bingo game (Takahashi, 2012a). Further feedback after launching the social bingo game found that users are particularly motivated by meta-game rewards, such as 'achievements', which reward users for playing in different ways (Takahashi, 2012a).

In a study of over 10,000 social game players, respondents reported playing against their friends as the main reason for playing (Whitbourne, Ellenberg & Akimoto, 2013). Middle-age respondents were most likely to cite stress relief, while older

adults reported that they enjoyed the games' challenges. As a result of playing social games, younger adults reported cognitive improvements, including improved memory, while older adults reported improved visuo-spatial skills and response times, although these claims requires further validity testing. A significant number of respondents (15%) noted that they felt the games had addictive qualities. Whether social gaming represents a primary or secondary problem, it may be inferred that some social casino game players, like gamblers, use these games as a way to escape from negative emotional states such as boredom, stress, anxiety and depression.

It is likely that there is some overlap in motivations to play social casino games and gambling, as well as distinct differences. Paul Thelen, CEO of social game operator Big Fish Games, which was the first company to engage with Betable to offer gambling versions of its social casino games in the UK, stated that social casino game players want to spend time with their friends and socialise, whereas gamblers want to win money (Amsel, 2013). Some of the motives that drive social casino game play are likely to overlap with motivations for gambling, suggesting that social casino game players may also use gambling to fulfil these desires. Subgroups of gamblers have been identified across cultures who are motivated by socialisation and entertainment, for whom winning is incidental to enjoyment (Custer & Milt, 1985; Lam, 2007). In one study of Internet gamblers (n = 563), 44% of participants reported that they usually play with strangers, 26% with friends, 10% with family and 8% with co-workers (McBride & Derevensky, 2009). Women are more likely to play with others (McMillen, Marshall, Murphy, Lorenzen & Waugh, 2004) and appear to prefer gambling on bingo (Wood & Williams, 2011), which typically features social interactions. In a small qualitative study, around half of the Internet gamblers reported using online communication tools to chat with other Internet gamblers (McCormack & Griffiths, 2012). A qualitative study of female Internet gamblers found that all of the frequent Internet gamblers indicated that the pleasure they derived from the activity was related to the social aspects of the site (Corney & Davis, 2010). They reported enjoying playing and chatting with people from the safe environment of their own home, as well as the convenience of being able to do this online. These findings suggest that some female social casino game players, particularly those who actively use the social features, may migrate to gambling games that also offer social interaction.

## **2.6 Social Media, Social Casino Gaming and Gambling Problems**

The increased popularity of social casino games, and use of social media to promote gambling products, accompanied by the widespread availability of social media through mobile and computer platforms, has raised numerous questions about the potential risks of these activities, particularly in relation to the impact on problem gambling. Such risks may include:

1. *gateway*: the potential for players of social casino games to develop an interest in financial gambling and subsequently develop gambling problems
2. *behavioural modification*: the potential for social casino games to alter a player's gambling behaviours in ways that introduce significant risk (e.g., greater losses) in their financial gambling activities
3. *relapse risks*: the potential for problem gamblers to exit a recovery stage following exposure or involvement in social casino games



4. *social casino gambling problems*: the potential for players of social casino games (who may or may not have a history of financial gambling) to become problematically involved with associated harmful consequences that may or may not involve financial harm (i.e., due to excessive spending on micro-transactions).

These multiple possibilities have not been examined comprehensively and empirically in relation to gambling harms in any currently available peer-reviewed research.

There are a few studies on the topic of player migration between financial and non-financial types of gambling. One study by Kim, Wohl, Salmon, Gupta and Derevensky (2014) investigated the extent to which social casino gamers may migrate to online gambling. The authors surveyed 409 social casino gamers who had never gambled online at two time-points, six months apart. About one-quarter of the sample of social casino gamers reported having migrated to online gambling. Their analysis revealed that making micro-transactions (payments) was the only unique statistical predictor of migration from social casino gaming to online gambling.

### **2.6.1 Player migration**

Gambling operators may be attempting to assist the migration of players between social casino games and gambling. Some researchers have argued that social casino gaming may increase the likelihood of gambling as players become familiar with, understand the principles and mechanics and have positive experiences (which includes wins among other outcomes) with gambling-type activities (Griffiths, 2011; Kim et al., 2014). Social casino games may also be perceived as a more appropriate entertainment activity than gambling, particularly in cultures where gambling may be stigmatised. Users may become familiar with gambling themes, experiences and mechanics through social games, and consequentially be more willing to try gambling activities, particularly if these are offered on the same platform as social games and look very similar. The convergence of social casino games and gambling reduces the apparent differences between these activities and may increase the likelihood that users, particularly those already used to paying for game experience, will gamble. There is, however, little evidence to support this speculation. In this section, we consider two possible pathways of technological gaming activity, including: (a) involvement in social casino gaming transitioning to Internet gambling or other forms of gambling, and (b) migration from gambling to social casino gaming. Following this discussion, we consider the potential impacts of social casino gambling on problematic gambling behaviours, with consideration for the potential risk and protective factors associated with social media gambling.

#### ***2.6.1.1 Migrating from social casino games to gambling***

Social gaming customers are becoming a target market for online gambling operators given the apparent crossover between the markets (Gainsbury, 2012). Although not promoted as ‘gambling’ services, many social casino games are owned and developed by gambling operators. It is possible that this implies an assumption on the part of the operator that an interest in social casino games may indicate some interest in gambling, at least for some individuals. Alternatively, the provision of social casino games by gambling operators may serve a broader advertising purpose, enabling the operator to promote gambling in a more general sense, with the advantage that regulatory bodies do not consider this type of promotion a gambling advertisement.

One argument is that, if even a small proportion of the vast number of social casino game players migrate to gambling, the expense of promoting and providing the social gaming content will be justifiable. Further, the cost of migrating customers from social casino games to gambling is expected to be significantly lower than the costs of acquiring new gambling customers. One chief executive of a company offering social casino games and gambling products has stated that their social bingo game site was launched primarily as a site to enable migration, and that about 8% of social bingo players (acquired for about £1) had converted to the gambling site (Altaner, 2013c).

There is evidence to suggest that a proportion of social casino game players are interested in gambling. A survey of US social casino game players found that over one-third (36%) of participants visited a land-based casino more than twice a year, and two-thirds (68%) were interested in gambling (for money) on their favourite social casino game (SuperData, 2013). Social slot players were most likely to have visited land-based casinos, followed by poker, table game and bingo players. The majority of social casino players (83%) reported visiting a land-based casino at least once a year. Frequent land-based casino visitors appear to spend more money on social casino games. The majority of participants (64%) also indicated that online gambling should be allowed. Over one-third (37%) of social casino game players indicated that they would spend more money on gambling than they did on social casino games, which rose to over 50% when excluding players who did not currently spend money on social casino games.

#### ***2.6.1.2 Migrating from gambling to social casino gambling***

Another possibility that has received far less research attention is that some individuals involved in gambling activities may seek out social casino games as a way of ‘retiring’ their financial gambling career or ‘gambling’ without the personal liability associated with continued losses. The lack of research attention on this possibility may be attributed in part to the possibility that it represents a less risky outcome of social casino gambling, and therefore may be considered a low priority in psychology and public health research streams. The possibility that social casino games may confer certain player benefits in terms of managing risk of development or relapse of problem gambling is therefore currently unknown.

Social casino games and gambling sites have important distinctions. A recent commentary on various social poker games by an active online poker gambler reported that the social game versions were much slower and less competitive than gambling sites (Davy, 2013). Social poker players reportedly had very poor poker strategy and many of the sites contained ads, had poor design as compared to their gambling counterparts and therefore had minimal appeal to a (monetary) poker player. Social poker apps were also considered unattractive, given that online poker sites generally offer practice games for players seeking a non-financial version of the game.

#### **2.6.2 The impact of social casino games on gambling and related problems**

There is growing interest in the subject of whether social media-related gambling activities and promotions may affect vulnerable populations, including those with a pre-existing problem gambling habit. One line of argument (referred to earlier as ‘relapse risks’) is that promotion of social games may result in problem gamblers experiencing urges to gamble for real money, triggered by exposure to these gambling

cues (Parke et al., 2013). A small survey of problem gambling counsellors in Great Britain reported that approximately two-thirds of counsellors had clients who had engaged in social casino games, and these counsellors were roughly evenly divided on whether social casino games had contributed to gambling problems (Parke et al., 2013). Respondents stated that clients were much more likely to indicate that social casino games did not cause gambling problems (58%) than that social casino games had made a significant contribution to their gambling problems (25%). Two-fifths (42%) of clients stated that social casino games were helpful in dealing with their gambling problems and allowed them to have fun without spending money. Qualitative responses from problem gambling clients indicated that, for many, social casino games were not considered problematic, as they were more similar to video games, and would be unlikely to substitute for gambling. However, half of respondents indicated that social casino games acted as a trigger for gambling, as they won more often on social games; and many (58%) clients indicated that social casino games were their first gambling experience, with concerns expressed that these games may represent a gateway to gambling. Although these findings are illustrative of multiple possibilities, they are limited with respect to the small sample of clinicians, who reported secondary information, thereby reducing the reliability of the responses.

Some limited experimental evidence suggests that free-play gambling games may influence subsequent financial gambling behaviour. A study of 80 university students found that participants who played a free casino game prior to gambling wagered more money than participants who had not played any free games (Bednarz, Delfabbro & King, 2013). Participants also had higher bets during their gambling sessions as compared to the free-play immediately prior, and participants who had experienced losses in the free-play condition gambled for less time than those who had won or broken even. Almost half of the participants who had played for free prior to gambling believed that the practice round had enhanced their proficiency at roulette, and two-thirds agreed that they were more confident gambling following this practice. Participants who had won or broken even attributed greater significance to skill in roulette as compared to the participants who had experienced losses in the free-play condition or had no free play, even after controlling for pre-existing gambling-related beliefs.

Another study by Frahn, Delfabbro and King (2014) examined the impact of practice modes in simulated slot machine gambling. A sample of 128 participants were randomly allocated to one of the following pre-exposure conditions: control (no practice), standard 90% return to player, inflated return to player and inflated return with pop-up messages that encouraged gambling. Participants in all conditions then engaged in financial gambling using a realistic online simulation of a slot machine. The results showed that those players exposed to inflated or 'profit' demonstration modes placed significantly higher bets in the real-play mode as compared to the other groups. The above studies have limitations (e.g., small, non-representative sample, ecological validity issues); however, they provide some support for the argument that exposure to high payouts within free practice modes (i.e., similar to social casino games) may influence subsequent gambling behaviour.

One area of research that has not been considered to date is the potential for social casino games and similar products to offer problem gamblers, particularly those at a recovery stage, a safer alternative to gambling. Within a treatment context, social casino games may be thought of as analogous to the nicotine patch—a substitute

activity that carries minimal to no risk—and assists players to engage in relatively harmless aspects of gambling (i.e., the gameplay) without the financial consequence. One potential consequence of this approach (i.e., substitution) is that harm may be produced by adverse effects associated with large amounts of time (rather than money) being invested in the game or excessive expenditure on virtual currency.

Problematic gaming behaviours within ‘hardcore’ computer and video gaming communities (e.g., online role-playing games such as World of Warcraft) are an increasingly relevant mental health issue, as noted in the DSM-5 appendix. Accordingly, there may exist some potential for social casino games to pose similar problems for some users. Such possibilities represent a current gap in understanding, including how such problems should be classified clinically (i.e., as gaming or gambling problems), and therefore warrant further research attention and debate.

#### ***2.6.2.1 A third variable explanation***

Although there is some limited evidence that social casino gamers also participate in gambling, it is not clear whether the social casino game itself was a relevant precipitating factor affecting gambling. An alternative explanation for any apparent player crossover between social casino games and gambling is that people who are interested in gambling may also be interested in social casino games, owing to a ‘third variable’ that underlies this observed relationship. The gambling research literature has identified numerous dispositional factors that underlie problem gambling, including impulsivity, sensation-seeking as well as broader social factors such as having a family history of problem gambling. It may be that these factors have some relevance to any perceived link between social media gambling and financial gambling, although research to date has not examined the natural histories of different player groups to examine any such differences.

Although the social casino game industry is still in an early phase of development, the migration argument has not been widely supported. The low conversion rate of social casino gamers to paying users (estimated at approximately 2%) has raised the question of whether social casino gamers are any more likely to also engage in gambling activities than other individuals (Morgan Stanley, 2012). It is also unclear whether and to what extent social casino games have the potential to cannibalise the existing gambling market, including land-based and online gambling. There is some suggestion among industry that social casino games exist largely independently from Internet and land-based gambling.

Marketing data suggest that the gambling industry approaches each market as different products with different business practices and objectives, and that these markets consist of different consumers. For example, social casino gaming may be referred to as ‘amusement’ (e.g., as a listing on an online store) without reference to its gambling themes and content. It may be that the industry portrayal of social casino games as entertainment represents an attempt to avoid comparison to gambling and/or other scrutiny from regulators and/or the public.

Behavioural economist Dan Ariely has suggested that free-play games (such as social casino games) may anchor the price of an activity (gambling) by encouraging customers to prefer a free version, rather than pay for the experience (Ariely, 2011). Presumably, many social players who seek out interactive entertainment are not solely motivated by the possibility of financial gain, and therefore social media variations of

gambling offer a relatively appealing alternative. According to behavioural economic theory, these players should be resistant to paying a higher price to gamble, as they have learnt to enjoy the free version.

Over the long term, users, particularly younger users, may become accustomed to the online environment and be less likely to visit land-based gambling venues. This is a potential concern for the land-based gambling industry in Australia, where participation and expenditure on EGMs has declined in recent years (Productivity Commission, 2010). One online survey found that 73% of social game players had reduced the amount of time they spent on other leisure activities since they began playing social games (Information Solutions Group, 2011). With only limited time and money for leisure, individuals may prefer the convenience and affordability of online options over land-based gambling activities. Despite these concerns, an analysis by Morgan Stanley (2012) concluded that, although there is an emerging trend for people having their first experience with gambling via social games, these users may develop an interest in gambling and gradually migrate to online and offline gambling. Morgan Stanley cited evidence from the UK and Italy to support these claims, where growth in online gambling has not affected land-based gambling.

In possible support of the notion that social casino gaming attracts a distinct clientele that is not attracted to financial gambling, there have been several examples of attempts to combine social networking, gaming and gambling that have been unsuccessful:

- 888 Holdings (2010) paid US\$12 million for the Mytopia social games development studio in June 2010. In August 2011, it wrote down the full value of this acquisition 'due to overall reduced expectation of income growth'.
- Betfair's *TaiKai* (2008) was a short-lived attempt to integrate challenges and player-to-player competitions into predicting the results of sports events.
- Pikum! (2007) secured funding to create 'a new kind of betting game created and played between friends online' but was unsuccessful and closed in 2009.
- Gottabet (2006) went through various incarnations in an attempt to create a viable means of bringing gambling and social networking together. It closed in 2010 (Global Betting and Gaming Consultants, 2012).
- In December 2014, due to lack of public interest, Paddy Power cancelled its plans for Paddy Power Social, a gambling app on Facebook.

Zynga, one of the largest and most successful social casino game operators, announced in 2013 that it would not be pursuing a license to offer online gambling in New Jersey, but would be focusing on their social casino games. This turnaround may reflect the difficulties experienced in migrating social game players to gambling platforms, as well as making regulated gambling activities as appealing as social casino games.

A consistent message propagated by gambling industry operators who offer social casino games is that the purpose of social media gambling is product diversification and to provide additional entertainment options. Although there are likely to be similarities in the motivations for social casino game players and gamblers, for example, competition and excitement, as well as to pass time and relieve boredom (Kinnunen, 2011), operators claim that the consumer markets for each product are distinctly different. Further, they claim that the motivations for social casino games

and gambling are likely to be very different: where motivations for social casino games may include social aspects, entertainment and prestige, gambling motivations include the potential size and frequency of a return with a high payout (Morgan Stanley, 2012). Social casino game players are generally motivated by entertainment and are not necessarily looking for ways to make money, or interested in spending money.

Although there is little published research examining the difference between social casino gamers and online gamblers, several industry stakeholders have discussed the difficulty of migrating social players to gambling. Raf Keustermans, CEO of Plumbee, stated that attempting to migrate social casino game players to gambling products is likely to ‘annoy’ these players and to be unsuccessful, and that it would be more cost effective to target gamblers and users who pay for games, rather than free-play players (Takahashi, 2013a). Similarly, Paul Thelen, CEO of social game operator Big Fish Games, which was the first company to engage with Betable to offer gambling versions of its social casino games in the UK, stated that this experience demonstrated that social players and gamers were completely different (Amsel, 2013). John Styren, Chief Executive of Swedish online gambling company LeoVegas, claimed that gamblers are motivated by the possibility of winning money and do not want to share their results with their friends, particularly their losses (Altaner, 2013c).

### **2.6.3 The impact of social media promotions of gambling on youth**

Social media use has become a highly popular activity among young people over the last five years, with the majority (i.e., over 70%) of older adolescents using social media daily (ACMA, 2013). Previous data from the ABS found that, in 2009, more than one-in-five children (22%) visited social networking websites and nearly half of those aged 12–14 years used these sites (ABS, 2011). Young children were also found to be active social media users, although to a lower extent, with 11% of those aged 9–11 years and 3% of those aged 5–8 years engaging in online social networking. Children also appear to have increasing levels of smartphone ownership and usage, which is likely to contribute to social media use. In 2009, an estimated 31% of all children owned a mobile phone, with three-quarters (76%) of those aged 12–14 owning their own phone (ABS, 2011). Recent studies suggest that 80–85% of Australian teenagers use social networks and 67–75% access these on a daily basis, with social media use increasing with age (Dooley & Scott, 2012; Macpherson, 2013). Further, 95% of high school students own a mobile phone, of which 69% are smartphones; almost half of all students (49%) use their mobile phones to access Facebook, and over two-fifths (43%) play games on their mobiles (Macpherson, 2013). These findings suggest that many young people are daily users of social media and the majority possess a portable means of accessing social media.

Alcohol, tobacco and health researchers point to the importance placed by marketers of potentially harmful products on building brand awareness and engagement among the youth starter market (Anderson, De Bruijn, Angus, Gordon & Hastings, 2009; Freeman et al., 2014; Sparks, 1999). Children and adolescents are thought to be vulnerable to the effects of gambling advertising (Friend & Ladd, 2009; Hing, Vitartas et al., 2014; Korn et al., 2005; Messerlian & Derevensky, 2006; Monaghan et al., 2008). It has been argued that the high level of exposure to gambling marketing in society has led to its normalisation and perception as an acceptable, harmless and credible activity (Lamont et al., 2011; Moore & Ohtsuka, 1999). Studies have found

that gambling advertising exposure can shape youth gambling attitudes, intentions and behaviours (Derevensky et al., 2007; Felsher, Derevensky & Gupta, 2004; Hing, Vitartas et al., 2014). In a study with British young adult online gamblers, 40% cited advertising and 21% cited practice games as a primary reason to gamble online (Griffiths & Barnes, 2008), demonstrating the potential negative impact of exposure to online marketing cues. The few restrictions on social media use, inherent difficulties of monitoring this platform and widespread use of social media among youth suggest that ongoing research is needed to monitor the impacts of gambling marketing via social media on young people.

Studies of young people provide evidence that people who gamble online are also more likely to engage in social casino games and that problem gamblers are significantly more likely also to play social casino games (King et al., 2012; McBride & Derevensky, 2012). A survey by Ipsos MORI found that one-in-seven children in the UK between 11 and 16 years of age had played a social casino or practice game within the past week, usually through Facebook. Further, participation in social casino or practice games was found to be a significant predictor of children's gambling and problem gambling behaviour (Ipsos MORI, 2009). A follow-up survey in 2012 found use of social casino games was slightly lower, with one-in-ten youth playing these games weekly, with no differences across age groups (Parke et al., 2013). Boys were more likely than were girls to play social casino games, particularly boys who self-reported low academic achievement and attending schools in rural as opposed to urban locations. Children in single-parent households or who reported that their parents had a permissive attitude towards gambling were also more likely to report using social casino games than were children in two-parent households or with non-permissive parents; however, no differences were found based on family affluence or parental working status. Similar to previous research, participation in social casino games was higher among children who also gambled, and was most likely among those who reported engaging in a variety of gambling games.

A study of 1,287 Australian high school students aged 12–17 years found that 13% of respondents had played simulated gambling games in the past 12 months and 32% reported at least one lifetime episode of involvement with these games (King et al., 2014). In terms of the types of games played, 4.7% had played practice games, 9.6% had played Facebook social casino games, 6.3% had played smartphone apps and 25.9% had played video games with gambling themes. Social casino gamers were significantly more likely to have engaged in gambling, and participants classified as at-risk for gambling problems were approximately three times more likely to play gambling-themed games than were non-problem gamblers. However, there was a very low rate of problem gambling in the sample and respondents were classified as at-risk if they endorsed just one symptom (e.g., preoccupation with gambling), which makes it difficult to draw an association between involvement in such activities and actual problematic behaviour. Another study of 465 Canadian university students found that 9% of those who did not gamble for money reported playing social casino games, compared to 55% of non-problem and 83% of problem gamblers (McBride & Derevensky, 2012). Although these findings are correlational and do not provide evidence of causality, the available findings suggest that social casino games may be a feature of some young people's emerging views and attitudes towards gambling. Such studies conclude that this potential influence deserves further research attention and follow up within prospective studies to delineate relationships over time.

### ***2.6.3.1 Age restrictions***

Young people use social media regularly and therefore encounter numerous opportunities for engagement with social media gambling either deliberately or inadvertently. A common criticism of social media in general is that it lacks effective measures for implementing and enforcing age verification and restrictions. Age restrictions exist for many types of digital media, including film and television; however, there are fewer imposed regulations on content that is viewable or downloadable on the Internet, in part due to inherent difficulties in regulating the Internet. Social casino games are freely available for download on social media channels, prompting critical debate in Australian jurisdictions (e.g., South Australia) regarding the need for restrictions to prevent use by young people. Several social media platforms have developed guidelines and policies regarding the advertising and content that can be targeted to children. Facebook and MySpace, for example, require that registered users are over 13 years, which is consistent with US Federal Law (the Children's Online Privacy Protect Act [COPPA], which protects a child's personal information from being collected and shared). However, many social media sites have no age verification measures and it is very easy to create an account with a false birthdate. Other social media sites, such as Twitter, make no attempt to verify the age of users or limit marketing and promotions to adults.

In recognition of the high use of social media by young people, some social media platforms, such as Facebook, have enabled companies to restrict their paid advertisements to be shown only to users in certain age groups and in specified geographical locations. Companies can also limit the visibility of their Facebook pages with country and age restrictions, which control the users who can search for and like their page. However, social media platforms are continually changing their advertising policies. In 2011, Facebook guidelines were revised to permit gambling operators to advertise to users legally old enough to gamble in their jurisdiction. The guidelines also specified that Ads, Pages and Sponsored Stories could not encourage irresponsible gambling behaviour or present gambling as an income opportunity or alternative to employment. Various other social media sites have similar restrictions on paid advertisements, which must adhere to the legal requirements in a local jurisdiction. Twitter has some prohibitions on paid advertisements from services that assist or encourage gambling if these are not licensed in the jurisdiction. Google+ does not permit gambling companies to mention any specific odds, in an effort to reduce commercial discussions about betting. Another difficulty in this area is that it is possible for users of online social networks to provide false identity information, such as an older age. These networks lack an enforced verification process to ensure that accurate personal data is logged on the system.

Several studies have shown that age restrictions on social networks have significant limitations. A 2012 survey of 1,000 US parents found that 38% of youth on Facebook are under the 13-year-old age requirement, and that 4% of these underage users were 6-years-old or younger (Minor Monitor, 2012). Approximately 30% of youth spent two hours or more per day on Facebook, making them likely to be exposed to a wide range of promotions and paid advertisements for gambling or other products. A study of over 25,000 European youth reported similar results, with 38% of 9–12 year olds using social networking sites (Livingstone, Haddon, Görzig & Ólafsson, 2011). Youth who create social media accounts using fake birthdates are likely to represent themselves as being of adult age, with the consequence that they will be exposed to



adult content. On this basis, there is evidence to suggest that young people who use social media, particularly those who misrepresent their age level, may be exposed to gambling products and services.

### ***2.6.3.2 Normalisation of gambling***

Another argument is that the prominence of social casino games on social media will normalise gambling as an ‘entertainment activity’. This normalisation may occur despite the lack of certain structural parity in the two activities; for example, social casino games that lack a financial element may nevertheless be successful in promoting a general message about the desirable aspect of winning in gambling in general. In this sense, social casino games may operate as a form of advertising for a different but visually indistinguishable product. The interactive nature of social casino games may also provide users unfamiliar with traditional gambling some degree of confidence and transferable skills with gambling in general. In this way, engaging in social casino games may reduce perceived barriers to gambling for young people, who may also be unlikely to understand important differences between gambling and social casino games and have unrealistic expectations of gambling with money. The greater visibility of gambling messages and themes in social media may also increase awareness of gambling among young people.

Familiarity by mere exposure has long been recognised in marketing and psychology for its role in shaping consumer preference. Along this line, increased use of the Internet for entertainment options may build consumer familiarity with online interactions, including normalising online gambling options (Monaghan & Derevensky, 2008; Schüll, 2012). As social casino games continue to evolve, they may be difficult to distinguish from gambling activities, particularly for inexperienced users (King, Delfabbro, Kaptsis & Zwaans, 2014). It has been argued that the similarity between a company’s social casino games and gambling products, including common branding, themes, characters and displays, creates confusion for users who may not be able to distinguish easily between these activities (Torres & Goggin, 2014). Consequentially, if young people view playing social casino games as acceptable and appropriate, they may be more likely to engage in gambling activities. Alternatively, some youth may be drawn to gambling activities for their perceived association with other entertainment properties, such as film and video games. The design of social casino games, which often feature animated (i.e., cartoon) characters and imagery, may appeal to children and adolescents.

## **2.7 Social Media Gambling Promotions and Gambling Problems**

The rationale for studying the impact of advertising of gambling and social casino products via social media comes from the known effects of advertising that have been found in several public health domains, including alcohol, tobacco and junk food consumption. Studies have found that gambling advertisements and specific promotions have a greater impact to encourage gambling among problem gamblers as compared to non-problem gamblers (Binde, 2009; Grant & Kim, 2001; Gainsbury, Russell, Wood, Hing & Blaszczynski, 2014; Hing, Cherney, Blaszczynski et al., 2014; Hing, Lamont, Vitartas & Fink, 2015b). For example, a study of 2,799 Internet gamblers found that problem gamblers were significantly more likely to be influenced by promotions and incentives (e.g., free credit) provided by online gambling sites

compared to non-problem and at-risk gamblers (Gainsbury, Russell, Wood et al., 2014).

Previous studies have found that gambling advertising has limited success in converting non-users to users, but is most effective in increasing usage among high involvement consumers, particularly problem gamblers (Binde, 2014; Derevensky et al., 2007; Hing, Cherney, Blaszczynski et al., 2014). Unlike self-exclusion programs that allow individuals to opt out from receiving promotions from gambling operators, individuals with gambling problems are currently unable to opt out of content shared by their connections or advertisements on social media.

Gambling promotions have a growing presence on social media within Australia and international jurisdictions. In particular, gambling advertising and promotion is often integrated within sports media channels. Although there have been parliamentary inquiries into the legality of social media gambling (i.e., whether they are in violation of State and Federal regulatory frameworks), there is only limited research on the impact of social media promotions on gambling problems. The potential impacts of social media gambling promotions on gambling problems are therefore largely a topic of speculation among academics and regulators, often in reference to public health models that contend that higher levels of exposure to and accessibility of a harmful substance or activity are associated with greater levels of public risk and harm. The extent to which primary intervention factors related to social media gambling promotion (e.g., responsible gambling messaging, psycho-education) minimise or negate the impact of such promotions has not yet been examined in detail. However, there have been many commissioned reports, research studies and inquiries into the more general impact of gambling advertisements, including examining the impact on vulnerable populations and young people (e.g., Binde, 2014; Hing, Cherney, Blaszczynski, Gainsbury & Lubman, 2014; Hing, Cherney, Gainsbury et al., 2014; Hing, Lamont, Vitartas & Fink, 2015a, 2015b; Hing, Vitartas, Lamont & Fink, 2014; Sproston, Hanley, Brook, Hing & Gainsbury, 2015).

## **2.8 The Use of Social Media to Promote Responsible Gambling Practices**

### **2.8.1 Responsible gambling messages hosted on social media sites**

Social media and online networking sites are a valuable tool for public education because they provide a platform through which information can be rapidly disseminated to a very broad audience at minimal cost (Korda & Itani, 2013). In this way, social media could possibly be used to promote awareness of and encourage responsible gambling behaviour (Parke et al., 2013). However, a significant challenge for groups advocating responsible or safe gambling is competing with pro-gambling messaging promoted by industry in the same media streams. There is substantial evidence demonstrating that such marketing is effective in raising awareness and promoting behavioural change regarding health risks such as alcohol and cigarette use (Gordon, McDermott, Stead & Angus, 2006; Stead, Gordon, Angus & McDermott, 2007); however, research suggests that industry messaging is often more prevalent and engaging to users (Nicholls, 2012). For example, a study by Burton, Dadich and Soboleva (2013), which involved tracking the Twitter accounts of alcohol industry and advocacy groups, reported that the Twitter accounts of alcohol companies were followed by more users, and their tweets were more likely to use interactive features such as hashtags, to be forwarded to others, and to be associated with positive stimuli.

To date, there has been a dearth of literature on responsible gambling messaging hosted on social media sites; however, it is reasonable to assume that similar observations may extend to the social gaming industry.

The popularity and use of social networks and online games has begun to be adopted by other stakeholders to foster responsible gambling. Preliminary research indicates that Internet-based self-help treatment and brief interventions are effective in addressing gambling problems for adolescents, young adults and adult populations (Gainsbury & Blaszczynski, 2011; Monaghan & Wood, 2010; Rodda, Lubman, Dowling & McVann, 2013).

Several government and treatment agencies in Australia have begun using social media to contact the general population and provide education about gambling and gambling problems in an attempt to facilitate help seeking and encourage responsible gambling attitudes and behaviours. For example, Gambling Help NSW's Gambling Hangover Twitter profile (@RGFGamblinghelp), funded by the Responsible Gambling Fund, has 461 followers, and Gambler's Help Victoria has 134 followers (@gamblershelp\_au). Similarly, Gambling Help WA has 924 Facebook likes and Gambling Help SA has 76 likes. The University of Sydney Gambling Treatment Clinic has a YouTube Channel, with videos posted to provide information about gambling treatment. These aim to demystify the process, show the types of people who are counsellors, discuss what type of people seek help, the treatments provided, and why it is important to seek help. Of the four videos currently published, one has 1,934 views, with fewer views for the others (405, 255 and 192). The Clinic also has a Facebook page (with 230 likes) and a Twitter page (although it only has 18 tweets and 13 followers). As with all social media platforms, to obtain and retain a large and loyal following, it is essential that profiles be updated regularly and monitored so that any contact is responded to quickly. An unattended social media page is not likely to be effective.

Gambling Help NSW includes links to several social media profiles on Facebook, Twitter, YouTube and WordPress. The Facebook page Gambling Hangover links to stories shared by gamblers, as well as other sites, including blogs shared on the Counsellor Sam WordPress blog site, and posts motivational messages and relevant information about gambling problems. At the time of writing (March 2015), the profile had 6,383 likes; the most recent post was one hour previously, and the previous post was four days earlier. The Gambling Hangover Twitter profile mentioned above retweets relevant posts designed to motivate gamblers, provides relevant information, and links to similar pages as on the Facebook profile. The YouTube channel hosts videos of people talking about their gambling problems, informative videos about problem gambling, and videos made by problem gambling counsellors. Videos are available in a variety of languages. At the time of writing, the YouTube channel had 38 subscribers and the most popular video, a television ad campaign ('You're Stronger Than You Think'), had over 75,000 views. Videos were posted in multiple languages and included stories on different counsellors, discussions of gambling and the workplace, and personal gambling stories. The Counsellor Sam blog posts commentaries on topics relevant to someone dealing with a gambling problem. For instance, topics of recent posts included suicide, feeling bad about gambling, the importance of understanding how poker machines work, and information about return to players. Most posts include links to sources of help.

Information provided by Gambling Help NSW about their 'You're Stronger Than You Think' campaign shows the potential for social media to contribute to public discourse on relevant topics. Prior to the campaign, an average of 25.4 daily social mentions were made about problem gambling on various Australian social networks; after the campaign launch, the average number of daily mentions rose 40.9% to 35.8 daily. Expressed posts about the video and associated campaign had a 92% overall positive sentiment. Most users agreed that the campaign addressed an important issue facing many Australians, while negative sentiment arose from users who thought that the State Government funders were not sincere in their efforts to address the problem. This represented a shift in previous sentiment, which may indicate that the campaign was effective in reducing associated stigma.

The public nature of social media platforms may present a disadvantage. Unlike discussion boards or forums, which are typically used under an anonymous username, most people are identifiable on their social media pages. Posts or interactions on social media pages are typically visible to a user's connections. Although direct messages can be sent, which are usually private, this method of communication contrasts with the aim and purpose of social media. Given the high level of stigma associated with problem gambling and help seeking, being required to make a publicly visible post may represent a significant barrier for individuals. This may be less of a problem with interventions for low-risk gamblers seeking assistance to manage their gambling and stay in control, which is not generally as stigmatised; however, for many, gambling is not an activity that is publicly discussed. A further challenge is the high amount of content that is present on social media, which can result in attention loss. Successful social media interventions need to maintain intention and translate this into actual behavioural change (Korda & Itani, 2013). Messages also need to be tailored to specific target audiences, rather than broad attempts to enable change across an entire population.

If the lack of interest in using social media for seeking information about responsible and problem gambling can be overcome, such sites could bring many advantages. They are used by a broad range of people and are a useful communication tool to advertise and raise awareness of services (Thackeray, Neiger, Hanson, & McKenzie, 2008). These platforms are based on public interactivity; that is, they enable users to interact with others as well as those who host pages or profiles. This is beneficial, as it allows information that is shared with one person to be shared with other users, typically those who have opted in to follow a particular profile or user. Individuals may feel more comfortable reaching out or seeking information on a platform they already use and are familiar with and Internet-based interventions have been shown to have positive impacts for those dealing with addictions, including disordered gambling (Gainsbury & Blaszczynski, 2011). A meta-analysis of studies evaluating the effectiveness of online social network health behaviour interventions found that nine of the ten included studies reported significant improvements in some aspect of health behaviour change or outcomes related to behaviour change (Maher et al., 2014). Further research on this topic is needed to guide the development of responsible gambling and prevention programs that capitalise on the popularity and use of social media.

### **2.8.2 Promoting safer gambling habits when using social casino games**

Currently it is not known whether social casino games may actually promote safer gambling habits for players. One perspective is that such games may be potentially riskier than online gambling activities, given that they provide no opportunities for users to win back money invested in the game (Schneider, 2012). As discussed above, it is likely that social casino game players differ substantially from gamblers and that the majority will not be more likely to engage in gambling because of their social casino game play.

A research area currently underdeveloped is the targeted use of social casino games to reduce problematic gambling by educating consumers about responsible gambling, and providing a safer alternative to financial gambling. According to a study by Korn et al. (2010) that reviewed the social responsibility practices of social casino games, gambling applications on social networking sites generally contain no mention of safe or 'responsible' gambling information and provide no option to set limits on time or credit/money wagered.

There is only limited evidence to guide the development of successful and cost-effective educational programs to reduce the risks of gambling among young people (Productivity Commission, 2010). Games have been used for educational and therapeutic purposes across a range of fields, including diet, exercise and weight loss, specifically to support and motivate behaviour change (Lee, Chae, Kim, Ho & Choi, 2010). However, the potential for games to stimulate the problematic activity they are trying to address, or to cause excessive and problematic use themselves, needs to be overcome, perhaps by the development of specific therapeutic games rather than use of commercially provided social casino games. The incorporation of gaming elements into recovery programs, including online programs and mobile applications, has been suggested as an important area for future research (Savic, Best, Rodda & Lubman, 2013). Although, educating young people about gambling for the purposes of reducing risky gambling has been criticised by some individuals for exposing youth to gambling, potentially increasing the likelihood of youth engaging in this activity (Productivity Commission, 2010). The 'gamification' (i.e., use of interactive gaming features) of responsible gambling messages represents an important area for research to identify how social casino games may be used to promote safer gambling habits among appropriate target audiences (Billings, 2013).

### **2.8.3 Promoting safer gaming habits when using social casino games**

In addition to the potential for social casino games to be played excessively or influence gambling behaviour, excessive Internet gaming in general (i.e., non-gambling gaming activities) has been recognised as a potential problem (King et al., 2013). However, the promotion of healthy player activity in video games is currently an underexplored area of social responsibility (Van Rooij, Meerkerk, Schoenmakers, Griffiths & van de Mheen, 2010), despite increasing online commentary on the potential for player exploitation in monetised social gaming activities (McNeill, 2013). The primary health and consumer warnings attached to video games currently relate to adult content (e.g., violence, drug use, sexually explicit content) and the rare potential to cause seizures or motion sickness for some individuals. Warnings related to excessive play are largely absent from major gaming products and online services (e.g., Xbox Live), although some games are rated as age 3 plus. Similarly, social

casino games and social media gambling activities do not generally carry warnings or consumer advice about risks of excessive play or the potential for financial harm if in-game content is purchased excessively. This may be because the relevant Australian Classification Board is not responsible for classifying this content.

The structural design of social casino games represents another issue of social responsibility that may warrant further examination over time. Many social casino games contain design features that are arguably manipulative of consumers and that are not representative of good customer protection. For example, some social casino games do not provide clear and transparent information about the value and rarity of in-game currencies and that these may vary in later stages of the game. Similarly, some games feature ‘paywalls’, a term used to describe a section of the game in which it becomes very difficult for a player to advance meaningfully at the expected rate of progression without making a purchase of some kind. A challenge for game designers in this field is to identify features (and ways of objectively assessing these features) of their games that may be considered by reasonable players as ‘fun’ and ‘engaging’ (i.e., pleasurable) versus ‘addictive’ (i.e., unpleasant, harmful) (Kelly, 2010; Woodford, 2013). Such distinctions may be difficult to define, given the broad range of player preferences for, and tolerance of, certain gaming features.

Player payment for virtual assets in social games is likely to attract further regulatory attention, particularly in games in which there may be potential for such assets to be legally recognised as having real-world value. Numerous cases have been reported in the international media of parents complaining that their children have spent thousands of dollars inadvertently in social games (De Vere, 2012; Stern, 2012), as well as some cases of players having virtual assets stolen by other players due to their large contextual value. In Japan, unfair player mechanics—which were highly profitable for gaming companies—led to legislative action, after more than 600 complaints were received from parents regarding the gambling nature of in-game purchases made by children, which were leading to social problems (De Vere, 2012). Specific complaints were made about *kompu gacha*, a feature that allows players to purchase entries into multiple electronic draws to win special items. Each draw costs money and the probabilities of winning are unknown to players, theoretically allowing gaming companies to set the chance of winning at zero, while encouraging players to continue spending. Japan’s Consumer Affairs Agency ruled that this mechanism was illegal as it was in violation of advertising laws. The Minister of State for Consumer Affairs and Food Safety stated that ‘significantly increasing the passion for gambling is not appropriate to the education of children’ (De Vere, 2012). Subsequently, six major Japanese companies announced that they would ban the *kompu gacha* function for all games in May 2012. However, these actions were limited to games offered in Japan and have not been extended to other jurisdictions.

Two of the largest social game companies in Japan, GREE and DeNA, have introduced monthly spending limits for children based on their age (Stern, 2012). From 2012, Gree intended to limit players aged 15 and under to ¥5,000 per month and those aged 16–17 to ¥10,000 per month. In 2013, the developer of the highly popular and profitable mobile game title *Puzzle & Dragons*, GungHo Online Entertainment, introduced spending limits for young people in Japan. Japanese players younger than 16 cannot spend more than US\$50 in yen, and players aged 16–19 have a monthly limit of around US\$200 (Grubb, 2013). These limits were introduced in response to political and social considerations to keep the game available, while protecting

minors. Such regulatory and corporate responses to social gaming serve as case examples for other jurisdictions, including Australia.

In October 2013, the International Social Games Association published its Best Practice Principles, which form a starting point for the self-regulation of the social casino gaming industry. These principles are based on compliance with existing legislation, such as consumer protection laws, which forms the foundation of ISGA's position that external regulation is not required (Grant, 2013). One of the main principles recommended is that social games not mislead players into believing that they will be more successful at the real-world equivalent. This addresses the issue of transparency, mechanics and functionality. The principles then take a further step of recommending that social casino games specify they are intended for use by those of legal age to gamble. Specifically, the principles propose that advertisements for social casino games not be directed deliberately or explicitly at those aged below 18 years. In addressing payments, the principles state that the cost of items or games should be transparent to players. These principles were 'updated' in 2014 to address concerns regarding the advertising of games as 'free' despite in-game purchases, as well as issues relating to payment settings, the designing of games for children, marketing to children and clear provision of contact information. Although this is in theory a useful start, the principles are not mandatory for ISGA members and are not enforced or checked. Further, the ISGA only has a limited number of current members. There has been no audit or details released regarding whether any ISGA members actually comply with these standards. Nonetheless, these guidelines provide an informative contribution to self-regulation of social casino games by the gaming industry.

Although social casino games may not meet legal criteria for gambling, many researchers and other authorities contend that these activities should be held accountable and adhere to consumer protection standards akin to those applied to gambling. However, few social gaming companies have taken steps to protect customers from harms that may be related to excessive gaming. One view is that there are many lessons that social casino game operators could learn from the gambling field to offer greater consumer protection; however, there is currently no research evidence to guide implementation of specific measures.

Importantly, in addition to regulation, parents and individuals also have a role to play in preventing excessive social casino game play. The Department of Broadband, Communications and the Digital Economy (DBCDE, now known as the Department of Communications in its review of the IGA discussed the importance of consulting with parents, teachers and consumers about education and awareness measures considered by the review. It also highlights the importance of parents, and that education and awareness should be made available to them (DBCDE, 2013, p144/145).

## **2.9 International and Future Trends in Gambling Via Social Media**

Social media gambling is a growing industry that is subject to change via broader developments in the online technology and entertainment industry. For this reason, there may be many changes to the ways in which social media is used in general, in terms of functionality, features and platforms for use, which may affect gambling in multiple ways. In this section, we provide some predicted developments and/or trends

for the intersection of gaming, gambling and social media based on industry data. These observations are based largely on marketing data, and include:

- Increased use of smartphones
- Increased use of mobile apps to play social casino games
- More online and land-based operators experimenting with social media and social casino games
- Gambling operators continuing to expand into social gambling by offering gambling on social media platforms and incorporating social elements into gambling products
- Increased regulatory scrutiny of social gaming
- Social casino games continuing to be offered as a distinct product from gambling
- Growing acceptance of digital currency (e.g., Bitcoin) in online gambling
- Increasing social acceptance and value placed on virtual economies
- Increased gamblification of other games (i.e., gambling features, such as outcomes determined by random number generators, or aesthetic features of gambling machines)
- Development of social elements into online gambling
- Introduction of gambling elements to social gambling
- Cross-selling social gambling customers to online gambling sites or real casinos.

### **2.9.1 Convergence and regulation**

As social casino games continue to develop with respect to financial options and their structural design, an ongoing issue for debate is whether such activities should be classified as gambling activities and subject to gambling regulations. As a case in point, social casino games that award prizes with economic (or other) value and allow (or encourage) users to spend considerable amounts of money raise important regulatory questions. Caesars Interactive Entertainment, for example, offers gambling and social versions of the *World Series of Poker* game, which is also available for gaming consoles and as one of the world's most popular land-based poker tournaments. Customers who play gambling and social games can earn loyalty points, which can be redeemed for incentives such as shows and rooms at the company's resorts and casinos. Providing users with reward credits for indirect or secondary purchases that are redeemable for real-world prizes is not currently classified as gambling; however, if points are awarded for wins within a game, this scheme may promote discussion as to whether regulation is required.

Several international jurisdictions have discussed regulatory action regarding social casino games. In 2013, a bill was proposed in the Australian Senate that sought to regulate and restrict social casino games in a similar manner to online gambling activities (Joint Select Committee on Gambling Reform, 2013). One issue raised was the difficulty in defining the target and scope of the ban such that it was sufficiently broad to cover a range of games and platforms, but without the unintended consequences of restricting games that were not considered problematic (Joint Select Committee on Gambling Reform, 2013). Given that many social games include virtual credits and in-game purchases, attempts to limit or ban services would potentially affect a large number of games outside the intended scope of the



regulatory measure. Many games also incorporate some elements of chance, or mixed chance and skill (for example, any games that involve dice or shuffled cards, as well as randomly occurring events in electronic games), again making it difficult to use these criteria to restrict games. In their submission to the Joint Select Committee Inquiry, the DBCDE commented on the difficulties that would be experienced in enforcing any regulations or bans on social casino games, based on experience with the challenges in enforcing regulations for Internet gambling, including that overseas jurisdictions are unlikely to cooperate with any prosecution of ‘free-play’ games.

In November 2013, the South Australian Premier, Jay Weatherill, announced a bill that would require the South Australian Classification Council, which classifies movies, publications and computer games, to assess social games for simulated gambling content. The riskier games would be rated as restricted to above 15 or 18 years of age, although it was not made clear how riskiness within such games might be assessed in this framework. An online announcement was also made that a watch-list for parents would be introduced to assist them to identify games with gambling content that would not be suitable for children. The gaming industry opposed these measures based on lack of evidence that games have any negative impact on children. The new policy also aimed to promote discussion of the classification of gambling-themed games at a national level and raise public awareness of the risks associated with these games for children.

There have been some recent developments in industry promotion of certain social gaming activities. In November 2014, the Apple App Store removed the term ‘free-to-play’ from its range of social games (including social casino games) that included an in-game purchasing feature, the action to download and install these apps was revised to the action command ‘get’. It is unclear whether this change was in response to public pressure and complaints and/or associated legal responses and million-dollar settlements with the Federal Trade Commission as well as new laws set in place by the European Commission requiring applications notify customers of their true costs. Free apps on Google Play now also disclose whether they have in-app purchases (directly below the install button) in an app’s listing. However, when browsing ‘free’ apps by category the potential for in-app purchases is not immediately apparent.

A critical issue for further discussion is whether virtual currency (i.e., purchased in-game credit) has recognised value. There is some legal precedent that virtual currency has some value in its own right, despite such currencies not being directly redeemable for real-world currency. Courts in the UK and the Netherlands upheld decisions that virtual chips and items have monetary value and that theft of these is a violation of the law (Charif, 2011; Morgan Stanley, 2012). The UK Gambling Commission’s report on social casino games highlighted that this area is under-researched and recommended that research be conducted in relation to social gaming, social casino games and gambling to determine whether further regulatory changes may be advised (Parke et al., 2013). Regulatory agencies should continue to monitor social casino games, including for the potential for trading of virtual currency for monetary value, and the terms and conditions of these activities.

Protection of children represents an ongoing area of concern. The UK Office of Fair Trading has stated that social casino games may be breaching UK consumer protection laws by exploiting the inexperience, vulnerability and credulity of children with potentially unfair and aggressive commercial practices (Office of Fair Trading,

2013). One example is of game mechanics that suggest to children that they would be letting other players down by not taking an action that required an in-game purchase. Further examples include lack of transparent, accurate and clear upfront information; blurring the distinction between spending virtual currency and real money; and encouraging children to make purchases or encourage other users to make purchases. Several cases have been publicised of minors using a parent's credit card to make in-game purchases to sums of thousands of dollars, with parents having limited options for recourse.

At the end of 2012, the Belgium Gaming Commission put forward legislation that defines social casino gaming as online games with the same characteristics as gambling products licensed in Belgium but that do not pay out winnings (Altaner, 2013b). Social gaming would be permitted to operate without a license provided monthly spending was limited to a maximum of €100 per month. The Spanish Gambling Commission has also announced that it is closely following social casino game development, based on the finding that one-fifth of social network users in Spain are under the age of 16 (Macquarie, 2013).

Government regulations have also been implemented for broader video gaming and online use in some regions. South Korea has banned under 16 year olds from playing online games between midnight and 6am and from trading virtual goods, based on an investigation of whether in-game purchases that could be traded for random virtual goods constituted gambling (Morgan Stanley, 2012). The South Korean Game Rating Board is considering guidelines that may include limits on how much money players can spend; user identity and age verification requirements; and limits on payment methods. In China, online game players must provide their real names and valid IDs, and online game operators are prohibited from selling virtual currency to users less than 18 years of age (Morgan Stanley, 2012). In 2009, China banned use of virtual currency to purchase real-world goods or services and for gambling. In an effort to protect children, regulations were enacted stating that online games targeting minors must be free of content that would lead to imitation of behaviour that violates social morals and the law (New Online Games, 2010). Although such content is not defined, the regulations do explicitly forbid content advocating pornography, cults, superstitions, gambling and violence in all online games. The rules also require online game companies to develop and implement technology to limit the gaming time of minors to prevent addiction. Operators of virtual worlds (MMOs) also require players to take a five-hour break from play after continuous play for more than five hours (BBC News, 2005). These regulations may be in response to public pressure in the wake of publicised adverse events related to gaming, including child neglect, player death following heart problems complicated by excessive use, and aggressive behaviour, including murder.

## **2.10 Summary**

Social media has rapidly introduced many new types of gambling activity and promotion, as well as a range of interactive social gaming activities such as social casino games. The majority of Australians use social media very frequently; however, it is not clear how many people are actively involved in gambling-specific social media activities and promotions. The social gaming player base is known to be significantly larger than the online gambling market, and is predicted to increase in coming years. Although not recognised as a legitimate form of gambling, there exist

ongoing challenges for many jurisdictions, including Australia, in terms of how best to monitor and respond to new activities such as social casino games, to protect the best interests of all parties involved. Currently, there is only a limited research base on the social, psychological, legal and regulatory impacts of these activities; however, within Australia, there is ongoing academic and public commentary and some political interest in gaining a better understanding of these activities. There is some evidence suggesting significant difficulties in attracting social casino gamers to migrate to online gambling. It is possible that social casino gamers are largely composed of a demographic or psychological profile of players who would not typically gamble with real money, although there is evidence of a relatively small overlap between social gaming and gambling. The potential influence of social media promotions on gambling and problem gambling, particularly among vulnerable populations, is not well understood. However, social media gambling promotions may affect users' likelihood of gambling in multiple ways, some of which may be harmful and others innocuous or even beneficial, depending on individual, social and environmental factors. Many regulatory responses have been implemented in international jurisdictions based on assumed or observed harms and/or by adapting approaches to known harmful products (e.g., alcohol, cigarettes); however, such measures and restrictions have not been guided by a compelling empirical base specific to social media gambling.

## **Chapter 3: Audit of Australian Gambling Operators Use of Social Media**

Note: A version of this chapter has been published: Gainsbury, S., Delfabbro, P., King, D. L. & Hing, N. (published online Feb 3, 2015). An exploratory study of gambling operators' use of social media and the latent messages conveyed. *Journal of Gambling Studies*. doi 10.1007/s10899-015-9525-2.

Accessible at: <http://link.springer.com/article/10.1007%2Fs10899-015-9525-2>

### **3.1 Overview**

In this chapter, we summarise findings from a detailed audit of commercial gambling operators in Australia. The audit was conducted to inform the research questions: 'What gambling-style services or promotions are offered and are not played for money?', 'What new and emerging media can be identified for use in the promotion of gambling products?' and 'Do problem gambling messages and/or warnings appear on social media sites that provide access to or promote gambling?' The specific aims of the audit were to examine the web-based promotional activity undertaken by the industry and to summarise: (a) the extent to which social media sites were being used by the industry to promote gambling and other related services, (b) the nature of such promotions, (c) the perceived popularity of these promotions among users as indicated by rates of consumer endorsement or sign-up (e.g., number of likes or followers) and (d) the extent to which responsible gambling messages and/or services were a feature of the social media activity. The audit encompassed both online and land-based industries and involved scoping a range of social media sites ranging from social networking sites such as Facebook to real-time communication sites such as Twitter and video sites including YouTube. The audit also encompassed web-based material accessible via browsers configured for desktop computers (i.e., Mac, PC) as well as smartphone (i.e., iOS and Android) and tablet-based formats.

### **3.2 Methodology**

#### **3.2.1 Sampling procedure**

Ethics approval for this research was granted by Southern Cross University's Human Research Ethics Committee. The audit was conducted in October 2013 and was completed within a four-week period, although additional illustrative examples were gathered throughout the project. The sample was composed of 101 sites operating in Australia. The audit included all casino operators in Australia, the major lottery and keno providers and the 10 largest EGM venues in each State and Territory. The EGM venues were selected from each jurisdiction (except Western Australia, where EGMs are not available outside casinos) based on the total number of EGMs in each venue (as indicated by official 2012 figures reported by regulators). EGM venues ranged from those that had only 40 machines (e.g., South Australia) to those with over 1,000 machines in New South Wales (NSW). Major online betting agencies regulated and promoted in Australia were also included in the audit. The audit included the largest online wagering operators based on total annual turnover. A full list of all operators included in the audit is provided in Appendix A. This study was not designed to be representative of the extent to which all gambling venues are active on social media,

but to investigate the use of social media by gambling operators that were active on these platforms.

### 3.2.2 Analytical strategy

The Australian-facing websites and social media pages for all operators were accessed using a desktop personal computer and via a smartphone device to detect any comparative differences (e.g., structure, breadth and positioning of content). Websites of operators were accessed first and links were followed to social media profiles. The audit was completed by one of the authors and verified by two other authors to ensure consistency and accuracy. The audit recorded the following information:

- Name and owner of the gambling operation/venue
- Types of gambling offered
- Use of social media (Facebook, Twitter, Pinterest, Instagram, YouTube, Google+) for promotions and communication with followers
- Level of social media interest (number of likes, subscribers and followers)
- Provision of social casino or practice games
- Use of discussion forums and blog sites
- Nature and use of responsible gambling via social media
- Differences between the desktop and mobile sites.

A thematic analysis (Braun & Clarke, 2006) then identified the latent messages conveyed by these social media promotions. Given the exploratory nature of this research, this analysis focused on capturing the range of messages conveyed rather than on quantifying their occurrence.

### 3.2.3 Sample characteristics

The 101 operators were distributed across all States and Territories in Australia. Table 3.1 summarises the types of operators investigated, with a full list provided in Appendix A. EGM venues were hotels and clubs providing EGMs; lottery providers offered products through retail venues and online sites; and online wagering referred to sites/agencies that provided either online or a combination of retail and online wagering services. Only operators licensed and regulated within Australia were included.

Table 3.1.

*Number of gambling operators sampled by type and jurisdiction in which they are licensed to operate*

	Casinos	EGM venues	Lottery providers	Online wagering operators	TOTAL
NSW	1	10	1	0	12
QLD	4	10	1	0	15
VIC	1	10	0	0	11
SA	1	10	1	0	12
TAS	2	10	0	0	12
ACT	1	10	1	0	11
NT	2	10	0	0	12
WA	1	0	1	0	2

National	0	0	1	12	13
TOTAL	13	70	6	12	101

Almost all operators offered a variety of gambling products. Casinos typically provided EGMs, race and sports betting, poker, keno and table games, whereas the EGM venues (including hotels, clubs and pubs) typically provided sports and race betting, keno and EGMs. Most betting agencies and sites only provided access to wagering products. In some instances, a single operator offered betting as well as lottery, although this was typically through a different site or retailer.

### 3.3 Results

#### 3.3.1 Use of social media

Use of social media was examined for each operator. As indicated in Table 3.2, the majority of the operators (87%) had a Facebook page and around half had a Twitter account. Less than one-third self-promoted using YouTube, although the majority of online wagering operators used this platform. One-in-ten operators used Google+, with higher use by betting agencies. Other social media sites were generally uncommonly used. Facebook use was generally consistent across different operator types, whereas online betting agencies and lottery providers more commonly used Twitter. Use of social media was highest among online wagering sites, followed by casino operators and then EGM venues,  $F(3, 83) = 12.59, p < .05$ . It is important to note that statistical analyses are limited by the small cell sizes.

Table 3.2.

*Number and percentage of each venue type indicating social media use*

	N	Facebook N (%)	Twitter N (%)	Pinterest N (%)	Instagram N (%)	YouTube N (%)	Google+ N (%)
Casinos	13	11 (84.6)	7 (53.8)	0 (0.0)	1 (7.7)	6 (46.2)	0 (0.0)
EGM venues	70	61 (87.1)	29 (41.4)	0 (0.0)	2 (2.9)	13 (18.6)	2 (2.9)
Lottery	6	4 (66.7)	5 (83.3)	0 (0.0)	0 (0.0)	1 (16.7)	1 (16.7)
Betting agencies	12	11 (91.7)	11 (91.2)	0 (0.0)	1 (8.3)	10 (83.3)	7 (58.3)
Overall	101	87 (84.6)	52 (51.1)	0 (0.0)	4 (4.0)	30 (29.7)	10 (9.9)

*Note:* The percentages are not additive across the table.

As an indication of the ‘reach’ of this social media activity, the number of Facebook and Twitter followers was recorded (where possible) (see Table 3.3). The number of Facebook followers (as designated by likes) was extremely diverse, ranging from 28 to 428,225, with a median of 1,534. Twitter follower numbers ranged from 1 to 68,766 (Median = 611). The highest number of Facebook likes was observed for a club in NSW, whereas the highest number of Twitter followers was observed for an online bookmaker. Twitter follower numbers were found to be significantly higher for online wagering sites than the other operator types,  $F(3, 47) = 6.49, p < .001$ . Betting agencies also had the highest number of Facebook fans on average, followed by lottery operators and casinos. Engagement with gambling operators was much lower on Twitter, with EGM venues following betting agencies in terms of average follower numbers, followed by casinos.

Table 3.3

*Means and standard deviations of Facebook and Twitter followers across gambling operator type*

	Facebook N	Facebook M (SD)	Twitter N	Twitter M (SD)
Casinos	11	20,918 (27,566)	7	1,234 (1,354)
EGM venues	61	4,577 (16,966)	29	1,476 (4,844)
Lottery	4	40,466 (32,380)	5	1,049 (305)
Betting agencies	11	101,204 (129,225)	11	16,653 (20,455)
Overall	87	20,511 (57,437)	52	4,683 (11,716)

*Note:* Follower numbers were publicly available for a subset of sites.

### 3.3.2 Desktop v. Mobile access

When gambling sites were accessed via a mobile device (iPhone/Android), the links to social media profiles were generally less visible (64% of cases), although they were more prominent on one-third (33%) of occasions.

### 3.3.3 Discussion forums and blogs

The audit detected only four blogs and no discussion boards hosted by gambling providers. All four blogs identified were offered by online wagering providers. All of the blog sites were hosted by the gambling operator; however, three were hosted on blog sites separate from the home page of the wagering operator. Blogs were observed to be predominantly used to update customers on relevant information about sports and racing events, presumably to guide the placement of bets. Blogs also included tips for bets and mentioned odds on offer. Some blogs provided non-gambling content about sports and races, including entertainment-related posts, as well as updates on sporting news. Blogs also advertised promotions such as free bets and special offers and other activities engaged in by the operator. To some degree, the information provided on blogs represented a longer version of what was also being posted on Twitter feeds. The blogs were perhaps relatively less popular, based on the few replies posted. Three major online wagering sites had more than 100 posts in the previous six months, with the vast majority of posts being from the operator and many posts had few or no replies from other users, indicating that these sites were less ‘social’, as they did not generate customer interaction (e.g., discussion). Figure 3.1 shows an example of an article designed to attract readers’ attention using humour that also served to provide a summary of recent punters who had been successful using the service.



BLOG

DON'T MISS

[Home](#) / [AFL](#) / A guide to AFL hair

## A guide to AFL hair

By Chris Chard
 




 Updated: August 14, 2014

AFL players like to fancy themselves as being on the cutting edge of all things fashionable, and when it comes to their hair they lean towards being particularly 'out there'.

Yes, whilst the majority of AFL player haircuts and facial hair styles would see the average bloke on the street eternally single and stopped by airport security at every opportunity, this still doesn't stop the impressionable from trying to mirror their heroes looks.

With this in mind **Sportsbet** has created the *Guide to AFL hair* as your one stop footy follicle form guide.





**FACEBOOK**


Sportsbet.com.au



482,144 people like Sportsbet.com.au





**LATEST FUN**



A guide to AFL hair  
 AFL players like to fancy themselves as...



Punter of the Week - August 14  
 EVW of IVA has given a...



Punter of the Week - August 7  
 HS from NSW turned a \$40 multibet into \$20K...



Horses' birthday free bet competition  
 It's the horses' birthday, but we're...

Figure 3.1. Sportsbet blog post, 14 August 2014

### 3.3.4 Social media and promotional content

Information posted on Facebook and Twitter was inspected to examine content being promoted or discussed via the respective social media channels. Information collected from 86 operators showed that 74% of operators ( $n = 64$ ) used social media primarily to promote events, venue interactions with the community, and discuss food and beverage services. This trend was observed for EGM venues and casinos. Further, large clubs with relatively large social media profiles appeared to promote information mainly related to their linked NRL team and their venue. Land-based venues primarily used Facebook to promote events, such as concerts and bingo, as well as feature restaurants. The majority of clubs promoted prize draws, including cash prizes, for members, which were due to be drawn in venues. Another 30% of



operators (n = 26) had a mixture of content, with occasional posts or promotions related to gambling, but with a greater focus on other event-related material. Some operators posted humorous material to entertain and interact with customers, and potentially encourage users to ‘share’ their content.

Engagement with multiple social media platforms was most extensive among online wagering and lottery providers. All of these operators posted a majority of gambling-related material via Facebook or Twitter. For example, four of the six lottery providers distributed information promoting the next lottery draw and posted outcomes of recent keno or lottery draws. Wagering sites typically provided reports on sporting events, latest odds and opportunities for gambling. Relatively few posts included information about responsible gambling, as discussed in Section 3.2.4. In addition to posting updates on promotions and betting opportunities (e.g., bonuses), some online wagering providers posted primarily entertaining content designed to engage with users. Other wagering operators encouraged support for and between customers by posting information about wins, or near wins. YouTube was generally used to repost television commercials as well as to post videos relevant to venues and events. Many operators posted the same or similar content across various social media platforms, or linked between these. This was particularly the case for Facebook and Twitter linking to YouTube videos. Some examples are provided below of various types of posts made on social media platforms. Examples of information about responsible gambling within posts are highlighted with arrows.

#### ***3.3.4.1 Information about the venue/operator:***

As exemplified in Figure 3.2, a description of the venue is provided under the ‘About’ tab on Facebook. This includes information on gambling facilities as well as other non-gambling services available.

## About

Welcome to the Casuarina All Sports Club ... Where Good Sports Meet!  
Information for Members & Bona Fide Guests.

### Description

Welcome to the Casuarina All Sports Club ... Where Good Sports Meet!

Our multi-award winning venue is conveniently located alongside the Casuarina Square shopping centre, and is one of the NT's premier Clubs providing members and guests with an enjoyable and memorable experience.

Winner of the 2012 AHA Award for Best Club Gaming Venue, the Club boasts 45 of the latest & classic gaming machines in stylish surrounds, we also offer Keno and full TAB facilities all in air-conditioned comfort.

Our award winning bistro offers mouth-watering meals from our all-day menu, served from 12noon till 9pm. Multiple plasma screens are located throughout the Club, so you can catch every sporting event as it occurs.

The Cas Club is a great location to get together with friends, enjoy a meal or hold your next function.

The Cas Club .... Where Good Sports Meet.

Information for Members & Bona Fide Guests

*Figure 3.2.* 'About' information posted on Facebook by the Casuarina All Sports Club, NT, 19 August 2014.

#### **3.3.4.2 Promoting gambling products and offers:**

The examples below (see Figures 3.3–3.10) demonstrate how social media was used to promote gambling products and specific events to encourage users to place bets. Posts involved text and graphics that illustrate the types of gambling products available, how to use these, the potential returns and the types of customers who use the products.



Figure 3.3. Facebook post by SkyCity Darwin, 12 January 2014

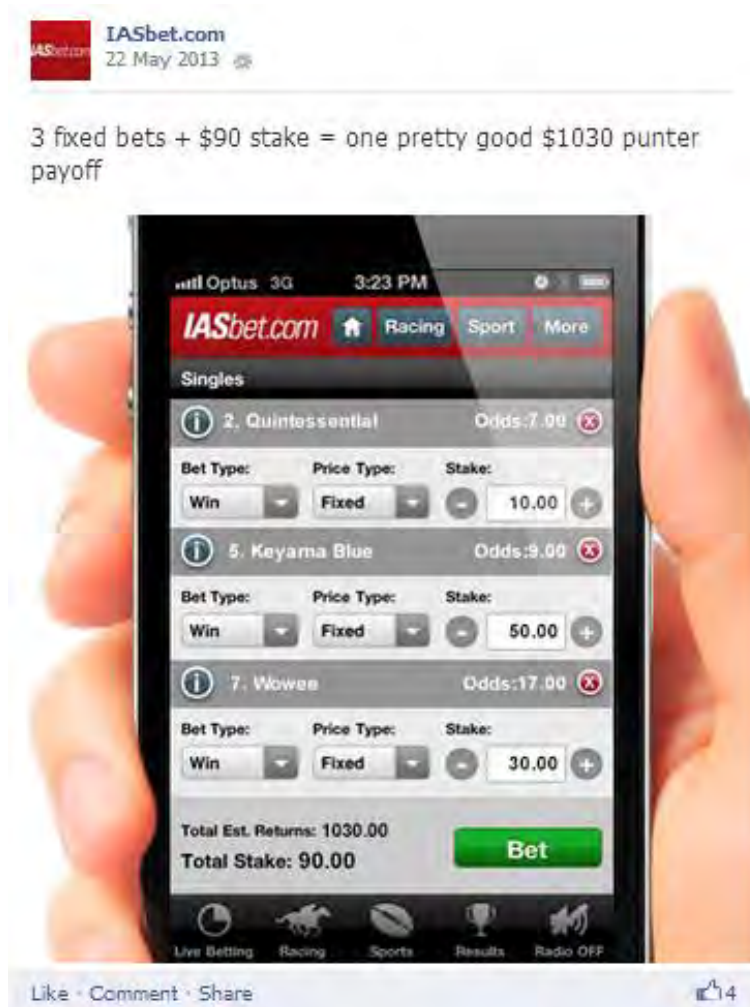


Figure 3.4. Facebook post by IASbet.com, 22 May 2013

Grab your entry in tonight's Powerball draw for a chance to change it all with \$6,000,000 <http://bit.ly/1awm2D0>



Figure 3.5. Facebook post by Tatts.com, 6 February 2014



Figure 3.6. Facebook post by Keno, 10 January 2014





Figure 3.7. Facebook post by Sportingbet Australia, 19 January 2014



Figure 3.8. Facebook post by SkyCity Adelaide, 5 May 2014



 **TomWaterhouse.com** @TW\_Bet · 15h  
Money for Penrith at halftime. They are \$1.45 in live betting.  
[bit.ly/1BsSQXF](http://bit.ly/1BsSQXF)

Figure 3.9. Twitter post by TomWaterhouse.com, 18 August 2014

 **Redcliffe Leagues Club** shared Dolphins Bingo's photo.  
17 August

Not long now until the Dolphins Bingo 17k Jackpot event on Saturday, 6th September!!  
Limited seats are left, don't miss out!

Get that Dolphins Bingo winning feeling!  
\$17,000 Prize Pool - 1.30pm Saturday 6th September.  
\$150 buy in (Paper or PET) Prepaid event - Limited seats only.  
Call 3203 7333 today to find out more.



Figure 3.10. Facebook post by Redcliffe Leagues Club, 17 August 2014

### 3.3.4.3 Posts about competitions and promotions

Promotions were typically offered in an attempt to encourage particular behaviour, such as downloading an app, visiting a venue or placing a bet (see Figures 3.11–3.13). Competitions and promotions were also a method of encouraging user engagement, both on social media platforms and within venues.



Figure 3.11. Facebook post by Raiders Belconnen, 6 February 2014



**SKYCITY Adelaide Casino**  
9 August ✨

We're down to the final four rounds! Be sure to visit [www.gamedayapp.com.au](http://www.gamedayapp.com.au) before Port Adelaide Football Club take on Sydney Swans to win a guaranteed instant prize, plus a chance to win an instant \$500!



Figure 3.12. Facebook post by SKYCITY Adelaide Casino, 9 August 2014

**Betfair Australia**  
13 January

Fancy a trip to the All England Lawn Tennis and Croquet Club?

Head to Betfair Australia for your chance to win a Wimbledon power trip!

Head to <http://www.betfair.com.au/wimbledon/> to opt in by placing a minimum \$10 multi on the Australian Open

T&C's apply.



Figure 3.13. Facebook post by Betfair Australia, 13 January 2014



#### 3.3.4.4 Promoting gambling wins

Operators posted details of significant wins, although these were typically anonymous and did not disclose details of the winning individual. For example, in Figure 3.14, Lotterywest highlights the occurrence of two large wins in the same region in a six-week period. Similarly, in Figures 3.15–3.17, operators use Twitter and Facebook to notify followers of recent wins and payouts.



Figure 3.14. Twitter post by Lotterywest, 18 August 2014



Figure 3.15. Twitter post by Kedron-Wavell Services Club, 18 August 2014



Figure 3.16. Facebook post by Redcliffe Leagues Club, 16 August 2014

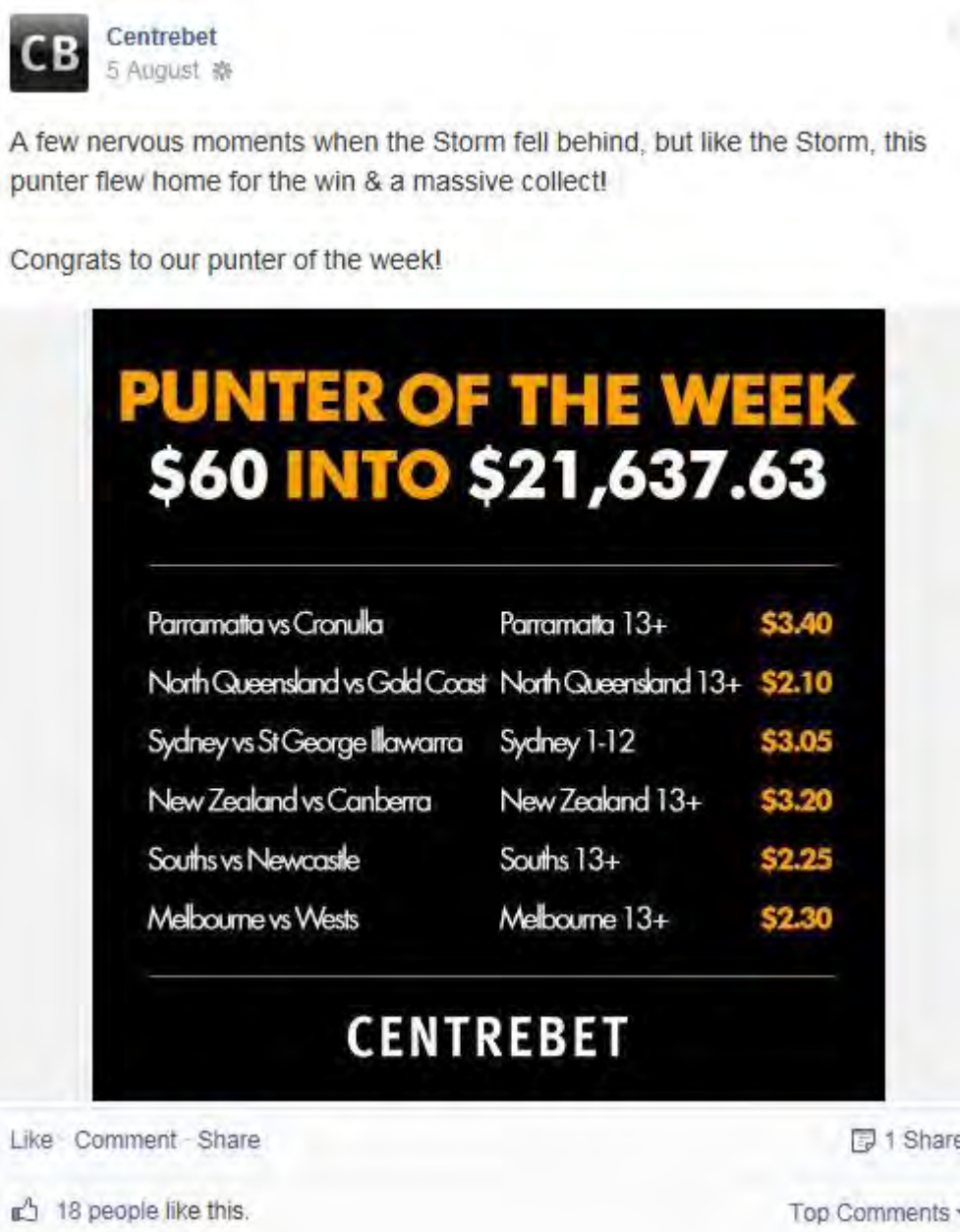


Figure 3.17. Facebook post by Centrebet, 5 August 2014

#### 3.3.4.5 Promoting features to assist with betting

Operators posted information about their services and facilities, including betting and payment options. The post below from SKYCITY Adelaide Casino promotes a new payment system to make gambling easier (see Figure 3.18). Similarly, Ladbrokes uses Twitter to promote the use of a specialised ATM card to withdraw funds directly from a user's account (see Figure 3.19).



Figure 3.18. Facebook post by SKYCITY Adelaide Casino, 3 June 2014



Figure 3.19. Twitter post by Ladbrokes Australia, 18 August 2014



### 3.3.4.6 Promoting in-venue events

Many land-based venues used social media to promote and draw users' attention to in-house events, including special or regular weekly events. These sorts of posts used social media as a notice board, rather than encouraging interaction with users. For example, Figure 3.20 depicts a boxing match promotion used by the Mounties Club in NSW that is linked with the provision of food and beverages as well as gambling opportunities. Another example, in Figure 3.21, from the Canberra Labor Club, shows the example of a trivia night, while Figure 3.22 highlights how a club in NSW provides activities for children (in this case, birthday parties). In Figure 3.23, Twitter is used to promote a theme night at the Crown Casino in Melbourne.



Figure 3.20. Facebook post by Mounties, NSW, 16 August 2014



Canberra Labor Club Group  
19 August

IT IS TRIVIA TUESDAY!

Trivia – Tuesday Nights at all Labor Clubs, 6:30pm @ City, 7pm @ Belconnen, 7:30pm @ Ginninderra & 7:30pm @ Weston Creek.

Visit [www.laborclub.com.au](http://www.laborclub.com.au) for more details.

#TriviaTuesday

#Trivia #CBR

#GinninderraLC

#BelconnenLC

#WestonCreekLC



Figure 3.21. Facebook post by the Canberra Labor Club Group, 19 August 2014



**The Juniors - Kingsford**

Yesterday

Planning a kids party but don't want the hassle? Let the Juniors @ the Junction help!

Our venue is the ideal choice for your next party, corporate event, or Christmas party. <http://www.juniorsatthejunction.com.au/functions.html>

**Children's Parties at the Underground**

The underground function room is the perfect place for your next kid's party. The room is completely separate to the rest of the club and has entry straight from the foyer. Parents can relax whilst our party host and DJ creates a fun atmosphere including music and games.

**CHILDREN'S PARTY PACK**  
**\$25 per person** (minimum 15 children)

- For 5 years to 14 years
- 2.5 Hours duration
- 6 Balloon Clusters & DJ
- Children's Function Menu
- Jugs of soft drink and water
- Room Set up

For more information please contact reception on **9349 3078**

Like · Comment · Share

1 Share

12 people like this.

Figure 3.22. Facebook post by The Juniors, Kingsford Sports Club (NSW), 19 August 2014





Figure 3.23. Twitter post by Crown Melbourne, 17 August 2014

### 3.3.4.7 Promoting food and beverages

Similar to the in-venue event posts, land-based venues often promoted food and beverage offerings and specials. These typically included pictures and aimed to encourage venue visitation and promotion of restaurants, bars, special offers and events. Figure 3.24 shows a food promotion from Crown Melbourne on Facebook.

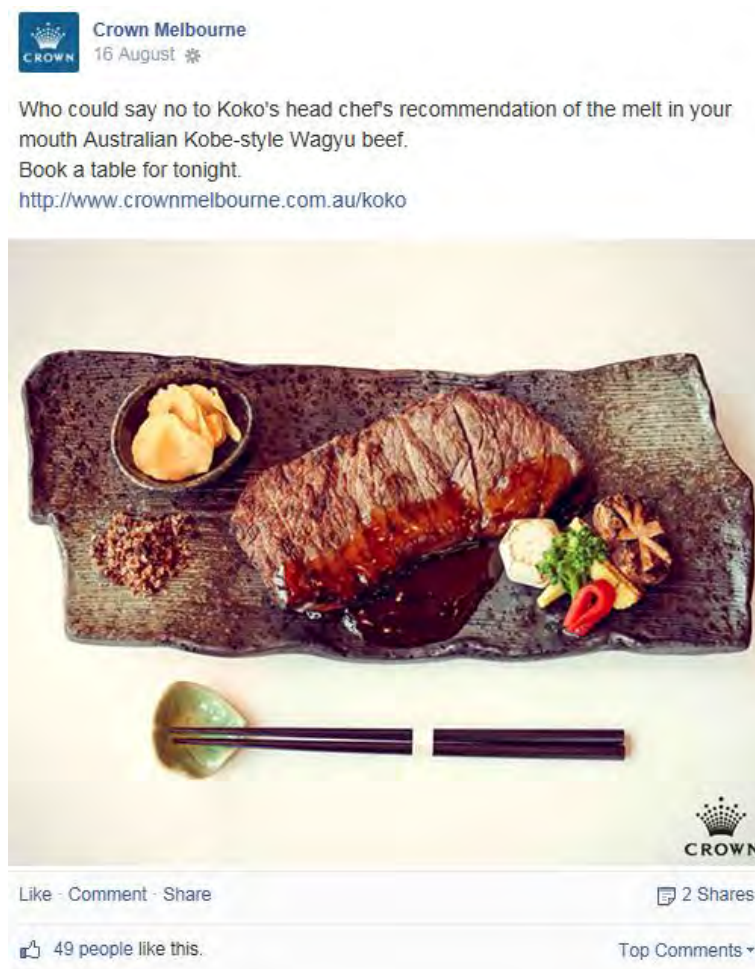


Figure 3.24. Facebook post by Crown Melbourne, 16 August 2014

#### 3.3.4.8 Encouraging customer engagement

Many venues and operators fostered customer engagement on social media through encouraging users to follow, like and share their posted content. Operators also engaged directly with individuals, replying to and retweeting content posted by other users. Figures 3.25 and 3.26, for example, show how a positive experience about a visit to The Star Casino in Sydney was retweeted by the casino. Figure 3.27 shows how Bet365 communicates with followers using Twitter; in this case, responding to queries and providing advice.



Figure 3.25. Twitter post retweeted by The Star, NSW, 19 July 2014

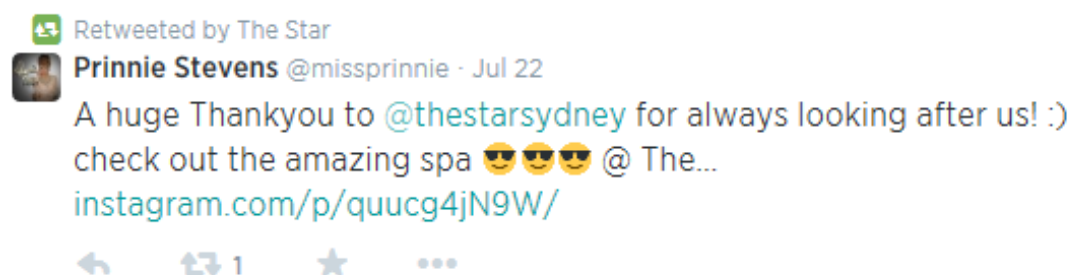


Figure 3.26. Twitter post retweeted by The Star, NSW, 22 July 2014



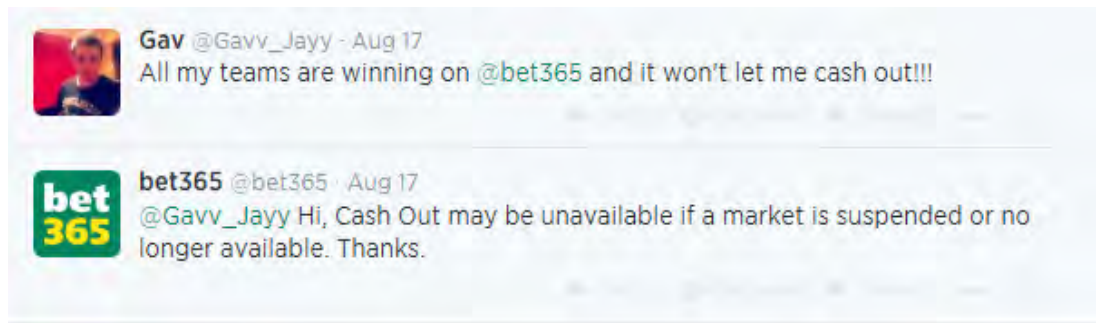


Figure 3.27. Response to Twitter post by Bet365, 17 August 2014

#### 3.3.4.9 Links to football clubs

Venues that had links with football clubs generally used social media to promote and discuss these clubs and related events. Figure 3.28 shows a Facebook post by Parramatta Leagues Club and Figure 3.29 shows one from the Canterbury Bulldogs.



Figure 3.28. Facebook post by Parramatta Leagues Club, 15 August 2014



Figure 3.29. Twitter post by Canterbury Bulldogs, NSW, 9 June 2014

#### 3.3.4.10 Promoting community engagement

Some operators used social media to promote their community engagement. This may include promoting community events or highlighting their own contributions to the community. Figure 3.30 shows a Twitter example from Lotterywest that refers to the opening of a library and community centre. Figure 3.31 shows how Twitter is used by a Canberra club to promote how venue proceeds are used to benefit other organisations in the community. Similarly, Figure 3.32 shows how Caloundra Returned Services League (RSL) promotes a community and RSL event to the public via Facebook.



Figure 3.30. Twitter post by Lotterywest, 14 August 2014



Figure 3.31. Twitter post by Canberra Southern Cross Club, 21 August 2014



Figure 3.32. Facebook post by Caloundra RSL, 18 August 2014

### 3.3.4.11 Betting tips

Many wagering operators used social media to provide links to betting tips. These generally included posts and videos from ‘experts’ suggesting appropriate bets and favourable odds. Offering betting tips is a method to encourage wagering. In Figure 3.33, a Twitter post by Sportingbet Australia draws attention to a source of tipping information promoted by the operator. A similar example is provided by Bet365 in Figure 3.34, which is also indicative of how YouTube videos are used in conjunction with Twitter messages to provide betting tips. Figure 3.35 similarly shows a Twitter feed from Betfair that promotes a source of betting information.



Figure 3.33. Twitter post from Sportingbet Australia, 13 August 2014





Figure 3.34. Twitter post from Bet365, 18 August 2014 (Content also available on YouTube)



Figure 3.35. Twitter post from Betfair Australia, 18 August 2014

#### 3.3.4.12 Sports and racing news

News and updates on sports and racing events were often posted on social media. Twitter was particularly used for multiple event updates, while Facebook posts were used less frequently to post notices about each event. This is consistent with the use of these different social media platforms, with Twitter being more time and context dependent and a platform for ‘conversations’ and updates, while Facebook is a less dynamic platform. Figure 3.36 shows an announcement of the Queensland rugby win by Tatts.com; in Figure 3.37, an exciting match outcome is tweeted by Centrebet; and Figure 3.38 comprises a Twitter post from Tom Waterhouse about the concluding minutes of a rugby league game.



Figure 3.36. Facebook post by Tatts, 9 July 2014

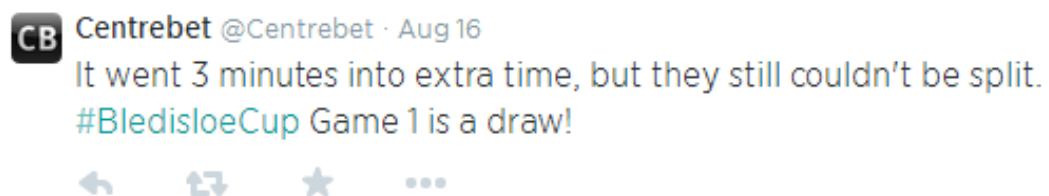


Figure 3.37. Twitter post by Centrebet, 16 August 2014



Figure 3.38. Twitter post by Tom Waterhouse.com, 19 August 2014

### 3.3.4.13 Non-gambling content

Many gambling operators posted content that, rather than being directly related to gambling, was designed to be engaging and humorous, to encourage likes and be shared among user networks. Figures 3.39 and 3.40 make jokes about the frenetic and mundane chaos as well as the drudgery of family life. Examples in Figures 3.41 and 3.42 show the use of cartoons to suggest what various players and teams are thinking and feeling. The Facebook post by Sportsbet in Figure 3.41 was liked by 3,301 users at the time of the example being taken, demonstrating the high level of coverage that social media posts can receive within users' networks.



Figure 3.39. Facebook post by IASbet.com, 16 May 2013





Palmerston Sports Club - The Hub

17 August

THAT SUMS IT UP !

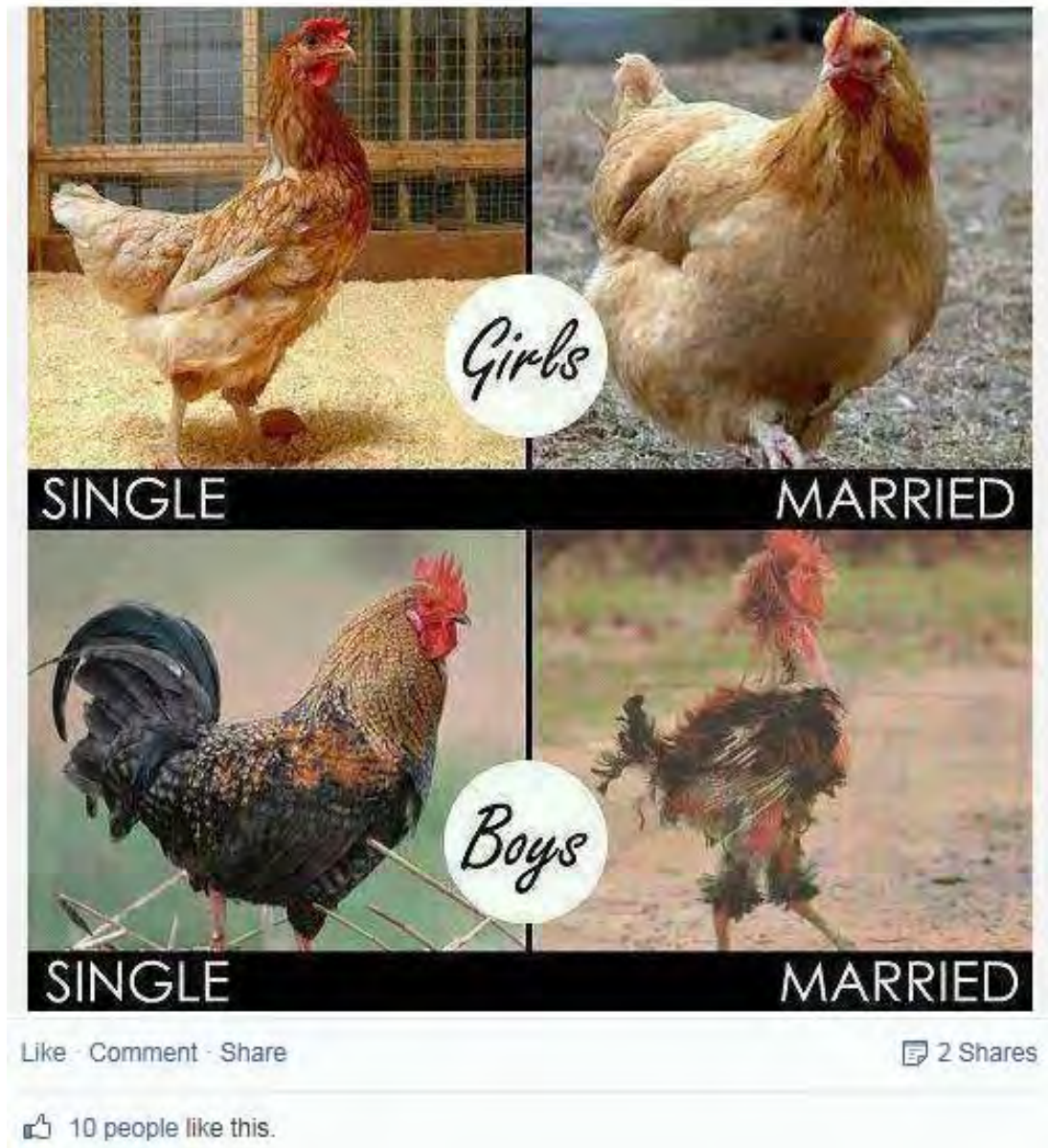


Figure 3.40. Facebook post by Palmerston Sports Club, 17 August 2014



Sportsbet.com.au

16 August ✨

Wests Tigers announce their plans for remainder of 2014 season.



Like · Comment · Share

823 Shares

3,301 people like this.

Figure 3.41. Facebook post by Sportsbet, 16 August 2014





Figure 3.42. Facebook post by Betfair Australia, 9 August 2014

### 3.3.5 Use of social media by online wagering operators

It is also useful to illustrate the way in which specific operators used social media to promote their services. Although all tended to take advantage of similar social media platforms, there were some subtle differences in the types of information they provided and in the extent to which different platforms were used.

#### 3.3.5.1 Bet365

Most Twitter posts were directly gambling related (e.g., odds), while some others were event related but still relevant to gambling (e.g., news of a tennis player winning a tournament). YouTube videos were directly gambling related; for example, updates on odds and betting products. An example of a Twitter post is provided in Figure 3.43.



Figure 3.43. Twitter post by Bet365, 18 August 2014

### 3.3.5.2 Betfair

Twitter use was largely gambling related (e.g., odds) or provided event information. Facebook posts discussed sports and racing events as well as contests. YouTube videos were mainly community related, with news and videos designed to be humorous and entertaining. Google+ primarily contained information perceived to contribute to gambling decisions (e.g., updates on a sports team). Instagram was used more for non-commercial, entertainment purposes (e.g., humorous photos). Figure 3.44 shows a Twitter feed in which Betfair highlights how much can be won from a bet of a certain size on a very specific sporting outcome in the AFL. Another Google+ post draws people's attention towards gambling on the FIFA World Cup (see Figure 3.45). Punters, flanked by attractive women clad in Betfair attire, are depicted in Figure 3.46. In Figure 3.47, Betfair posted on Facebook to highlight a competition that required followers to like and share their post.



Figure 3.44. Twitter feed by Betfair, 17 August 2014

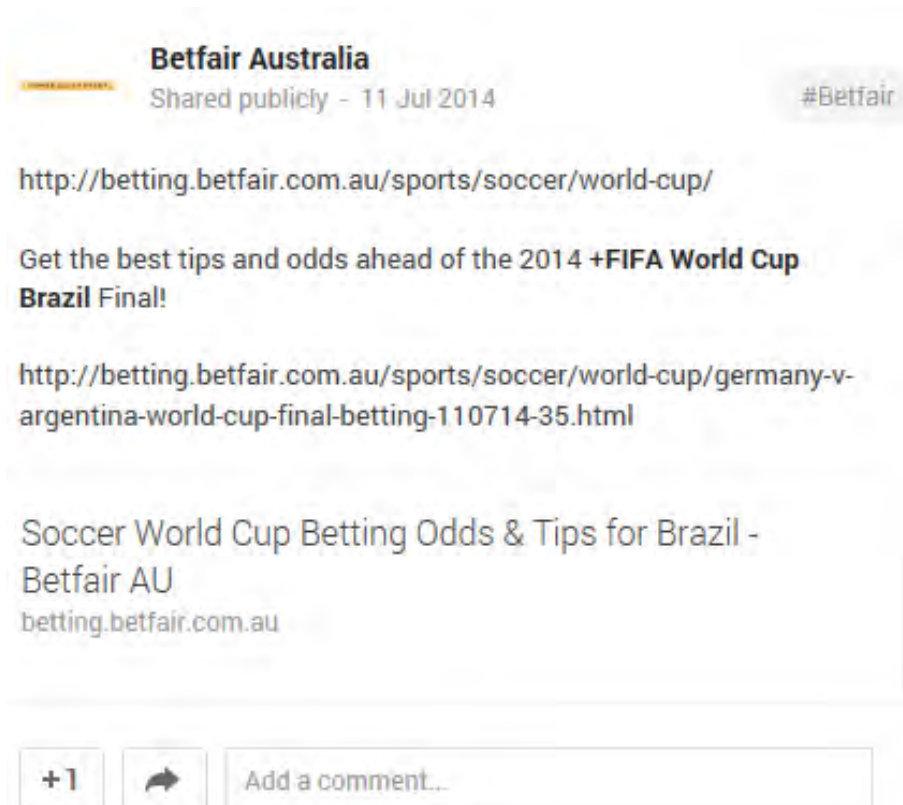


Figure 3.45. Google+ post by Betfair Australia, 11 July 2014



Figure 3.46. Instagram post by Betfair



Figure 3.47. Facebook post by Betfair Australia, 16 August 2014

### 3.3.5.3 Centrebet

Facebook was largely used to post information to help to guide gambling decisions (e.g., news of sports team), some direct gambling-related posts (e.g., odds) and outcomes of sporting events, as well as competitions and promotions (e.g., Figure 3.48). Twitter use tended to be more directly related to gambling (e.g., odds; see Figure 3.49), while YouTube was used to preview upcoming sporting events that punters could bet on and to present new products (e.g., mobile phone app; evident in Figure 3.50). Google+ posts were similar to those on Twitter and YouTube. The discussions on social media aimed to encourage rivalries, and perhaps drive people to place bets based on the emotional significance of the outcome. Some of the videos were viewed by hundreds of users. The appeal to emotional sentiments and rivalries is evident in Figure 3.48, which depicts rival captains standing behind a trophy, with links to betting services.





Tonight, football in Australia takes another big step forward with the FFA Cup kicking off.

Which old rivalries will flare up? Who will be the Giant Killers? Which players will show they are ready for the top league?

Check out our latest Round of 32 markets HERE: <http://bit.ly/1ArAXIn>



Like · Comment · Share

3 people like this.

Figure 3.48. Facebook post, Centrebet, 29 July 2014



Figure 3.49. Twitter post by Centrebet, 19 August 2014



Figure 3.50. Examples of YouTube posts by Centrebet, 19 August 2014

### 3.3.5.4 TomWaterhouse.com

Twitter was mainly used for posts relevant to gambling, including odds, news about sports and racing events, and links to YouTube videos (e.g., Figure 3.51). Twitter posts also attempted to engage with celebrities; in particular, well-known sporting figures. Facebook posts were similarly natured, but also included competitions (e.g., Figure 3.52), encouragement of greater user involvement (e.g., asking questions) and some non-gambling-related posts (e.g., Figure 3.53, celebrating horses' birthday). Google+ was not used regularly, but posts were of a similar nature to Facebook. YouTube videos tended to be more serious and directly related to gambling (e.g., tips presented by Tom Waterhouse, previews of games, copies of television advertisements), as well as information for new users, such as 'tours' of webpages and how to use the website to place bets (see Figure 3.54). Tom's Blog was primarily used to provide updates on sports and racing events, often including 'suggested bets' for customers.



Figure 3.51. Twitter post by TomWaterhouse.com, 17 August 2014



TomWaterhouse.com  
15 August

Competition: Correctly guess how many disposals Joel Selwood and Chris Judd will combine for in the Cats vs Blues game tonight and win a \$5 bonus bet.

Entrants are allowed one guess only, entries close at 7.50pm AEST today (Friday 15/8/2014).

Competition open to existing TomWaterhouse.com clients only.



Like · Comment · Share

8 people like this.

Top Comments ·



Write a comment...



TomWaterhouse.com Juddy racked up 20 touches while Selwood got 21, so the number we're looking for is 41 disposals

Could all our winners please private message us your TomWaterhouse.com PIN or Username and we will allocate your Free Bet today!

Like · Reply · 16 August at 11:17



TomWaterhouse.com The comp is now closed. Good luck everyone

Like · Reply · 15 August at 19:50

View more comments

2 of 184

Figure 3.52. Facebook post by TomWaterhouse.com, 15 August 2014





Figure 3.53. Facebook post by TomWaterhouse.com, 1 August 2014

### The Smarts



Figure 3.54. TomWaterhouse.com YouTube videos, 19 August 2014



### 3.3.5.5 Sportsbet

Facebook posts encouraged user interaction, such as through posing questions and seeking opinions on sport-related issues, or posting humorous and occasionally controversial content. Sportsbet, for example, was responsible for a large inflatable figure of Christ the Redeemer floating over Melbourne during the World Cup (see Figure 3.55). Relatively few Facebook posts were directly gambling related (although, as shown in Figure 3.56, some did refer to betting). Twitter posts were similar, but contained more direct gambling references, including odds (e.g., see Figure 3.57). Google+ was used similarly to Facebook, but less frequently. YouTube videos were a mix of television advertisements and previews of sport matches. The Sportsbet blog featured posts from various Sportsbet staff writers, each with a distinct personality. Posts included updates on sports and racing events, not always directly related to betting (e.g., new uniforms for the Australian national soccer team), recaps of sports and racing events and updates on odds on offer and promotional offers.



Figure 3.55. Facebook post by Sportsbet, 10 June 2014 (linked to YouTube Video)



Figure 3.56. Facebook post by Sportsbet, 28 May 2014



Figure 3.57. Twitter post by Sportsbet, 18 August 2014

### 3.3.5.6 Tatts.com

Tattsbet used Facebook to promote gambling-related content, including odds and information about sports and races, as well as competitions (e.g., Figure 3.58). Tatts has separate Twitter profiles for sports, racing and lottery products. These pages promoted lottery draws (e.g., Figure 3.59) and results, as well as odds for betting options (e.g., Figures 3.60 and 3.61). For example, in Figure 3.62, Tatts appeals to Australia's patriotic spirit by promoting Nick Kyrgios' Wimbledon match along with a link to current betting market information for the tournament.



Figure 3.58. Facebook post by Tatts.com, 9 August 2014



Figure 3.59. Twitter post by Tatts, 6 May 2014



Figure 3.60. Twitter post by Tatts, 16 April 2014



Figure 3.61. Twitter post by Tatts.com/racing, 19 August 2014





Figure 3.62. Facebook post by Tatts, 2 July 2014

### 3.3.6 Games, apps or practice games

Nearly all of the national betting agencies and lottery providers offered apps that could be downloaded onto mobile devices to provide streaming of information, to obtain promotional material or to enable gambling via the mobile device. The audit found very little use and availability of interactive games or free-to-play demonstration and practice games provided directly by gambling operators. Practice games were only provided by three of the major online sporting operators. Some operators, including online wagering operators and land-based venues, offered tipping competitions, many offering substantial cash prizes.

Only one NSW-based club offered social casino games via Facebook. This was offered via a separate app on Facebook and required users to indicate that they are over 18 years of age. The social casino site (shown in Figure 3.63) features a number of different slot-themed games, with only one unlocked. To further the game experience, users need to earn or purchase additional credits (i.e., micro-transactions). Players can see if any of their connections also use the games.



Figure 3.63. Facebook page, Wests Playland, hosted by Wests Illawarra Leagues Club, 21 August 2014

### 3.3.7 Responsible gambling

Inspection of the social media profiles found little evidence of responsible gambling information or messages (apart from the ‘gamble responsibly’ slogan) being posted on some Twitter or Google+ pages. Only a minority of operators (n = 12, 11.9%) had any information about responsible gambling or problem gambling services. Five of the casinos included responsible gambling messages posted in the ‘About’ tab on their Facebook page and four included the gambling helpline. One wagering provider included a visible link to responsible gambling information and a treatment provider at the top of its Facebook page, three provided a problem gambling helpline, while another included information about its responsible gambling code of practice. A few operators included small responsible gambling warnings or messages attached to the bottom of promotions posted on their Facebook page. These included one EGM venue, three online wagering providers and two lottery providers.

Some operators included responsible gambling warnings within posts; however, these were generally small, making them illegible for practical purposes (for example, see Figure 3.11, 3.5.9 and posts where an arrow is used to indicate responsible gambling warnings). The Tatts advertisement depicted in Figure 3.5 uses Facebook to highlight a large and impending lottery draw. The responsible gambling message is visible, but relative to the promotion, the lettering is very small. The tweets shown in Figures 3.64 and 3.65 are representative of posts focused on providing information about responsible gambling.

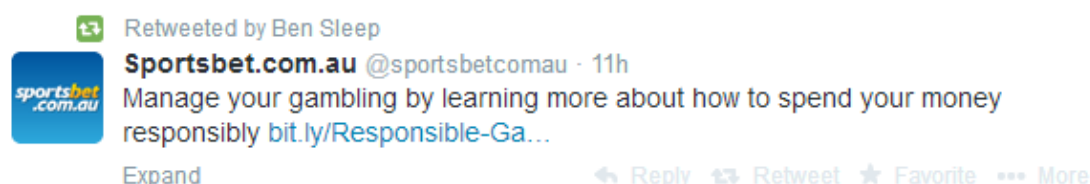


Figure 3.64. Twitter post by Sportsbet, 4 June 2014



Figure 3.65. Twitter post by Betfair Australia, 18 August 2014

### 3.4 Limitations

When drawing conclusions from this stage of the report, it is important to be mindful that social media use evolves and changes quickly and many of the techniques and strategies reported here may have changed since the time the audit was conducted.



## Key Point Summary

- This study was the first attempt to quantify the extent to which social media is being used by major gambling operators in Australia.
- The study examined the social media presence of 101 operators. An attempt was made to gain representation from all sectors of the gaming industry, including major casinos, clubs and hotels, lotteries, racing and wagering and online operators.
- Internet sites were audited to examine the types of social media used, the content of promotions, the level of consumer engagement with social media, and the prevalence of responsible gambling messaging. The study also collected an extensive range of illustrative examples of social media use to highlight the actual form and wording of promotions.
- The results showed that the majority of industry operators had some form of social media presence.
- The most popular social media platform used by gambling operators was Facebook, which remains the most heavily used social media site among Australians in general.
- In general, online betting agencies had the highest social media presence. Much of this activity appeared to relate to strategies to engage existing and new customers.
- The use of social media was also found to be likely to appear to the demographics of potential customers; namely, younger people and sports fans. This group is more likely to engage in sports betting and wagering activities.
- Social media was generally less used by EGM venues, which may reflect the tighter restrictions on advertising that apply to this class of venue, as well as the older profile of the customers.
- Social media content was generally less prevalent when sites were visited on a tablet as opposed to a desktop computer.
- Inspection of statistical information collected concerning social media use suggested that the social media reach of gambling operators was considerable. The mean number of Facebook followers among the 11 betting agencies considered was over 100,000, with over 16,000 Twitter followers on average.
- Many online wagering operators had downloadable apps to provide promotional material, but only four blogs and no discussion boards were detected.
- Analysis of the messaging and graphical content of promotions in this chapter showed that there were several latent themes.
- Gambling was generally depicted in a very positive light (glamorous and fun) and successful outcomes were strongly promoted, often in the form of case examples.
- The industry emphasised the community benefits of gambling, such as donations to libraries, sporting clubs and RSL activities.
- Gambling was generally depicted in a very positive light (glamorous and fun) and successful outcomes were strongly promoted, often in the form of case examples.



- Some posts promoted gambling directly, including the odds of winning, how to bet and wins achieved by customers. Gambling-related content included information about sports and racing events to facilitate or encourage betting.
- Operators also posted content about promotions and competitions, some of which required users to visit venues, while others required users to share and/or like content, download an app, visit a website or place a bet.
- Many land-based venues promoted their venue, including food and beverage specials and special events.
- Operators also directly engaged with customers and the community through social media. Other non-gambling content included humorous or entertaining posts.
- Messages depicting the benefits of gambling were generally not counterbalanced by product warnings or information about problem gambling and responsible gambling. Only a small number of operators included responsible gambling messages.

## **Chapter 4: Case Study of a Social Media Site**

### **4.1 Overview**

The aim of this case study was to analyse the nature of advertising for social casino games and regulated or unregulated gambling on social media, specifically social networking sites visible to Australian users. It also aimed to examine the extent to which responsible gambling messages are included in these promotional materials. This methodology was used to inform the research questions answer ‘What gambling style services or promotions are offered and are not played for money?’, ‘What new and emerging media can be identified for use in the promotion of gambling products?’, and ‘Do problem gambling messages and or warnings appear on social media sites that provide access to, or promotion of gambling?’ The focus of this investigation was the social networking site Facebook, which is widely used and which has become an important platform for online branding and advertising activities.

Facebook was selected as the focus for this individual case study as it is the most popular social networking site in Australia and it provides a highly diverse mix of promotional materials. In this way, Facebook serves as a useful example to demonstrate how advertisements are targeted to specific users based on their profile data. Facebook is also the only major social networking service that provides a platform, App Center, for social casino gaming.

### **4.2 Methodology**

Ethics approval for this research was granted by Southern Cross University’s Human Research Ethics Committee. Study material was collected using an ethnographic observational method; the real Facebook account of a 35-year-old male living in Sydney, Australia who played social casino games and may have searched for gambling-related content, but did not engage in online gambling. The individual was chosen due to their knowledge of social casino games and experience with ethnographic research and based on the consideration that social casino game and gambling companies may target promotions towards young males with a demonstrated interest in these themes. Screenshots of advertisements promoting gambling products and social casino games on Facebook were collected over a six-month period between October 2013 and March 2014. The sample material comprised 270 advertisements drawn from 20 social casino games and 24 gambling operators (online casinos, sports betting and lotteries). Overall, 83 advertisements were from social casino games, 49 were from mobile ‘Install now’ recommendations on Facebook, and 138 were from regulated or unregulated online gambling sites that offered casino, sports betting or lottery products. The advertisements were collected from both desktop (Apple OS X) and mobile (Android, Samsung Galaxy SIII) platforms, between 5am to 12am, Sydney time. The researcher did not respond to (i.e., click on) gambling advertisements that were observed on his Facebook page. However, over the course of the data collection period, the researcher used Google and other search engines to identify gambling-related research material, which may have indirectly influenced the types and frequency of gambling-related promotional material evident on his Facebook profile. These results were not intended to be

representative of the experience and presence of promotions on social media for a broad population.

#### **4.2.1 Analytical strategy**

Textual and visual analysis was used to identify the most salient themes and rhetorical strategies used in the advertising. This analysis involved a series of stages. First, all the advertising was read to determine the range of thematic content. A second stage was to develop a set of themes that appeared to capture the range of content, to enable identification of examples of advertisements illustrating each theme. These themes and the examples were critically evaluated by all members of the project team to ensure that the content of the examples matched the theme and that the theme was conceptually valid. Thematic differences between advertising for social casino games and online gambling were also considered, with particular reference to the rhetorical strategies used to encourage participation and interest in both classes of product. It was observed that identified promotions and content were exclusively available to the Australian and New Zealand markets and employed location-specific terminology for these regions. For instance, the word ‘pokies’, the Australian nomenclature for EGMs, and images of Australian currency to represent winnings were included. It is acknowledged, and is important to note, that the presented content and analysis will not be representative of all advertising on Facebook. The scope of this review encompassed the following areas of interest:

- The types of push advertising methods used: sponsored links, suggested posts, awareness of friends’ activity
- The range of companies involved in promoting social casino games and regulated and unregulated gambling activities in Australia via Facebook
- The range of thematic content and use of responsible gambling messaging in the different sectors of the industry; that is, social casino games v. online gambling<sup>1</sup> in both the regulated and unregulated gambling industry.

### **4.3 Results**

#### **4.3.1 Types of push advertising on Facebook**

Analysis revealed that advertisements are displayed on the Facebook desktop platform in three main ways: as a sponsored ad in the side bar, as a ‘suggested’ post or app, or on the Facebook timeline as a report of a friend’s activity. Figure 4.1 illustrates a number of examples of the type of sponsored ad appearing in the sidebar, including for *DoubleDown Casino*, virtual slot machines, virtual betting and other related activities. Many of these are clearly depicted as ‘invitations’ and offer incentives to join; only one advertisement indicates the appropriate age group for the activity.


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<sup>1</sup> Online gambling refers to products involving players playing with money and receiving cash rewards. The regulated industry in Australia comprises organisations that provide wagering and lottery products that are legal under the Interactive Gambling Act 2001, whereas the unregulated industry refers to operators who provide products illegally to Australian citizens.

Sponsored


Create Advert

It's raining chips!



Join the party with DoubleDown Casino's 2x Chip Sale


FREE SLOTS



YOUR NEW ADDICTION! Get \$10,000 FREE Coins & Become our new SLOTS CHAMPION! [PLAY NOW]

Play Now · 500,000 people played Best Casino Slots Bingo & Poker.

Virtual Betting Game




Live the Billionaire Dream. Bet Big, Win Big and Buy Bling! Play Now.

Play Now · 10,000 people played Betting Billionaire.

Must Be 18+ To Play!

cs.r2games.com



Designed Just For Men! National War of Thousands Players, Join Now Get 3D Beauty as Pet!

Must Be 18+ To Play!

cs.r2games.com



Designed Just For Men! National War of Thousands Players, Join Now Get 3D Beauty as Pet!

NEW Slots Game!



1,000,000 FREE Coins to Start. Play now!

Play Now · 500,000 people played GameHouse Casino Plus.

Pyramid Pays slots

spooky-games.com



Win big while playing through different slot bonus rounds Exciting Egyptian themed slots

Spins on the House!



NEW Machines EVERY WEEK! Start Spinning and become an INSTANT WINNER!

Play Now · 1,000,000 people played House of Fun - Slots.

Figure 4.1. Sidebar advertisements for social casino games and online gambling websites, 18 November 2013

The second method of push advertising for social casino games on Facebook is as a 'suggested' post or app that is displayed on the user's Facebook timeline. Figures 4.2 and 4.3 display examples of invitations to play social casino games, such as *DoubleDown Casino* and a virtual betting game; Figure 4.4 displays a Facebook mobile version of a suggested app. In these advertisements, one can observe a number of marketing strategies. For *DoubleDown Casino*, there is a short introduction to the task and the offer of free chips as an incentive to start playing. The advertisements also aim to create a form of social consensus or peer pressure by showing how many people like the activity and have shared or rated the game. There are also invitations to share and promote the activity with friends and family so that they might also benefit from the available offers.



Figure 4.2. Suggested post on the author's Facebook timeline advertising a promotion for *DoubleDown Casino*, 1 September 2013



Figure 4.3. Suggested post on the author's Facebook timeline advertising a promotion for *House of Fun*, 19 November 2013





Figure 4.4. Suggested post on the author's mobile Facebook timeline advertising a promotion for *Fresh Deck Poker*, 26 August 2013

A third form of promotion involves making users aware, via posts on their timeline, of the activity of their friends on social gambling apps connected to Facebook. These advertisements can appear both on the user's timeline and in the sidebar. In Figure 4.5, *DoubleDown Casino* promotes a slot machine game by highlighting the fact that another Facebook user played this game. The assumption is that individual users share common interests and preferences with those with whom they are associated on Facebook.



Figure 4.5. Suggested post on the author's mobile Facebook timeline advertising a promotion for *DoubleDown Casino*, 29 August 2013

#### 4.3.2 Specific social casino and gambling companies and products advertised on Facebook

A summary of the different products advertised on Facebook is provided in Table 4.1. Overall, 20 social casino games were advertised, and these typically involved simulated slot machines or card games. Four regulated gambling operators providing legalised gambling in Australia were identified, along with a further 20 non-regulated operators that provide games to Australians. These operators provide a variety of

games, ranging from conventional casino games and slot machines to bingo and simulated wagering activities (e.g., *Stallion Race*).

Table 4.1

*Products and companies advertised on Facebook during the observation period*

---

**Social casino games**

1. 5 Star Slots, developed by beJig Ltd
2. Best Casino Slots Bingo and Poker
3. Betting Billionaire, developed by Invendium Ltd.
4. Bingo Blitz, developed by Buffalo Studios
5. Black Pearl Casino, developed by Novogoma Ltd.
6. DoubleDown Casino, developed by IGT
7. Double U Casino, developed by DoubleUGames, Inc.
8. Gamehouse, developed by GameHouse
9. High 5 Casino Real Slots, developed by IGT
10. Hit It Rich, developed by Zynga
11. House of Fun, developed by Pacific Interactive
12. Jackpot Party Casino Slots, developed by Williams Interactive, Inc.
13. Let's Vegas Casino, developed by USERJOY Technology Co., Ltd.
14. Mega Fame Casino and Slots, developed by Plaor, LLC.
15. Babel Casino, developed by Real Fun Games
16. Slot Factory, developed by Online Gaming Network
17. Slotomania, developed by Playtika
18. Spooky Games
19. Stallion Race, developed by Proficient City Limited
20. Jackpot Joy, developed by Gamesys

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**Regulated gambling operators**

1. Ladbrokes
2. Sportsbet
3. Tom Waterhouse
4. Oz Lotteries

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**Unregulated gambling operators (online casinos, sports betting and lotteries)**

1. Australia Casino
  2. Best Casino Bonuses
  3. Bingo Cabin
  4. Casino 88 (<http://casino88.com.au/>)
  5. Casino 440 (<http://www.casino440.com/>)
  6. Come On Online Casino (<https://www.comeon.com/>)
  7. Giant Lottos
  8. Grand Reef Casino (<http://www.grandreefcasino.com/>)
  9. Jackpot Joy (<http://www.jackpotjoy.com/>)
  10. Lottery Master
  11. NZ Games
  12. PKR (<http://www.pkr.com/en/>)
  13. PokerStars
  14. Pokie Games
  15. Pokies Casino
  16. Fun Games
  17. Royal Vegas Casino (<http://au.royalvegascasino.com/>)
  18. The Star
-

- 
19. All Slots  
20. Gaming Club Casino
- 

Table 4.2 provides a summary of the range of gambling games, product themes and indicative imagery promoted by the 20 social casino game apps. The majority of these activities involved simulated slot machine, bingo or casino card games (e.g., poker or blackjack). Notably, none of the identified apps provided any messages or warnings regarding problem or responsible gambling in any of their advertising.

Table 4.2

*Examples of social casino game push advertising on Facebook*

<b>App/game (company)</b>	<b>Type of product</b>	<b>Keywords/slogans</b>	<b>Most prevalent images</b>
1. 5 Star Slots (beJig Ltd)	Social casino slots	Halloween promotion	Megadeth-themed slot machine
2. Best Casino Slots Bingo and Poker	Social casino	‘Your new addiction’ Free coins Champion ‘Join your friends’	Slot machines
3. Betting Billionaire (Invendium Ltd)	Social sports betting	‘Live the Billionaire Dream. Bet Big. Win Big. And Buy Bling. Play now!’	Motorcycles and other luxury items Night clubs Horses
4. Bingo Blitz (Buffalo Studios)	Social bingo and slots	‘The Best Slots and Bingo Games on Facebook! Play Now!’	Bingo card with cartoon character
5. Black Pearl Casino (Novogoma Ltd)	Video slots, classic slots, blackjack, roulette, video poker and scratch offs	‘The Hottest Game on Facebook is Waiting for You! Click NOW to start playing!’	Black pearl Gold coins
6. DoubleDown Casino (IGT)	Social casino slots	Ads in three languages: French, Spanish, English (based on the languages present in the user’s networks and Facebook timeline) Free chips on user’s birthday Giveaway ‘Summer is coming to an end’ ‘Take time for fun’	Birthday message Slot machines Monopoly board game theme
7. Double U Casino (DoubleUGames, Inc.)	Social casino slots	‘New Slot Grand Opening! Join the UNIQUE Aladdin SLOT for FREE’ ‘Congratulations! You just won 1M COINS at DoubleU Casino’s unique slot games! Claim now!’	Cartoonish characters: Aladdin Roulette Generic slot machine
8. GameHouse	Social casino slots	‘1,000,000 FREE	Cartoonish female



App/game (company)	Type of product	Keywords/slogans	Most prevalent images
(GameHouse)		coins to start. Play Now!’	character
9. High 5 Casino Real Slots (IGT)	Social casino slots	‘H5C’s got sci-fi slots! Check out Stella Drive and the Orb of Chance, one of 60 plus Premium Slots at High 5 Casino’	Stella Drive: cartoon sci-fi character
10. Hit It Rich (Zynga)	Social casino slots	‘Hit It Rich is the new best game of 2014’	Hollywood icons (Terminator, Wizard of Oz)
11. House of Fun (Pacific Interactive)	Social casino slots	‘State of the art’ ‘New’	‘Exotic’ themes: Africa, Asian characters, wild animals
12. Jackpot Party Casino Slots (Williams Interactive, Inc.)	Social casino slots	‘Play the wildest slots on Facebook today’	Generic slot machine
13. Let’s Vegas Casino (USERJOY Technology Co., Ltd)	Social casino slots and roulette	‘Get your free coins today! Play now and hit THE JACKPOT’	Manga-inspired female cartoon characters
14. Mega Fame Casino and Slots (Plaor, LLC)	Social casino slots	‘Play slots and pokies with celebs’ ‘Featuring Hollywood poker’	Candy Contraption slot (reference to <i>Candy Crush</i> ) Frankenstein cartoon image (FrightFrenzy slot)
15. Babel Casino (Real Fun Games)	Blackjack, Roulette, Slots	‘The ONLY casino on Facebook with divine interventions’	Cartoon characters: Mother Nature and Father Time
16. Slot Factory (Online Gaming Network)	Social casino slots	Exclusive, Christmas, ‘Access over 70 slots’	Christmas-themed slot
17. Slotomania (Playtika)	Social casino slots	New, Free, Win. ‘NEW Elvis slots FREE for a limited time only’	Elvis Presley-themed slot
18. Spooky Games	Slots	‘100 free spins in the exciting jungle slot machine game!’	Egyptian-themed slot machine Jungle-themed slot machine
19. Stallion Race (Proficient City Ltd)	Horse racing game	‘The first horse racing game on Facebook. Play StallionRace to get unlimited fun’	Horse racing
20. Jackpot Joy (Gamesys)	Social casino slots	‘Bet you would love our slots! Try it NOW for FREE!’	1950s Americana

### 4.3.3 Prevalent themes in social casino game advertising

A detailed thematic analysis was undertaken to summarise the content of the Facebook advertising used by social casino games. Different content was grouped to identify common themes around the same semantic construct (e.g., seasonal promotions were those that referred to particular periods of the year or recurrent festivals). This process yielded six main themes, as described in the following sections.

#### 4.3.3.1 Theme 1: New technology

The allure of new technology is promoted through phrases such as ‘state-of-the-art’. In such advertisements, the promotion would commonly refer to technical innovation in relation to the interfaces or gameplay. Content of this nature was found most commonly in slot machine social casino games.

#### 4.3.3.2 Theme 2: Birthday promotions (individual users)

The advertisements for some social casino apps such as *DoubleDown Casino* included birthday greetings. These advertisements are tailored by gathering personal data from the user’s Facebook profile. In Figure 4.6, the user is invited to ‘celebrate’ by playing social casino slots, taking advantage of 150,000 free user chips or credits.

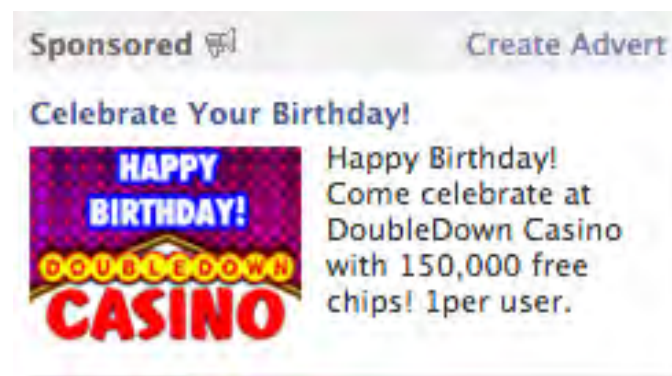


Figure 4.6. Birthday promotion on the author’s mobile Facebook timeline for *DoubleDown Casino*, 25 September 2013

#### 4.3.3.3 Theme 3: Seasonal themed programs (mainly slots—Christmas, Halloween)

During the period over which the advertisements were collected, seasonal promotions and advertisements for Christmas and Halloween in apps such as *5 Star Slots* were apparent.

#### 4.3.3.4 Theme 4: Cartoon-like characters

The advertisements analysed contained characters inspired by cartoons and manga (Japanese comics; see Figures 4.7 and 4.8), as well as interface designs that closely resemble other social games such as *Farmville* and *Candy Crush*.



Figure 4.7. Suggested post on the author's mobile Facebook timeline advertising a promotion for *Slot Roulette*, 6 January 2014



Figure 4.8. Suggested post on the author's mobile Facebook timeline advertising a promotion for *Babel Casino*, 18 November 2013

#### 4.3.3.5 Theme 5: Hollywood crossovers

References to Hollywood characters and franchises were observed in advertisements placed by the two leading social casino games: Zynga's *Hit It Rich* and *Slotomania* (which was the most downloaded app in the Apple App Store in 2012). Some examples of these themes are depicted in Figures 4.9 and 4.10. *Terminator 2*, starring Arnold Schwarzenegger, features in Figure 4.9 and the *Wizard of Oz* features in Figure 4.10. Some products and advertisements also show crossovers between the gambling and video game industries, such as the *WinTingo* ad featuring the character

Lara Croft from the *Tomb Raider* series (see Figure 4.11). These crossover advertisements may enhance the appeal of gambling by associating it with recognisable content observed in popular culture. Greater scrutiny indicated that the well-established sites were using images with the permission of the studios that owned the copyright to the material; however, it was unclear whether the smaller casinos had made similar arrangements.



Figure 4.9. Terminator-themed suggested post on the author's Timeline advertising a promotion for *Hit It Rich!*, 6 January 2014



Figure 4.10. Wizard of Oz-themed suggested post on the author's Timeline advertising a promotion for *Hit It Rich!*, 8 January 2014



Figure 4.11. Tomb Raider-themed suggested post on the author's Timeline advertising a promotion for *WinTingo*, 15 November 2013

#### 4.3.3.6 Theme 6: Compulsive element of gaming

One ad for *Best Casino Slots Bingo & Poker* referred to 'addiction' in a positive light, stating that the game will become 'Your New Addiction' (see Figure 4.12). This type of marketing is designed to highlight the compulsive elements of the activity and to emphasise that players who show sufficient persistence or loyalty to the product will be recognised by being called 'champion' players.



Figure 4.12. Sidebar ad for *Best Casino Slots Bingo & Poker* in which 'addiction' is framed as a promise to the gamer, 23 October 2013

#### 4.3.4 Regulated and unregulated gambling operators: Thematic summary

A similar analysis was conducted to examine the content of the advertising used by regulated and unregulated gambling operators (see Tables 4.3 and 4.4).

Table 4.3

*Examples of regulated gambling operators' push advertising on Facebook*

<b>Company</b>	<b>Type of product</b>	<b>Problem gambling messages or warnings?</b>	<b>Keywords / SLOGANS</b>	<b>Australia and/or New Zealand specific</b>	<b>Most prevalent images</b>
1. Ladbrokes	Betting	NO	'Turnbull Double Odds. Win twice as much on the Turnbull Stakes with Double The Odds! It's that simple'	YES	Horses
2. Sportsbet	Sports betting Election betting	NO	'Bet on the Australian Federal Election with Sportsbet and get a Free Bet up to \$100!' 'Deposit \$10 Get \$25' 'NRL Grand Final Special! Deposit \$50 & we'll give you a \$100 FREEBET!'	YES	Rudd and Abbot framed by a heart Golden coins Footy images
3. Tom Waterhouse	Sports betting	NO	'Place your first bet & get up to \$250 First Bet Bonus!'	YES	\$100 Australian bills
4. Oz Lotteries	Lotteries	NO	'Quit job' 'What's quick and easy?'	YES	Money



Table 4.4

*Examples of offshore online casinos and lotteries' push advertising on Facebook*

Company	Type of product	Problem gambling messages or warnings?	Keywords/ SLOGANS	Australia and/or New Zealand specific	Most prevalent images
1. Australia Casino	Online casino	NO	'Real money Australian Dollar Casinos. Blackjack, poker, roulette and full feature pokies'	YES	Vintage slot machine with Australian flag
2. Best Casino Bonuses	Online casino bonuses	NO	'Best Casino Bonuses recommends RF Casino for its Greatest Slot Games With Free Spins & Some Amazing Match Bonus Packages!' 'Click Here To Claim Your Free Spins & Free Match Bonus!'	NO	Vintage slot machine
3. Bingo Cabin <sup>2</sup>	Online slots	NO	'Fun Halloween Games' Personal messages from 'winners'	YES	Generic slot machine 'Girls and the City' slot machine
4. Casino 88	Online slots	NO	'Play pokies just like at your local on your mobile or PC! New player cash bonuses'	YES	Generic slot machine screen
5. Casino 440	Online slots	NO	'Only for register you have 2000 FREE BETS. Win real money at Casino440!'	NO	Hellboy-themed slot machine.
6. Come On Online Casino	Online casino	NO	'Over 300 different casino games' 'Free spins'	NO	Text-based ad
7. Giant Lottos	Lotto	NO	'Megamillions jackpot' 'You are just 6 numbers away from winning \$173 million!'	NO	Roll of American dollars.

<sup>2</sup> Advertisements for Bingo Cabin are sometimes disguised as advertisements for other companies. This online casino seems constantly to shift servers and domain names.

<b>Company</b>	<b>Type of product</b>	<b>Problem gambling messages or warnings?</b>	<b>Keywords/ SLOGANS</b>	<b>Australia and/or New Zealand specific</b>	<b>Most prevalent images</b>
8. Grand Reef Casino	Online casino	NO	‘Australia’s best online casino offers new players AU\$25 free. Claim now’	YES	Generic slot machines Thor-themed slot machine
9. Jackpot Joy	Slots	NO	‘Bet you would love our slots’	NO	1950s Americana slot machine
10. Lottery Master	Lotteries	NO	‘Play the upcoming US Powerball outside US! Biggest Lottery Jackpot this week worldwide’	NO (but directed to users betting on US lotteries internationally).	Logo American dollars
11. NZ Game	Slots	NO	‘Today ONLY—30 Free Chips to play your favourite game, no Credit card needed, Click Below’	YES	\$100 Australian note.
12. PKR	3D online poker	NO	‘Play poker online for free in glorious 3D at PKR!’	NO	PKR logo
13. PokerStars	Online poker	NO	‘Get your \$10,000 free chips now’	NO	Online poker table
14. Pokie Games	Online slots	NO	‘YAY I WON \$101,365. I started playing pokies and after a few minutes it said I hit the jackpot! If you want to try it click the link below.’	YES	Piles of money
15. Pokies casino	Online slots	NO	‘Enjoy a huge range of pokie machines from home, play free or collect a real money bonus’	YES	Computer screens Golden coins



Company	Type of product	Problem gambling messages or warnings?	Keywords/ SLOGANS	Australia and/or New Zealand specific	Most prevalent images
16. Fun Games (Bingo Café)	Online slots	NO	‘Seriously I can’t believe this actually worked! My newsfeed showed that my friend used a FREE \$30 bonus from Bingo Cafe, and ended up winning \$1486. I didn’t think it would actually work but figured I might as well give it a try too. Using the FREE \$30 Bonus they gave me I ended up winning \$7289, I’m so excited, I’ve already planned our families next vacation! I’m sharing the link so all of you can try it by clicking the link below’	YES	Photograph of ‘winner’
17. Royal Vegas Casino	Slots	YES: ‘Royal Vegas is a licensed and regulated online casino and supports responsible gaming’	‘Start Playing The Great Thunderstruck II Slot Game’	NO	Cartoon characters similar to Thor
18. 18. Star Sydney <sup>3</sup>	Online slots	NO	‘Aussie classics online’	YES	‘Classic’ Australian slot machines
19. All Slots	Online slots	NO	‘Start playing Secret Santa Slot Game with 25 Free Spins Plus 500 match bonus package’	NO	Santa Claus Slot machines
20. Gaming Club Casino	Online casino (based in Malta)	NO	30 free spins ‘Up to AU \$100 match bonus on your first deposit’	YES	Roulette Casino games

<sup>3</sup> Star Sydney is an online slots provider, not The Star casino in Sydney.

#### 4.3.5 Prevalent themes in gambling advertising

The content of these advertisements was analysed to examine the language or discourse that was used to promote the product. The most noteworthy discursive strategy identified was the use of regional or culturally specific language to make the products appear more familiar to the target market. For example, in product advertisements clearly targeted at Australian and New Zealand consumers, local colloquialisms such as ‘Aussies’ and ‘pokies’ or references to Australian dollars were often used (see Figure 4.13).



Figure 4.13. Suggested post on the author’s Facebook Timeline advertising a promotion for *NZ Games*, 22 October 2013

Other examples include the reference to ‘your local’ (pub) and classic ‘Aussie’ slot machines (see Figures 4.14, 4.15 and 4.16).



Figure 4.14. Suggested post on the author’s Facebook Timeline advertising a promotion for *Casino 88*, 8 October 2013



Figure 4.15. Suggested post on the author's Facebook Timeline advertising a promotion for *Bingo Cabin*, 17 March 2014



Figure 4.16. Suggested post on the author's Facebook Timeline advertising a promotion for *Bingo Cabin*, 22 March 2014

As with the social casino games, an analysis was undertaken to compile a summary of the different themes used by online gambling operators to promote their products.

#### 4.3.5.1 Theme 1: The big win experience

Online gambling operators, in particular the online slots site *Bingo Cabin*, simulate posts of Facebook users. These 'users', with names such as Hope Hemmingway, Bob and Kim Stiles and Emily Moore, tell the stories of their 'big wins' (e.g., 'Seriously I can't believe this actually worked! My newsfeed showed that my friend used a FREE

\$30 bonus from Bingo Cafe, and ended up winning \$1,486. I didn't think it would actually work but figured I might as well give it a try too'). The profile pictures depict mostly elderly users. This is evident in Figures 4.17–4.20. This use of personal names makes the activity appear more accessible and attractive to users who might have doubts about their capacity to interact with this new technology. These people are explicitly depicted as real consumers of the product rather than actors.



Figure 4.17. Suggested post on the author's Facebook Timeline advertising a promotion for *Pokie Game*, 28 February 2014



Figure 4.18. Suggested post on the author's Facebook Timeline advertising a promotion for *Play Slots*, 10 March 2014



**Emily Moore** · Suggested Post Like Page

Seriously I can't believe this actually worked! My newsfeed showed that my friend used a FREE \$30 bonus from Bingo Cafe, and ended up winning \$1486. I didn't think it would actually work but figured I might as well give it a try too. Using the FREE \$30 Bonus they gave me I ended up winning \$7289, I'm so excited, I've already planned our families next vacation! 😊 I'm sharing the link so all of you can try it by clicking the link below:

<http://www.thefungames.org>



**FREE \$30 To Play Pokies and Bingo! (3 Bonuses Left)**  
 thefungames.org  
 TODAY ONLY! GET PAID \$30 TO PLAY POKIES! NO Credit Card Required! Australia and New Zealand ONLY!

Like · Comment · Share · 64 · 73 · 1 · Sponsored

Figure 4.19. Suggested post on the author's Facebook Timeline advertising free online bonuses, 10 March 2014

**Betty Jane's - Games House** · Suggested Post ▼

WIN \$101,537 😊😊😊 Start playing pokies and after a few minutes you could win the jackpot! If you want to try it here's the site just click the link below:

<http://games-house.net> <-- Click Here



**FREE \$30 To Play Pokies and Bingo!**  
 games-house.net  
 TODAY ONLY! GET PAID \$30 TO PLAY POKIES!  
 Australia and New Zealand ONLY! NO Credit Card Needed! ✓✓✓

Like · Comment · Share · 25 · 11 · 3 · Sponsored

Figure 4.20. Suggested Post on the author's Facebook Timeline advertising free online pokies, 27 March 2014

#### 4.3.5.2 Theme 2: Seasonal promotions

During the period October 2014 to March 2014, special promotions were identified for two holidays: Halloween (see Figures 4.21 and 4.22) and Christmas (see Figures 4.23 and 4.24). Figure 4.21 depicts a Halloween image that might typically be displayed in North America, juxtaposed with a picture of an Australian bank note. The Halloween advertisement in Figure 4.22 tries to create an element of time pressure by emphasising that the offer is only available during Halloween. The caption shown in Figure 4.23 associates Christmas (a time for gift-giving) with the award of a \$30 prize and the example in Figure 4.24 displays a Christmas-themed slot game.

##### 4.3.5.2.1 Halloween



Figure 4.21. Suggested post on the author's Facebook Timeline advertising free online slots in a 'Halloween special', 30 October 2013



Figure 4.22. Suggested post on the author's Facebook Timeline advertising free online slots in a 'Halloween special', 28 October 2013

#### 4.3.5.2.2 Christmas



Figure 4.23. Suggested post on the author's Facebook Timeline advertising free online slots, 18 November 2013



Figure 4.24. Suggested post on the author's Facebook Timeline advertising *All Slots*, 17 December 2013

#### 4.3.5.3 Theme 3: Sports events (Melbourne Cup, NRL finals)

Changes in advertising also occurred in conjunction with major Australian sporting events such as the NRL Grand Final (6 October 2013) and the Melbourne Cup (5 November 2013). In the weeks leading up to these events, there was a significant increase in the number of advertisements for sports wagering. A summary of this activity is provided in Table 4.5, as well in the following series of advertisements for betting companies, including Centrebet (see Figure 4.25), Sportsbet (see Figure 4.26), Ladbrokes (see Figure 4.27), Tom Waterhouse (see Figure 4.28) and Sportingbet Australia (see Figure 4.29). These advertisements offered limited promotions and communicated a sense of urgency to bet before the event.





Figure 4.25. Suggested post on the author's Facebook Timeline advertising free bets in the Centrebet online sports betting site, 10 October 2013



Figure 4.26. Suggested post on the author's Facebook Timeline advertising free bets in the Sportsbet online sports betting site, 4 October 2013

Table 4.5

*Examples of push advertising for gambling products on Facebook around the Melbourne Cup 2013*

Action on click	Type of gambling product	Ad content	Advertiser
Directed to: <a href="http://www.ladbrokes.com.au/racing/horses/flemington/2028644-emirates-melbourne-cup/?a=507698">http://www.ladbrokes.com.au/racing/horses/flemington/2028644-emirates-melbourne-cup/?a=507698</a>	Online horse racing	‘Get Double The Odds on the Melbourne Cup! \$7.50 becomes \$15. Bet Now’ (see Figure 4.27)	Ladbrokes.com.au
Directed to promo: <a href="http://promos.tomwaterhouse.com/melbourne-cup/?affid=540301000&amp;sctp=da&amp;scvn=facebook&amp;scsrc=fb-ads&amp;sckw=na&amp;cid=psc:fbk:racing">http://promos.tomwaterhouse.com/melbourne-cup/?affid=540301000&amp;sctp=da&amp;scvn=facebook&amp;scsrc=fb-ads&amp;sckw=na&amp;cid=psc:fbk:racing</a>	Online betting	‘Melbourne Cup offer: Paying out 4 <sup>th</sup> and 5 <sup>th</sup> places in the Melbourne Cup! T&C’s Apply’ ‘Safe and secure betting 24/7—Free betting tips from Tom—Bet with Australia’s biggest bookie’. (see Figure 4.28)	Tom Waterhouse
Directed to promo: <a href="http://promos.sportingbet.com.au/free100v2/?btag=a_2858b_11606">http://promos.sportingbet.com.au/free100v2/?btag=a_2858b_11606</a>	Online betting	‘Receive \$100 in free bets when you deposit \$30 with Sportingbet now’ (see Figure 4.29)	Sportingbet Australia
Directed to: <a href="http://www.melbournecuphorses2013.com.au/">http://www.melbournecuphorses2013.com.au/</a>		‘To help celebrate the 153rd anniversary we’ll be your one stop source for the horses CupHorses of the 2013 Melbourne Cup with detailed previews, form analysis, next start coverage and betting tips so be sure to bookmark and share this page. All odds displayed on this page are courtesy of Ladbrokes who are currently offering double the odds on all Melbourne Cup horses as well as a FREE \$250 bet for all new accounts’	Melbourne 2013.com.au

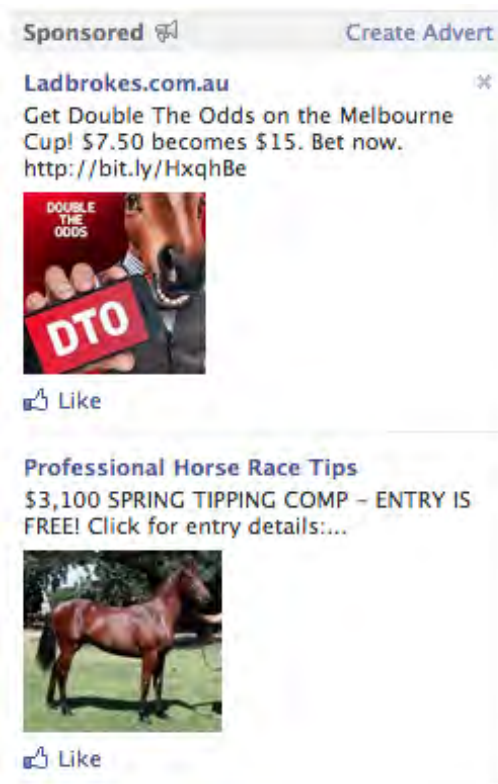


Figure 4.27. Sponsored post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Ladbroke, 5 November 2013

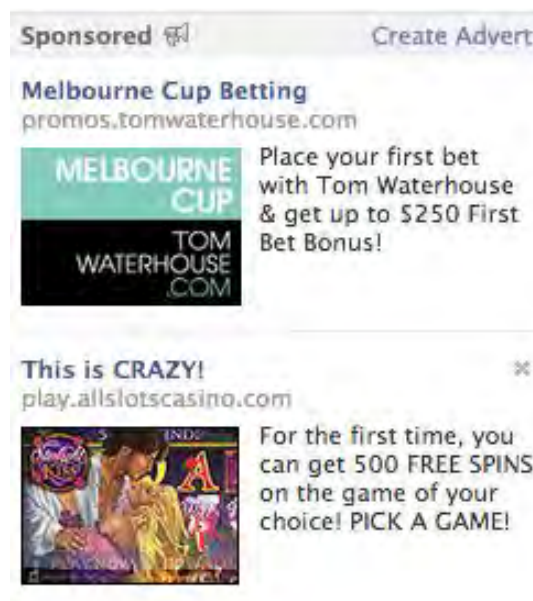


Figure 4.28. Suggested post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Tom Waterhouse. There is also an ad for All Slots Casino, 5 November 2013



*Figure 4.29.* Suggested post on the author's Facebook Timeline advertising promotions around the Melbourne Cup from Sportingbet Australia, 5 November 2013

#### 4.4 Limitations

This review provides only a summary of some of the examples of social media promotions that appeared within a six-month period for a single user. These results are presented as a case study and are not intended to be representative of the experience and presence of promotions on social media for a broad population. To identify the prevalence of social media advertising, the extent to which it is visible to specific audiences, and differences between advertisements shown to different target audiences, future research should study the marketing received by a larger population of users, across different countries and with users with a variety of socio-demographic profiles.

### Key Point Summary

- This study used an ethnographic observational method to observe and document the range of gambling-related activity received on the real Facebook account of a 35-year-old male living in Sydney, Australia.
- During the period of observation (October 2013 to March 2014), the participant made minimal use of Facebook, although advertising exposure may have been influenced by Google searches and other activity conducted concurrently.
- During this period, more than 250 advertisements were observed, drawn from 20 social casino apps and 24 gambling operators (online casinos, sports betting and lotteries).
- Some of the gambling sites were regulated and were allowed to offer gambling products to Australian citizens, whereas others were not.
- The advertisements were collected from both desktop (Apple OS X) and mobile (Android, Samsung Galaxy SIII) platforms, between 5am to 12am, Sydney time.
- The textual and visual content of the advertisements was summarised and cross-tabulated against the different types of operator (social casino game apps v. gambling providers). A summary of the nature and range of themes was provided along with illustrative examples.
- Facebook advertising usually took three major forms: (1) sponsored advertising; (2) suggested apps or products, posted on the user's timeline; and/or (3) summaries of friends' usage of social media games or online gambling activities, posted to the user's timeline.
- Social casino games advertised on Facebook used a variety of themes to advertise their products.
- The novelty or the 'state-of-the-art' nature of the technology was often used as a selling point to encourage people to perceive themselves as well informed and progressive by using the product.
- Dates of birth were extracted from Facebook profiles to provide birthday greetings and it may be presumed that the ads targeted the user as male.
- Promotions that involved the use of symbolism associated with particular cultural or seasonal events were evident.
- Imagery often featured cartoon figures or Hollywood themes (including the use of licensed products) to make the activity appear either exotic, approachable or exiting, depending on the intention of the advertiser.
- The product was sometimes described as 'compulsive' as a positive quality.
- Marketing often used colloquial language (e.g., pokies, pubs) when promoting products to Australian and New Zealand consumers.
- Online gambling operators identified via Facebook used a similar range of thematic content to the social casino games.
- There were personalised depictions of people who had obtained large wins; seasonal promotions (e.g., Christmas or Halloween); and promotions relating to sporting events such as the AFL Grand Final or Melbourne Cup.
- The case study revealed that a combination of 'push' and 'pull' advertising are used to promote gambling and gambling-related products on Facebook.

- Push advertising takes the form of standardised advertising that is promoted to a large number of social media users, often based on external factors (e.g., time of the year, developments in the product).
- By contrast, pull advertising is more subtle and is based on targeting advertisements to a specific audience. This may include subtly promoting products at the time of the user's birthday, or be based on any other information held about the person through their Facebook profile.
- Although it was not possible to determine how the other Internet activity of the user might have influenced the advertising displayed on his Facebook timeline, it is likely that Google searches and other activity played a role. Future studies could examine the impact on the advertising displayed of this incidental activity.

## Chapter 5: Interviews with Gambling Operators

Note: A version of this chapter has been accepted for publication: Gainsbury, S., King, D.L., Hing, D., Delfabbro, P. (accepted 27-5-15). Social media marketing and gambling: An interview study of gambling operators in Australia. *International Gambling Studies*. doi 10.1080/14459795.2015.1058409.

### 5.1 Overview

Interviews were conducted with representatives from Australian gambling operators to investigate a number of important questions related to the current research. These included: ‘What is the structure and nature of the gambling services being offered by industry providers using social media?’, ‘What new and emerging media can be identified for use in the promotion of gambling products?’ and ‘Do problem gambling messages and or warnings appear on social media sites that provide access to, or promotion of gambling?’. Additional aims were to investigate the extent to which social media is being used to promote gambling products, the audience(s) being targeted by these promotions, the ways in which responsible gambling messages are being conveyed and future developments and trends. The purpose was to gather information directly from the gambling industry about their use of social media, to provide a better understanding of this new media, including the intended objectives and success of promotions using social media.

### 5.2 Methodology

#### 5.2.1 Respondents

Ethics approval for this phase of the research was granted by Southern Cross University’s Human Research Ethics Committee. A series of 12 interviews with 19 individuals representing different sectors of the Australian gambling industry was conducted. Several interviews were conducted with more than one representative of each operator. Participants all worked for gambling companies, including land-based casinos (n = 6), clubs (n = 3), hotels (n = 1), lotteries (n = 3), land-based and online wagering providers (n = 4), and a company providing lotteries and online wagering (n = 2). Participants included company CEOs, Marketing Managers, Responsible Gambling Managers, Senior Managers of Corporate Communications, and Managers of Customer Intelligence, Community Engagement, Digital Marketing and Social Media. Invitations were sent to most large casino, lottery and wagering operators, and requests for interviews were put to relevant industry groups representing hotels and clubs. Invitations sent directly to individuals known to the research team were all accepted. While the sample is not representative of all gambling operators within Australia, and may not include operators less willing to be involved in research, it did allow us to examine the role of social media in the promotion of different gambling products. The participants all worked for gambling companies, including casinos, clubs, hotels, lotteries and wagering providers (online and land-based). Companies regulated across most Australian jurisdictions were represented, as were large and smaller venues. Participants interviewed included Chief Executive Officers and individuals responsible for marketing, communication, digital marketing, responsible gambling, international development, customer intelligence and community engagement. Participating individuals and organisations are kept confidential and presented anonymously. Direct quotations have been altered using blackouts when



necessary to maintain confidentiality, while maintaining transparency of content and meaning.

### **5.2.2 Procedure**

Interviews were semi-structured, with respondents asked a series of questions relating to different elements of social media use. Prompts were used to ask respondents to elaborate on any responses that were unclear, to expand upon points or to probe more deeply into topics that had not been fully explained. The primary research questions were personalised for each interview to refer to the specific operator that they represented, however the general questions were as follows:

- a) How is social media being used by gambling operators to promote gambling products (platforms used, types of promotions)?
- b) Who is the intended audience for social media promotions?
- c) What is the impact of social media on use of products (e.g., increase in active customers, changes in gambling behaviour, transition between modes of access)?
- d) What are the perceived motivators, advantages and disadvantages (opportunities and threats) related to using social media and social casino games for promotions?
- e) What are some considerations for future use of social media and social casino games, including any perceived trends or changes or potential responses should regulations change?
- f) To what extent are responsible gambling frameworks considered in the use of social media and social casino games?
- g) What considerations are given regarding exposure of vulnerable groups to social media promotions, including children, adolescents and problem gamblers?

### **5.2.3 Analytical strategy**

All interviews were digitally recorded and subsequently transcribed verbatim by a professional transcription company. The interviews were analysed based on the main interview questions, which reflect the main research questions and purpose. Efforts were made to organise, describe and interpret the information in rich detail. This involved an iterative approach involving immersion in the data through reading and re-reading of transcripts. The research team member who conducted the majority of the interviews did the initial coding and analysis. Validity was enhanced through review of the process and results by the research team, including those who had conducted some of the interviews, to ensure credibility, applicability, consistency and neutrality. The results, presented below, capture the range of responses as well as the dominant themes and sub-themes that emerged.

## **5.3 Results**

### **5.3.1 Perceived value of social media by gambling operators**

Social media use was typically integrated in a purposeful strategic business and communication plan before any official use was launched. Most operators initially began with a limited approach to the various social media platforms; however, some respondents described initially using multiple platforms before scaling back to those

perceived as most relevant, or maintaining a minimal presence on less relevant platforms.

Respondents discussed multiple aims and uses of social media for gambling companies. The most consistent aim was to increase brand awareness and engagement with customers. This included fostering an increased sense of loyalty and a more personal relationship with the brand or venue. One interviewee summarised this as *'it's primarily a brand channel to—for the voice of the brand to speak to customers, to listen to customers, and have conversations with customers as well'*. A similar view was expressed by another individual, *'to me, the Holy Grail is great and two-way relationships with as wide a group of consumers as we possibly can to generate a degree of brand endorsement and brand advocacy'*. For most interviewees, increased engagement with the brand and operator via social media was intended to translate into engaged customers who would visit the venue/website. Individuals noted that increased engagement and visitation initially might not necessarily lead to increased gambling, but that overall this would be considered a positive outcome. Such an outcome would eventually increase profits, including through increased gambling, while simultaneously creating greater customer loyalty. Additionally, social media was intended to increase direct sales through a broader reach, extend the brand, build and protect their reputation, and engage with the broader community. One interviewee mentioned using social media for recruitment of employees.

### **5.3.2 Social media platforms**

By far the most commonly used social media platform was Facebook, followed by Twitter. Interviewees recognised that the various social media platforms had different audiences and strategic uses. For all platforms, individual users typically only view content if they visit an operator's page or elect to be notified of updates (e.g., by 'liking' on Facebook, or following on Twitter). However, some social media platforms also enable companies to boost posts to a wider audience, including non-followers.

Facebook, as a platform, was used for a range of purposes. In comparison to other platforms, Facebook was used to post notifications for users and communicate about activities. It also represented a channel to gather feedback from consumers and generate interest among the community of followers.

Twitter was used to broadcast ideas, products and services, as well as to gather responses. Twitter was described as a conversational tool that demanded greater immediacy. Twitter users were described as a savvier audience (more likely younger) compared to Facebook or Instagram users, *'they want more up-to-the-minute news'*. Another respondent described Twitter as being more geared towards celebrity comment and sensationalism; that is, to attract attention to a particular point or event. Twitter allows a conversation to be created around a focal point. As such, several individuals described using Twitter during a sporting event to publish updates and encourage conversation between users linked via hashtags to the operator.

YouTube provides a platform to share promotional materials, advertising campaigns and community stories in a short but comprehensive way. For example, gambling venues may post videos of chefs discussing new dishes, bartenders making cocktails or staff showcasing new EGMs. One interviewee described YouTube as a repository for archival material, including promotional ad campaigns.

Photo and image-sharing sites, such as Instagram and Pinterest, were used by a few operators as a means to promote shared experiences and add to the brand's message or persona. One interviewee described some of their most popular posts as being pictures of their location and/or venue on a sunny day.

Peer-review sites such as *UrbanSpoon*, *Eatability* and *TripAdvisor* were mentioned by a few operators of land-based venues, particularly those offering restaurants, bars and accommodation. Operators do not host their own profile; rather, their establishments are reviewed by patrons. Operators were acutely aware of the high impact that reviews can have on attracting customers. These sites were reportedly monitored, and operators could engage with customers regarding their feedback, be it positive or negative. Operators were cognisant of receiving positive reviews and aimed to be ranked highly on these sites.

LinkedIn was used for recruitment, as well as potentially to provide updates on websites or business developments.

### **5.3.3 Posted content**

Social media was generally integrated into a company's larger marketing campaign. Content promoted via traditional marketing channels, including print and television, was often incorporated into social media. For example, many operators described posting graphics or videos developed for other advertising campaigns. However, content posted on social media sites was also tailored for these specific channels. Users who follow gambling operators on social media platforms were considered to be opting in and electing to receive relevant notifications and updates. Interviewees often discussed carefully balancing the information posted, to ensure that it was recent, relevant, of interest and aimed towards maximising engagement. Interviewees were generally mindful of using these platforms for interactive two-way communication as much as possible, in comparison to the one-way push communications generally used in traditional advertising.

Most interviewees described a range of types of content that would be posted on social media platforms. Many also had a core team of employees who had permission to make or were responsible for making posts. The following represents the primary types of content discussed by the interviewees.

#### **5.3.3.1 Notifications**

Social media platforms were often used by gambling operators to provide users with notifications about a range of relevant information and opportunities offered by the operator. This included new products and gambling opportunities for some operators (e.g., upcoming lottery draws and sports or racing events). However, not all notifications were about gambling or gambling-related products and content. Notifications were also provided about promotions, including competitions and special offers. For land-based venues, social media platforms were commonly used to promote in-venue events (e.g., food and beverage, entertainment offerings, special offers). These notifications might be geared around events, such as Australia Day, Mother's Day, Easter or sporting events that the venue wants to promote. Other notifications could comprise information including modified opening hours or changes to the venue. Social media was perceived as an effective channel for posting

this type of information, which may have previously been placed on a notice board within venues or on the operator's website.

### ***5.3.3.2 Advertisements and product promotions***

Operators varied in the extent to which they used social media to conduct direct promotions of gambling products. Lottery and wagering operators typically reported using social media to advertise and promote opportunities to bet or purchase tickets. Wagering operators described occasionally publishing odds, but doing this in the form of a 'news broadcast' or for information, as users were not perceived to need too many promotions via these channels. One operator gave the example of a post wishing a particular person or team good luck for a particular event, and listing the odds as secondary information. Similarly, another interviewee described ensuring that social media was about having conversations and fun. To this end, operators specifically avoided posting messages on social media platforms that were deemed to be 'too commercial', as this was considered counterproductive to developing positive relationships with consumers. Consequentially, operators aimed to balance gambling promotions with other content. In contrast, another operator reported using various social media platforms to promote special offers only available for followers; most of which focused on betting opportunities. Some operators described their social media channels as not being used for direct advertisements and reported incorporating no mention of specific gambling products. This was particularly the case for EGM operators, who faced regulatory restrictions on the extent to which they could advertise their products within certain jurisdictions (e.g., NSW). EGM operators in other jurisdictions (e.g., QLD) had fewer restrictions and could promote gambling services; however, as with other land-based venues, social media was also used to promote in-venue activities.

Commercial changes by Facebook have reduced the ease with which operators can post content that is viewed by all followers. Several operators discussed paying for advertisements or specific content to be posted to the walls of followers or targeted audiences. This activity was generally viewed differently from more organic social media use, as it was targeted and directed, similar to traditional advertisements. One interviewee described often paying to 'boost' a post or ad, which could have the result of increasing the number of people reached by the promotion from 2,000 to 60,000—a very appealing notion. Another reported advantage of advertising via social media was that specific audiences could be targeted, to include people who had opted in to receive, or who had indicated some interest in, an operator's content. This was considered more cost effective than traditional blanket media marketing.

### ***5.3.3.3 Customer engagement***

As previously noted, social media platforms provide a forum for two-way interaction, which is different to the uni-directional communication of traditional advertising and marketing. Most gambling operators readily acknowledged two-way communication as an essential component of their social media use. That is, users were encouraged to post comments and operators often tried to engage with users. One interviewee discussed incorporating a strategy of posting content and encouraging followers to like this, which would share the content within their own networks and increase exposure for the brand. Another interviewee described this:

*We wanna ask questions about first, who do you like in race? Who—? Obviously, hoping that they respond to you or retweet you or also—and you are then talking to their 5,000 followers.*

Social media platforms were regularly monitored for customer feedback, and responses were made by appropriate staff. Several interviewees mentioned that their customer service staff monitored social media, to respond to comments in a similar way to how they responded to feedback through other channels, such as telephone or email. The public and immediate nature of social media meant that particular care was needed to respond to comments in an appropriate and timely manner.

#### **5.3.3.4 Wins and community engagement**

Community stories were a particularly important part of social media content, especially for lottery and EGM operators, who used this medium to demonstrate their contribution to the community. This included publishing details of community grants and funding, as well as sharing stories of winning customers. Several individuals discussed using social media platforms as a way to highlight large wins by customers. For other gambling operators, it may be more difficult to publicise wins due to privacy restrictions. However, it is still possible to promote broader stories of gambling successes.

#### **5.3.3.5 Venue visitation**

In addition to being used to engage with users online, social media was used by some operators to encourage users to visit venues. Strategies included promoting events within the venues, as well as special offers (e.g., restaurant offers for followers on social media that could be redeemed in venues). Others described how members could earn loyalty points for engaging in social media, such as by ‘checking in’ on Facebook. In some cases, prize draws were offered for users who engaged via these platforms, with the aim of encouraging customers to monitor the operator’s site and posts.

#### **5.3.3.6 Non-gambling content**

For land-based operators, a large proportion of content posted on social media was related to non-gambling venue activities. This typically included promoting restaurants, bars, events and accommodation, as relevant to the venue. For example, if a special was on at the restaurant, this was promoted. Some content was indirectly related to gambling, such as posting about upcoming sports events, on which customers could bet in-venue, but direct gambling-related content was minimal. One respondent discussed a specific strategy to balance gambling content with non-gambling content; for example, if they posted information about a gambling promotion, they would also mention a meal or another non-gambling-related reason to visit the venue. Some operators posted results from sporting events that were considered relevant. These included sports wagering operators and land-based venues, whose patrons would likely be interested in the events and/or be encouraged to watch the event at the venue. One sports wagering operator gave this example:

*we know that our customers and our followers have an interest in sports and racing, and we’re there to provide them ... It’s more—kind of three days to*

*NFL season kick-off or who's excited for the footie or this—the races are back at Randwick this weekend, that kind of thing.*

#### **5.3.4 The intended audience for promotions via social media**

Several interviewees acknowledged that audiences on social media might be younger Australians. Therefore, social media was seen as an important channel to engage with this audience, particularly for operators whose traditional core customer base was older, such as lotteries and EGM venues. One individual explained:

*So there's a lot of interest out there ... to actually look at how [to] leverage social media more efficiently I think particularly to attract that younger generation ... which is typically in a segment that hasn't always been that well-serviced.*

However, it was also acknowledged that older people were active users of social media and could be engaged through these platforms:

*And not just with young people necessarily, I mean apparently, the growth of, not old people but mature aged people... is pretty strong on Facebook.*

Another interviewee described targeting the 'early majority' rather than the 'early adopters'; that is, the operator became more active on social media when it began being used by a larger proportion of the population. This reflected their perception of their customers as being only moderately sophisticated in terms of technology use. Several operators also described targeting adults over the age of 30 in general, as younger adults have less disposable income, and are thus viewed as less valuable customers. Affluent individuals were the preferred targets for engagement via social media.

For operators regulated to provide products and services within a particular jurisdiction, the target audience of social media strategies was users based in these locations. For example, lottery operators targeted their advertisements and promotions to those in the State in which they operated. Further, most interviewees indicated that the majority of users who engaged with them on social media were likely to be existing customers. However, none of the operators interviewed were able to make any direct links between customer databases and social media followers.

The interviewees described using different techniques to engage with their target audience. These approaches generally matched the different client bases and the brands being promoted. For example, some online wagering companies reportedly used a more fun, cheeky style, while other wagering operators used a more traditional, conservative approach. This approach was consistent with the aim of social media being to engage with existing customers who were already involved with the brand, and to encourage those users to form a closer relationship with the brand (operator), over and beyond just placing bets. One interviewee described this in these terms: '*our customers that do wanna engage with us beyond just placing that bet; that they've got an affinity with [operator name] from a brand perspective, an emotional connection*'.

Nonetheless, social media was also considered a useful way to engage with new customers, and different strategies were used for this purpose. To this end, the aim of social media appeared to be to enhance the salience of the brand, to build a relationship with the customer and to encourage the customer to return to the site. One

interviewee described using a targeted approach to reach relevant users: in this case, by targeting users of a similar or relevant brand. This was considered more cost effective and productive than wide-reaching advertising. Another interviewee described targeting advertisements to people who had expressed some interest in their products or related products, based on the website they had visited and their social media profiles. One individual mentioned targeting social media users who had expressed interest in other gambling operators. Several operators reported targeting customers in their relevant jurisdictions using geolocation. This method targets advertisements so that they are only displayed for users that reside in specific jurisdictions.

Successful use of social media was generally measured by the level of engagement achieved and the impact of the profile. For example, getting thousands of likes for a post was considered successful; however, one high-profile person sharing the content could generate the same or a greater level of exposure. Several interviewees mentioned specifically targeting celebrities and high-profile people and attempting to have their content promoted by these individuals. One example was given of when celebrities visited the venue. In such cases, a representative might ask these well-known people to be an ‘ambassador’ and send some promotional content to their large number of followers in exchange for exclusive privileges or complimentary services. One wagering operator described establishing relationships with key sports and racing personalities and using these networks to reach a larger audience via social media. Certain operators have official sponsorship relationships with various sporting codes, teams and individuals. These may include permission to post logos, photos and other official materials that their competitors are not allowed to use. One interviewee, whose company had established some relationships with high-profile people, also mentioned that balance was required, and that it was not helpful to be seen as trying too hard to engage with celebrities, although some operators may do this.

### **5.3.5 The impact of social media on use of products**

All interviewees acknowledged difficulties with measuring the impact of social media use on products and customer behaviour. For this reason, the return on investment of social media use was perceived to be generally unclear. However, most individuals considered social media use an important investment.

To evaluate the effectiveness of social media use, most operators tracked performance either internally or through an external monitoring company. Key metrics measured included the number of followers and engagement measured through shares, likes/favourites and click-through to websites. Additional metrics included the percentage of followers engaged with various posts, based on the extent to which users made comments and clicked through links posted. A further metric mentioned was the type of followers who shared content (e.g., an influential person with many followers, such as a sports or racing personality). One interviewee mentioned measuring sentiment of comments posted on social media, to ensure that positive comments outweighed negative posts. These metrics provided feedback on the types of content and posts that were popular and generated engagement with the brand, which could also be analysed in terms of follower demographics on some platforms, such as Facebook.



Most operators were unable to track links between social media and sales or revenue, particularly for gambling products. One interviewee did consider social media and Facebook specifically as a modestly valuable tool for customer acquisition and stated that *'Facebook would be probably in the top 20 but not in the top 10 in terms of volume and effectiveness'*. Similarly, among customers who were engaged with the operator on social media (Facebook), the interviewee perceived a modest increase in the customer's value, as compared to non-fans. However, it was acknowledged that this was a confounded relationship; that is, were they more engaged because they were better customers, or were they better customers because of their increased engagement? Several interviewees described using social media as just one part of a wider digital marketing strategy that included online advertisements and targeted emails. Email marketing was mentioned to have a wider reach than promotions on social media, as the number of emails registered was greater than the number of followers who would see posted advertisements and promotions.

Operators that offered non-gambling products, such as accommodation, ticket sales, and food and beverage, could track social media impact by implementing direct links through booking services; for example, using Facebook pages. One operator mentioned attempting to track conversion from social media pages to the operator's website for hotel bookings.

One interviewee mentioned that they thought further efforts should be paid to review sites, such as *TripAdvisor* and *UrbanSpoon*, given the high impact these sites may have on venue visitation, particularly for restaurants and accommodation. Although operators do not directly host profiles, they can comment on posts, monitor comments and respond to both positive and negative feedback. These social media platforms were considered, by at least one operator, to impact strongly on business. While discussions on Facebook might raise awareness generally, people viewing review sites are actively looking to choose a venue, giving these sites a greater direct influence on business. This differential impact between Facebook and review sites was described by one individual:

*Facebook isn't a source they go to, to come up with ideas with which restaurant to visit. What it might be is part of someone, say, bragging about a special occasion, saying, 'Hey, it's [restaurant name]. Here's a photo of my steak'. But even that, it's just very subconscious in its influence of [restaurant name] as a place to visit. I think someone said something to me like social media is just following people and understanding what happened in their day. It's not a place you go to, to understand which restaurant ... Whereas every time that you think about going to a restaurant, you would check it out on UrbanSpoon reviews.*

### **5.3.6 Perceived motivators, advantages and disadvantages related to using social media**

Social media was generally incorporated by operators into a wider strategy of advertising, customer engagement, communications and services. All interviewees noted distinct advantages and disadvantages of gambling operators having an active social media presence.

### **5.3.6.1 Brand engagement**

Most respondents indicated that the primary motivation behind active social media engagement was recognition that these channels increasingly represent the way in which consumers want to interact with companies and brands. For this reason, they argued that it was important to be present and visible for their customers. This was intricately interlinked with the fact that social media platforms were perceived to be an important opportunity for consumers to engage with the brand and products offered by operators. In effect, the use of social media allowed them to go beyond one-way marketing and to convey the ‘personality’ of a brand more effectively.

Social media platforms also allow communities of like-minded people to connect. Several gambling operators commented on the ability to use social media to create a positive and enjoyable environment, which ideally sent a positive message about their brand. One interviewee described implementing analytical tools to gather discussion on social media about the brand and to group this together. For example, people are encouraged to post content on social media using hashtags or to ‘check in’, promoting that content on users’ own networks and allowing it to be collated by the operator. However, another interviewee discussed how gambling is not always an activity that people seek to share with their networks: *‘gaming’s a very personal thing so it doesn’t have that brag-ability that eating in a celebrity chef restaurant has’*, making it less conducive to social media in some ways.

### **5.3.6.2 Customer feedback**

In addition to overall brand promotion and engagement, social media was used by most operators as a channel to seek customer feedback. By definition, social media platforms are a social forum, and operators were using social media to move beyond push communication to seek engagement and feedback from customers. This communication channel allows direct and immediate feedback to be gathered, which can then be analysed and used to improve and inform customer experiences. This was considered an important attribute, given some operators had various divisions (e.g., separate food and beverage outlets). In these contexts, feedback was used to respond to negative customer experiences and monitor positive experiences. Several interviewees described the immediate feedback as quite important, as it alerted operators to any technical problems with their sites. Social media was described as replacing the helpdesk, as people could use Twitter or Facebook to lodge complaints and notifications, with forums as a way of resolving a problem. Another individual described the importance of being able to learn about customers and gather feedback, thus helping to focus engagement strategies.

The ability of customers to create content was considered one of the greatest potential disadvantages or threats related to social media use. One operator described it as the flipside of the coin: whereas social media is great at facilitating engagement quickly, *‘if you get social media wrong, then you can really put people’s nose out of joint and they have a readymade channel to voice their grievance and that bounces back on very quickly’*. Generally, constructive criticism and negative feedback were not viewed as problematic; these were considered valuable, to allow changes to be made where appropriate. However, several interviewees described the difficulty of having to deal with public complaints via social media. For several gambling operators, care was generally taken with content posted to avoid offending anyone, inflaming

arguments or promoting negative feedback. One interviewee described that *'there's very little content that would offend anybody anyway that they'd have a feeling that they need to respond to or troll about'*.

#### **5.3.6.3 Reputational damage**

In addition to genuine customer complaints, several respondents discussed the potential for inappropriate or inaccurate comments to be posted. In particular, operators that had accommodation and/or food and beverage services mentioned comments posted on review sites such as TripAdvisor as being potentially problematic. Comments made on these sites could be quite influential, and there was limited recourse for the operator if comments were negative, untrue or defamatory. Another interviewee mentioned the difficulty of containing negative feedback that had gathered considerable attention on social media platforms, even when the operator had acted appropriately or simply made a mistake. This was cited as a potential disadvantage, making the operator hesitant to become overly active on these channels. One interviewee described a competitor experiencing considerable damage to their brand reputation following a complaint that went viral, with many people campaigning against the online operator for not paying out a win. Although it was later revealed that the individual who had made the complaint was suspected of cheating, the damage to the brand may have been considerable. The potential for negative public feedback was one of the primary reasons some gambling operators had been reluctant or slow to create a social media presence.

Most operators had considered the potential for conflict or disagreement from users and had administrative policies in place to try to resolve and address issues that may arise. Several interviewees described not responding to all posts, including negative posts: first, because this was too time consuming and resource intensive; and second, because there was a danger that a response might amplify rather than quell the disputed point. One operator described their policy of limiting engagement in any discussion via social media. For example, their policy was to respond publicly to any user on a single topic twice, and invite further offline communication to resolve any outstanding issues. Another operator mentioned their policy was to respond to any negative comments within 24 hours, and generally take the discussion offline if possible. Several operators described that they generally tried to take the conversation offline and out of the public domain as quickly as possible. Having a prompt response to customer feedback, particularly negative comments, was considered important by most operators. Others reported that responding to posts often involved consulting with their legal team.

A number of interviewees noted the problem of fake or unofficial profiles being created on social media. As social media platforms are not well-monitored and are user generated it is possible for people to create fake profiles, although the motives for doing this were generally not clear. One interviewee suggested that the individuals behind these false accounts might be trying to steal customers or to damage the operator's brand reputation. Two other respondents described how, in response to imposters, they had spent some time monitoring for these and had then contacted the social media platform (e.g., Facebook or Twitter) to report the fraudulent profiles, to have them shut down and removed.

#### **5.3.6.4 Cost and staff resources**

Several interviewees acknowledged that, although they considered an active social media presence critical, it incurs a considerable cost. In particular, although the platform may be free to use, a considerable amount of staff time and effort was required to establish policies, create content and monitor pages and profiles, including feedback from users. Some companies monitored the social media platforms regularly. Other operators engaged external companies to monitor their platforms and alert them if there was something that required an immediate response. At least one operator mentioned that the cost of social media came at a time when other services provided by the venue were being cut, so there was an opportunity to engage actively in these platforms. Operators also appeared to monitor their competitors' use of social media, and several respondents mentioned learning from the actions and reactions of other operators. This included monitoring the negative feedback to particular content posted and modifying their own strategies accordingly.

Some interviewees also reported that social media was becoming less effective as an advertising channel, particularly Facebook, which had changed the mechanisms by which posts were promoted to followers. For example, whereas previously a post would have been pushed to all followers who had opted in to or liked a page, now Facebook restricts this content, but offers 'boosts' that can be purchased to increase the number of followers who are shown content. As a result, advertising via social media now has a more explicit price tag to maximise views for selected content. Despite these costs, social media was described as being relatively cost effective compared to traditional advertisements, which may reach a wide, but not necessarily targeted, audience.

In addition to monitoring social media for negative and inappropriate feedback from users, one operator remarked that they had had to discipline and fire staff because of their social media use and defamatory comments made on Facebook. The same operator also described finding staff posting photos from social events after calling in sick. As a result, the operator had a strict code of conduct for staff as a guide to what was appropriate and inappropriate to post, even on their personal pages. Only two individuals mentioned having developed codes of conduct for social media use, whereas others described policies that were developed and several layers of 'checks and balances' to ensure all content posted was appropriate.

#### **5.3.7 The inclusion of responsible gambling frameworks in social media**

Most interviewees had considered the role of responsible gambling frameworks in their use of social media. Any content posted was reported to conform to established advertising guidelines, including responsible gambling legislative codes of conduct. For example, in NSW, one operator described how the legislation requires that operators only advertise gaming machines to customers who have elected to receive this content. This restriction makes it difficult to promote certain content on a social media network *'because how do you know who opted in and who hasn't and then you're sort of restricting all that sort of sharing and posting and disseminating that I guess that viral sort of stuff that social media is great for'*. Consequentially, within jurisdictions with these limitations, operators were generally not attempting to promote gambling products via social media: *'We can't actually use that within the*

*context of specific gaming machine promotions at this point in time. So they're not really doing anything in that space typically'.*

Many interviewees stated that they involved the responsible gambling manager (or team) in developing social media strategies. One operator mentioned that their marketing team was trained in responsible gambling and adhered to responsible codes of conduct. Several interviewees mentioned that most, if not all, of their marketing campaigns have multiple levels of approval in terms of responsible gambling policies.

A few operators had posted responsible gambling information on their social media pages, most commonly in the About Us section on Facebook. Some linked to the responsible gambling sections of their websites, while other operators occasionally integrated responsible gambling messages into their social media posts. For example, when print advertisements were posted as graphics, these would include the small print responsible gambling warnings. Some operators reported promoting responsible gambling messages during Responsible Gambling Awareness Week and at other key times.

Not all respondents considered social media an appropriate platform to discuss responsible gambling and problem gambling messages. One operator mentioned that including slogans such as 'gamble responsibly' on social media platforms polarised some users and that they had received negative feedback due to some users perceiving that they were being told what to do. Another individual reported a similar perspective, that posting messages encouraging responsible gambling or content about problem gambling may be perceived as paternalistic by users and inappropriate for a forum designed to be entertaining and fun.

### **5.3.8 Exposure of vulnerable groups to social media promotions, including children, adolescents and problem gamblers**

#### **5.3.8.1 Age**

Most social media platforms do not adhere to age restrictions. Even on platforms that have age restrictions on who can follow content, it is generally difficult to control how content is shared. For example, if a user shares content with their social network, this may include minors. Further, age restrictions are based only on stated age and it is easy for users to falsify this information.

Facebook fan pages can be restricted in terms of visibility or who can 'like' the page based on a user's age. Several operators had restricted their Facebook pages from being followed by minors, and targeted advertisements were limited to adults aged over 18, 20 or 25. For one operator, the ability to follow their YouTube channel was also restricted to individuals over the age of 18. One interviewee described having approached Twitter Australia to discuss implementing an age gate on their Twitter account, similar to that used by several US alcohol companies. Another operator mentioned that if it came to their attention that a follower was under the age of 18 (e.g., through their posts or their profile), then they would block that follower.

One operator described taking a cautious approach to most digital marketing, as they considered this their duty of care as a gambling operator. An example was provided of not using all email addresses gathered, including from non-gambling parts of the business, as it would be inappropriate to send a promotion to someone under the age of 18 inadvertently, even if it were for a non-gambling product. This operator

attempted to gather several pieces of information, including date of birth, postcode and name, to allow for crosschecking with their databases, including for self-excluded individuals.

#### **5.3.8.2 Problem gambling**

Social media platforms have various policies regarding the provision of gambling content. For example, one interviewee stated that they could not mention odds on Google+, as this was against the code of conduct for that platform. Another respondent who represented a land-based venue described using social media to monitor developing situations (e.g., viewing a picture of someone acting irresponsibly within the venue and being able to alert security to investigate the situation). This was not described as a strategy that could prevent problems.

Several operators reported having strategies for identifying posts that may relate to problem gambling. For example, if a user made a post that indicated any level of problem, it would be referred to the responsible gambling team, who would attempt to contact the user and follow up via another channel. Several operators described following similar procedures if they were alerted to a potential gambling problem through other channels (e.g., in person, by email or by telephone). Another interviewee described taking actions to remove users revealed to be problem gamblers from receiving digital marketing. This action might involve sending an email, where possible, and blocking them on Facebook and Twitter.

#### **5.3.9 Considerations for future use of social media**

Several gambling operators had created official social media profiles only relatively recently. Most agreed that they were likely to modify and refine their social media profiles and presence over time in response to changing marketing conventions, customer preferences and technological advances. Social media use in the future may be dependent on technological changes and consumer preferences in terms of platforms. For example, some interviewees mentioned that Facebook might fall out of popularity with younger audiences.

Several operators were unsure of how regulators would react to social media and raised the possibility that further restrictive regulations may be enacted. Over-regulation was generally not viewed positively and there were some concerns that this would unduly interfere with promotions: *‘They’re sort of saying, “Well, out of 140 characters, we want 25 percent of the news for responsible gambling messaging”. And you’re going, “Err!”’*. In response to the operator trying to educate regulators, other operators described being cautious and responsible, to avoid additional regulations. One operator mentioned that the social media platforms could be challenging to work with, as they continuously change policies. Facebook was mentioned as a specific example, particularly in terms of increasing the payment required to promote content to an audience of followers.

#### **5.3.10 Social casino games**

Most operators were not involved in providing social casino games. As such, they did not have any specific policies or commentary. One operator mentioned being aware of social casino games as an area likely to develop in the future.

Two operators interviewed had actively developed strategies for social casino games, primarily as a tool to engage customers. One operator was developing a policy that was described as quite restrictive due to the perceived necessity of incorporating high levels of ‘safeguards to ensure that the wrong people don’t get access’. For example, due to concerns about marketing gambling, limits were placed on the extent to which the game could be shared via social media, which would limit any viral or social growth and restrict the audience size:

*So the big issue with that, as you’re well aware, is children and their access and what impact it does in promoting gambling to children have on their future behaviours and how does I guess the general community see the promotion of gambling to minors? Whether there’s any evidence of it causing problems down the track is certainly I think an issue within the community.*

Concerns were also raised about perceptions of the gambling industry offering social casino games: ‘And more than that is a lot of this is perception. And so the reality might be that kids aren’t getting involved, not saying one way or the other, but the perception is if it looks like it’s kid friendly, then it has negative ramifications I think for the industry’. Due to the restrictions that would be required, these games were not considered as a strategy to generate revenue.

Another perspective was that social casino games could be considered a form of marketing or promotion of gambling activities, particularly if the operator provided similar activities as gambling products. As some states restrict direct marketing of gambling products (particularly EGMs), these games may contravene legislation. The extent to which these games might be regulated in the future was of concern to operators, and this might deter them from offering these games.

One operator reported having launched a social casino game provided by a third party through Facebook. It was described as an innovative marketing tool rather than an attempt to generate substantial revenue. This was related to the low expectations of generating a critical mass of players due to low-level marketing. The slot-themed games were restricted to individuals over age 18 (self-reports) and were advertised on the venue’s website, Facebook profile and within the venue. The acceptance and use of the game had been modest, and it was played by international users as well as members. This was likely the result of paid advertising on Facebook. The game had only been launched in a ‘soft’ way, with minimal advertising or promotion. It was intended for use as entertainment, and was reported not to replicate in-venue gambling; the payout rates were set much higher than real payout percentages on EGMs.

## **5.4 Limitations**

The conclusions that can be drawn from this phase of the research are limited, as only a limited selection of gambling companies were approached and agreed to an interview. Therefore, generalisability may be limited. Further, given that social media promotion is constantly evolving, many operators’ social media strategies are likely to have evolved since the interviews were conducted. For example, it is possible that consumer engagement with messaging and its propagation is being more comfortably embraced by some companies under certain conditions. Another limitation of the study is its assumption that gambling operators would fully disclose their business strategies, which may be proprietary, when it may not be in their best interests to do



so (e.g., where their social media strategies intersect with commercial, long-term strategic and ethical concerns). This caveat may be particularly salient given that some interviewees expressed reticence in describing the use and impacts of their social media strategies. The presented findings nevertheless should be considered as providing insight into how gambling operators themselves perceive or wish others to perceive their social media strategies, within the constraints of a research investigation. The results may be subject to a positive bias, given operators' fear of regulation or criticism of industry practices.

### Key Point Summary

- All sectors of the Australian gambling market interviewed were involved in social media. Facebook was the most commonly discussed platform, followed by Twitter, YouTube, Instagram and Pinterest. User-generated review sites were used for promotion of non-gambling services and products, predominately by land-based venues in relation to their restaurants, bars and accommodation.
- A cautious period of listening and active monitoring commonly preceded any launch into social media by most of the gambling companies interviewed. This conservative approach was related to regulation facing the gambling industry as well as uncertainty about customer response and the risk of making mistakes publically via social media.
- Strategies for social media use varied based on the different products offered as well as the reputation and brand of each operator, which ultimately influenced the message, tone and content conveyed.
- Most operators intended to use social media for the overall goals of increasing engagement with customers and strengthening relationships (e.g., using competitions, asking questions and posting relevant articles, links and stories).
- Several operators mentioned using social media as a means of responding to customer comments, complaints and queries.
- Operators of land-based venues most commonly used social media to promote events or offers in an attempt to encourage venue visitation beyond gambling opportunities.
- Social media was described as not being used primarily to promote gambling products. Several operators of land-based venues stated that they did not mention their gambling products via social media.
- Among operators that did specifically mention gambling products on social media, this was described as most commonly done sporadically and in a balanced way, with majority non-gambling content. Some operators posted advertisements that were run via other media (e.g., billboards, print and television advertisements). Some operators also posted notifications of promotions and upcoming events (e.g., sports matches, major races) as reminders of betting or gambling opportunities.
- Hard-sell tactics were not used on social media; rather ‘nudge’ approaches were more common, such as communicating to engage with users who may already be likely to gamble.
- Social media was used as part of marketing and communication strategies, but specific conversion to sales and increased revenue was not an explicit goal for most operators. Only operators that offer online wagering and lottery can link directly from social media channels to an active betting site. Linking from social media to betting was not mentioned by any interviewees, and only active customers with accounts could log in to place bets online.

- Some operators paid for additional advertising beyond making posts on their own pages. This could include advertisements on social media, as well as promoting content for viewing by a greater number of their own followers. Some operators paid to promote their content beyond their own connections, to their followers' networks and targeted profiles.
- Most operators indicated that their followers were most likely existing customers or those already interested in the brand and products. Social media was not described as a means of converting individuals who were not interested in gambling into active customers.
- Gaining new customers already potentially interested in gambling was one aim of social media use stated by some operators. In addition to paid advertising, this can be achieved through the viral nature of social media, whereby posts can be shared beyond followers who have opted in to those who actively search for content.
- Several operators specifically mentioned that increasing engagement with a younger audience was important; however, all operators discussed that 'most' Australians are now active social media users, including older adults.
- All operators reported tracking their social media use in some way, but no operators described being able to measure directly the impact of social media on sales, revenue, customers or other economic metrics. Successful use of social media was measured in terms of brand engagement, which can be quite imprecise, making it difficult to interpret the return on investment.
- All operators appeared mindful of ensuring that social media was not used to promote excessive gambling and did not target vulnerable populations. However, few operators posted specific warnings or responsible gambling messages prominently on social media.
- It is not possible for gambling operators to control how the content posted is shared online. Accordingly, it would be possible for any content to be displayed to someone under the legal age to gamble.
- Only one operator interviewed had implemented social casino games, and these were not widely promoted or substantially used.
- No industry operators interviewed offered gambling products directly through their social media platforms and no plans were mentioned of changing this within Australia.
- Most operators had a relatively cautious outlook for their use of social media, and many felt that they were restricted by codes of conduct for appropriate advertising by gambling operators.

## **Chapter 6: Interviews with Social Media, Gaming, Policy and Prevention Experts**

### **6.1 Overview**

The development of gambling-themed activities through social media has implications not only for consumers of these products but also for the operation of commercial gambling businesses and regulatory bodies. Social media and social gaming are likely to have benefits to the gambling industry but they also pose various challenges. Accordingly, in this chapter, we summarise interviews conducted with individuals with relevant expertise to describe how gambling and gaming operators are using social media to promote their services and what gambling-themed services are provided through social media sites, whether users are transitioning between gambling and gaming, whether social media or games exacerbate gambling problems and whether social media is or could be used to influence responsible gambling. Of particular interest was how social media is being used to promote and develop new gambling-themed apps and games, and to what extent this is considered separate or related to existing operations based on the promotion of conventional gambling products (e.g., online casinos or land-based products). The chapter also examines the extent to which the industry has considered the potential harms or consequences of these developments, in particular for vulnerable groups (e.g., young people or problem gamblers), and whether responsible gambling provisions are featured strongly in their promotions and product development. As well, this chapter presents perceived regulatory challenges brought about by developments in social media. Interviews with international experts aimed to identify trends relevant to Australia from a range of perspectives. As the gambling and gaming fields develop and change quickly in terms of products and promotions and regulatory and policy changes were underway during the course of the project, interviews with key expert stakeholders was considered an important element of the research to ensure that current views and information was obtained that would not otherwise be publicly available. Ethics approval for this phase of the research was granted by Southern Cross University's Human Research Ethics Committee.

### **6.2 Methodology**

#### **6.2.1 Respondents**

Thirteen interviews were conducted with 19 respondents during 2013–2014, either face-to-face or by telephone. Some stakeholder organisations were represented by multiple individuals, and all interviews were 30–60 minutes duration. One stakeholder provided written comments rather than participating in an interview. In the interests of privacy and confidentiality, respondents and organisations are not identified by name. The interviews encompassed government departments in Australia (n = 2); international organisations that advise on gambling policy and individuals with substantive expertise in gambling and social casino games (n = 3); gaming body industry associations (n = 2); major international gambling companies that also operate social casino games and engage customers through social media (including operators of online gambling, land-based gambling and gambling equipment suppliers; referred to as industry) (n = 4); a social casino game operator (n

= 1); and a problem gambling counselling organisation (n = 1). Combining the different stakeholder groups was considered appropriate as the knowledge and expertise within the various groups are all relevant to similar questions. Interviewing respondents with different perspectives was considered important to provide balance and account for the range of organisations with the potential to influence the gambling and gaming fields. This included interviewing individuals representing companies that are involved in both gambling and gaming. Although some respondents represented gambling industries, these were all major international companies and there was no overlap with the interviews conducted with Australian gambling operators presented in Chapter 5.

Interviews with stakeholders were based partially on convenience, that is, stakeholders with relevant expertise who were known to the researchers were invited to contribute to the study. Efforts to include a broad range of stakeholders were undertaken, however only those who consented to be interviewed could be included.

### **6.2.2 Procedure**

Interviews were conducted in semi-structured form. After providing consent for participation, the respondents were given a brief overview of the nature of the study and the scope of the project, often including some initial discussion of the definition of social media and social casino games.

Although there was considerable overlap in the topics discussed, the following five topic areas were generally considered:

- Nature of services: What are the structure and nature of the gambling services being offered by industry providers using social media? This included discussion of relevant trends and developments, new and emerging forms, the way in which social media is being used, and target audience. It was also asked: What gambling-style services or promotions are offered and not played for money?
- Regulation and codes of conduct: What were the regulations and codes of conduct relevant to managing social media in relation to promotions by gambling operators and non-monetary gambling-style games?
- Potential harms: To what extent does social media act as an impetus or stimulus to exacerbate gambling problems in high-risk segments or vulnerable populations? A particular focus was on potential impacts on children, adolescents and problem gamblers.
- Market crossover: To what extent has there been a transition between conventional forms of gambling to new forms of gambling and games using social media? The focus was on whether there had been any changes in gambling behaviour or transition or migration between modes of access for gambling products.
- Responsible gambling: What factors promoted safer gambling habits when using these new media forms? The discussion then examined the best or most preferred strategies to promote responsible gambling behaviour.

### **6.2.3 Analytical strategy**

All interviews were transcribed and responses were thematically grouped according to the insights they provided into the five main interview topics. The primary aim was to

represent the range of different opinions that were expressed and to identify material that best exemplified the views articulated by different respondents with respect to the principal interview questions. Included quotations were selected based on the extent to which they provided coherent and efficient summaries of the arguments made by different respondents.

This level of analysis was considered sufficient given that the focus of this chapter was on capturing both personal opinion as well as factual information concerning the nature and use of social media. There was greater interest in understanding differences in views of industry respondents, regulators and others, rather than the frequency with which certain views were articulated. The nature of the responses meant that detailed thematic analysis involving the classification of themes was largely redundant. Participant responses were explicitly referenced to the interview questions so that there was no ambiguity about the category to which the quotation belonged. For example, when respondents referred to 'self-regulation' as a policy response, there was no doubt that this would be considered relevant to the question about regulatory strategies.

## 6.3 Results

### 6.3.1 Developments in social media and social games

#### 6.3.1.1 Industry use of social media

Facebook and Twitter were cited as the most commonly used by the gaming and gambling industry for promotions. Overall, the interviews revealed some ambivalence and variability in attitudes towards social media. Some industry respondents appeared to regard social media as something very new and stated that its potential had not been fully explored. By contrast, other industry respondents who appeared to be well versed in the rapidly changing nature of social media viewed established platforms such as Facebook as *passé* among younger populations and already associated with older, less technologically progressive Internet users. This was illustrated by an industry representative in North America: *'the pendulum swings back and forth all the time. I understand that Twitter's already being regarded as old technology by younger kids ... its time might have come and gone for all we know'*. Respondents from both industry and government conceded that new sites and technologies are continually emerging. Some examples given include information sites such as Quora, where people can post information on any topic and receive answers; the *Ushi* YouTube channel, where information can be obtained concerning gaming strategies; or technology similar to that offered by Kosta Coffee's *Digital Barista*, which uses demographic and other customer information obtained elsewhere to target the statistically most suitable coffee product to customers who approach the company's digital machines. It was also emphasised that social media interfaces need to be 'agnostic'; that is, they need to be able to interact with many different platforms—savvy industry operators would not *'pin all [their] hopes on Facebook, or Twitter, or whatever the flavour of the month'* happened to be.

#### 6.3.1.2 The role of cyber environments and social media in promotions

It was generally agreed by industry respondents that online environments were essential to the future of gambling. As one industry representative pointed out, the way that gambling companies are using social media is *'so similar to the way hotels and airlines are using it to get that direct channel of communication'*. Industry respondents who were involved with major international companies indicated that Facebook sites were tailored to different countries (e.g., the US, France, Italy) and that celebrity endorsement was sometimes used to provide credibility to operations. For industry respondents whose overall business was principally in land-based gambling markets, the main value of using sites such as Facebook and Twitter was not perceived as to promote gambling *per se*, but rather to promote services associated with gambling. Indeed, respondents whose companies operated land-based venues pointed out that the majority of their business was hotels, food and beverage outlets, as well as other forms of recreation.

Irrespective of the nature of the activity, the principal role of social media for these businesses was to take advantage of its interactive nature, to learn more about customers and to obtain rapid feedback concerning new products and customers' likes or dislikes. As one industry representative stated:

*You're learning about your customers—ideally, if it's designed properly. You're not just learning about what your customers like. You're learning about what they aspire to and what motivates them. Then you're getting into*



*creating a community of values. And that's really compelling. Then it almost doesn't matter what the game is or what the offering is. You've got a community there. I mean, it does, but you've got a community there that likes to be together, they'll try all kinds of things. If you can get that thing, you can get—pull that kind of community together, that seems to me to be a huge win from the commercial perspective.*

In other words, the principal aim of social media is to create a community of users in which there is a two-way flow of information. This was described by one industry respondent as *'we can use that as a focus group; a focus group that we can keep for years, and years, and years'*. As an international gambling lawyer described, once a relationship is established, it is possible for product offers to be promoted (e.g., a small introductory bonus offer, credit coupons). Sometimes promotions (e.g., an impending jackpot) might be linked with some other cause (e.g., a charity) with which customers are likely to identify, in the hope of bringing some mutual benefit. In return for the business donating to a charity that is important to the customer, the customer may be willing to provide additional information, including their demographics, preferences, motivations and consumer interests. This particular capacity of social media (namely, a vehicle for finding out about customers) was considered one of its most important. Respondents further indicated that much social media promotion or activity was not always directly related to selling particular products. Instead, it was often more important to create discussion and interest generally. As one respondent described it:

*The gambling, or gaming, or whatever the offering is, is almost—it's not an afterthought because it's integrated into whatever your model is. But it's almost like it's secondary. Right? People are there and socialising and competing through leader boards. They're playing, they're giving to charity, they're conversing in the chat rooms. You have things—you can post videos, you can post whatever you want, but there's this gaming element there as well.*

In effect, the focus was not on the product, but on the brand or company providing the experiences that were the subject of discussion and activity. The issue of brand awareness is particularly important in the context of social games because several respondents interviewed represent corporations that are involved with conventional gambling activities (online or land-based) as well as the social gaming market. Thus, while several respondents were clear to distance themselves from the view that they might use social games to promote conventional gambling products, some government respondents nonetheless pointed out that social media activity could create a situation in which social game users were frequently exposed to brand names that were active in the gambling market.

#### **6.3.1.3 People's perceived motivations for playing social games**

Several industry respondents providing social casino games and gambling products, as well as gaming association representatives, drew a clear distinction between the marketing used for these two classes of activity:

*And there has been a lot of question around, what is the motivation with the insinuation or assumption that they are just doing this in order to try and convert players and use their social operations to drive people to become gamblers. That's the leap and the assertion that some people have made. I*

*don't think that holds true at all. You know, DoubleDown was bought for half a billion dollars, there are much more cost-effective ways of acquiring new players than spending half a billion dollars on a company.*

Social casino games were considered attractive because they were felt to provide something additional and compelling to consumers. Rather than playing for money, people played for status, to reach higher levels and to ascend the published leaderboards; and this created interest and discussion, not only in cyberspace, but also in other contexts. One industry respondent pointed out that some games reset their leaderboards regularly to maintain interest when there *'were some people who were just running away at the top of the pack and then people became less engaged'*. Therefore, it was important to ensure that people *'have more chance every week to be on the top of the leaderboard rather than chasing after someone who has been playing for a long time'*. Social games, as the same industry respondent described, had a direct benefit to consumers because they provided a vehicle for generating competition. As he suggested: *'The game play becomes more compelling to play against your friends than just yourself. And so the players themselves have the motivation to get other people to play against them'*. Further, he pointed out that many games, such as *Monopoly*, are difficult to enjoy on one's own, and that a person can have more fun playing against friends. Players benefit when there is more competition, and so does the operator. When more people play, the benefits that can be fed back to players become greater.

Some industry respondents also felt that the activity was undertaken as a form of escape. As one respondent pointed out:

*That's what people don't get. ... I can only say it's probably like a—it's a time thing. They just wanna zone out. Yeah, they may not be able to win, but they can just zone out and stare at a slot for hours on end.*

Other industry respondents argued that there were obvious similarities between social casino games and conventional forms of gambling in terms of their structural characteristics, but that people appeared to play these two classes of activities for different reasons. As pointed out by one respondent, one can spend a great deal of time comparing social casino games and conventional gambling activities to look for common content, but the fact that one is associated with winning actual money and the other is not is considered a very major difference, irrespective of other factors. He nevertheless conceded that some social elements of the activities (e.g., use of chat rooms, bonus features and incentive structures) probably apply to both categories. This suggests it is possible to use social media to promote both classes of activity in similar ways:

*You'll see very common features throughout all games I think. Chat rooms, bonuses, spinning wheels, ask your friends and I said, I deliberately mentioned the spinning wheel thing because although people feel very strongly this is a casino game or that is a casino game sometimes it may well just be dressing. And also therefore the line between, when does a game become a casino-style game. Does it have to directly replicate a game available in a casino or if you have a—if 20% of your game play is reliant on how well you do in a lucky dip or spinning wheel or, you know, guess behind which door the most coins are? Does that become—does that take on casino*

*elements and so the line of where influence or intervention or extra care needs to be taken is not—is still at that part is still a little grey. But the difference between social and real money I think is actually a lot more black and white than people make out to be.*

#### **6.3.1.4 Perceived challenges posed by social casino games**

Despite these positive features, most government and regulatory bodies drew attention to the challenges associated with the development of social casino games. Some respondents from government and policy organisations raised concerns about the accessibility of these games to young people. All emphasised that games are easily accessible on multiple platforms, have enhanced graphics and varied content and are harder for parents to monitor because of the personal devices that can access these sites (e.g., smart phones, laptops, tablets).

Discussion was also directed towards challenges associated with defining and differentiating between social games and conventional gambling activities. Representatives from government as well as gaming associations both agreed that recent Australian Federal attempts to regulate social games because of putative gambling elements were generally flawed and unwarranted. For example, it was not useful to impose restrictions on games because they contained elements of chance, dice rolling or even some monetary content. Many established video games predominantly based on skill contain some chance elements (e.g., segments involving gambling). Rolling dice is also a feature of many board games such as *Monopoly*, which certainly should not be considered a gambling game. All of these respondents agreed that focusing just on the structural characteristics of activities was probably not useful or warranted. Although these activities clearly shared similarities with video games and gambling, it was probably most useful from a regulatory perspective (discussed below) to determine whether they led to any verifiable harm to the community.

#### **6.3.1.5 The market for social casino games**

Many useful insights were obtained into the nature of the social casino game market from industry respondents, many of whom had access to large databases of account holder details. Together, these reports were consistent with the published literature. A major US-based international operator indicated that *‘over 95% of social casino players are over the age of 18 and that over 99% of people who ever make in-app purchases or buy extra credits within a social casino game are also over the age of 18’*. A large gaming machine manufacturer that provides social casino games similarly indicated that the typical player of social casino games was a woman in the 45–55 year age group and that relatively few players were aged under 25 years (the estimate was < 10%). Analysis of account statistics suggested that some activities (e.g., bingo apps) tended to attract a larger proportion of women, whereas games involving poker tended to be favoured by males. Both of these differences were thought to be getting smaller over time as the customer market grew and diversified.

A number of industry respondents acknowledged that there were some similarities between the social casino game and online gambling markets, particularly in relation to the distribution of consumer expenditure. In both online and land-based gambling (perhaps to an even greater extent), a disproportionately large proportion of expenditure is derived from a very small pool of players. Most people who gamble at

casinos or online spend only small amounts of money, so operators must rely on what they term ‘whales’ or big spenders (or VIPs). Industry representatives argued that the social casino game market is similar, as only a very small proportion of users (reported percentages were typically 0.5–1%) actually pay money to play. Other respondents play only the free downloadable version of the game and then do not proceed further once asked to pay money (i.e., they reach the ‘paywall’). However, other respondents indicated that, although it is possible to attract high spenders, the ‘whale effect’ is likely to be limited because of fundamental differences between social casino games and conventional forms of gambling. One of the most important of these is that the scale of the games is very different. Whereas people can play high-stakes games in Las Vegas and spend many millions on conventional gambling, this is unlikely to happen in social casino games.

Some interviewees pointed out that this is part of the problem with current download culture and ‘freemium’ models used online or on mobile devices. If people are accustomed to doing things for free, then their ‘price point’ or commercial reference point as a consumer will be zero. This makes it difficult to get people to advance to spending money on the product. The business model only works because of very large consumer numbers, so that one only needs a very small percentage of people (e.g., 1 out of 180 users) to pay to achieve a commercially viable revenue flow. For this reason, industry has to look for ways to make it attractive for consumers to go beyond the paywall.

The fact that most consumers do not want to pay anything is one reason that it is often difficult to retain players over a longer period. When a major gambling industry operator was asked how long players typically stay with a social casino game, the following answer was received:

*Well, before you actually try and reapply them, I think it's a couple of months. And that's pretty common with most social casinos. It's really—there're so many offerings out there, so much competition. I think it's common for players at a particular social casino unless they reapply for further advertising or something like that.*

The same respondent also indicated that the duration of play for any individual session tends to have a very skewed distribution:

*I think the average session when I last looked is about—it fluctuates between sort of 15 and 20 minutes, but it's heavily weighted on both ends. So you got a lot of people that just jump in for like four, five, six, seven minutes and then you got a lot of people that—you got fewer number of—a lot smaller number of people that play for hours.*

For these reasons, some respondents spoke of the need to use innovative strategies to encourage people to take a stronger interest in the products. For example, one company that provides online social casino games gave insights into how social casino games can be used to generate greater revenue. Although not so easily undertaken in Australia because of strict legalisation relating to the definitions of gambling, in countries like the US, it is possible to offer ‘sweepstake’ prizes to social casino game users (or potential users) in the form of bonus credit offers. Players can use these to gamble on the online casino games provided by the operator. Since the person has not specifically paid any money (they play for free by being involved in

social casino gambling), this is not treated as a form of gambling. The operator can then allow people to cash out their virtual credits for real cash prizes. Money is made by encouraging people who like playing social casino games to start buying virtual credits to play in the actual online casinos (rather than the social ones) offered by the same operator.

The social game operator also discussed various ‘tricks’ that gaming companies may use to encourage player retention and payment as well as his perception of alternative methods:

*it really speaks to the importance of quality mathematics behind the game design because when you have that, that’s what really hooks the players at the end of the day, not your ‘Oh, I’m just playing this for the first time. I hit a jackpot; therefore, I must always be hitting jackpots’. I mean, players see through that, especially ones that have played any slot before.*

### **6.3.2 The regulation of social casino games**

Several regulators indicated that online environments are more difficult to regulate than conventional forms of media. In numerous countries, broadcast and advertising laws typically only apply to material that is officially broadcast by licensed media outlets. As a result, material streamed online (e.g., a TV show) does not constitute a broadcast and therefore the standards that apply to advertising may not apply. This situation creates the possibility of unscrupulous operators using social media to advertise gambling in ways that are inconsistent with other types of media. For example, material might not have to conform to standards that dictate the nature of the audience and how and when gambling promotions are made. There was some concern that sites might advertise misleading or inflated odds, or attempt to promote gambling to minors because so many Facebook users are under the age of 18.

Despite raising these concerns, all respondents working in regulatory or government organisations disagreed with the introduction of strict regulations for social casino games. Instead, there was support for other approaches that focused more on community education, ‘empowerment of consumers’, parental education and industry self-regulation. These views were articulated by a major EGM manufacturer as well as by a government representative, who referred to two government reports into developments in social gaming. One of these reports reviewed the nature of social casino gambling, potential harms and strategies to deal with these activities, whereas the second focused on the legal aspects of social gaming. Much focus in the first report was on different ways in which young people can be exposed to gambling while engaged in other activities (e.g., video games), strategies that might be used to educate parents about these developments and potential risks, and effective ways to encourage community awareness and responsible behaviour. The second report focused primarily on the extent to which regulatory responses might be required to deal with an activity that is often sourced from other locations, is not necessarily officially classified as gambling, and which might be subject to current classification laws (e.g., for video games, media and advertising). These views are summarised by the respondent:

*So what came out of those reports were a few things. One is, obviously, both had a big emphasis around community education and said that no matter what you do, whether it’s a policy response or a legislative response or a*

*regulatory response, it has to go hand-in-hand with kind of a community education and awareness-raising campaign, and that would be targeting the community and parents and children themselves. So both came out and recommended that, and that was one of the platforms in the policy response that we developed now. Both flagged the classification regime as a potential lever to, I guess, not restrict but ensure that the online content that children access around gambling games with people was age appropriate. And so, we keep on working on that as well as around what the classification regime might look like both within South Australia but also on the national level.*

This government representative believed that it was very important to engage industry, so that they would be *'part of the solution'*. In fact, one suggestion was to have a competition for industry to identify the best way to promote their products in a way that did not target vulnerable populations (e.g., minors). He suggested a need for *'some kind of easily understood, widely recognised system that parents can then use to inform their judgements around whether or not they have a conversation with their kids around playing those games in the first instance'*. The focus would be less on determining whether the activity was necessarily gambling, but whether there was any evidence that it had any negative impacts on children. He recognised that the current state of evidence provided no proof that early engagement in social casino games was strongly related to a long-term interest in gambling or that it would necessarily increase problem gambling.

Other government representatives shared these views. The same respondent referred to several major reviews that have been completed by the Federal Government that have similarly concluded that the best regulatory strategy will be to encourage industry self-regulation through the development of guidelines that inform industry operations. As he pointed out:

*So we kind of recognise the industry is generally pretty good at aligning themselves with the guidelines and arrangements in each different jurisdiction or different country and the guidelines that we put out around simulated gambling, was really ... initially about providing a bit of a guide around what we thought was appropriate and inappropriate to enable them to adjust accordingly.*

Industry respondents generally shared the view that the focus should be on self-regulation and consumer protection. It was pointed out that some areas of the industry have already taken (of their own volition) steps to provide additional information concerning the content of apps, and to set out the principles that should govern their operations. As one industry respondent indicated:

*I believe that when it comes to social gaming we should, as much as possible, there are some restrictions, but still try to treat it under consumer protection. I think consumer protection offers about every rule we can use to make these things safe.*

One gambling equipment supplier described that:

*Consistent with the opening of new distribution channels for all forms of media, there is no doubt that social games are a part of a growth industry in*

*the digital economy and social games providers need to address and adapt to community concerns as they arise.*

The industry was firmly of the view that over-regulation would be counterproductive and operators should instead be encouraged to introduce elements to protect consumers. Regulation could also encourage market entry of offshore operators who would take advantage of restrictions on operators obeying regulations and operate outside the reach of regulatory authorities.

Also discussed was the nature of the free-play modes offered by some providers of online gambling. These were stated by operators to be clearly distinguished from social casino games and there was general support that stricter regulations should apply to this class of activity. If free-play modes were giving people opportunities to practice real gambling, it was generally accepted that they should provide a realistic simulation. An industry respondent working in policy development expressed this view:

*And so we have a regulatory standard that our free-play games must have the same odd specification or everything is paid to play for money games. ... you know if people have been you know playing and winning for free on some other site, and it's the same game provider, and thinking it looks the same, they are going to be expecting it to behave in the same way.*

Similar views were expressed by an industry respondent, who emphasised that existing regulations applying to online gambling already capture free-play modes, which fall into the category of promotions that are subject to advertising laws. As he explained:

*The gambling operator needs to ensure the social game meets the licence requirements that are applicable to them. In the—in that—if they are seen to be misleading people or cheating them in some way, you know, or that's the free-to-play version of a gambling game. And one of our principles is that your free-to-play game shouldn't lead people to believe they are better at another skill than they are, for example, gambling.*

### **6.3.3 Impact on vulnerable or high-risk populations**

#### **6.3.3.1 Potential risks**

The interviews discussed the potential impacts of social media promotions and social casino games on young people as well as problem gamblers. As might be expected, the views of respondents differed greatly depending on the area in which they worked. Government representatives and policy advisors expressed some concerns about potential impacts of the new technology. Industry respondents, by contrast, generally felt that existing regulations were working well and that there was little evidence that young people or problem gamblers were being exposed to potentially harmful activities. All respondents generally agreed that there was currently insufficient evidence to suggest that engagement with social casino games was associated with harm, except for a very small minority of high-intensity users. In this sense, the games did not appear to be that different from what is observed in research into problem video game playing.



Despite this lack of evidence for harm, respondents were nevertheless asked to consider potential impacts, given that the technology and research base are still relatively new and that consequences of new technologies might not always be immediately self-evident. As an analogy, the interviewer drew attention to a children's card collecting activity that had been introduced in Japan in recent years (*kompū gacha*). This game was clearly not a form of gambling and was, on the face of it, harmless. Children purchased numerous Pokemon toys to collect the whole card set. However, one card had been made extremely rare, so that some children had been encouraged to spend a significant sum of money in a vain attempt to collect the last card. This situation led to considerable national outcry about the game and its effect on some children and their families.

Most discussion around potential harms appeared to relate more strongly to the potential effect of young people's exposure to gambling, rather than exacerbation of problem gambling. One government representative, for example, drew attention to the strong use of child-oriented themes and visual styles in some content (e.g., animals, cartoons, pastel colours) and the way in which gambling messages were being conveyed. Concerns were also expressed about the phenomenon of digital convergence that allowed gambling sites or content to be potentially accessible through the same technology platform. As was pointed out:

*The other thing about games you buy off the shelf in EB Games or JB Hi-Fi is that you might get FIFA Soccer and you might be playing that. But then, with again, technological development, then the interactivity between Xbox and how you can link in with the Internet on that, that then links to other kind of games. So you might have been thinking that your child's playing FIFA Soccer but it's quite easy then to go through the other prompts to access a lot of these online gambling games as well.*

Although playing for money is clearly different from playing with virtual cash, concerns were expressed about young people's early exposure to gambling-themed content and the extent to which this might '*shape their thinking around gambling*', particularly when there were not necessarily regulatory provisions to ensure that odds were consistent with those prevailing in conventional gambling activities. Similar views were expressed by international policy advisors, who raised concerns about '*the number of young people who had been exposed to the advertising for real-money gambling because they're not actually 18*'. It was argued that there were concerns about whether young people were being exposed '*to gambling-type behaviour in a less controlled environment*' and whether this reflected the situation prevailing in regulated gambling sites. Concerns were also expressed about the validity of age verification procedures, particularly for sites such as Facebook; and an international industry operator argued that early exposure to realistic gambling games would make the adult versions much more accessible if young people familiarised themselves with the rules of play.

The effectiveness of age verification systems was discussed in most detail by some international policy advisors, who also drew attention to the fact that '*Facebook just doesn't have robust age verification procedures*' and that the standards were lower than were those in the online gambling industry. Although the advisor conceded that it was unclear whether this would necessarily lead to problems for young people,

there nonetheless appeared to be a situation that raised a number of questions for the consideration of regulators. These views are summarised in the following extract:

*So that leaves two questions. So the non-real-money gambling available on Facebook, to what extent does that pose a problem? Again, none very much do we know about that, I think, but we can speculate. But the thing that we do know is that they're being exposed to quite aggressive advertising so a) very high jackpots, online jackpots, sometimes upwards of 100,000 or above, and b) bonuses again. So if you deposit a hundred pounds, you can get 300 pounds free. Both of which to anybody who's under the age of 18, I would argue would be—And particularly if they're playing gambling games anyway, not for money, would be very attractive.*

These views were also discussed by a government representative, who similarly conceded that any harms associated with these new technologies were presently unknown. He argued that harms are probably most likely to arise because of young people spending very large amounts of time playing these games; however, he pointed out that it was unclear whether this behaviour would have any long-term impacts on problem gambling. As an analogy, he drew attention to the issue of fast food advertising for children. Evidence supporting the influence of advertising has been presented, but it has been insufficient to have any major influence on media regulation:

*For a child, harm could be related to the fact that they just spend hours and hours and hours on it, but then, kids spend hours and hours and hours on all sorts of things on the Internet. So is that a new form of harm or it's just a continuation of an old form of harm? Then you have to ask, 'Will that mean that they might start gambling as children?' That might be indicative of an issue, but really, you don't know whether it's gonna cause harm until many, many years down the track when they become potentially problem gamblers, and you might be then be able to develop a relationship between what they did as kids and what they are now, but that's a very long-term study.*

The representative from a gaming association did not disagree that gambling themes appear in media that are often highly used by minors. However, as he pointed out, it is very important that the context of the exposure be kept within perspective. As an example, he drew attention to the online role-playing game *Final Fantasy* and how there is one part of the game that features a casino that enables people to gamble to earn virtual credits. Although the context is clearly adult-themed, it is only a very small part of the game and generally considered boring by 'gamers', who are principally motivated by the skill elements in the game. For this reason, it was suggested that any attempts to regulate the content of games need to consider the extent to which gambling context is central or merely peripheral to the main action.

#### **6.3.3.2 Protective factors**

An important discussion that emerged during interviews concerned the potential effects of early exposure. Although organisations with an interest in policy and regulation were concerned about the proliferation of gambling-related material in sports, games and other activities undertaken by young people, some had mixed views about the potential effects of simulated gambling. As some international policy representatives pointed out, when people are exposed to gambling at an early age, an

automatic reaction is often to assume that this will place young people at greater risk. However, there is also an argument that early exposure can lead to adaptation and adjustment. In effect, a person is allowed to gamble in a manner that offers reduced risk of spending large amounts of money, if any at all. Central to this discussion was the topic of free-play modes and the question of whether an accurate or realistic free-mode simulation could have some advantages for consumer protection. As one industry respondent pointed out, such facilities enabled players to learn the rules so that they can make a fully informed choice to play the real game. This view is summarised in the following paragraph:

*And these are the test modes. Does—or free modes are not so much a promotional tool, they don't work very well as promotional tools; however, customers cannot come to us and say, 'I didn't understand the game when I played. I did it completely wrong. Give me my money back because that's unfair,' because they have the test mode, they can try it out and when they feel confident that this is a game they want to play, then they can do. Before that, there is no risk. And because we guarantee that the free game works the same way as the real game, well, there is really a way to try it out and I would recommend to see those early free modes as nothing more than that. And honestly, they don't attract people that much because they have no additional features that make it interesting to play for free.*

The same industry respondent drew attention to the media debate a decade ago about young people and ring-tones. At this time, ring-tones were identified as a potential threat to the financial wellbeing of teenagers, who were spending considerable sums of money on downloading a succession of ring-tones, which were being aggressively promoted via mobile phone operators. Since then, concern about this issue has subsided, which may suggest that some process of adaptation—perhaps facilitated by greater community awareness—has occurred over the ensuing years.

Industry respondents also underscored views summarised earlier in the chapter about the separation of different classes of activity. For example, some industry respondents were of the view that the existence of social casino games did not necessarily mean that young people could migrate to 'real' gambling any more quickly than other people. As one respondent pointed out:

*We conduct the age verification if possible; however, we will not prevent the customer from continuing to play for free. However, if he ever wants to play for real, there is the binding age verification and if we discover in that process a discrepancy, as an example, he played already when he was under-aged, we would even prevent him from playing if he was over 18. So this is to make sure there is no financial incentive for us to let them play when they are under 18, simply because we consider someone who has lied about his age an inherent risk for us ... we don't advertise the free-play sites. It works the other way around. If someone signs up with us, he starts as a free player. He has only the right to free play and if he wants to become a real-money gambler then he has to give us additional data and become ID verified and we crosscheck if all those things, his account—his bank account data, his ID verification data, and the data he registered with if all this data matched with each other.*

In other words, if online gambling had regulatory provisions that required age verification, these would be in place irrespective of whether a young person had previously gambled on free-play sites or social casino games offered by the same operator. Of course, there remains some debate as to how effective these age verification systems are in practice. Similarly, in relation to problem gambling, it was felt that social casino games were a different class of activity, in which people participated for different reasons. It was argued that problem gamblers probably would not have a strong interest in social casino games and that, even if they did, the capacity for developing harm (particularly though high expenditures) would be minimised. This view is summarised quite well in the following extract from an international gambling industry executive:

*If we believe that increase of dosage is actually a characteristic of pathological gambling then I would assume that someone who is already gambling to an overly extent on real money will not likely go to 'for free' modes. If those ... create problem gamblers, I believe it could create problem gamblers if it would, as an example, disturb things like, informed choice. Of course, if you have free modes that give you their honest ideas about how gambling works, if it distorts the decisions, possibly yes, then it could be an endangering factor. However, if it's the same thing as real-money gambling, only without the potential costs and potential winnings, then I cannot imagine it more dangerous than the real-money product.*

Interestingly, these views were also strongly endorsed by an experienced problem gambling counsellor who was interviewed about his knowledge of social casino games. The respondent indicated that he had previously had trouble with poker machines and had, in recent years, switched to playing slot-themed social casino games via his Facebook account. He reported playing this game every day, usually for two to three hours. In his view, the activity provided him with that 'little bit of a fix' without costing him any money as would have been the case if he had been playing poker machines. He explained that gambling was an activity that led to feelings of excitement, anticipation and the hope of winning, and that social casino games provided him with some of this experience, without the feeling that he would lose control over his behaviour. In fact, it provided a reminder of what could happen if one were playing with real money in a venue. As he pointed out:

*So I guess being able to replace it with a harmless feeling is so much better. That can be—I guess there's that little bit of reward that I'm—All that sort of stuff. But there's some other elements to that too, which in that—It also teaches you. For example, if you're playing any of those games, as you're aware they give you x amount of coins for free every four hours, whatever the time span may be depending on the various games that you can play. And with those, what it teaches you is a little bit about understanding the game and the fact that you really never ever win. You're always running out of coins. Majority of the time, you're running of coins and you're running out of your ability to play. So it teaches you along the way a little bit about—In real life, if you're going, putting money into a poker machine, that it's only gonna last so long. Eventually you are going to lose.*

He reported using these activities to assist some of his clients and to help them to understand what would happen if they were gambling using their money on online

gambling sites. Playing slot-themed social casino games could be used to convey the understanding that the long-term outcome was likely to be negative and that short-term periods involving positive outcomes were likely to be followed by negative ones. He sums up this view in the following extract:

*It gives them a realisation or a better understanding of how electronic gaming machines work and affect that—Even though you can have a run of good luck and you could build up a good bank on the games online, that eventually you're gonna end up with nothing. You gotta wait a period of time before you can get any more coins and before you can try and build your bank up again over some time and then all of sudden, you've got nothing left. But what it also does is that for—If you do the right way or if you use it the right way as a tool, you can also get people to modify their behaviour or their gambling behaviour as far as the time they're spending now that they've spent with their betting patterns. If they want their money to last a longer period of time, that they understand that if they bet less, that it's going to last longer, all that sort of stuff.*

In his view, these low-impact games had a potential use as a form of home-based therapy that provided exposure to the activity in a way that would teach people how gambling games work, without the risk of losing large sums of money:

*Without actually losing any money and that's a really, really good learning tool for them because they are learning to understand the way that the machines operate. The fact that they can't win, and if we can use that as a tool to get people to understand, especially the gaming machines, that ultimately you can't win. The machines are made and they are designed so that the venues make money out of it, otherwise, they wouldn't be there, but trying to get somebody who is in the clutches of that horrible gambling demon who won't let go, for them to have an understanding of that is very, very hard to teach them. And so, if you like, it's almost a home-based CBT because you're doing a cognitive behaviour therapy with them as you're sort of—You're setting, giving them an example, you give them the opportunity to play without it costing them anything.*

He also argued that, as well as providing an ongoing outlet, such games could potentially suppress gambling urges. For example, the games could be used at times when people were experiencing severe stress and a strong urge to gamble, to reduce their likelihood of exposing themselves to the dangers of gambling at venues. At the same time, he argued that such strategies should be used with caution because not all clients would necessarily want to stay playing social casino games. If one plays social casino games regularly, one will also be exposed to a high frequency of advertising and promotions for online gambling. For this reason, he suggested that any attempt to use social casino games as a form of 'replacement' therapy should be undertaken in conjunction with counselling relating to the dangers of online gambling and strategies to ignore and resist the urge to respond to online gambling promotions.

#### **6.3.4 Social casino games and other gambling: Evidence for transitions and migration to gambling**

In this part of the interview, respondents were asked to indicate whether engagement in social casino games had any potential to lead to transitions in behaviour. Would

young people be more likely to participate in gambling activities or would games exacerbate problem gambling by leading social gamers into gambling? The overwhelming view from respondents was that social casino games and gambling for monetary prizes were distinct activities and separate markets. Those who played social casino games were considered to do so for different reasons than those who primarily gambled to win money. This view was shared by both members of well-informed regulatory bodies as well as the gaming industry. For example, when asked if there was a concern that social casino gamers would start gambling for real money, policy advisors admitted that there still was little data to inform this question, but that the apparent conversion rate between the two classes of activity was reportedly very low:

*I didn't really get the feeling that the industry was saying that they didn't have a good conversion rate on that day, but again, we don't really have the data for that. We have the sorts of assertion by the—Those who were doing games. Well, actually, they don't then convert them into real-money gamblers. But there're so many different parts of the market that it's difficult to sort of look at that because a lot of people—A lot of the market isn't people who would then actually trying to move people into gambling products, but there are some who are.*

This view was strongly endorsed by members from the major industry groups that offered both gambling and gaming products. They stated that the social mobile games business and the gambling business are really two distinct businesses. It was pointed out that there probably were business advantages for these industries to remain separate because those with expertise in making and promoting social casino games probably did not have very much experience working in the conventional gambling market.

The industry respondents, in fact, indicated that they did not want children and adolescents to play their gambling games and that it would be better if organisations such as Facebook operated their sites in ways that reduced the likelihood of this happening. The industry did not want these activities to create controversy and potentially lead to greater government interference and regulation. For this reason, it was considered important for both industry and regulators to monitor the activity of social media and gaming sites, as well as Apple, Google, Facebook and Microsoft, who had a role in increasing or decreasing the accessibility of games through their app stores. It was acknowledged that it was not always possible to prevent young people from gambling, but it was hoped that regulatory provisions (e.g., age checks) in force on regulated online sites would reduce the likelihood of this happening. One gaming equipment supplier that also offers social casino games stated in response to a question on the consideration for potential vulnerable groups affected by social casino games that *'we believe that the appropriate response by industry and regulatory bodies should be to encourage parental responsibility, provide further education, and facilitate further research'*.

When asked if there was potential convergence between the two activities, given that both are often accessible via the same technology platforms or provided by different arms of the same company, another industry respondent provided a more complex opinion. Although he once again confirmed that the transfer rate was likely to be very low, he nonetheless indicated that there was probably some evidence of co-sharing or

co-relation of markets. By that, he meant that there were likely to be adults engaging in both classes of activity. This raised the possibility that some people who play both activities might shift the balance of their involvement between the two over time. This view is summarised in the following extract:

*there has been a lot of question around, what is the motivation with the insinuation or assumption that they are just doing this in order to try and convert players and use their social operations to drive people to become gamblers. That's the leap and the assertion that some people have made. I don't think that holds true at all. I think there will always be an overlap between gamblers and social games players. So we need to be very cautious to whether we assume co-relation and causation. There was a claim last week, on Monday, I think by a bingo operator that their social operations was driving people to their real-money sites. But it was an overlap of 6.3%...*

### **6.3.5 Responsible gambling and how to promote it**

There were generally mixed views about the extent to which the industry was embracing responsible gambling. One industry representative described their organisation as having carefully considered the responsible gambling implications before initiating social media use:

*I know that before moving into the realms of social media there were a number of RG implications and considerations that were taken into account that were—that had to be addressed before moving that route. Things like being sensitive of the way we communicate, using the same type of advertising and promotional guidelines that we would use in other marketing campaigns.*

However, he acknowledged that the anonymous nature of social media did create difficulties:

*Twitter and social media complicates that by adding a layer of anonymity and a layer of a quasi-marketing campaign where, you know, you can talk to all your Facebook users but is that direct or is that general mass consumption or something.*

However, his company was interested in exploring ways in which responsible gambling could be promoted via social media:

*If you can build it into something that is of interest to people and adds value to the experience, and I think there are ways to do that, through social media, that would be where you can maybe advance RG.*

According to representatives from international policy and government departments, responsible gambling was generally not given much attention on sites hosting social casino games. Much of the focus was on selling and promoting the product as widely and as often as possible. For example, a user of Facebook might encounter many advertisements for games such as *Candy Crush* describing it as 'highly addictive'. The policy and government department representatives perceived that the industry was trying to find ways to get people to 'play that a little bit longer and spend that little bit more money'. As a result, for them, it was difficult to talk to the promoters of these games about their potential harms or 'addictive properties'. As they explained:



*Trying to talk to them about actually, you'd convert that into the gambling environment where addictions are really bad for it. It's not an objective. It's really, really difficult to then—To have that conversation about what protective measures might be. What self-exclusion might be? Why you need to actually offer people the option to cool off—It's just—There are two real different cultures, I think. And there's number of sort of industry, sort of body setting themselves apart that are looking to sort of self-regulate themselves to prevent them from being regulated in some of those.*

Much of the discussion focused on the development of voluntary codes, complaint mechanisms and greater information on game content and classification systems. Industry respondents did not feel that there was sufficient justification for enforcing any code at this time, especially given that there did not appear to be any strong evidence of harm (i.e., a problem that needed to be solved) in relation to social casino games. As one respondent pointed out:

*And to—if we were to start with creating self-regulation that was going to be enforced against, there would—there is no, actually, no real evidence as to what problems need to be solved. They are almost entirely hypothetical or anecdotal. And the solutions to some of those hypothetical or anecdotal concerns may not be best solved through a regulatory solution. And so rather than trying to come up with a solution, we first try to work out exactly what the problems are ... so there's the presumption that because casino-style games look like real-money gambling that the problems are the same and the solutions are the same. And until that link has been made, we can't apply that regulatory framework or socially responsible framework or whichever one you want to do or call to the other.*

For example, a government participant indicated developing a protocol for dealing with complaints about social media sites with Google, Facebook, Microsoft and Yahoo, but admitted that there was no way to enforce compliance with this protocol. One gaming association representative referred to developments in Europe (the Pan European Game Information System or PEGI) that were meant to cover 30 European countries. Under this system, websites would contain greater information concerning the appropriate age range for the site or product, and there would be visually recognisable descriptors to indicate whether it contained violence, sexual content or other material (which could include gambling). There was also discussion of international moves to establish a comprehensive global method of classifying apps, to ensure consistency between different parts of the world, all of which use slightly different systems. The gaming industry representative pointed out that the ratings system currently applicable to video games in Australia, such as General Exhibition (G), Parental Guidance Recommended (PG), Recommended for Mature Audiences (M) and Restricted to Mature Accompanied (MA 15+), would not apply in other countries:

*So what's happening at the moment, is that there's an international effort to try and come up with an approach which will streamline a classification for developers. So they'll go through one portal. They'll answer a bunch of questions about the content of the game, one of the questions being about gambling, and it'll generate a classification, but not one classification, but a ... classification that's particular for each territory that takes in consideration*

*of sensitivities for each territory, but along with that classification is the data about the answers to the questions. So the data about whether or not the game contains language, whether or not it contains a certain level of violence, gambling, sex, nudity.*

According to the gaming industry representative, these developments may also include developing technology that would give parents greater control over what content their children can access. The focus would not be on blanket restrictions or dictating to parents what might be considered appropriate for a child of a given age, but on educating parents about the tools available to them. At present, there are already systems on many Internet sites to regulate under-aged access to adult content; however, it was recognised that these systems are often ineffective. Provision of information and other mechanisms to inform consumers was considered more effective:

*Is it a rule kind of somewhere but it effectively says, 'If the content is or potentially is MA15 plus or above, that it needs to be a subject to a restricting access system which requires the person to declare their age and if it's R-18 content, they have to even provide proof of their age before they can access the content'. That's a failure. It's—Hasn't worked because one, most of the businesses that are governed by this or tend to be governed, are based overseas so they are outside of our jurisdiction and they don't need to comply, or there's nothing that they can do to enforce it against those targets, and two, no one's actually come up with a system that actually works. Proof of age—How do you prove someone's age? The—Other than self-declaration, other than getting them to send you a photo ID, which nobody wants to accept a photo ID. If you're a bookshop online or a game shop online, no one wants that personal information because that comes with a whole raft of responsibility, privacy implications and all that.*

Once again, there was some discussion about whether practice modes or simulated gambling could serve, in some circumstances, an educational or protective role. One industry respondent indicated that free-play sites could incorporate responsible gambling material. It was argued that, if these sites were difficult to access (e.g., if they required full registration), then players would not have the opportunity to be exposed to the responsible gambling messages. In a similar vein, an international representative from a policy advisory group argued that industry could take a proactive approach to responsible gambling and reward players with extra credits for viewing or taking advantage of responsible gambling features. Similarly, some other industry respondents suggested that social gaming could be used as a way to promote consumer protection by exposing people to gambling in a safer environment, where it was more difficult to lose large amounts of money.

The industry supported the idea of responsible gambling features and product development occurring hand-in-hand. Exposure to new products with appropriate safeguards could lead to adaptation rather than harmful behaviour. In this connection, industry highlighted the importance of collaboration between responsible gambling staff in their business and those involved in product promotion and development:

*I think the foremost goal of keeping it a taboo is something very questionable. So, I think our position would be, and this is something we learned in our*

*collaborations, player protection means fasten the process of adaptation. Give people what they need to adapt to new forms of gambling as quickly as possible. Give them the tools to cope with them in order to play in a safe way. So, our position would never be, well, prevent normalisation because that means prevent the solution to problems.*

They also drew attention to the availability of databases (or ‘big data’) as a way to track behaviour and provide players with responsible gambling information and advice if their expenditure patterns appeared to be statistically unusual or excessive:

*We can customise their information to them. We know about their play activity. So I think that that’s—you know I’m sure that everyone in this room agrees, this is what we in RG [responsible gambling] are going to have the most impact, it’s having this personal information about the player that we customise. Has got to be based on value to the customer, things that they value.*

## **6.4 Limitations**

The conclusions that can be drawn from this phase of the research are limited to the participants who agreed to participate and their willingness to share their opinions. The interviews with stakeholders was based partially on convenience, that is, stakeholders with relevant expertise who were known to the researchers were invited to contribute to the study. Efforts to include a broad range of stakeholders were undertaken, however only those who consented to be interviewed could be included. As the emphasis of the research was to focus on the impact of social casino games on gambling, stakeholders with expertise in both areas were of particular interest. This included interviewing individuals representing companies that are involved in both gambling and gaming. This may result in a bias in results with an overrepresentation of the gambling industry, which may reduce the generalizability of the findings.

Given that social media and the use of social casino games are constantly evolving, it is likely that many of the views expressed by individuals may have changed since the time these interviews were conducted.

## Key Point Summary

- This chapter involved structured interviews with representatives from gambling and gaming industry corporations, regulatory and policy makers, gaming industry bodies, and other individuals with relevant expertise, including a counsellor and a lawyer. The aim was to understand the extent to which social media was being used to promote gambling and social casino games, the way in which these products are related, and their potential impact on consumers.
- The interview responses for each question were thematically grouped to capture the range of views expressed. The analysis was not based on assessing the frequency of specific responses, but rather on capturing the broad state of knowledge and opinion as articulated by different stakeholders.
- Social media is being used extensively by the online gambling and gaming industries to promote their products. Facebook and Twitter are the most widely used social media platforms.
- Gambling-related and social casino game advertising is pervasive across social media platforms and is likely to be accessible to young people. Industry respondents predominantly used social media sites to promote awareness of products and brands.
- Both social casino game and online gambling markets are based on markets with very high volumes of consumers, where the majority have relatively low levels of financial involvement. It is estimated that only around 0.5–1% of all people who play social casino games purchase extra virtual currency. Most social casino games were based on a model in which a disproportionate percentage of revenue was derived from a small number of players.
- The principal motivations inferred by interviewees for playing social casino games were for social approval and competition; monetary motives were more predominant for online gambling, and the popularity of games was often short-lived. People were generally reported as playing social casino games for the challenge, to compete with their friends, and to gain the satisfaction of rising up leaderboards; by contrast, financial motives were likely to be much more important for online gambling.
- The typical online gambler was reported as more likely to be younger, male, with a higher education and income. Social casino gamers were more likely to be middle-aged women playing for enjoyment. Industry respondents indicated that there was little evidence that young people were disproportionately attracted to social casino games.
- The crossover rate between social casino games and online gambling was considered to be extremely low, although there was considered to be some overlap in the two markets.
- Regulatory bodies expressed concerns about the high rates of gambling-related advertising in social media directed towards young people. Concerns were expressed about social casino games and the extent to which these might provide a misleading view about the nature of gambling odds.
- Both industry and regulatory bodies did not believe that social casino games caused significant harm.

- Regulatory bodies supported self-regulatory strategies and codes of practices for operators as well as better classification systems that enhanced consumer awareness.
- There was support for the idea of using system data or ‘big data’ as a way to target responsible gambling information to consumers.
- The simulated gambling available via social casino games was also considered to be a potential vehicle through which to provide responsible gambling messages, create consumer awareness and provide problem gamblers with a non-monetary ‘time-out’ from conventional gambling activities.

## Chapter 7: Interviews with Social Media Users

Note: A version of this chapter has been published: Gainsbury, S., Hing, N., Delfabbro, P., Dewar, G. & King, D. (2015). An exploratory study of interrelationships between social casino gaming, gambling, and problem gambling. *International Journal of Mental Health and Addiction*, 13(1), 136–153. doi: 10.1007/s11469-014-9526-x.

Accessible at: from <http://link.springer.com/article/10.1007%2Fs11469-014-9526-x>

### 7.1 Overview

The expansion of simulated ‘free-to-play’ gambling-themed activities on social media sites, including social casino games and practice games, has attracted conjecture that these activities may enable, or otherwise be associated with, gambling and problem gambling. This chapter describes findings from an in-depth qualitative phase of this study that aimed to explore the interrelationships between social casino games, gambling and problem gambling. Interviews with 12 adult users of social casino games were conducted and analysed. The purpose of this research stage was to understand how users perceive gambling style services and promotions on social media, whether social media exacerbates gambling problems, whether users migrate between gambling and gaming and what factors are associated with this, and whether social media and social casino games may facilitate responsible gambling or reduce problems in any way. Of interest are participants’ experiences of being introduced to social casino games, and the role of advertising and promotions in their uptake of these activities. Motivations for engaging in social casino games and player experiences are also detailed.

### 7.2 Methodology

#### 7.2.1 Participant recruitment

Ethics approval was granted for this phase of the study by the Human Research Ethics Committee at the University of Adelaide and Southern Cross University’s Human Research Ethics Committee. Participants were recruited from an existing sample of social casino gamers, Internet gamblers and social media users who had participated in previous studies with the research team and had agreed to be contacted for future research. Participants were recruited by email and interviewed by phone using a structured interview. Table 7.1 summarises the characteristics of the 12 participants (8 males, 4 females), ranging in age from 20–65+. The study attempted to recruit the following categories of users: (1) those experiencing problems with gambling and who gambled online; (2) those who gambled and used social casino games; and (3) those who used social casino games and did not gamble. Four participants met the criteria for category (1), nine for category (2) and three for category (3), with some overlap between categories. Social media use included active use of Facebook, Twitter and other sites that facilitated comparable social activities.

Table 7.1

*Sample description of social casino game users*

No.	Sex	Age	Social media used	Social casino games used	Frequency of SCG use	Hours per week spent on SCGs	Land-based gambling	Online gambling	Problem gambling	Tag for quotations <sup>a</sup>
1	M	20–24	Facebook, Twitter	Poker	Multiple times a day	11–30	Yes	No	No	1, M, 20–24, SCG, MG
2	F	65+	Facebook	Bingo	Few days a week	1–10	No	No	No	2, F, 65+, SCG
3	F	20–24	Facebook	Slots	Multiple times a day	11–30	No	No	No	3, F, 20–24, SCG
4	F	45+	Facebook	Slots	Multiple times a day	11–30	Yes	No	Yes	4, F, 45+, SCG, MG, PG
5	M	35–44	Facebook, Blogspot	Poker	Infrequently	3	Yes	Yes	No	5, M, 35–44, SCG, MG
6	M	25–39	Facebook	Slots, Poker	Multiple times a day	30+	Yes	No	No	6, M, 25–39, SCG, MG
7	F	45+	Facebook, Twitter	Bingo, Slots	Multiple times a day	30+	Yes	Yes	Yes	7, F, 25–39, SCG, MG, PG
8	M	25–39	Facebook	Slots, Poker	Few days a week	30+	Yes	Yes	Yes	8, M, 30+, SCG, MG, PG
9	M	25–39	Twitter	Slots, Roulette, Blackjack	Few days a week	4	Yes	Yes	Yes	9, M, 25–39, SCG, MG, PG
10	M	25–39	Facebook	Poker	Few days a week	8	Yes	No	No	10, M, 25–39, SCG, MG
11	M	35–44	Facebook	Slots, Poker	Multiple times a day	30+	Yes	Yes	Yes	11, M, 35–44, SCG, MG, PG
12	M	45+	Facebook	Slots	Daily	14–21	No	No	Yes (formerly)	12, M, 45+, SCG

<sup>a</sup> Quotations are tagged with participant number, sex (M/F), age bracket, whether the participant engages in social casino games (SCG) and monetary gambling (MG), and whether the participant is a problem gambler (PG). Participants were asked to nominate their age category, so these age bands are inconsistent.



### 7.2.2 Procedure

Telephone interviews of 30–45 minutes duration were conducted by a registered psychologist in September 2013 and were recorded and transcribed in preparation for thematic analysis. Each participant was given a shopping voucher as compensation for his or her participation. Studies have shown that telephone interviews facilitate higher levels of disclosure of high-risk and socially undesirable behaviours, such as addictions, compared to face-to-face research (Novick, 2008). This method also enabled participants to be recruited from across Australia, to avoid potential bias in any region-specific sample. Although 12 participants was not considered a sufficiently large sample to achieve thematic saturation, this sample size was considered appropriate and participants were recruited with a range of different experiences with gambling and gaming.

The interviews included questions relating to the following areas:

- (a) *Social media and social casino game experience*: Participants' experience with social media and social casino games, how they learnt about the games, and associated promotions
- (b) *Gambling experience*: Participants' experience of gambling online and offline; use and experiences with practice sites; and changes in their gambling resulting from recent advances in online technologies
- (c) *Gambling promotions via social media*: Participants' exposure to promotions for gambling via social media
- (d) *Links between social media, social casino games, gambling and problem gambling*: Perceptions of the extent to which social media influenced people's involvement with gambling; whether social casino games contribute to the development of problem gambling; and any personal experiences indicating links between social casino games and gambling problems.

### 7.2.3 Analytical strategy

Thematic analysis is a method for identifying and analysing patterns of meaning in a dataset (Braun & Clarke, 2006). Thematic analysis was chosen as the most appropriate qualitative method enabling the mapping of a range of ideas and concepts and the most salient themes to be summarised within categories (Harper, 2012). A theme refers to a specific pattern of meaning, which contains concepts manifested directly and indirectly within interviews (Joffe, 2012). Thematic analysis is suitable for preliminary investigations, as it recognises all themes discussed, but focuses on the most prevalent themes without sacrificing depth of analysis. Unlike interviews conducted in broader areas of enquiry (e.g., in journalism or the law) where views are often combined to be consistent with the objectives of a story, systematic qualitative analysis takes all views into account and presents them objectively. The aim is to illuminate the diversity of opinion, to highlight common or more dominant views, and to capture these in a way that places people's experience into a meaningful context. Given the nature of the topic, our focus was on factual accounts of people's experience, rather than on analysing the depth of subjective experience. At the present time, the extent of social-media-based gambling is relatively unclear, so our aim was to take the first steps towards understanding the nature of people's behaviour. It was anticipated that this would provide a foundation for more nuanced questions relating to experiences that this study would confirm as being of relevance to people who interact with these new technologies.

Interview transcripts were classified into themes and coded by the interviewer for each of the principal interview questions. The themes were primarily based on the research questions, therefore, the results reflect some pre-determined categories. These extracts were then provided to a second independent rater, who coded the responses according to the same categories. Inter-rater reliability was high, with 90% of responses classified identically by both researchers. The discrepant 10% of responses were then discussed so that agreement was reached concerning classification. Individual responses are presented to demonstrate dominant themes and the range of themes in respondents' experiences and perceptions.

## 7.3 Results

Table 7.2 summarises the main themes and sub-themes identified in this analysis. Each is discussed in detail below.

Table 7.2

### *Themes and sub-themes*

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#### **Introduction to social casino games**

- Peers and family members
- Advertising in social media
- Actively searching for social casino games on social media

#### **Promotions for social casino games**

- Links
- Popular posts
- Emails/notifications generated by the system or by peers and family
- Refer-a-friend incentives
- Free credits, bonuses, offers to attract new recruits
- Lack of warnings about social casino games

#### **Cross-promotions for monetary gambling**

- Linked promotions between social casino game sites and gambling
- Same products in social casino games and monetary gambling
- Lack of controls over advertising and promotions on social media

#### **Motivations for playing social casino games**

- Learn games before trying monetary gambling
- Practice to improve gambling skills
- Substitute for gambling
- Gain gambling-like experience but spend less money
- Extend playing time
- Challenge to understand how games work
- Earn credits/bonuses, prizes

#### **Other player experiences with social casino games**

- Spending money on social casino games
- Less thrill than gambling with money
- Social interaction
- Mistrust of games
- Addiction

#### **Transitions between social casino games and gambling**

- From social casino games to monetary gambling
- From monetary gambling to social casino games

#### **Interactions with problem gambling**

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- 
- Playing social casino games can increase gambling among problem gamblers
  - Playing social casino games can decrease gambling among problem gamblers
  - Playing social casino games has no impact on gambling among problem gamblers
  - Playing social casino games can replace gambling addiction with gaming addiction
- 

### 7.3.1 Introduction to social casino games

The decision of participants to try social casino games was most strongly influenced by peers and family members. Eight participants identified social influence as the principal factor leading to their involvement in these activities. For example, one of these respondents recalled that *'friends on Facebook said "Hey look check this out, you can play the slots and it costs nothing"'* (7, F, 25–39, SCG, MG, PG). Another of these respondents was influenced by the numerous *'likes by friends and relatives'* (8, M, 30+, SCG, MG, PG). For two different participants, advertising on social media was their principal means of introduction to social casino gaming. One of these participants, who had experienced gambling problems and had self-excluded from several monetary gambling sites, emphasised the continuous nature of solicitations to play and the prominence and ubiquity of advertising in social media:

*They're always advertised on Facebook ... it keeps coming up down one side only on the newsfeed even when you ask them to stop putting them on there. They still come back eventually and there are so many different ones, it's ridiculous.* (4, F, 45+, SCG, MG, PG)

Only two respondents reported being introduced to social casino games by actively searching for them on social media. One of these participants accessed social casino games by downloading them as an app through the Google Play Store. He had started playing the slots game he currently spent much of his spare time on because it had been 'trending'. He explained:

*in Google Play Store, you've got top free, top paid. And then you've got trending, I guess which is popular apps that have just been released, and it's got that special section ... I'd never even heard of this game before and I was just looking at Play Store and it was under trending. I was like, 'Okay. I'll give it a shot'. And I'd just bought the tablet and I've [thought]—'Wow! This is better than the other ones for sure'.* (11, M, 35–44, SCG, MG, PG)

### 7.3.2 Promotions for social casino games

Four participants specifically reported that the primary types of promotion received for social casino games were links, popular posts (i.e., likes on posts promoting the game) and emails or notifications generated by either the system or peers and family. Other participants described how 'refer-a-friend' incentives encouraged sharing of links and engagement in the game to earn and use the associated free credits:

*those invites have say a small amount of in-game currency attached to it, so if you do click on that invite the incentive is that you will receive that much money. Your friends also ... receive an incentive for sending you that invite ... There's an incentive on both sides.* (10, M, 25–39, SCG, MG)

Another interviewee questioned the personalised nature of the invitation automatically generated by friends sending the link:

*The invite frames itself [as] ... 'I'm playing this, why don't you join me' ... But I never felt like I was really playing with them but it's making out as if you are. (1, M, 20–24, SCG, MG)*

Social media provides frequent and possibly automated reminders to engage in gaming through the offer of additional tokens or free games. One participant noted how a social casino site she uses '*provides free coins every hour*' (8, M, 30+, SCG, MG, PG) and another, a frequent social media user, described his experience when logging on to a social media platform:

*Every time I log into Facebook or social media there is always a new promotion ... You need to receive the incentive ... You need to sign up and register your details on the sites to get that incentive. You might get free spends and then a login bonus code. Sometimes it's for new account holders only. (10, M, 25–39, SCG, MG)*

One participant who felt he was addicted to a social slots game was highly critical that:

*through all of these games, there is not one warning message of 'Do you have an issue? It's—Are these games addictive?' Because these games are exactly like casino games. This is what they're designed for and there is no warning message in all of these. 'Buy more coins if you run out. Have this. To get to this level, you'll get this amount of coins', and it just drives you to spend more and more and more money. I dread to think what the average Joe might—who's on a minimum wage, if they got stuck with stuff like this. (11, M, 35–44, SCG, MG, PG)*

### **7.3.3 Cross-promotions for gambling**

Cross-promotions for gambling rarely occurred while participants were using social media sites and games. One described by a problem gambler involved her needing to be present in a land-based venue to win vouchers for gambling; she could also win social casino game currency by 'liking' the venue on Facebook:

*they want you to like Facebook [and] they want you to like their bingo centre on Facebook. If you do that you go in the draw to win \$50 bingo vouchers ... you are given further credits and games in terms of tokens if you like these sites or direct people to real bingo. If you like them on Facebook every Sunday they call out names [for] this draw. (7, F, 25–39, SCG, MG, PG)*

One participant noted that the same products were appearing in both social casino games and land-based gambling venues. Presumably, offering replicated products build users' familiarity with them:

*I'm seeing more and more slots at the bricks and mortar establishments online or vice versa, 'cause obviously they're developed online before they might come out for real here. ... Yep, same bonus features and all that same sort of stuff. (6, M, 25–39, SCG, MG)*

As one participant pointed out, many of the controls on promotions in land-based venues are not available or effective on social media platforms:

*I used to gamble on poker machines and switched to online gambling using Facebook ... I gambled for money prior to going on Facebook but then the problem continued with Facebook and I've had to have myself excluded from multiple sites. I get very*

*angry and frustrated with it because it keeps drawing them in. I started gambling pokies in pubs out of loneliness and then I got hooked. Even though I had myself excluded from venues, with Facebook it is always advertised on there and even when you arrange to stop it, stuff keeps on coming up.* (4, F, 45+, SCG, MG, PG)

Practice sites were also noted as a pervasive promotional vehicle for monetary gambling and are discussed below.

### **7.3.4 Motivations for playing social casino games**

Motivations for playing social casino games varied, with some directly linked to gambling. Some participants wanted to learn about new games before gambling on them, suggesting that social casino games could be used as a ‘training ground’ before transitioning to gambling. One of these participants explained:

*I haven't ... played poker at the casino ... so I was probably more interested in playing poker online to get an idea of how it went without having to stake any money. ... I can just learn and then see how I go, and if I like it well then I can go and do it for real.* (1, M, 20–24, SCG, MG)

Other respondents with a history of monetary gambling reported that they used social casino gaming to practice and hone their skills, presumably to enhance their likelihood of winning when gambling for money. While there was some agreement that social casino game equivalents emulated actual gambling activities sufficiently for users to improve their gambling skills, it was noted that practice sites in particular provided artificially better outcomes and could therefore distort users’ assessment of their personal skill level. A typical comment was:

*I'm really aware of like the online casino games ... you know the little trials they do, you think you're really good at it and know what you're doing, and then when it comes to the real thing, that's not the case.* (9, M, 25–39, SCG, MG, PG)

One respondent, a casino dealer, used social casino games as a substitute for gambling and to improve his skills when he gambled on casino games interstate (as he was not allowed to gamble in his workplace, which was the only casino in his home State). He noted ‘*as a dealer you realise in time that exposure is a key advantage over other players, so ... definitely there's an element of practice and exposure that social media enables me to have*’ (10, M, 25–39, SCG, MG). Interestingly, this participant also practised on social casino games to enhance his on-the-job training. He explained:

*most recently I got introduced to ... American craps, and in preparation for training for that game I accessed a lot of online tools and social media too to learn the basics of the game ... Oh it was invaluable really ... you can really see how the game works in real time. ... [I gained] proficiency and understanding.* (10, M, 25–39, SCG, MG)

One problem gambler substituted social casino gaming for gambling in an attempt ‘*to control my urge to gamble real money*’ (4, F, 45+, SCG, MG, PG). This participant further explained:

*I used to gamble poker machines and switched to online gambling using Facebook. This is now controlled by exclusion from real-money gambling sites and using only token sites.* (4, F, 45+, SCG, MG, PG)

Another participant who described himself as ‘a reformed gambler’ explained that ‘*most days, probably a couple of hours*’:

*What I do is I actually use some of the games on Facebook, if you like. There’s one in particular, it’s called Slotomania ... I find it a really good tool because it gives me, I guess, that little bit of a fix ... Otherwise when I go out, I actually use real money. I don’t spend any money on it all. It’s probably one of the few of those gambling sites that you can get onto that ... you can use and it’s not gonna cost you any money ... [when I started] I could probably see the benefits to it, probably more so than seeing it as a bit of fun, if that makes sense. (12, M, 45+, SCG)*

Similarly, another described using social casino games to try to rehabilitate her boyfriend who had a gambling problem, although with limited success:

*my partner has a serious gambling problem. And so when I first ... found out about these apps I tried to ... get him to have a go with them ... At first he wasn’t much interested but here and there he’ll ... just sit and play on them for hours and hours and hours, which is better than being gone for hours and hours and hours. On the odd occasion it has, yeah, saved some money. (3, F, 20–24, SCG)*

Another participant who had a gambling problem appeared to have lost interest in monetary gambling due to his fixation with social casino games, which he described as an ‘*addiction*’ (11, M, 35–44, SCG, MG, PG). He was motivated to play these games by wanting to work out how to beat them. He recalled in the preceding three years spending about \$4,000 on one social slots game and about \$8,000 on another before he worked out how to win on them, saying ‘*once I had done it, I lost interest*’. However, at the time of the interview, he was fixated on another game, *House of Fun*, on which he had spent about \$6,000 but been unable to work out:

*I just can’t beat it. And I think that’s what it is. I know that I’ve got 16 million coins in one game that I could download and get ‘cause that’s via Facebook. I’ve got 48 million in another that I know I could easily play. And I would never, ever lose that amount because I know how to beat those games. But with this one, I just can’t ... I just can’t beat it and I think that is the worst thing for me presently. I’ve had 11 million coins sitting there that I’ve accumulated and then I’ve lost a whole lot in like a couple of hours. And then it’s the drive to make me want to get that type of level of coins again and the more levels that you get, it’s crazy. This one I feel I’m gonna have to duel with ... Mum helped me to download one called Hit it Rich. And I won a million coins in half an hour and I just got bored with it ... The ones that pay out a lot just don’t interest me. I know it sounds so stupid. (11, M, 35–44, SCG, MG, PG)*

He further explained that:

*My job is a program analyst ... So I’m quite savvy with how computers work and how code works and stuff and I think that that’s another branch of it. I wanna know how are these things are done and I guess, spending the money is probably the only way I’m gonna find out. (11, M, 35–44, SCG, MG, PG)*

Other participants, including problem gamblers, used social casino games to substitute for gambling when they were short of money. Some perceived social casino games as an inexpensive gambling substitute that also offered better value for money through longer

playing time. Many participants spoke about how social media, especially through mobile technology, has increased the time they spend on gaming. One explained:

*I'm happy to spend \$20 online knowing I get credits to last me for a few weeks [whereas] in a bricks and mortar establishment I could spend 20 bucks in two minutes ... I think that the social media has probably increased my time-wise, but not ... necessarily the amount-wise of what I'm doing. (6, M, 25–39, SCG, MG)*

However, others appeared to enhance their enjoyment from social casino games by extending their playing time through bonuses, which appeared to increase with the frequency of play. One interviewee took up a particular social casino game promotion that gave players \$100 for the chance to win real money, explaining:

*If you accumulate the money you'd get to keep it as long as you played ... about 1,000 hands ... it took me maybe a couple of months to play ... I finished with about \$106 ... I got a free tee-shirt ... [and] about six dollars. (5, M, 35–44, SCG, MG)*

### **7.3.5 Player experiences with social casino games**

In addition to the insights above, other aspects of participants' social casino gaming highlight similarities and differences with gambling. One important discussion topic was financial expenditure on social casino games. Eight participants, including two who indicated that they had initially wanted to play at no cost, suggested they had been enticed into spending money on social casino games. Several examples of methods used to entice gamers to spend money were identified, accompanied by the user rationale of '*by the time you're practised it is very tempting to stay in the game*' (5, M, 35–44, SCG, MG). One of these participants, a problem gambler, noted:

*You can play the slots and it costs nothing ... it did at first, and then gradually they sort of want you to buy more credit. ... sometimes I'd spend up to \$80 or \$100 just purchasing credit. (7, F, 25–39, SCG, MG, PG)*

However, the interviewees who spent money generally did so infrequently and in small amounts. An exception was one participant who estimated spending at least \$18,000 on social slots over the last three years. He reported that he was now at level 244 on *House of Fun* and that it was easy to spend money because the bet size automatically defaulted to higher amounts as he advanced through the levels. While he could lower the bet amount, '*if you're not careful, you'll spend 20,000 or 30,000 [coins] a shot*' (11, M, 35–44, SCG, MG, PG), which equates to US\$6.00–\$7.00. He explained:

*I think what prompts you to buy coins is you run out ... You would get to that extra level or you know that you're eventually gonna win because you've lost so much on this particular slot game ... it would take so much off you and just when you're about to give up, it will give you a win. But not a really big substantial win 'cause basically, it's just replenishing half of the coins that you already had in the first place. It sucks you in to buy coins. Every single time you open the House of Fun app, the coin thing comes up ... They're encouraging you to spend the most amount of money and these coin packages are so expensive as well. (11, M, 35–44, SCG, MG, PG)*

Five respondents were content to play social casino games without spending money. Another noted that he only spent money when provided with particularly good offers. In general, however, this participant considered that spending money on social casino games '*is*



*definitely not value for money ... in something that's virtual ... a virtual world'* (6, M, 25–39, SCG, MG).

Two other participants stated explicitly that if they were going to spend money on social casino games, they might as well gamble with money instead. For one participant, spending the money on gambling would at least provide the chance to win money back. For another, gambling had the extra bonus of social interaction:

*if I was going to play a slot machine on Facebook I might as well just do it at the pub and talk to the people there at the pub if that's what I wanted to do.* (1, M, 20–24, SCG, MG)

A few gamblers reported that the social casino game experience did not match the level of thrill experienced in gambling. This was the experience of one respondent, especially for the social game equivalents of gambling forms he had used. Having played slots in land-based venues, he took up the social game version *'for a bit of fun and it's initially attractive but then I got a little bored ... it wasn't the thrill of actually getting real money'* (1, M, 20–24, SCG, MG). This experience was in contrast to social poker games that he enjoyed more because he had less experience playing poker for money. Even so, he noted *'I still ... didn't have a great experience there ... because I've played poker with friends before'* (1, M, 20–24, SCG, MG). Similarly, in relation to practice sites, one problem gambler stated:

*Actually I don't like them ... I much prefer dealing with money. I mean win or lose I much prefer it. ... I know I've got that option and sometimes I use it if I, you know, don't have any money in my debit card ... but I'll try for free things and no deposit bonuses.* (7, F, 25–39, SCG, MG, PG)

Another participant noted that social casino games offered the most excitement and most closely matched a real gambling experience when the stakes were high:

*you can kind of emulate the real thrill of gambling, even with in-game currency that's not connected to real currency, as long as those levels of play are high stakes. That's the kind of thrill that you try to copy.* (10, M, 25–39, SCG, MG)

Another potential difference between social casino gaming and many forms of gambling are its social aspects. However, there was only limited discussion of social interaction by participants, except for being introduced to social casino games by friends and family. In fact, others noted how social casino games did not feel very social. In relation to Zynga Poker, one said *'I felt that I was playing with machines'* (1, M, 20–24, SCG, MG). Even though a social media site might *'show your friends who are playing it ... and their scores ... it doesn't mean that they're playing it now or that they've continued to play it'* (1, M, 20–24, SCG, MG). One participant, an *'addicted'* social slots player, conceded that he had introduced others to his game of choice to get the associated free coin bonuses, including his mother whom he *'pesters'* to *'go in [to the game] every fours and get my free coins and send me free spins'* (11, M, 35–44, SCG, MG, PG). However, two respondents referred to playing social casino games with friends. One did so infrequently, while the other discussed how he prefers social casino games on Facebook rather than on apps because *'it's got that element of a real interaction, so you have to deal with people making real, more realistic decisions instead of actually playing against a computer'* (10, M, 25–39, SCG, MG).

Participants shared other negative experiences of social casino gaming. One of these was a perception that games were rigged, which led to distrust, particularly in relation to practice

sites. A further drawback was the potential for long hours of play and addiction. One problem gambler estimated spending 100 hours per week on social casino games in sessions of up to 18 hours (8, M, 30+, SCG, MG, PG). Another interviewee considered that high-stakes social casino gaming could lead to addiction:

*the thrill of gambling is directly related to how addictive it is and how addicted the player will become to that thrill. So if you play on a casual basis with a bit of in-game money it's harder to emulate that thrill, so the negative aspect to gambling might not impact too much on that type of player. Only when those stakes are higher that you might actually develop a bit more of an addiction to it even if it's not real. (10, M, 25–39, SCG, MG)*

One additional participant estimated spending ‘During the week, two hours in the morning easy and probably two hours when I get home from work ... And on a weekend, probably 10, 15 [hours]’ on his preferred social slots game (11, M, 35–44, SCG, MG, PG). He described his preoccupation with this game, which was impacting negatively on his finances and health:

*I'm an intelligent guy. I know exactly what I'm doing, but it's got to the stage now where that is the first thing I think about as soon as I wake up ... because they give you free coins every four hours ... on the weekend ... I would set my alarm so as soon as I get up, I know that I've got those free coins ... I moved back in with my mum. That's the other thing, that I just think is ridiculous. I'm a 38 year old man. I earn nearly \$100,000 a year, and I pour all of my disposable income into these games. And I got to the stage where I was like, 'You know what? I could save myself \$1,300 a month in rent if I moved back home' ... I often sit here, when I play this game, thinking 'Okay. That's potentially \$1,300 that I could now spend on this game'. And it makes me feel sick, but I know that eventually I'll do it ... Before all this stuff, I used to exercise a lot. I used to be really active. Now, I'll just sit here. I think I smoke ten times as much ... That's just the saddest thing, I'm going on holiday with [family] ... the main thing that I was concerned about was would I have wif, would I be able to play my game? It's so ridiculous. (11, M, 35–44, SCG, MG, PG)*

This participant had deleted this game from his tablet ‘easy a hundred’ times, but ‘then when I wake up, I will go, “Oh my God! That game's not on there. What am I gonna do?” And then I'll download it’. (11, M, 35–44, SCG, MG, PG)

### **7.3.6 Transitions between social casino games and gambling**

Only one participant, a problem gambler, was explicit that her experience with social casino games had led her to gambling. She described how social media platforms might provide a trigger for problem gambling through encouraging ongoing engagement in simulated gambling and using online credits to extend playing time continually. This may be problematic if transferred to online gambling:

*I ended up starting just for fun, then I would pay for ... credit .... just to extend your time playing... and then I just decided well if I'm gonna do that... ..I might as well just play online slots with the real money ... I just play the slots on casino sites. It depends on whether I've got money. (7, F, 25–39, SCG, MG, PG)*

However, two other participants, neither of whom had a gambling problem, had the opposite experience. One recalled ‘I was playing poker with friends just around a real table, but then I found out about Zynga and ... it just grew from there’ (10, M, 25–39, SCG, MG). Another

explained how playing social casino games had lessened his attraction to monetary gambling, *‘that it didn’t have such a pull anymore ... [and] lessened my involvement in the real world at going to the casino’* (1, M, 20–24, SCG, MG). An additional participant, a problem gambler who used to spend \$300–\$400 per week on lotto and who had recently spent seven days of his 10-day overseas holiday gambling in a casino for up to 15 hours straight, described that *‘I’m less interested in gambling at the casino and lotto because this [House of Fun social slots game] has overtaken everything by tenfold’* (11, M, 35–44, SCG, MG, PG).

### 7.3.7 Interactions with problem gambling

Five interviewees were experiencing or had recently experienced problems with gambling. Four of these participants also gambled online and all five played social casino games. These participants related mixed influences of their social casino gaming on their gambling. One spoke about the potential trigger for gambling that social casino gaming could provide:

*I do still tend to play the DoubleDown at the moment, but it’s not making me want to gamble at the moment, not anymore, so I seem to have got through that ... it has made me in the past want to go and try win some money somehow.* (4, F, 45+, SCG, MG, PG)

This same participant also implied that prolific gambling promotions seen on social media sites when playing non-monetary casino games were a constant reminder of gambling *‘because you go on Facebook all the time and it’s there in your face all the time’* (4, F, 45+, SCG, MG, PG). However, this participant’s gambling problem appeared to be lessening, with some of this reduction attributed to her social casino game play. Interestingly, she explained that this was because losing on social casino games reminded her of the likelihood of losing at gambling:

*It’s good for me to go on there and just lose everything ... even though it’s free you still don’t necessarily do any good, and it reminds me that I don’t do any good when I go and play pokies myself.* (4, F, 45+, SCG, MG, PG)

Another problem gambler reported spending less on gambling following her social casino game experiences, although any causal pathway appeared indirect. She commenced her gambling on land-based slot machines, transitioned to online social slots, and then to online gambling slots. Her experience with social casino games led her to prefer the online environment. In her home environment, she felt more in control and spent about 70% on online gambling of what she used to spend on land-based gambling. She explained: *‘I have no control over my money at a venue ... whereas online ... it’s generally much better with protecting my money’* (7, F, 25–39, SCG, MG, PG).

A third problem gambler, and a heavy user of social casino games, was ambivalent about any links between social casino games and problem gambling. His gambling problem was related to slot machines and he played social slots. Additionally, he used practice sites and social casino games to hone his skills for land-based poker tournaments. However, when asked whether social casino games could make it more likely for someone to develop problems with gambling, he replied:

*Yes and no. First of all if you’re going to gamble, regardless of whether you’re doing it on social media or not, you’re going to do it anyway. And that’s most probably influences from your past experience with it, your family environment and numerous other factors ... but if you’re not doing it for money, you’re probably just a social*

*interaction that you have with your friends. It could be just a time filler until you're doing something else, so ... it can go either way.* (8, M, 30+, SCG, MG, PG)

A fourth problem gambler was a light user of social casino games and his online gambling was mainly on sports betting. While his use of Twitter to gain information on sports betting had increased his gambling, his use of social casino games did not appear to have had any influence. While he played social slots, roulette and blackjack, he was not attracted to the online gambling forms of these games, saying he would rather *'play a personal game ... at least you're there for the experience, at least you're there in person. What's the point of being at a computer and playing those games?'* (9, M, 25–39, SCG, MG, PG)

A fifth problem gambler appeared to have replaced his addiction to gambling with an addiction to social casino games. He had been preoccupied with three social slots games (*Slot Galaxy*, *IGT Slots*, *House of Fun*) on which he had spent at least \$18,000 over the previous three years. Once he worked out how to win on a game, he subsequently moved onto another until he had also worked that out. At the time of the interview, he had been playing *House of Fun* *'for a couple of years, but this is the one that I've stuck to. I think it's the one that looks ... mostly like the casino game'* (11, M, 35–44, SCG, MG, PG). As described earlier, this participant showed clear signs of preoccupation with the game, negative impacts and unsuccessful attempts to stop.

In contrast, one participant who reportedly had previously had a severe problem with EGMs, felt that his use of *Slotomania* had been of considerable therapeutic benefit to him in addressing his gambling problem. He explained that this was because:

*You can sort of play it for a couple of hours every night, it doesn't cost you anything. You don't have that desire to wanna go and play the pokies and it reduces your desire over a period of time. And for somebody who was as hooked as I am, was on the pokies, that's been a great thing for me, because I don't play the pokies and haven't physically put any money into a poker machine now for nearly six years. That's a big thing from where I was, to be able to do that. And I think the last four or five years of being able to play the Slotomania online has made my journey a lot easier because it's really reduced that desire, that need, that want to go and play the pokies.* (12, M, 45+, SCG)

This same participant was, however, careful not to be tempted by the frequent advertisements he saw for online gambling while playing *Slotomania*, as he was *'very conscious of my own weaknesses in the past and my concerns about whether or not it's going to be something that could suck me in'* (12, M, 45+, SCG). Despite spending considerable time playing *Slotomania*, he provided further insights into why he thought that it had been good *'replacement therapy'* for him, noting that it *'reduced the edge'* and emphasised the inevitability of losing at gambling over time:

*Do you understand that feeling that you get ... that adrenalin rush you get ... the anticipation that this is my chance, this is my turn, that you get when you are gambling for real. It's very, very hard to overcome when that takes a hold of you and it becomes all consuming. So I guess being able to replace it with a harmless feeling is so much better. That can be—I guess there's that little bit of reward that I'm—All that sort of stuff. But there's some other elements to that too ... It also teaches you. For example, if you're playing any of those games, as you're aware they give you x amount of coins for free every four hour ... And with those, what it teaches you is a little bit about understanding the game and the fact that you really never ever win ...*

*Majority of the time, you're running out of coins and you're running out of your ability to play. So it teaches you along the way ... In real life, if you're ... putting money into a poker machine, that it's only gonna last so long ... Regardless of what any wins that you may have along the way, eventually you're gonna end up with nothing. And if you take that attitude with the online [social casino game] gambling and use that as a lesson, if you like, as a teaching tool, it actually can transfer over to real life. (12, M, 45+, SCG)*

## **7.4 Limitations**

The analysis highlights the diverse range of experiences that social casino gaming provides to its user base. However, it is important to recognise that the insights revealed require further investigation using a larger and more diverse sample in terms of age, gender, ethnicity and experience with games and gambling to enable greater generalisability of findings. The interviewees were not representative of a wider population and the sample size did not allow in-depth analysis of specific populations, such as young people. In defence of the sampling, however, this was one of the first studies to use a community rather than student sample. A further strength was using thematic analysis in this early investigation of this topic to provide a clear and objective account of people's experiences in a manner that does not restrict response categories to pre-conceived categories or areas that may not be inclusive of people's actual experiences. Although it is possible to analyse qualitative data using more discursive methods that try to understand how people conceptualise and articulate their experiences linguistically, such interpretive methods did not appear appropriate for this analysis given our focus on objective reports of social gaming activity. We would suggest, however, that studies of this nature could be extended to encompass more detailed qualitative methods that attempt to capture people's lived experiences more completely through structured interviews.

## Key Point Summary

- This phase of the study examined the relationship between, and reported impact of, social media and social casino games on gambling from the perspective of 12 social casino game players and gamblers.
- Most respondents reported very high levels of exposure to gaming and gambling advertising on social media sites, which some participants described as 'relentless', suggesting that this advertising has assumed a prominent place on social media.
- Similar marketing strategies appear to be used by both social casino games and online gambling sites. Promotions for social casino games most often involved pop-up advertisements in social media sites and email invitations with refer-a-friend incentives. Promotions for social casino games were relayed through social connections either via their endorsement (or 'liking' of the activity) or via direct communication. However, viewing such social content was not a major motivator for social casino game play.
- Respondents indicated that gaming promotions offered a variety of free credits, bonuses and special offers to attract new recruits.
- For some people, social casino games were a way to gamble without spending money and provided a lower-risk activity than conventional land-based gambling. Social casino and practice games also allowed respondents to learn about gambling, identify whether they enjoyed the activity, and practise playing without risking money. These games could also be used as a form of entertainment and means of relieving boredom.
- Some participants specifically expressed views that social casino and practice games were not trustworthy and overinflated the odds of winning. Some respondents described social casino games as less exciting than gambling because they did not present the opportunity to win money.
- One participant described excessive use of social casino games due to the challenge of working out how to win. This account clearly demonstrated the potential problems that may be associated with these games.
- Other respondents had taken up social casino games to help to address their gambling problems, indicating that the games may assist vulnerable groups.
- Despite some apparent efforts to encourage customers to transfer to gambling, participants were more likely to report a transfer of interest from gambling to social casino gaming. For some respondents, this was a deliberate action to reduce their gambling and retain control over excessive gambling expenditure, sometimes in combination with self-exclusion from gambling venues and sites. Participants more commonly reported that engagement in social casino games had lessened their monetary gambling activities by helping them to manage gambling urges, pass the time and remain mindful of the likelihood of losing at monetary gambling.
- Some evidence supported concerns that social casino gaming might lead to or exacerbate problem gambling or lead to unique gaming problems. One participant described developing gambling problems after being introduced to social casino games. Some participants with pre-existing gambling problems described social casino games as reminding them of gambling, and noted spending money to buy virtual credits for social slot games could encourage online gambling so that prizes could be won. Some respondents reported spending large amounts of money on virtual credits, which may indicate an emerging subtype of problem gambling.

## **Chapter 8: Survey of Online Gamblers and Social Media Users**

### **8.1 Overview**

An online survey was conducted to inform most research questions and provide a greater understanding of user experience across a large sample of Australian Internet users. Specific aims of this research stage included to provide further information on whether there has been a transition from conventional forms of gambling to the new social casino games offered via the new media. The survey examined the research questions of whether social media acts as an impetus or stimulus to exacerbate gambling problems in high-risk segments and vulnerable populations, and the potential impact that exposure to social casino games has on vulnerable populations, particularly with respect to normalising gambling. Additionally, the survey assessed factors that promote safer gambling habits when using these new media forms, and asked whether problem gambling messages and/or warnings appear on social media sites that provide access to or promote gambling. The survey included questions regarding demographics, gambling behaviour, social media use, exposure to and impact of advertising for gambling and gambling-themed games via social media, social casino game use and impact of social casino game use on gambling, use of practice games and the impact of these on gambling, and problem gambling.

### **8.2 Method**

#### **8.2.1 Respondents**

Ethics approval was granted for this phase of the study by Southern Cross University's Human Research Ethics Committee. Respondents were recruited through Survey Sampling International (SSI) and were paid a small sum of money for their participation. Two separate panels were recruited: a panel of adults (18+) and a panel of adolescents (aged 12–17). The inclusion criteria were that respondents were active Internet users and could read and write comprehensible English. SSI randomly selected respondents from large existing panels, invited them to participate in the survey via email (without disclosing the survey topic to avoid response bias) and screened respondents according to age, gender and location quotas that were representative of the Australian population (current at the time of the survey). The adolescents were recruited via their parents and parental consent was required. Respondents received a small incentive for completing the survey from SSI. The demographic characteristics of both samples are described below. Both panels completed an almost identical survey instrument, with some differences listed below.

#### **8.2.2 Survey instrument**

The survey was hosted by the Qualtrics platform and consisted of eight main parts. The questions were mostly fixed-choice responses, although some questions allowed respondents to indicate multiple responses (as noted under the tables in this chapter). The types of questions and their responses are indicated in the results in the chapter. A summary of the questions is available in Appendix B, to avoid repetition within the chapter.

#### **8.2.3 Consent**

For adults, consent consisted of continuing with the survey after reading the instructions. For the adolescent sample, parents were asked to consent on their children's behalf.

#### **8.2.4 Survey completion time and completion rate**

Recruitment and survey completion were conducted between 29 May and 23 June 2014. The survey was started by 2,483 respondents, with 2,115 completions (561 adolescents and 1,554 adults), for a completion rate of 85.2%. The survey contained skips, so that questions that were not relevant to certain respondents were not shown. For example, if a respondent stated that they did not play any social casino games, then they were not asked questions about their social casino game use. As a result, the completion time was quite variable, with a median time to complete of 10.85 minutes (Mode = 11.02 minutes); 90.9% completed the survey in less than 30 minutes, while four (0.2% of completes) respondents took more than a day.

#### **8.2.5 Data handling**

The survey was completed by a panel recruited through SSI. The panel sample included both adolescent and adult respondents. These samples were distinctly different and were thus analysed separately in this chapter.

Where multiple response questions were asked, a ‘none’ answer was an exclusive answer. That is, a respondent was not able to select one of the answers along with ‘none of the above’. Thus, the percentages for these questions may not sum to 100%.

#### **8.2.6 Analyses**

Many of the analyses presented are based on non-parametric methods because of the ordinal nature of most of the variables. Preference is also given to comparisons of overall scores rather than comparing each group on each point on a scale (e.g., comparing males v. females who strongly agreed with a particular question) in the interest of parsimony.

Due to the sheer amount of data collected, numerous inferential analyses could have been conducted. However, for clarity, we have limited the analyses to those relevant to the research questions. Demographic comparisons are based on age and gender, whereas comparisons based on social media use, social casino game use and practice game use compare those who do and do not use each of these activities. Problem gambling analyses were only conducted on the adult sample, because of questions about the psychometric validity of the modified adolescent version of the Problem Gambling Severity Index (PGSI) and the small number of adolescents who completed this scale. Mann-Whitney U-tests, chi-square tests of independence (with post-hoc pairwise tests of proportions where necessary) and Spearman’s correlations are reported below. Bonferroni corrections were considered but ultimately rejected as it was unclear which analyses were independent of each other and thus how large the Bonferroni correction should be for any analysis. Instead, for each analysis, an alpha of 0.05 was used and the observed *p*-value was reported, allowing interested readers to apply a Bonferroni correction should they wish to do so. With this large sample size, particularly for the adult sample, relatively small effects may be statistically significant, without being practically useful. Effect sizes are reported (where possible) and should also be taken into account by the reader.

Where *t*-tests were used, Levene’s tests of equality of variances were conducted. If this test was found to be significant, then the more robust Welch *t*-test was used, as indicated by the presence of degrees of freedom with a decimal place. For chi-square and *t*-test analyses, effect sizes are reported. For Spearman’s correlations, the correlation ( $\rho$ ) is also an effect size and it should be interpreted as such.



Comparisons were also made between social media users and non-users (for the adult sample only, due to the small number of social media non-users in the adolescent sample), between social casino game users and non-users, and between practice game users and non-users where these comparisons were deemed relevant. For ease of readability, statistical test results are presented as footnotes and non-significant results are not reported. The term ‘significant’ is used throughout the chapter to denote a statistically significant result and does not imply a meaningful or clinically significant result.

## **8.3 Adult Results**

### **8.3.1 Sample characteristics**

The demographic characteristics of the adult sample are shown in Table 8.1. Slightly more females completed the survey compared to males. Most respondents came from NSW, Victoria or Queensland. Most respondents reported being married or living with a partner.

Table 8.1  
*Demographic characteristics (Adult sample, n = 1,554)*

<b>Demographic</b>	<b>%</b>	<b>Demographic</b>	<b>%</b>
<b>Age</b>		<b>Education</b>	
Mean	46.47	Postgraduate	10.6
SD	14.86	University/college degree	19.9
Median	47.0	Trade/technical certificate/diploma	32.4
Range	18–89	Year 12 or equivalent	20.4
<b>Gender</b>		Year 10 or equivalent	14.0
Male	43.1	Less than Year 10	2.6
Female	56.9	<b>Employment</b>	
<b>State</b>		Work full-time	30.3
Australian Capital Territory	2.1	Work part-time	21.8
New South Wales	31.9	Unemployed	7.9
Victoria	24.6	Full-time student	4.4
Queensland	19.8	Full-time home duties	12.0
South Australia	8.9	Retired	15.8
Western Australia	9.1	Sick or disability pension	5.0
Tasmania	2.7	Other	2.8
Northern Territory	0.4	<b>Income</b>	
Overseas	0.6	< \$25,000	11.8
<b>Marital status</b>		\$25,000–\$49,999	22.3
Married	52.4	\$50,000–\$74,999	17.8
Live with partner/de facto	14.2	\$75,000–\$99,999	14.4
Widowed	2.9	\$100,000–\$124,999	8.4
Divorced or separated	11.7	\$125,000–\$149,999	6.6
Never married	18.8	\$150,000–\$174,999	3.2
<b>Household type</b>		\$175,000–\$199,999	1.9
Single person	13.8	\$200,000+	2.9
One parent family with children	9.4	<i>Refused</i>	10.6
Couple with children	43.0	<b>Main language spoken at home</b>	
Couple with no children	23.0	English	83.6
Group household/non-family members	6.2	Other	16.4
Other	4.7	<b>Country of birth</b>	
		Australia	76.6
		Other	23.4

### 8.3.2 Gambling behaviour

#### 8.3.2.1 Classification of gamblers

The respondents were asked about their gambling on six activities (see Table 8.2). Those who stated that they had taken part in any of the activities at least once per year over the last 12 months were classified as gamblers ( $n = 1,136$ , 73.1%), while those who stated that they had not taken part in any of the activities in the last 12 months were classified as non-gamblers ( $n = 418$ , 26.9%).

Table 8.2

*Frequency of engagement in each of six categories of gambling in the last 12 months (% of adults, n = 1,554)*

Gambling form	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	2.8	25.4	18.4	20.8	32.6
Pokies/gaming machines	1.7	5.7	10.7	22.5	59.4
Sports betting	1.4	4.8	5.9	11.6	76.4
Race wagering	1.4	5.4	5.5	18.5	69.2
Poker	1.3	2.5	2.7	6.0	87.5
Other casino-style card or table games	1.4	1.8	2.5	10.9	83.4

### 8.3.2.2 Problem Gambling Severity Index

The adults completed the PGSI. The validated questionnaire was used and scored according to the original scoring method. Of the 810 respondents, most were classified as non-problem gamblers, although 14.1% were classified as moderate-risk gamblers, and 14.3% were classified as problem gamblers (see Tables 8.3 and 8.4).

Table 8.3

*Responses to items on the PGSI scale (% of adults, n = 810)*

During the last 12 months, how often:	Never	Sometimes	Most of the time	Almost always
Have you bet more than you could really afford to lose?	70.5	23.1	5.4	1.0
Have you felt guilty about the way you gamble or what happens when you gamble?	59.5	30.9	6.8	2.8
Have you needed to gamble with larger amounts of money to get the same feeling of excitement?	80.4	12.5	5.4	1.7
When you gambled, did you go back another day to try to win back the money you lost?	72.1	19.3	6.4	2.2
Have you borrowed money or sold anything to get money to gamble?	86.2	8.5	3.7	1.6
Has your gambling caused any financial problems for you or your household?	82.8	11.7	3.7	1.7
Has gambling caused you any health problems, including stress or anxiety?	83.1	10.6	4.6	1.7
Have people criticised your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?	84.3	10.1	3.7	1.9
How often have you felt that you might have a problem with gambling?	80.5	12.0	5.2	2.3

Table 8.4

*Proportion of respondents in each PGSI group (% of adults, n = 810)*

<b>PGSI group</b>	<b>%</b>
Non-problem gamblers	52.6
Low-risk gamblers	19.0
Moderate-risk gamblers	14.1
Problem gamblers	14.3

**8.3.2.3 Online gambling behaviour**

The gamblers within the sample were asked whether they had ever gambled on each of the various forms of online gambling (including using their computer, mobile phones, tablet or other wireless device; see Table 8.5). The respondents who reported that they had gambled online on at least one of the gambling forms were classified as online gamblers ( $n = 401$ , 35.3%).

Table 8.5

*Percentage of respondents who reported ever gambling online (% of adults, n = 1,136)*

<b>Online gambling form</b>	<b>%</b>
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	17.0
Pokies/gaming machines	6.8
Sports betting	15.0
Race wagering	13.2
Poker	3.0
Other casino-style card or table games	2.6
<i>None</i>	64.7

*Note:* Multiple responses were allowed.

In terms of expenditure, most gamblers reported not spending any money per month on gambling, which suggests that many were low-frequency gamblers. However, as is typically found in gambling research, some respondents did report a large amount of gambling expenditure monthly. Expenditure was skewed, as indicated by the large standard deviations. These details are reported in Table 8.6.

Table 8.6

*Monthly gambling expenditure statistics in Australian dollars (% of adults, n = 1,136)*

<b>Expenditure</b>	<b>AUS</b>
Mean (SD)	67.35 (163.34)
Median	20
Mode	0
Range	0–2,000

When asked which factors were important in terms of their reasons for gambling, the most common answers for adults were ‘to make money’, ‘for excitement/fun’ and ‘for the competition/challenge’ (see Table 8.7). Most reported that they did not gamble to improve their gambling skills.

Table 8.7

*Proportion of respondents who reported the following reasons for gambling (% of adults,  $n = 1,136$ )*

Reasons for gambling	Not important	Somewhat important	Important
Social interaction	68.8	21.8	9.4
To relieve stress/escape from my worries	68.4	23.2	8.5
To pass the time/avoid boredom	64.1	27.5	8.5
To improve my gambling skills	81.6	13.9	4.5
To make money	33.1	38.5	28.4
For excitement/fun	31.8	47.2	21.0
For the competition/challenge	50.8	36.3	12.9

### 8.3.3 Social media use

#### 8.3.3.1 Classification of social media users

For adults, all but 216 reported taking part in one of the social media sites listed in Table 8.8. Some of the ‘other’ responses were not classified as social media and, thus, 220 respondents were classified as social media non-users, while 1,334 were classified as social media users.

All of the sites listed below include some sort of interaction with other users and the ability for users to create content (e.g., leave comments), although users may or may not be required to interact and can view content passively. The most popular social networking sites for adults were Facebook as the most popular (75%), and YouTube, LinkedIn, Twitter, Google+ and Instagram as somewhat but less popular.

Most adults reported being social media users, with females ( $n = 780$ , 88.1%) significantly more likely to be classified as social media users compared to males ( $n = 554$ , 82.8%).<sup>4</sup> Social media users tended to be significantly younger ( $M = 45.10$ ,  $SD = 14.78$ ) than social media non-users ( $M = 54.76$ ,  $SD = 12.44$ ).<sup>5</sup>

Significant differences were observed between adult social media users and non-users in terms of marital status.<sup>6</sup> Social media users were less likely to be married (51.0% v. 61.4%), and more likely to never have been married (19.9% v. 12.3%).

Adult social media users were significantly more likely to have a university or college degree as their highest level of education (21.4% v. 11.4% for non-users), and significantly less likely to have year 10 or equivalent as their highest level of education (12.5% v. 23.2% for non-users).<sup>7</sup> Adult social media users were significantly more likely to work full-time (31.9% v. 20.9% for non-users) or to be full-time students (5.1% v. 0.5% for non-users), and significantly less likely to be retired (13.6% v. 29.5% for non-users).<sup>8</sup> Social media users were significantly more likely to speak a language other than English at home (17.7%) compared to non-users (8.6%).<sup>9</sup>

<sup>4</sup>  $\chi^2(1, N = 1,554) = 8.89, p = 0.003, \phi = 0.08$

<sup>5</sup>  $t(329.98) = 10.38, p < 0.001, d = 1.14$

<sup>6</sup>  $\chi^2(4, N = 1,554) = 12.72, p = 0.013, \phi = 0.09$

<sup>7</sup>  $\chi^2(5, N = 1,554) = 28.97, p < 0.001, \phi = 0.14$

<sup>8</sup>  $\chi^2(7, N = 1,554) = 50.17, p < 0.001, \phi = 0.18$

<sup>9</sup>  $\chi^2(1, N = 1,554) = 11.29, p = 0.001, \phi = 0.09$

Table 8.8

*Number and percentage of respondents who reported activity within social networking sites in the last 12 months (% of adults, n = 1,554)*

Social networking site	%	Social networking site	%
Blogspot	4.1	Reddit	2.7
Delicious	0.9	StumbledUpon	1.5
Digg	0.5	TripAdvisor	13.6
Facebook	75.0	Tumblr	7.1
Flickr	4.9	Twitter	18.5
Foursquare	1.4	WordPress	3.2
Google Plus	16.9	Yelp	1.2
Instagram	17.5	YouTube	47.0
LinkedIn	18.8	Other (specified)	2.1
MySpace	3.7	None	13.9
Pinterest	13.1		

*Note:* Multiple responses were allowed.

The remaining questions in this section were only asked of social media users.

### 8.3.3.2 Frequency and Length of Social Media sessions

When asked how frequently individuals used social media, most social media users reported using it daily (see Table 8.9). However, these sessions were typically less than one hour in duration (see Table 8.10).

Overall, 71.9% of social media users reported using social media at least once per day. Females (76.3%) were significantly more likely to report daily social media use as compared to males (65.7%), whereas males were more likely to use social media weekly (22.4% v. 15.9% for females) or monthly (11.8% v. 7.8% for females).<sup>10</sup> Younger adults were significantly more likely to report more frequent social media use compared to older adults.<sup>11</sup> Non-gamblers (77.4%) were significantly more likely to use social media at least once per day compared to 69.8% of gamblers,<sup>12</sup> whereas social casino game users (78.3%) were significantly more likely to use social media daily compared to non-users (68.3%).<sup>13</sup>

Table 8.9

*Frequency of social media engagement (% of adults, n = 1,338)*

Frequency of social media use	%
At least once per day	71.9
At least once per week	18.6
At least once per month	9.5

More than half of the respondents reported social media sessions lasting less than half an hour on average. Females were significantly more likely to report longer sessions (2+ hours: 13.2% for females, 7.9% for males), while males were significantly more likely to report

<sup>10</sup>  $\chi^2 (2, N = 1,338) = 18.20, p < 0.001, \phi = 0.12$

<sup>11</sup> Spearman's rho = 0.26,  $p < 0.001$

<sup>12</sup>  $\chi^2 (2, N = 1,338) = 7.69, p = 0.021, \phi = 0.08$

<sup>13</sup>  $\chi^2 (2, N = 1,338) = 15.96, p < 0.001, \phi = 0.11$

shorter sessions (0–15 minutes: 37.0% for males, 25.6% for females).<sup>14</sup> Younger adults were significantly more likely to report longer social media sessions compared to older adult users.<sup>15</sup> Those experiencing more gambling-related problems on the PGSI were significantly more likely to engage in longer social media sessions.<sup>16</sup> Social casino game users were significantly more likely to report longer social media sessions in general compared to non-users.<sup>17</sup>

Table 8.10

*Length of time spent on a typical day on which respondents reported using social media (% of adults, n = 1,338)*

<b>Duration of social media use</b>	<b>%</b>
0–15 minutes	30.3
16–30 minutes	28.2
31–59 minutes	17.7
1–2 hours	12.8
2+ hours	11.0

### 8.3.3.3 Use of ad-blocking software

Social media users were asked about their exposure and opinions of advertisements and content on social media that is posted by or related to gambling operators. Since many of these questions were related to advertisements, the respondents were first asked if they used advertisement-blocking software (such as Ad-Blocker) to hide advertisements. Most reported not using such ad-blocking software (76%). We considered excluding the responses of those who used ad-blocking software for the following questions, but found that it made little difference to the results. As it is also possible that they use multiple devices, and only use ad-blocking software on some of the devices, their responses were included.

Males (30.8%) were significantly more likely to report using ad-blocking software compared to females (18.9%).<sup>18</sup> Those who reported using ad-blocking software ( $M = 43.43$ ,  $SD = 15.35$ ) were significantly younger than those who did not use ad-blocking software ( $M = 47.43$ ,  $SD = 14.57$ ).<sup>19</sup> Problem gamblers were significantly more likely to use ad-blocking software (35.3%) compared to non-problem (20.7%) and low-risk (18.2%) gamblers, with moderate-risk gamblers (27.2%) not significantly different.<sup>20</sup> Social casino game users (28.6%) were significantly more likely to report using ad-blocking software compared to non-users (21.7%).<sup>21</sup>

### 8.3.3.4 Exposure to and engagement with gambling operators via social media

When asked if individuals had ever used social features on the website or social media page of a gambling operator, most social media users reported that they had not (see Table 8.11).

<sup>14</sup>  $\chi^2(4, N = 1,338) = 25.70, p < 0.001, \phi = 0.14$

<sup>15</sup> Spearman's rho = -0.27,  $p < 0.001$

<sup>16</sup> Spearman's rho = 0.11,  $p = 0.004$

<sup>17</sup>  $\chi^2(4, N = 1,338) = 50.93, p < 0.001, \phi = 0.20$

<sup>18</sup>  $\chi^2(1, N = 1,554) = 29.69, p < 0.001, \phi = 0.14$

<sup>19</sup>  $t(598.60) = 4.44, p < 0.001$

<sup>20</sup>  $\chi^2(3, N = 1,554) = 14.34, p = 0.002, \phi = 0.13$

<sup>21</sup>  $\chi^2(1, N = 1,554) = 9.08, p = 0.003, \phi = 0.08$

Overall, 11.7% of respondents ( $N = 182$ ) reported having used social features on an Internet gambling site or on the social media page or profile of a gambling operator. Adults who reported using these features were significantly younger ( $M = 38.29$ ,  $SD = 14.85$ ) compared to those who reported not using these features ( $M = 47.55$ ,  $SD = 14.52$ ).<sup>22</sup> Problem gamblers (56.0%) were significantly more likely to use these features compared to all other levels of the PGSI, while non-problem gamblers were significantly less likely (6.3%) to use these features compared to all other levels.<sup>23</sup> Low-risk (16.9%) and moderate-risk (24.6%) gamblers did not differ significantly. Social casino game users (26.5%) were significantly more likely to report using these features compared to non-users (4.3%).<sup>24</sup>

Table 8.11

*The proportion of respondents who have used social features on the website or social media page of a gambling operator (% of adults,  $n = 1,338$ )*

Activities	%
Read comments written by other users	10.6
Posted comments	5.2
Promoted my activity, shared comments, or invited my wider online network to join	1.6
No, never	86.7

*Note:* Multiple responses were allowed.

In total, 59.0% of adults reported not seeing advertisements for gambling operators on social media pages. Of those who did report seeing advertisements, the most commonly reported advertisements were paid advertisements or promoted content on Facebook. A small proportion of respondents also reported seeing official pages, promoted or shared content on a friend's newsfeed on Facebook, videos posted on YouTube about a gambling operator, or online games provided by or related to a gambling operator (see Table 8.12).

<sup>22</sup>  $t(1,552) = 8.07$ ,  $p < 0.001$

<sup>23</sup>  $\chi^2(3, N = 810) = 156.23$ ,  $p < 0.001$ ,  $\phi = 0.44$

<sup>24</sup>  $\chi^2(1, N = 1,554) = 165.49$ ,  $p < 0.001$ ,  $\phi = 0.33$



Table 8.12

*Proportion of respondents who reported seeing content from gambling operators on social media platforms (% of adults,  $n = 1,338$ )*

<b>Content</b>	<b>%</b>
<b>Facebook</b>	
Official page of a gambling operator	10.9
Unofficial page or content about a gambling operator	6.6
Promoted or shared content in a friend's newsfeed	10.0
Paid advertisements or promoted content	18.7
<b>Twitter</b>	
Tweets from a gambling operator	2.5
A gambling operator's Twitter page	2.3
Tweets about a gambling operator	2.5
Paid advertisements or promoted content	5.0
<b>YouTube</b>	
Videos posted by a gambling operator	7.6
Videos about a gambling operator	6.7
<b>Other</b>	
Official blog or discussion board provided by a gambling operator	2.9
Official Google Plus page of a gambling operator	4.9
Official Instagram account of a gambling operator	1.6
Official Pinterest account of a gambling operator	1.9
Seen an online game provided by or related to a gambling operator	10.0
Other	1.6
<i>None of the above</i>	59.0

*Note:* Multiple responses were allowed.

In total, 81.7% of social media users reported never having interacted with gambling operators on social media platforms. Among those who had, social media users most often reported passive interactions, such as visiting a gambling operator's Facebook page or watching a video posted by a gambling operator. Active responses included clicking on an advertisement for a gambling operator or 'liking' a gambling operator's official fan page on Facebook (see Table 8.13).

Younger respondents were significantly more likely to report having posted a comment<sup>25</sup> and significantly less likely to report no use of social features<sup>26</sup> compared to older respondents. Those with higher levels of problem gambling were significantly more likely to report each of the interactions compared to those with lower levels of problem gambling,<sup>27</sup> and significantly less likely to report no interaction<sup>28</sup> compared to those with lower levels of problem gambling.

<sup>25</sup> Spearman's rho = -0.16,  $p < 0.001$

<sup>26</sup> Spearman's rho = 0.21,  $p < 0.001$

<sup>27</sup> reading comments – Spearman's rho = 0.22,  $p < 0.001$ ; posting comments: Spearman's rho = 0.32,  $p < 0.001$ ; promoting activity – Spearman's rho = 0.14,  $p = 0.002$

<sup>28</sup> Spearman's rho = -0.42,  $p < 0.001$

Table 8.13

*Proportion of respondents who reported interactions with gambling operators on social media platforms (% of adults, n = 1,338)*

<b>Interaction</b>	<b>%</b>
<b>Facebook</b>	
Visited a gambling operator's official fan page	6.1
Liked a gambling operator's official fan page	4.3
Posted/commented on a gambling operator's official fan page	2.4
Shared content from a gambling operator's official fan page	1.7
Clicked on an advertisement for a gambling operator	4.9
Linked to/visited the gambling operator's own website directly from Facebook	2.3
<b>Twitter</b>	
Followed a gambling operator	1.7
Retweeted tweets by a gambling operator	1.4
Tweeted about a gambling operator	1.0
Tweeted directly to a gambling operator	0.4
Linked to/visited the gambling operator's own website directly from Twitter	0.8
<b>YouTube</b>	
Watched a video posted by a gambling operator	5.8
Shared a video posted by a gambling operator	1.6
Commented on a video posted by a gambling operator	1.0
Followed a gambling operator	1.1
Linked to/visited the gambling operators own website directly from YouTube	1.3
<b>Other</b>	
Read a blog or discussion forum about a gambling operator	3.5
Commented on a blog or discussion forum about a gambling operator	1.0
Played an online game provided by or related to a gambling operator	4.2
Other	0.3
<i>None of the above</i>	<i>81.7</i>

*Note:* Multiple responses were allowed.

### **8.3.3.5 Reasons for connecting with a gambling operator via social media**

Social media users were asked which of seven reasons were important in terms of encouraging contact with gambling operators via social media. All of the reasons listed in Table 8.14 were rated as at least somewhat important by more than half of the adults. All items were also positively correlated,<sup>29</sup> indicating that those who endorsed one item as important were also likely to endorse the other items as important.

Those with higher levels of problem gambling according to the PGSI were significantly more likely to endorse each item.<sup>30</sup> Younger adults were also significantly more likely to rate each

<sup>29</sup> smallest Spearman's rho = 0.34, largest = 0.80 all  $p < 0.001$

<sup>30</sup> smallest Spearman's rho = 0.22,  $p = 0.001$

item as more important compared to older adults.<sup>31</sup> Gamblers were significantly more likely to endorse the special offers item<sup>32</sup> and the ability to share their opinion item.<sup>33</sup>

Table 8.14

*Reported importance of each of the following in terms of encouraging respondents to connect with a gambling operator on social media (% of adults, n = 251)*

	<b>Not important</b>	<b>Somewhat important</b>	<b>Important</b>
Special offers, bonuses, promotions and discounts	31.9	45.4	22.7
News, product updates and information	36.3	47.8	15.9
Connecting with other people	47.0	34.7	18.3
Humorous or entertaining content	39.4	39.8	20.7
Recommendation by a friend	43.0	42.2	14.7
The ability to ask for help and advice	35.9	43.8	20.3
The ability to share my opinion	39.0	43.8	17.1

*Note:* This question was only asked of those who reported engaging with a gambling operator on social media or via a webpage.

#### **8.3.3.6 Opinions on promotions by gambling operators via social media**

All social media users were asked their opinion on promotions by gambling operators on social media sites (see Table 8.15). Approximately two-thirds thought there were too many unsolicited promotions by gambling operators on social media, with 5.3% stating that there were too few and 26.1% stating that the amount of promotions was about right. Older respondents were significantly more likely to report that there were too many promotions,<sup>34</sup> while those with higher levels of problem gambling were significantly more likely to state that there were too few promotions.<sup>35</sup>

Most respondents reported that they perceived that gambling operators use social media sites to encourage people to try gambling, while 16.2% reported that they disagreed at least somewhat with this statement. Older respondents were significantly more likely to agree that gambling operators use social media sites to encourage people to try gambling.<sup>36</sup>

<sup>31</sup> smallest Spearman's rho = -0.15,  $p = 0.015$

<sup>32</sup> Spearman's rho = 0.16,  $p = 0.011$

<sup>33</sup> Spearman's rho = 0.14,  $p = 0.026$

<sup>34</sup> Spearman's rho = -0.26,  $p < 0.001$

<sup>35</sup> Spearman's rho = 0.13,  $p = 0.001$

<sup>36</sup> Spearman's rho = -0.12,  $p < 0.001$

Table 8.15

*Views on and impacts of promotions by gambling operators on social media sites (% of adults, n = 1,334)*

<b>What are your views on the amount of unsolicited promotions from gambling operators on social media sites?</b>	<b>%</b>
There are too many promotions	68.6
The amount of promotions is about right	26.1
There are too few promotions	5.3
<b>Do you agree or disagree that gambling operators use social media sites to encourage you to try real-money gambling?</b>	
Strongly agree	37.6
Somewhat agree	25.3
Neither agree nor disagree	20.9
Somewhat disagree	5.0
Strongly disagree	11.2

### ***8.3.3.7 Self-reported impact of promotions via social media on gambling desire and behaviour***

Social media users were asked if the promotions on social media by gambling operators had increased or decreased how much they would like to gamble, as well as how much they had actually gambled. These responses are presented in Table 8.16, with most respondents stating that they believed that these promotions had neither increased nor decreased their desire to gamble, or affected their actual gambling behaviour. Those who did report a change were evenly split between the increase and decrease options.

Males,<sup>37</sup> younger respondents,<sup>38</sup> those with higher levels of problem gambling<sup>39</sup> and gamblers<sup>40</sup> were significantly more likely to state that these promotions had increased their desire to gamble. In terms of actual gambling behaviour, younger respondents,<sup>41</sup> those with higher levels of problem gambling<sup>42</sup> were significantly more likely to state that these promotions had increased their actual gambling behaviour.

<sup>37</sup> Mann-Whitney U = 276,174.5, Z = -2.71,  $p = 0.007$

<sup>38</sup> Spearman's rho = 0.06,  $p = 0.032$

<sup>39</sup> Spearman's rho = 0.28,  $p < 0.001$

<sup>40</sup> Mann-Whitney U = 211,199.0, Z = -3.99,  $p < 0.001$

<sup>41</sup> Spearman's rho = 0.10,  $p < 0.001$

<sup>42</sup> Spearman's rho = 0.27,  $p < 0.001$

Table 8.16

*Impacts of promotions by gambling operators on social media sites in terms of gambling (% of adults,  $n = 1,334$ )*

<b>To what extent have promotions or content posted on social media by gambling operators increased or decreased how much you <u>would like</u> to gamble?</b>	<b>%</b>
Greatly increased	5.5
Somewhat increased	11.5
Neither increased nor decreased	66.0
Somewhat decreased	4.4
Greatly decreased	12.5
<b>To what extent have promotions or content posted on social media by gambling operators increased or decreased how much you <u>actually</u> gamble?</b>	
Greatly increased	3.4
Somewhat increased	7.3
Neither increased nor decreased	75.8
Somewhat decreased	2.7
Greatly decreased	10.7

*Note:* This question was asked of all respondents. The data presented here are only among social media users.

### **8.3.3.8 Recall of responsible gambling messages on social media**

Approximately half of the sample reported never having seen responsible gambling messages on social media or promoted by gambling operators on social media. Of those who had, most reported only sometimes seeing them (see Table 8.17). Males were significantly more likely to report seeing responsible gambling messages by gambling operators on social media (43.0% v. 36.5% for females).<sup>43</sup> Younger adults were significantly more likely to report seeing responsible gambling messages on social media sites<sup>44</sup> or responsible gambling messages being promoted by gambling operators on social media sites.<sup>45</sup> Gamblers (50.6%) were significantly more likely to report seeing responsible gambling messages on any social media site compared to non-gamblers (34.7%).<sup>46</sup> Similarly, gamblers (42.3%) were significantly more likely to report seeing responsible gambling messages promoted by gambling operators on social media sites compared to non-gamblers (31.1%).<sup>47</sup>

Problem gamblers were significantly more likely to report seeing responsible gambling messages on any site (83.6%) compared to all other PGSI groups (non-problem = 45.8%, low-risk = 56.5%, moderate-risk = 60.5%),<sup>48</sup> with similar results and percentages evident for responsible gambling messages being promoted by gambling operators on social media sites (problem gamblers = 77.6%, moderate-risk = 54.4%, low-risk = 49.4%, non-problem = 36.9%).<sup>49</sup>

<sup>43</sup>  $\chi^2 (3, N = 1,554) = 12.23, p = 0.007, \phi = 0.09$

<sup>44</sup> Spearman's rho = -0.12,  $p < 0.001$

<sup>45</sup> Spearman's rho = -0.16,  $p < 0.001$

<sup>46</sup>  $\chi^2 (3, N = 1,554) = 31.18, p < 0.001, \phi = 0.14$

<sup>47</sup>  $\chi^2 (3, N = 1,554) = 17.11, p = 0.001, \phi = 0.11$

<sup>48</sup>  $\chi^2 (9, N = 810) = 58.36, p < 0.001, \phi_c = 0.16$

<sup>49</sup>  $\chi^2 (9, N = 810) = 66.74, p < 0.001, \phi_c = 0.17$

Table 8.17

*Responses to questions about responsible gambling on social media sites (% of adults, n = 1,554)*

<b>How often have you noticed any responsible gambling messages being promoted on any social media sites you have used?</b>	<b>%</b>
Never	53.7
Sometimes	36.9
Often	7.6
Almost always	1.9
<b>How often have you noticed any responsible gambling messages being promoted on social media by gambling operators you have seen content from?</b>	
Never	60.7
Sometimes	31.9
Often	6.0
Almost always	1.5

### ***8.3.3.9 Using social media to seek information about responsible and problem gambling***

Social media users were asked how likely they were to use social media to find information about responsible gambling and problem gambling, to ask for advice about responsible gambling and problem gambling, and to share their opinions about responsible gambling and problem gambling. For adults, more than half of the sample reported that they were unlikely or very unlikely to use social media for any of these purposes (see Table 8.18). Younger adults were significantly more likely to report using social media to find information about responsible gambling and problem gambling,<sup>50</sup> to ask for advice about responsible gambling and problem gambling<sup>51</sup> and to share their opinions about responsible gambling and problem gambling.<sup>52</sup> Those with higher levels of problem gambling were also more likely to report using social media for these purposes.<sup>53</sup> Adult gamblers were significantly more likely to report using social media to find information about responsible gambling and problem gambling compared to non-gamblers,<sup>54</sup> but not to use social media to ask for advice about responsible gambling and problem gambling or to share their opinions about these topics.

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<sup>50</sup> Spearman's rho = -0.25,  $p < 0.001$

<sup>51</sup> Spearman's rho = -0.27,  $p < 0.001$

<sup>52</sup> Spearman's rho = -0.27,  $p < 0.001$

<sup>53</sup> Spearman's rho = 0.30, 0.30 and 0.31 respectively, all  $p < 0.001$

<sup>54</sup> Mann-Whitney U = 222,519.5,  $Z = -2.11$ ,  $p = 0.035$

Table 8.18

*Responses to questions about how likely respondents were to do each of the following actions on social media sites (% of adults, n = 1,554)*

<b>Find information about responsible gambling and problem gambling</b>	<b>%</b>
Very unlikely	56.2
Unlikely	13.2
Neither likely nor unlikely	19.0
Likely	8.6
Very likely	3.0
<b>Ask for advice about responsible gambling and problem gambling</b>	
Very unlikely	55.8
Unlikely	13.7
Neither likely nor unlikely	19.9
Likely	7.9
Very likely	2.8
<b>Share your opinion about responsible gambling and problem gambling</b>	
Very unlikely	50.8
Unlikely	13.0
Neither likely nor unlikely	22.8
Likely	9.7
Very likely	3.7

### 8.3.4 Social casino game use

#### 8.3.4.1 Classification of social casino game users

All respondents were asked how often they had played social casino games within the last 12 months (see Table 8.19). Based on these questions, respondents who stated that they had played any of the social casino games within the last 12 months were classified as social casino game users, while those who stated that they had not played any of these games within the last 12 months were classified as social casino game non-users.

Subsequent analysis of later questions that were asked of the social casino game users revealed that not all respondents understood the definition of social casino games. When asked which games they played, or which devices they used, or other similar questions, a number of respondents indicated that they had misunderstood the initial question, either by explicitly stating that they had misunderstood, or by giving answers such as ‘I do not play these games’. These 98 respondents were then reclassified as non-social casino game users. This resulted in 521 (33.5%) adults being classified as social casino game users and 1,033 (66.5%) as non-users.

Social casino game users ( $M = 42.50$ ,  $SD = 15.29$ ) were significantly younger than social casino game non-users ( $M = 48.47$ ,  $SD = 14.23$ ).<sup>55</sup> Social casino game users were significantly less likely to be married (44.3% v. 56.5% of non-users), but significantly more likely to be living with their partner or in a de facto relationship (20.2% v. 11.1%), with no significant differences found for the other marital statuses.<sup>56</sup> Social casino game users were significantly more likely to work full-time (37.0% v. 26.9% for non-users) or to be full-time

<sup>55</sup>  $t(979.61) = 7.44$ ,  $p < 0.001$ ,  $d = 0.48$

<sup>56</sup>  $\chi^2(4, N = 1,554) = 33.84$ ,  $p < 0.001$ ,  $\phi = 0.15$

students (6.7% v. 3.3% for non-users), and significantly less likely to be unemployed (5.8% v. 8.9% for non-users) or retired (10.9% v. 18.3% for non-users).<sup>57</sup> Social casino game users were significantly more likely to speak a language other than English at home (19.8% v. 14.7% for non-users).<sup>58</sup>

Social media users (35.9%) were significantly more likely to report using social casino games compared to social media non-users (19.1%).<sup>59</sup> Further, 41.6% of gamblers reported using social casino games compared to 11.5% of non-gamblers.<sup>60</sup> Conversely, 90.8% of social casino game users were gamblers, compared to 64.2% of non-users of social casino games. In terms of PGSI groups, 81.9% of problem gamblers reported using social casino games, which was significantly higher than the 64.9% of moderate-risk gamblers, which in turn was significantly higher than the 49.4% of low-risk gamblers who reported using social casino games; which again was significantly higher than the 37.1% of non-problem gamblers using social casino games.<sup>61</sup>

Subsequent questions in this section were only asked of social casino game users.

Table 8.19

*Frequency of engagement in each of six categories of social casino game in the last 12 months (% of adults, n = 1,554)*

Type of social casino game	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	3.0	6.7	6.4	8.6	75.4
Slot machines/pokies/gaming machines	3.8	4.4	6.9	7.8	77.0
Sports betting	1.2	2.5	4.4	4.7	87.2
Race wagering	1.1	2.4	3.7	5.7	87.1
Poker	1.3	2.3	4.5	4.6	87.3
Other casino-style card or table games	1.4	1.9	3.7	5.7	87.3

*Note:* Respondents who were reclassified as social casino game non-users were recoded in Table 8.19 to “Never” for each form.

#### 8.3.4.2 Number and length of social casino game sessions

Most respondents reported engaging in one or two sessions of social casino game use in a typical day on which they played social casino games, with few reporting more than six sessions per typical day (see Table 8.20).

For the adults, 81.6% of the social casino game users played three or fewer sessions per day, with 55.7% playing just one session per typical day of play. Those with higher levels of problem gambling according to the PGSI were more likely to play more sessions.<sup>62</sup>

<sup>57</sup>  $\chi^2(7, N = 1,554) = 39.55, p < 0.001, \phi = 0.16$

<sup>58</sup>  $\chi^2(1, N = 1,554) = 6.45, p = 0.011, \phi = 0.06$

<sup>59</sup>  $\chi^2(1, N = 1,554) = 23.96, p < 0.001, \phi = 0.12$

<sup>60</sup>  $\chi^2(1, N = 1,554) = 124.67, p < 0.001, \phi = 0.28$

<sup>61</sup>  $\chi^2(3, N = 810) = 85.76, p < 0.001, \phi = 0.33$

<sup>62</sup> Spearman's rho = 0.31,  $p < 0.001$



Table 8.20

*Number of social casino game sessions on a typical day on which respondents reported using social casino games (% of adults, n = 521)*

<b>Frequency of social casino game use</b>	<b>%</b>
1	55.7
2–3	25.9
4–6	11.7
7–10	4.2
11+	2.5

On typical days of social casino game use, more respondents reported spending 30 minutes or less playing social casino games (see Table 8.21). For the adults, 72.7% reported sessions that were typically half an hour or less in duration. However, those with higher PGSI levels were significantly more likely to play longer sessions.<sup>63</sup>

Table 8.21

*Length of time spent on a typical day on which respondents reported using social casino games (% of adults, n = 521)*

<b>Duration of social casino game sessions</b>	<b>%</b>
0–15 minutes	42.4
16–30 minutes	30.3
31–59 minutes	16.3
1–2 hours	7.7
2+ hours	3.3

#### **8.3.4.3 Alternate activities to social casino games**

Social casino game users were asked which activities they would be doing if they were not playing social casino games. The most common response was surfing the Internet, with watching television shows or movies and doing housework the next most popular responses (see Table 8.22).

For the adults, the most popular responses were surfing the Internet, watching television shows or movies, or doing housework. Males (35.8%) were significantly more likely to report surfing the Internet compared to females (22.1%), while females were significantly more likely to report doing housework (15.2% v. 4.3% for males) or using a social media site (9.3% v. 4.7% for males).<sup>64</sup>

<sup>63</sup> Spearman's rho = 0.33,  $p < 0.001$

<sup>64</sup>  $\chi^2(9, N = 521) = 31.90, p < 0.001, \phi = 0.25$

Table 8.22

*Activities in which respondents would engage if they were not playing social casino games (% of adults, n = 521)*

<b>Activity</b>	<b>%</b>
Surfing the Internet	28.2
Watching television shows/movies	18.4
Doing housework	10.4
Reading a book/magazine	8.8
Spending time with friends/family	8.3
Working/studying	7.7
Using a social media site	7.3
Playing other video or online games	6.9
Other	2.3
Gambling	1.7

*Note:* This question was only asked of those who reported playing social casino games.

#### **8.3.4.4 Purchases in social casino games**

When asked if they had ever spent money on social casino games, 50.1% of adult social casino game users stated that they had done so. Of those who had, the most common forms were lottery-type games, followed by slot machines/pokies/gaming machine-type games and sports betting (see Table 8.23).

Table 8.23

*Social casino games on which respondents have spent real money (% of adults, n = 521)*

<b>Type of social casino game</b>	<b>%</b>
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	28.6
Slot machines/pokies/gaming machines	16.3
Sports betting	13.4
Race wagering	8.3
Poker	3.8
Other casino-style cards or table games	2.7
<i>I have never paid real money for social casino games</i>	49.9

*Note:* This question was only asked of those who reported playing social casino games. Multiple responses were allowed.

Of those who reported spending real money on social casino games, the majority did so at least monthly, with few reporting spending real money on social casino games on a daily basis (see Table 8.24).

Table 8.24

*Frequency of spending money on social casino games during the last 12 months (% of adults, n = 261)*

	<b>Frequency: At least once per...</b>				<b>Never</b>
	<i>day</i>	<i>week</i>	<i>month</i>	<i>year</i>	
Adult Sample (n = 261)	6.5	19.2	23.4	25.3	25.7

*Note:* This question was only asked of those who reported playing social casino games.

Those who had spent money on social casino games were asked how much they usually spent each time they made a purchase on an SCG during the last 12 months. Most social casino game users reported spending less than \$20 per occasion (see Table 8.25). When asked if they had spent real money on social casino games during the last 12 months, 74.3% of the adult social casino game users reported spending money on social casino games, while 25.7% reported that they had not. Younger adults were significantly more likely to spend money on social casino games,<sup>65</sup> as were adults with higher levels on the PGSI.<sup>66</sup>

Table 8.25

*Usual spend each time respondents made a purchase on social casino games during the last 12 months (% of adults, n = 261)*

<b>Spend</b>	<b>%</b>
< \$1	23.8
\$1–\$5	16.1
\$6–\$10	20.3
\$11–\$20	18.4
\$21–\$50	14.6
\$51–\$100	5.0
\$101+	1.9

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

The most commonly reported reasons for spending money on social casino games were related to increasing the user's level of enjoyment, to take advantage of a special offer and/or as an impulse decision to continue play (see Table 8.26).

Table 8.26

*Reasons for spending money on social casino games (% of adults, n = 261)*

<b>Reason</b>	<b>%</b>
To increase my level of enjoyment	21.8
To take advantage of a special offer	20.7
To get ahead in the game	19.5
As an impulse decision to continue play	18.4
The game isn't fun otherwise	17.6
To purchase gifts for friends	16.9
To avoid waiting for earning credits	16.5
To decorate or personalise the game	7.3
Other	5.0

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded. Multiple responses were allowed.

Most respondents who reported spending money on social casino games reported spending money on up to three different games (see Table 8.27), with most spending money on only one or two different games.

<sup>65</sup> Spearman's rho = -0.16,  $p = 0.006$

<sup>66</sup> Spearman's rho = 0.35,  $p < 0.001$

Table 8.27

*Number of different social casino games on which respondents typically spent money each month (% of adults, n = 261)*

Number of different social casino games typically spend money on each month	%
0	32.2
1	37.9
2	16.5
3	10.7
4	1.1
5+	1.5

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

Most respondents reported that the actual cost of purchases made for social casino games was made clear before they paid, with approximately 10% of adults reporting that they disagreed or strongly disagreed that the cost was made clear prior to purchase (see Table 8.28).

Table 8.28

*Agreement with the statement 'the cost of any purchases for social casino games was made clear before you paid' (% of adults, n = 261)*

Spend	%
Strongly agree	16.9
Agree	42.9
Neither agree nor disagree	29.5
Disagree	6.5
Strongly disagree	4.2

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

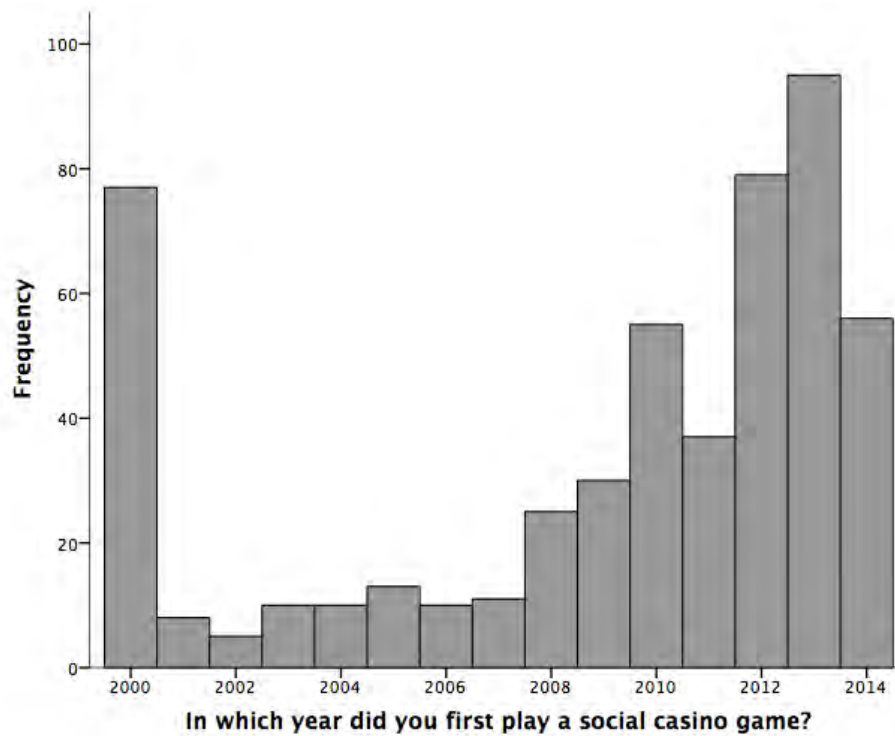
#### **8.3.4.5 Year in which social casino game users first played these games**

Most adults reported first playing social casino games within the last three years (see Table 8.29 and Figure 8.1).

Table 8.29

*Descriptive statistics for first year in which respondents engaged in social casino games (% of adults, n = 521)*

Statistic	Year
Mean	2008
SD	7.36
Median	2011
Minimum	1980
Maximum	2014



*Figure 8.1.* Frequency histogram depicting the first year in which adult social casino game users first reported playing a social casino game (adults, n = 521)

*Note:* The year 2000 category is a “2000 or earlier” category and is not displayed as such due to software limitations.

#### **8.3.4.6 Most common sites/platforms, devices and individual social casino games**

The most commonly reported site or platform on which respondents reported playing social casino games was Facebook, with more than half reporting that this was the case. The next most common responses were the site’s own website, followed by mobile phone apps (both Android and iOS) and Google+ (see Table 8.30).

Table 8.30

*Sites and platforms on which respondents have played social casino games (% of adults, n = 521)*

Site/Platform	%
Facebook	51.4
The game’s own website	22.5
Android apps	17.5
iOS apps	15.9
Google+	13.2
Windows apps	8.6
Other	3.3
Hi5	1.3
Tylted	0.0

*Note:* Multiple responses were allowed.

The most commonly reported devices for playing social casino games were laptop or desktop computers, mobile phones or tablet devices, with few reporting game consoles or other devices (see Table 8.31).

Table 8.31

*Devices on which respondents have played social casino games (% of adults, n = 521)*

<b>Device</b>	<b>%</b>
Laptop computers	53.4
Desktop computers	46.4
Mobile/smartphones	31.3
Tablet devices	22.5
Home video game platform (e.g., Xbox, Wii, Playstation, etc.)	2.9
Other	0.2

*Note:* Multiple responses were allowed.

Social casino game users were presented with a list of common social casino games and asked which ones they typically used. Respondents could reply with as many responses as they liked. Responses are presented in Table 8.32. The most popular form was Texas Hold’Em Poker, followed by Slotomania; however, we note that Texas Hold’Em Poker is a broad term for a particular type of game as well as the name of a popular social casino game, so it is possible that these results are conflated.

Table 8.32

*Social casino games played by respondents (% of adults, n = 521)*

<b>Games</b>	<b>%</b>
Texas Hold'Em Poker	21.9
Lucky Slots	17.9
Bingo Bash	17.1
Slotomania	15.0
Other	12.1
Bingo Blitz	11.1
Bingo Blingo	10.9
DoubleDown Casino	10.6
Slot City Casino	10.4
Big Fish Casino	9.4
Lucky Bingo	9.2
House of Fun	7.5
Zynga Casino	7.5
MyVegas	7.1
Texas Poker	7.1
Monopoly Slots	6.9
Zynga Slingo	6.3
Heart of Vegas	5.8
Best Casino	4.8
Mirrorball Slots	4.4
DoubleU Casino	4.0
High 5 Casino	4.0
World Series of Poker	4.0
ClickFun Casino	3.8
Jackpot Party Casino	3.8
GSN Slots	3.6
Hit It Rich! Casino Slots	3.3
Lucky Gem Casino	2.5
Dragonplay Poker	2.1
Shake the Sky	1.0

*Note:* Other responses were generally of the form 'I can't recall the name'. Multiple responses were allowed.

Social casino game users identified the reasons contributing to their decision to play social casino games (see Table 8.33). The most commonly reported reasons were for excitement/fun, and to avoid boredom or pass the time. Around two-fifths (39.3%) of adults reported social interaction as at least somewhat important when choosing to play social casino games.

Table 8.33

*Proportion of respondents who reported the following reasons for playing social casino games (% of adults, n = 521)*

Reasons for playing social casino games	Not important	Somewhat important	Important
Social interaction	60.7	32.6	6.7
To relieve stress/escape from my worries	41.8	47.4	10.7
To pass the time/avoid boredom	31.5	55.7	12.9
To improve my gambling skills	63.1	29.6	7.3
To make money	53.6	31.1	15.4
For excitement/fun	27.6	54.3	18.0
For the competition/challenge	37.4	47.4	15.2

*Note:* Multiple responses were allowed.

Most adults (70.4%) reported not using social features while playing social casino games. Those who did engage in the social features tended to read or post comments, with fewer promoting their activity, sharing comments or inviting their wider online networks to join in the game (see Table 8.34).

Table 8.34

*Reported use of social features while playing social casino games (% of adults, n = 521)*

Interaction	%
I have read comments written by other users	18.2
I have posted comments	12.5
I have promoted my activity, shared comments, or invited my wider online network to join	4.0
I have not used social features	70.4

*Note:* Multiple responses were allowed.

#### **8.3.4.7 Interest in gambling on social casino games**

Social casino game users were asked about their interest in gambling for real-money on their favourite social casino game, with responses presented in Table 8.35. The most common response was that they were not interested. Those who were interested mostly reported being somewhat interested rather than very interested. There was no difference between gamblers and non-gamblers, but those with higher levels of problem gambling were significantly more likely to be interested in gambling on their favourite social casino game.<sup>67</sup> Males were significantly more likely to be interested in gambling on their favourite social casino game,<sup>68</sup> as were younger respondents.<sup>69</sup>

Similar responses were found when social casino game users were asked how likely it was that they would gamble online on forms that are currently illegal in Australia. For adults, gamblers were significantly more likely to report being likely to gamble online in these

<sup>67</sup> Spearman's rho = 0.50,  $p < 0.001$

<sup>68</sup> Mann-Whitney  $U = 28,934.0$ ,  $Z = -3.33$ ,  $p = 0.001$

<sup>69</sup> Spearman's rho = -0.28,  $p < 0.001$



forms,<sup>70</sup> as were those with more severe problem gambling severity scores,<sup>71</sup> males<sup>72</sup> and younger respondents.<sup>73</sup>

When asked if being able to legally gamble online in Australia would increase their social casino game play, most respondents reported that their social casino game play would likely stay the same, with 25.9% of adults reporting that they thought their social casino game play would decrease, and only 10.4% of adults reporting that their social casino game play would increase. Younger respondents were more likely to report that this would increase their social casino play,<sup>74</sup> as were those in higher PGSI groups.<sup>75</sup>

The respondents were also asked to what extent they agreed or disagreed that social casino game operators encourage people to try gambling (see Table 8.36). For the adults, older people were more likely to agree with this statement.<sup>76</sup>

Table 8.35

*Responses to hypothetical questions about gambling on social casino games (% of adults, n = 521)*

<b>If it were possible, would you be interested in gambling with real money on your favourite social casino games?</b>	<b>%</b>
Not at all interested	68.9
Somewhat interested	28.4
Very interested	2.7
<b>If you could legally gamble online for real money in Australia (i.e., on online casino-style games, bingo, slots), how likely do you think you are to do this?</b>	
Not at all likely	63.9
Somewhat likely	29.9
Very likely	6.1
<b>If you could legally gamble online for real money in Australia, would this increase or decrease your social casino game play?</b>	
Likely decrease	25.9
Likely stay the same	63.7
Likely increase	10.4

Social casino game users were asked whether they thought social casino game operators encourage them to try gambling. More than half of the adults agreed or strongly agreed with this statement, with 13.9% of adults disagreeing or strongly disagreeing with the statement (see Table 8.36).

<sup>70</sup> Mann-Whitney  $U = 9,567.0$ ,  $Z = -2.13$ ,  $p = 0.033$

<sup>71</sup> Spearman's  $\rho = 0.46$ ,  $p < 0.001$

<sup>72</sup> Mann-Whitney  $U = 29,378.0$ ,  $Z = -2.88$ ,  $p = 0.004$

<sup>73</sup> Spearman's  $\rho = -0.26$ ,  $p < 0.001$

<sup>74</sup> Spearman's  $\rho = -0.15$ ,  $p = 0.001$

<sup>75</sup> Spearman's  $\rho = 0.15$ ,  $p = 0.003$

<sup>76</sup> Spearman's  $\rho = -0.17$ ,  $p = 0.001$

Table 8.36

*Agreement with the statement 'To what extent do you agree or disagree that social casino game operators encourage you to try real-money gambling' (% of adults, n = 521)*

<b>Agreement</b>	<b>%</b>
Strongly agree	25.5
Agree	31.1
Neither agree nor disagree	29.6
Disagree	5.6
Strongly disagree	8.3

#### **8.3.4.8 Self-reported impact of social casino game use on gambling desires and behaviour**

When asked if they thought that their social casino game use had had any impact on their desire to gamble for money, or their actual gambling behaviour, most social casino game users reported that their gambling had neither increased nor decreased (see Table 8.37). Males were significantly more likely to report an increase in the desire to gamble<sup>77</sup>, as were younger respondents<sup>78</sup> and those with higher levels of problem gambling.<sup>79</sup> The same results were found for actual gambling behaviour, with males,<sup>80</sup> younger adults<sup>81</sup> and those with higher levels of problem gambling<sup>82</sup> significantly more likely to report that their use of social casino games had increased their actual gambling behaviour.

Table 8.37

*Impacts of social casino games in terms of gambling (% of adults, n = 521)*

<b>To what extent have your experiences with social casino games increased or decreased how much you would like to gamble for money?</b>	<b>%</b>
Greatly increased	4.0
Somewhat increased	15.7
Neither increased nor decreased	61.4
Somewhat decreased	9.6
Greatly decreased	9.2
<b>To what extent have your experiences with social casino games increased or decreased how much you actually gamble for money?</b>	<b>%</b>
Greatly increased	2.7
Somewhat increased	14.6
Neither increased nor decreased	65.6
Somewhat decreased	7.1
Greatly decreased	10.0

*Note:* This question was asked of all respondents. The data presented here are only among social casino game users.

<sup>77</sup> Mann-Whitney  $U = 29,913.0$ ,  $Z = -2.42$ ,  $p = 0.015$

<sup>78</sup> Spearman's  $\rho = 0.14$ ,  $p = 0.001$

<sup>79</sup> Spearman's  $\rho = -0.19$ ,  $p < 0.001$

<sup>80</sup> Mann-Whitney  $U = 29,177.5$ ,  $Z = -3.02$ ,  $p = 0.003$

<sup>81</sup> Spearman's  $\rho = 0.16$ ,  $p < 0.001$

<sup>82</sup> Spearman's  $\rho = -0.25$ ,  $p < 0.001$

#### 8.3.4.9 Gambling as a result of social casino game use

When asked whether they had ever gambled as a result of playing a social casino game, 101 (19.4%) respondents stated that they had done so. For adults, males (25.9%) were significantly more likely to report gambling as a result of playing a social casino game compared to females (14.2%),<sup>83</sup> as were younger respondents<sup>84</sup>, those in higher PGSI groups<sup>85</sup> and social media users (20.5% v. 7.1%).<sup>86</sup>

These particular respondents were then asked which aspects of social casino games had encouraged them to gamble. The most common response was that they wanted to win real money, with other responses outlined in Table 8.38. Younger respondents<sup>87</sup> were significantly more likely to endorse that ‘gambling for real money is more fun and exciting than social casino games’, while younger gamblers were significantly more likely to endorse ‘I didn’t want my play to be connected to a social network’.<sup>88</sup>

Table 8.38

*Aspects of social casino games that had encouraged respondents to gamble (% of adults, n = 101)*

Aspect	%
I wanted to win real money	50.5
Playing social casino games allowed me to play without risking any money	37.6
I thought I would have a good chance of winning at real-money gambling	31.7
Playing social casino games allowed me to develop my gambling skills	30.7
Gambling for real money is more fun and exciting than social casino games	25.7
Real-money gambling is a better game experience	17.8
I wanted to challenge myself	17.8
Real-money gambling is easier to play	12.9
I didn’t want my play to be connected to a social network	11.9
I wanted greater competition against other players	9.9
I came across advertisements for real-money gambling sites as a result of playing social casino games	8.9
I had gambled online in the past	6.9
Other	0.0

*Note:* Multiple responses were allowed.

#### 8.3.4.10 Social casino game use as a result of gambling

Social casino game users were also asked if they had ever played a social casino game as a result of gambling. In total, 83 respondents (15.9%) stated that they had. These respondents were then asked which aspects of gambling sites had encouraged them to play social casino games (see Table 8.39). Common responses included the desire to play without spending

<sup>83</sup>  $\chi^2 (1, N = 521) = 11.23, p = 0.001, \phi = 0.15$

<sup>84</sup> Spearman’s rho = 0.24,  $p < 0.001$

<sup>85</sup> Spearman’s rho = -0.39,  $p < 0.001$

<sup>86</sup>  $\chi^2 (1, N = 521) = 4.38, p = 0.036, \phi = 0.09$

<sup>87</sup> Spearman’s rho = -0.30,  $p = 0.003$

<sup>88</sup> Spearman’s rho = -0.21,  $p = 0.033$

money and that social casino games are easier to play, more social, better than gambling and just as much fun as gambling (see Table 8.39). Younger adults were significantly more likely to endorse the ‘playing social casino games is just as much fun as gambling for money’ item.<sup>89</sup>

Table 8.39

*Aspects of gambling sites that encouraged the playing of social casino games (% of adults, n = 83)*

Aspect	%
I wanted to play without spending money	39.8
Social casino games are easier to play	28.9
Social casino games are a better game experience	27.7
Playing social casino games is just as much fun as gambling for money	22.9
Social casino games are more social than gambling	19.3
I wanted to challenge myself	19.3
I wanted greater competition against other players	16.9
I had played social casino games in the past	15.7
I came across advertisements for social casino games as a result of real-money gambling	13.3
I wanted to reduce my real-money gambling	7.2
Other	1.2

*Note:* Multiple responses were allowed.

#### **8.3.4.11 Perceived similarities between social casino games and gambling websites**

Respondents were asked about the perceived similarities between social casino games and gambling sites in terms of look, general experience and the experience of winning. Most respondents reported that social casino games and gambling sites were somewhat similar in their appearance. In terms of general experience, most respondents again reported that social casino games and gambling sites were somewhat similar. When asked about the winning experience, few respondents said that winning on social casino games was more exciting than gambling; however, approximately half reported that the excitement of winning was similar for both social casino games and gambling (see Table 8.40).

In terms of winning experience, those with higher levels of problem gambling<sup>90</sup> were significantly more likely report that winning in social casino games felt as exciting, or more exciting, than winning in gambling.

<sup>89</sup> Spearman’s rho = -0.28,  $p = 0.010$

<sup>90</sup> Spearman’s rho = 0.13,  $p = 0.007$

Table 8.40

*Responses to questions about perceived similarities between social casino games and gambling, among those who both use social casino games and gamble (% of adults, n = 521)*

<b>How similar do social casino games look to real-money gambling sites?</b>	<b>%</b>
Not at all similar	15.0
Somewhat similar	66.6
Very similar	18.4
<b>How similar does the general experience of playing social casino games feel to gambling for real money?</b>	<b>%</b>
Not at all similar	28.4
Somewhat similar	58.0
Very similar	13.6
<b>Does winning in a social casino game feel more or less exciting than winning with real-money gambling?</b>	<b>%</b>
Not as exciting	41.8
Similar levels of excitement	50.7
More exciting	7.5

#### **8.3.4.12 Social casino game use and gambling on the same form**

Social casino game users were asked if they had ever gambled on the same types of activities as the social casino games they played (e.g., if they played social poker games, had they actually gambled on poker?). Of the 521 respondents, 134 (25.7%) stated that they had done so. Males (34.9% v. 18.3% for females),<sup>91</sup> younger respondents<sup>92</sup> and those with higher levels of problem gambling<sup>93</sup> were significantly more likely to endorse this item.

When asked which they had done first, 77 adults (57.5%) reported that they had used the gambling activity first, with the remaining respondents reporting that they had used the social casino game first. Younger respondents<sup>94</sup> and those with higher levels of problem gambling<sup>95</sup> were significantly more likely to say that they had engaged in the social casino game first.

Respondents were asked how likely they thought it was that their experience with social casino games increased their success at gambling, with results presented in Table 8.41.

<sup>91</sup>  $\chi^2 (1, N = 521) = 18.51, p < 0.001, \phi = 0.19$

<sup>92</sup> Spearman's rho = 0.16,  $p < 0.001$

<sup>93</sup> Spearman's rho = -0.27,  $p < 0.001$

<sup>94</sup> Spearman's rho = -0.31,  $p < 0.001$

<sup>95</sup> Spearman's rho = 0.25,  $p = 0.007$

Table 8.41

*Effects of playing social casino games on gambling (% of adults, n = 521)*

<b>How likely is it that your experience with social casino games will increase your success at real-money gambling?</b>	<b>%</b>
Highly likely	2.7
Somewhat likely	15.2
Neither likely nor unlikely	42.4
Somewhat unlikely	11.9
Highly unlikely	27.8

#### ***8.3.4.13 Recall of responsible gambling and age recommendation messages on social casino games***

Respondents were asked whether they had noticed responsible gambling messages in social casino games. More than half of the adults (56%) reported that they had seen these messages at least sometimes, but few reported that they had seen them often or almost always (see Table 8.42).

Forty-four per cent of the sample reported never having seen responsible gambling messages. Most of those who reported having seen them reported only seeing them sometimes. Younger respondents were significantly more likely to report having seen responsible gambling messages in social casino games.<sup>96</sup> Problem gamblers (80.8%) were significantly more likely to report having seen responsible gambling messages in social casino games compared to all other PGSI groups (non-problem = 43.9%, low-risk = 47.8%, moderate-risk = 54.5%).<sup>97</sup>

Table 8.42

*How often respondents reported noticing responsible gambling messages in social casino games (% of adults, n = 521)*

<b>Frequency</b>	<b>%</b>
Never	44.0
Sometimes	43.4
Often	8.8
Almost always	3.8

Respondents were also asked whether they had seen age restrictions or recommendations on social casino games. Most reported that they had, with 18+ being the most common response among those who had seen age restrictions (see Table 8.43).

For adults, 54.9% reported seeing age restrictions on social casino games. Younger respondents were significantly more likely to report seeing age restrictions.<sup>98</sup> Problem

gamblers (76.8%) were significantly more likely to report seeing age restrictions compared to any other PGSI group (non-problem = 54.6%, low-risk = 52.2%, moderate-risk = 45.5%).<sup>99</sup>

Table 8.43

*Age restrictions or recommendations on social casino games noticed by respondents (% of adults, n = 521)*

Age restriction	%
13+	5.2
15+	7.5
18+	41.8
21+	7.1
I have never seen any age restrictions	45.1

Note: Multiple responses were allowed.

#### 8.3.4.14 Self-reported negative consequences due to social casino game use

Respondents who were at least at moderate-risk of gambling problems (PGSI 3+) were asked whether they had experienced any of five negative consequences within the last 12 months due to their social casino game use, along with an overall question about whether they thought they had a problem with their social casino game use.

Younger adults were significantly more likely to endorse having frequent thoughts or strong urges about social casino games,<sup>100</sup> having experienced negative consequences due to social casino games<sup>101</sup> and thinking that they had a problem with social casino games.<sup>102</sup> Those with higher levels of problem gambling were significantly more likely to endorse all items.<sup>103</sup> Finally, social media users were significantly more likely to endorse the last item about having an overall problem with their social casino game use compared to non-users<sup>104</sup> (see Table 8.44).

Table 8.44

*Self-reported negative consequences due to social casino game use (% of adults, n = 169)*

Thinking about your social casino game use, in the past 12 months:	%
Have you had frequent thoughts about or frequent strong urges to use social casino games?	30.2
Have you felt sad or irritable when you could not use social casino games?	27.8
Have you made many unsuccessful attempts to limit time spent on social casino games?	32.5
Have you used social casino games to escape from problems or to relieve a negative mood?	45.6
Have you experienced any negative consequences due to social casino games use? (e.g., relationship problems, poor school or work performance, worse physical health)	27.2
Overall, do you think you have a problem with your social casino games use?	25.4

Note: Multiple responses were allowed. The question stem was ‘Thinking about your social casino game use, in the past 12 months...’

<sup>100</sup> Spearman’s rho = -0.17,  $p = 0.028$

<sup>101</sup> Spearman’s rho = -0.16,  $p = 0.036$

<sup>102</sup> Spearman’s rho = -0.27,  $p < 0.001$

<sup>103</sup> smallest Spearman’s rho = 0.20,  $p = 0.010$  for the first item

<sup>104</sup> Spearman’s rho = 0.16,  $p = 0.038$

### 8.3.5 Practice game use

#### 8.3.5.1 Classification of practice game users

Respondents were asked which of six types of practice game they had played in the last 12 months, with practice games defined as games that replicate gambling activities that are provided by a gambling operator for play without requiring any money (see Table 8.45). Respondents who stated that they had taken part in any of the practice games at least once per year were classified as practice game users ( $n = 425$ , 27.3%), while those who reported engaging in none of these activities during the last 12 months were classified as non-practice game users ( $n = 1,129$ , 72.7%).

Males ( $n = 201$ , 30.0%) were significantly more likely to report practice game use compared to females ( $n = 224$ , 25.3%).<sup>105</sup> Practice game users ( $M = 41.81$ ,  $SD = 15.42$ ) were significantly younger than non-users ( $M = 48.22$ ,  $SD = 14.26$ ).<sup>106</sup> Adult practice game users were less likely to be married (44.7% v. 55.4% of non-users), but more likely to be living with their partner or in a de facto relationship (18.6% v. 12.5%).<sup>107</sup> Practice game users were more likely to work full-time (35.1% v. 28.5%) or to be a full-time student (6.6% v. 3.6%), and less likely to be retired (11.1% v. 17.6%).<sup>108</sup> Practice game users were significantly more likely to speak a language other than English at home (23.3% v. 13.8%).<sup>109</sup> Gamblers (33.2%) were significantly more likely to play practice games than were non-gamblers (11.5%).<sup>110</sup>

Table 8.45

*Frequency of engagement in each of six categories of practice game in the last 12 months (% of adults,  $n = 1,554$ )*

Type of practice game	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	1.7	5.2	6.8	6.8	79.5
Slot machines/pokies/gaming machines	1.9	3.3	6.8	6.4	81.7
Sports betting	0.9	1.9	3.9	4.1	89.3
Race wagering	0.8	2.1	3.0	4.3	89.8
Poker	1.0	2.3	3.6	5.0	88.1
Other casino-style card or table games	1.0	1.9	3.9	5.0	88.3

#### 8.3.5.2 Length of practice game sessions

The typical length of practice game sessions was 30 minutes or less for more than half of the adults.

<sup>105</sup>  $\chi^2(1, N = 1,554) = 4.30, p = 0.038, \phi = 0.05$

<sup>106</sup>  $t(713.41) = 7.46, p < 0.001, d = 0.56$

<sup>107</sup>  $\chi^2(4, N = 1,554) = 17.43, p = 0.002, \phi = 0.11$

<sup>108</sup>  $\chi^2(7, N = 1,554) = 19.97, p = 0.006, \phi = 0.11$

<sup>109</sup>  $\chi^2(1, N = 1,554) = 20.22, p < 0.001, \phi = 0.11$

<sup>110</sup>  $\chi^2(1, N = 1,554) = 72.44, p < 0.001, \phi = 0.22$



Table 8.46

*Length of typical session playing practice games (% of adults, n = 425)*

<b>Duration of sessions</b>	<b>%</b>
0–15 minutes	48.9
16–30 minutes	27.8
31–59 minutes	16.0
1–2 hours	6.4
2+ hours	0.9

*Note:* This question was only asked of those who reported playing practice games.

### **8.3.5.3 Gambling and playing practice games of the same form**

Practice game users were asked if they had ever gambled on the same types of activities as the practice games they played, with 104 adults (24.5%) indicating that they had done so. Those who had done so were asked if they thought that their experience with practice games was likely to increase their success at gambling. The most common response was that their experience with practice games was neither likely nor unlikely to change their success rate at gambling, although one-quarter thought that it was somewhat likely that their success would increase (see Table 8.47).

Younger respondents,<sup>111</sup> those with higher levels of problem gambling<sup>112</sup> and social media users<sup>113</sup> were significantly more likely to report that their use of practice games would increase their success at gambling (see Table 8.47).

Table 8.47

*Effects of playing practice games on gambling (% of adults, n = 425)*

<b>How likely is it that your experience with practice games will increase your success at real-money gambling?</b>	<b>%</b>
Highly likely	4.7
Somewhat likely	19.5
Neither likely nor unlikely	38.4
Somewhat unlikely	10.4
Highly unlikely	27.1

### **8.3.5.4 Reasons for playing practice games**

The most common reasons for playing practice games were for entertainment or fun, to pass the time or avoid boredom and for the competition or challenge (see Table 8.48).

<sup>111</sup> Spearman's rho = 0.35,  $p < 0.001$

<sup>112</sup> Spearman's rho = -0.35,  $p < 0.001$

<sup>113</sup> Mann-Whitney  $U = 5,446.0$ ,  $Z = -3.39$ ,  $p = 0.001$

Table 8.48

*Proportion of respondents who reported the following reasons for playing practice games (% of adults, n = 425)*

Reasons for playing practice games	Not important	Somewhat important	Important
Social interaction	53.6	37.2	9.2
To relieve stress/escape from my worries	43.3	45.6	11.1
To pass the time/avoid boredom	34.6	51.1	14.4
To improve my gambling skills	55.5	33.9	10.6
To make money	53.2	31.3	15.5
For entertainment/fun	29.4	49.9	20.7
For the competition/challenge	41.9	43.1	15.1

*Note:* Multiple responses were allowed.

### 8.3.5.5 Opinion on whether practice game operators encourage users to gamble

Most practice game users either agreed or were neutral when asked if they thought practice game operators encouraged people to try gambling (see Table 8.49). Those with more gambling problems were significantly more likely to report that practice game operators encourage people to try gambling.<sup>114</sup>

Table 8.49

*Extent to which respondents agreed or disagreed that practice game operators encourage people to try gambling (% of adults, n = 425)*

Agreement	%
Strongly agree	14.6
Somewhat agree	28.9
Neither agree nor disagree	42.8
Somewhat disagree	6.4
Strongly disagree	7.3

Practice game users who had gambled were asked whether they had played practice games or gambled first. Of the 55 respondents, 52.9% stated that they had played the practice game first.

### 8.3.5.6 Self-reported impact of practice game use on gambling desire and behaviour

When asked if their experience with practice games had increased or decreased their desire to gamble, or their actual gambling behaviour, most practice game users reported that it had neither increased nor decreased their desire to gamble or actual gambling behaviour.

Younger respondents,<sup>115</sup> those with higher levels of problem gambling<sup>116</sup> and social media users<sup>117</sup> were significantly more likely to report an increase in desire to gamble based on their practice game use. In terms of actual gambling behaviour, the same results were found, with

<sup>114</sup> Spearman's rho = -0.16,  $p = 0.004$

<sup>115</sup> Spearman's rho = 0.26,  $p < 0.001$

<sup>116</sup> Spearman's rho = -0.34,  $p < 0.001$

<sup>117</sup> Mann-Whitney  $U = 6,091.5$ ,  $Z = -2.74$ ,  $p = 0.006$

younger adults,<sup>118</sup> those with higher levels of problem gambling<sup>119</sup> and social media users<sup>120</sup> significantly more likely to report an increase in their gambling behaviour as a result of practice game use.

Table 8.50

*Self-reported impact of practice game use on gambling desire and behaviour (% of adults, n = 425)*

<b>To what extent have your experiences with practice games increased or decreased how much you <u>would like to</u> gamble for money?</b>	<b>%</b>
Greatly increased	3.1
Somewhat increased	16.0
Neither increased nor decreased	62.1
Somewhat decreased	6.6
Greatly decreased	12.2
<b>To what extent have your experiences with practice games increased or decreased how much you <u>actually</u> gamble for money?</b>	
Greatly increased	3.5
Somewhat increased	14.8
Neither increased nor decreased	64.9
Somewhat decreased	5.6
Greatly decreased	11.1

### 8.3.5.7 Recall of responsible gambling messages in practice games

Most respondents reported seeing responsible gambling messages in practice games, although those who saw them reported mostly doing so only sometimes (see Table 8.51).

Table 8.51

*How often respondents have noticed responsible gambling messages in practice games (% of adults, n = 425)*

<b>Frequency</b>	<b>%</b>
Never	46.6
Sometimes	41.6
Often	9.4
Almost always	2.4

### 8.3.6 Impact of social media use, social casino game use and practice game use on gambling-related problems

When asked whether their use of social media, social casino games or practice games had increased or decreased any problems that they had had with their gambling, approximately 10% of those classified as at some risk for experiencing gambling problems (PGSI 3+) reported that they had never had any gambling problems. Of the remaining respondents, approximately half reported that their use of these services had neither increased nor decreased their problems, with the next most common response being that their gambling

<sup>118</sup> Spearman's rho = 0.25,  $p < 0.001$

<sup>119</sup> Spearman's rho = -0.33,  $p < 0.001$

<sup>120</sup> Mann-Whitney  $U = 6,469.0$ ,  $Z = -2.21$ ,  $p = 0.027$

problems had somewhat increased as a result of their interactions with social media, social casino or practice games (see Table 8.52).

Younger respondents were significantly more likely to report that social media use by gambling operators<sup>121</sup> and their use of practice games<sup>122</sup> had increased their gambling-related problems, but not for social casino games. Those with higher levels of problem gambling were significantly more likely to report that the use of social media by gambling operators,<sup>123</sup> their use of social casino games<sup>124</sup> and their use of practice games<sup>125</sup> had increased their gambling-related problems.

Table 8.52

*Agreement with the statement 'To what extent has your use of social media, social casino games or practice games increased or decreased any problems you have had with your gambling' (% of adults)*

<b>Has the use of <u>social media</u> by gambling operators (e.g., promotions or social media profiles and activity) increased or decreased any problems you have had with your gambling? (n = 213)</b>	<b>%</b>
Greatly increased problems	7.5
Somewhat increased problems	18.8
Neither increased nor decreased problems	56.8
Somewhat decreased problems	4.2
Greatly decreased problems	2.3
I have never had any gambling problems	10.3
<b>Has the use of <u>social casino games</u> increased or decreased any problems you have had with your gambling? (n = 176)</b>	
Greatly increased problems	5.1
Somewhat increased problems	20.5
Neither increased nor decreased problems	56.8
Somewhat decreased problems	6.3
Greatly decreased problems	3.4
I have never had any gambling problems	8.0
<b>Has the use of <u>practice games</u> increased or decreased any problems you have had with your gambling? (n = 139)</b>	
Greatly increased problems	7.2
Somewhat increased problems	25.9
Neither increased nor decreased problems	53.2
Somewhat decreased problems	4.3
Greatly decreased problems	3.6
I have never had any gambling problems	5.8

*Note:* Valid N varies for each question, as it was only asked of those who used each individual service.

<sup>121</sup> Spearman's rho = 0.16,  $p = 0.025$

<sup>122</sup> Spearman's rho = 0.19,  $p = 0.029$

<sup>123</sup> Spearman's rho = -0.25,  $p < 0.001$

<sup>124</sup> Spearman's rho = -0.19,  $p = 0.013$

<sup>125</sup> Spearman's rho = -0.22,  $p = 0.011$

## **8.4 Adolescent Results**

### **8.4.1 Sample characteristics**

The demographic characteristics of the adolescent sample are described in Table 8.53. Slightly more females completed the survey than males. Most respondents were from NSW, Victoria or Queensland.

For some of the questions, some respondents in the adolescent sample reported answers that may be questionable, such as being married or having a postgraduate education. Some of the other demographic questions may not have been very clear for adolescents, including household type or employment status. The responses for the adolescents who reported questionable demographics were checked for other answers, which did not appear to be out of the ordinary. Therefore, their data were retained, as the number of these respondents was small and their data were unlikely to have any undue influence on the results.

Table 8.53

*Demographic characteristics (Adolescent sample, n = 561)*

<b>Demographic</b>	<b>%</b>	<b>Demographic</b>	<b>%</b>
<b>Age</b>		<b>Education</b>	
Mean	14.97	Postgraduate	0.2
SD	1.56	University/college degree	1.6
Median	15.0	Trade/technical certificate/diploma	1.6
Range	12–17	Year 12 or equivalent	17.3
<b>Gender</b>		Year 10 or equivalent	36.0
Male	47.4	Less than Year 10	43.3
Female	52.6	<b>Employment</b>	
<b>State</b>		Work full-time	3.4
Australian Capital Territory	1.4	Work part-time	9.6
New South Wales	26.7	Unemployed	6.4
Victoria	27.6	Full-time student	75.0
Queensland	21.4	Full-time home duties	0.0
South Australia	12.7	Retired	0.0
Western Australia	6.6	Sick or disability pension	0.2
Tasmania	2.9	Other	5.3
Northern Territory	0.2	<b>Income</b>	
Overseas	0.5	< \$25,000	
<b>Marital status</b>		\$25,000–\$49,999	
Married	1.4	\$50,000–\$74,999	
Live with partner/de facto	0.9	\$75,000–\$99,999	
Widowed	0.4	\$100,000–\$124,999	Not
Divorced or separated	0.5	\$125,000–\$149,999	asked
Never married	96.8	\$150,000–\$174,999	
<b>Household type</b>		\$175,000–\$199,999	
Single person	17.8	\$200,000+	
One parent family with children	20.3	<i>Refused</i>	
Couple with children	55.1	<b>Main language spoken at home</b>	
Couple with no children	0.4	English	86.1
Group household / non-family members	1.6	Other	13.9
Other	4.8	<b>Country of birth</b>	
		Australia	91.6
		Other	8.4

## 8.4.2 Gambling behaviour

### 8.4.2.1 Classification of gamblers

The respondents were asked about their gambling on six activities (see Table 8.54). Those who stated that they took part in any of the activities at least once per year over the last 12 months were classified as gamblers ( $n = 101$ , 18.0%), while those who stated that they had not taken part in any of the activities in the last 12 months were classified as non-gamblers ( $n = 460$ , 82.0%). The frequency of engagement in each of the gambling forms is listed in Table 8.54, while the proportion of respondents that have gambled online in each form is given in Table 8.56.

Table 8.54

*Frequency of engagement in each of six categories of gambling in the last 12 months (% of adolescents, n = 561)*

Gambling form	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	2.5	3.6	4.3	4.8	84.8
Pokies/gaming machines	0.9	4.1	2.7	2.5	89.8
Sports betting	1.1	3.0	2.9	2.7	90.4
Race wagering	1.8	2.1	2.0	4.5	89.7
Poker	1.2	3.0	1.8	3.6	90.4
Other casino-style card or table games	1.6	1.4	2.9	3.0	91.1

#### 8.4.2.2 Problem Gambling Severity Index

A modified version of the PGSI was used for adolescents (see Table 8.55), and 84 adolescents completed the survey. This instrument has not been validated for an adolescent sample, however, it is widely used in research with samples of adolescents and no validated adolescent gambling screens exist so this was selected to reflect the current best practice. Consequentially, no cut-offs exist for comparing groups; however, 73.8% of these respondents reported experiencing at least one of these symptoms.

Table 8.55

*Responses to items on the modified PGSI scale (n = 84)*

In the past year, how often:	Never	Sometimes	Most of the time	Almost always
Have you found yourself thinking about gambling or planning to gamble?	32.1	31.0	26.2	10.7
Have you needed to gamble with more and more money in order to feel excited?	47.6	19.0	25.0	8.3
Have you spent much more than you planned to on gambling?	44.0	23.8	27.4	4.8
Have you felt restless or irritable when attempting to cut down or stop gambling?	48.8	19.0	21.4	10.7
Have you gambled to escape problems or when feeling helpless, guilty, anxious or depressed?	44.0	21.4	22.6	11.9
Have you returned another day to try to win back the money you lost, after losing money gambling?	53.6	19.0	19.0	8.3
Have you hidden or lied about your gambling to your family?	48.8	21.4	21.4	8.3
Has your gambling led to arguments with family/friends or others?	48.8	20.2	20.2	10.7
Have you taken money without permission to spend on gambling?	48.8	21.4	19.0	10.7

*Note:* This scale was only asked of adolescents.

#### 8.4.2.3 Online gambling behaviour

The gamblers within the sample were asked whether they had ever gambled on each of the various forms of online gambling (including using their computer, mobile phones, tablet or

other wireless device; see Table 8.56). The respondents who reported that they had gambled online on at least one of the gambling forms were classified as online gamblers ( $n = 61$ , 60.4%).

Table 8.56

*Percentage of respondents who reported ever gambling online (% of adolescents,  $n = 101$ )*

<b>Online gambling form</b>	<b>%</b>
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	22.8
Pokies/gaming machines	18.8
Sports betting	30.7
Race wagering	20.8
Poker	16.8
Other casino-style card or table games	9.9
<i>None</i>	39.6

*Note:* Multiple responses were allowed.

In terms of expenditure, most gamblers reported not spending any money per month on gambling, indicating that many were less frequent gamblers. However, as is typically found in gambling research, some respondents did report a large amount of gambling expenditure each month. Expenditure was skewed, as indicated by the large standard deviations. These details are reported in Table 8.57.

Table 8.57

*Monthly gambling expenditure statistics in Australian dollars (Adolescent sample,  $n = 101$ )*

<b>Expenditure</b>	<b>AUS</b>
Mean (SD)	61.40 (133.81)
Median	12.5
Mode	0
Range	0–700

When asked which factors were important in terms of their reasons for gambling, the most common answers for adolescents were ‘for excitement/fun’, ‘to make money’ and ‘for the competition/challenge’ (see Table 8.58). Most reported that improving their gambling skills was not an important reason for them to gamble.

Table 8.58

*Percentage of respondents who reported the following reasons for gambling (% of adolescents,  $n = 101$ )*

<b>Reasons for gambling</b>	<b>Not important</b>	<b>Somewhat important</b>	<b>Important</b>
Social interaction	40.6	39.6	19.8
To relieve stress/escape from my worries	45.5	32.7	21.8
To pass the time/avoid boredom	28.7	47.5	23.8
To improve my gambling skills	52.5	31.7	15.8
To make money	20.8	38.6	40.6
For excitement/fun	19.8	46.5	33.7
For the competition/challenge	27.7	42.6	29.7



### 8.4.3 Social media use

#### 8.4.3.1 Classification of social media users

Of the 561 adolescents, all but six reported taking part in one of the social media sites listed below (see Table 8.59). The ‘other’ responses were checked and two of these responses were not considered social media sites (iMessage, Skype). Thus, in total, 553 adolescent users were classified as social media users and eight were not.

All of the sites listed below include some sort of interaction with other users and the ability for users to create content (e.g., leave comments), although users are not required to interact and can view content passively. The most popular social networking sites for adolescents were Facebook and YouTube, with Instagram, Twitter and Tumblr also being relatively popular.

The remaining questions in this section were only asked of social media users.

Table 8.59

*Number and percentage of respondents who reported activity within social networking sites in the last 12 months (% of adolescents, n = 561)*

Social networking site	%	Social networking site	%
Blogspot	5.3	Reddit	5.3
Delicious	1.8	StumbledUpon	2.3
Digg	1.4	TripAdvisor	4.1
Facebook	86.5	Tumblr	19.1
Flickr	7.3	Twitter	30.1
Foursquare	1.8	WordPress	2.0
Google Plus	16.8	Yelp	1.8
Instagram	46.5	YouTube	70.1
LinkedIn	6.2	Other (specified)	5.5
MySpace	10.2	None	1.1
Pinterest	13.0		

*Note:* Multiple responses were allowed.

#### 8.4.3.2 Frequency and length of social media sessions

When asked how frequently they used social media, most social media users reported using it at least once per day (see Table 8.60), with sessions typically being less than one hour in duration (see Table 8.61).

Overall, 82.0% of social media users reported using social media at least once per day. Older adolescents were significantly more likely to report more frequent social media use compared to younger adolescents.<sup>126</sup>

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<sup>126</sup> Spearman's rho = -0.20,  $p < 0.001$

Table 8.60

*Frequency of social media engagement (% of adolescents, n = 553)*

<b>Frequency of social media use</b>	<b>%</b>
At least once per day	82.0
At least once per week	15.5
At least once per month	2.5

Adolescents were fairly spread out in terms of the length of their social media sessions, with more than 50% reporting sessions of at least half an hour. Older adolescents were significantly more likely to report longer social media sessions compared to younger adolescent users.<sup>127</sup> Social casino game users were significantly more likely to have longer social media sessions compared to non-social casino game users.<sup>128</sup>

Table 8.61

*Length of time spent on a typical day on which respondents reported using social media (% of adolescents, n = 553)*

<b>Duration of social media use</b>	<b>%</b>
0–15 minutes	13.3
16–30 minutes	26.7
31–59 minutes	23.2
1–2 hours	18.2
2+ hours	18.6

#### **8.4.3.3 Use of ad-blocking software**

Social media users were asked about their exposure to and opinions of advertisements and content on social media that is posted by or related to gambling operators. Since many of these questions were related to advertisements, the respondents were first asked if they used advertisement-blocking software (such as Ad-Blocker) to hide advertisements. Most reported that they did not, although 23.5% of adolescents reported that they did. We considered excluding the responses of those who used ad-blocking software for the following questions, but found that it made little difference to the results. As it is also possible that they use many devices, and only use ad-blocking software on some of the devices, their responses were included below. Social casino game users (35.4%) were significantly more likely to report using ad-blocking software compared to non-users (20.0%).<sup>129</sup>

#### **8.4.3.4 Exposure to and engagement with gambling operators via social media**

When asked if they had ever used social features on the website or social media page of a gambling operator, most social media users reported that they had not (see Table 8.62). In total, 14.8% of respondents ( $n = 83$ ) reported using social features on an Internet gambling site or on the social media page or profile of a gambling operator. Males (19.2%) were significantly more likely to report doing so compared to females (10.8%).<sup>130</sup> Adolescents who reported using these features were significantly older ( $M = 15.37$ ,  $SD = 1.49$ ) compared to

<sup>127</sup> Spearman's  $\rho = 0.20$ ,  $p < 0.001$

<sup>128</sup>  $\chi^2(4, N = 555) = 16.04$ ,  $p = 0.003$ ,  $\phi = 0.17$

<sup>129</sup>  $\chi^2(1, N = 561) = 12.93$ ,  $p < 0.001$ ,  $\phi = 0.15$

<sup>130</sup>  $\chi^2(1, N = 561) = 7.69$ ,  $p = 0.006$ ,  $\phi = 0.12$

adolescents who reported not using these features ( $M = 14.90$ ,  $SD = 1.57$ ).<sup>131</sup> Adolescent social casino game users (42.5%) were significantly more likely to report using these features compared to non-users (6.7%).<sup>132</sup>

Table 8.62

*Proportion of respondents who have used social features on the website or social media page of a gambling operator (% of adolescents,  $n = 553$ )*

Activities	%
Read comments written by other users	10.3
Posted comments	8.0
Promoted my activity, shared comments, or invited my wider online network to join	3.1
No, never	85.2

*Note:* Multiple responses were allowed.

Overall, 58.4% of adolescents reported not seeing advertisements for gambling operators on social media pages. Of those who did report seeing advertisements, the most commonly reported advertisements were paid advertisements or promoted content on Facebook. A small proportion of respondents also reported seeing official pages, promoted or shared content on a friend's newsfeed on Facebook, videos posted on YouTube about a gambling operator, or online games provided by or related to a gambling operator (see Table 8.63).

<sup>131</sup>  $t(559) = 2.55$ ,  $p = 0.011$

<sup>132</sup>  $\chi^2(1, N = 561) = 100.10$ ,  $p < 0.001$ ,  $\phi = 0.42$

Table 8.63

*Proportion of respondents who reported seeing content from gambling operators on social media platforms (% of adolescents, n = 553)*

Content	%
<b>Facebook</b>	
Official page of a gambling operator	9.4
Unofficial page or content about a gambling operator	7.2
Promoted or shared content in a friend's newsfeed	11.6
Paid advertisements or promoted content	16.5
<b>Twitter</b>	
Tweets from a gambling operator	5.1
A gambling operator's Twitter page	4.7
Tweets about a gambling operator	3.3
Paid advertisements or promoted content	6.5
<b>YouTube</b>	
Videos posted by a gambling operator	11.0
Videos about a gambling operator	9.8
<b>Other</b>	
Official blog or discussion board provided by a gambling operator	5.1
Official Google Plus page of a gambling operator	7.1
Official Instagram account of a gambling operator	2.7
Official Pinterest account of a gambling operator	5.6
Seen an online game provided by or related to a gambling operator	10.5
Other	0.2
<i>None of the above</i>	58.4

*Note:* Multiple responses were allowed.

For adolescents, 81.2% of social media users reported never interacting with gambling operators on social media platforms. Among those who had, social media users most often reported passive interactions, such as visiting a gambling operator's Facebook page or watching a video posted by a gambling operator. Active responses included clicking on an advertisement for a gambling operator or 'liking' a gambling operator's official fan page on Facebook (see Table 8.64).

Slightly more than half of the respondents reported using social features in at least one of the ways listed in Table 8.64. Males (28.9%) were significantly more likely than females (7.1%) to report posting a comment,<sup>133</sup> while females (62.5%) were significantly more likely to report no interaction (38.2%).<sup>134</sup> Adolescent gamblers were significantly more likely to have read comments (33.7% v. 5.0%<sup>135</sup>) and posted comments (30.7% v. 3.0%<sup>136</sup>), and significantly less likely to have not used social features<sup>137</sup> compared to non-gamblers.

<sup>133</sup>  $\chi^2(1, N = 561) = 9.69, p = 0.002, \phi = 0.27$

<sup>134</sup>  $\chi^2(1, N = 561) = 7.65, p = 0.006, \phi = 0.24$

<sup>135</sup>  $\chi^2(1, N = 561) = 74.54, p < 0.001, \phi = 0.37$

<sup>136</sup>  $\chi^2(1, N = 561) = 85.81, p < 0.001, \phi = 0.39$

<sup>137</sup>  $\chi^2(1, N = 561) = 153.70, p < 0.001, \phi = 0.52$

Table 8.64

*Proportion of respondents who reported interactions with gambling operators on social media platforms (% of adolescents, n = 553)*

Interaction	%
<b>Facebook</b>	
Visited a gambling operator's official fan page	6.0
Liked a gambling operator's official fan page	4.2
Posted/commented on a gambling operator's official fan page	3.3
Shared content from a gambling operator's official fan page	3.1
Clicked on an advertisement for a gambling operator	6.5
Linked to/visited the gambling operator's own website directly from Facebook	2.9
<b>Twitter</b>	
Followed a gambling operator	2.5
Retweeted tweets by a gambling operator	2.4
Tweeted about a gambling operator	2.5
Tweeted directly to a gambling operator	1.4
Linked to/visited the gambling operator's own website directly from Twitter	1.8
<b>YouTube</b>	
Watched a video posted by a gambling operator	6.5
Shared a video posted by a gambling operator	2.7
Commented on a video posted by a gambling operator	3.1
Followed a gambling operator	2.0
Linked to/visited the gambling operators own website directly from YouTube	1.6
<b>Other</b>	
Read a blog or discussion forum about a gambling operator	4.5
Commented on a blog or discussion forum about a gambling operator	1.4
Played an online game provided by or related to a gambling operator	4.0
Other	0.0
<i>None of the above</i>	<i>81.2</i>

*Note:* Multiple responses were allowed.

#### **8.4.3.5 Reasons for connecting with a gambling operator via social media**

Social media users were asked which of seven reasons were important to them in terms of encouraging contact with gambling operators via social media. All of the reasons listed in Table 8.65 were rated as at least somewhat important by more than half of the adolescents. All items were also positively correlated,<sup>138</sup> indicating that those who endorsed one item as important were also likely to endorse the other items as important.

Gamblers were significantly more likely to endorse all of the items except for connecting with other people and the ability to ask for help and advice.<sup>139</sup> Older adolescents were significantly more likely to endorse the special offers item.<sup>140</sup>

<sup>138</sup> smallest Spearman's rho = 0.34, largest = 0.80 all  $p < 0.001$

<sup>139</sup> smallest Spearman's rho = 0.20,  $p = 0.046$

<sup>140</sup> Spearman's rho = 0.22,  $p = 0.026$

Table 8.65

*Reported importance of each of the following in terms of encouraging respondents to connect with a gambling operator on social media (% of adolescents, n = 105)*

	<b>Not important</b>	<b>Somewhat important</b>	<b>Important</b>
Special offers, bonuses, promotions and discounts	38.1	41.9	20.0
News, product updates and information	41.9	34.3	23.8
Connecting with other people	30.5	41.9	27.6
Humorous or entertaining content	25.7	44.8	29.5
Recommendation by a friend	29.5	45.7	24.8
The ability to ask for help and advice	35.2	36.2	28.6
The ability to share my opinion	35.2	37.1	27.6

*Note:* This question was only asked of those who reported engaging with a gambling operator on social media or via a webpage.

#### **8.4.3.6 Opinions on promotions by gambling operators via social media**

All social media users were asked their opinion on promotions by gambling operators on social media sites (see Table 8.66). Approximately two-thirds of the adolescents thought there were too many unsolicited promotions by gambling operators on social media sites, with 6.3% stating that there were too few and 28.9% stating that the amount of promotions was about right. Gamblers were significantly more likely to report that there were too few promotions compared to non-gamblers<sup>141</sup>.

Most adolescents reported that they agreed that gambling operators use social media sites to encourage people to try gambling, while 17% reported that they disagreed at least somewhat with this statement.

Table 8.66

*Views on and impacts of promotions by gambling operators on social media sites (% of adolescents, n = 553)*

<b>What are your views on the amount of unsolicited promotions from gambling operators on social media sites?</b>	<b>%</b>
There are too many promotions	64.7
The amount of promotions is about right	28.9
There are too few promotions	6.3
<b>Do you agree or disagree that gambling operators use social media sites to encourage you to try real-money gambling?</b>	
Strongly agree	36.2
Somewhat agree	28.6
Neither agree nor disagree	18.3
Somewhat disagree	5.6
Strongly disagree	11.4

<sup>141</sup> Spearman's rho = 0.13,  $p = 0.002$

#### 8.4.3.7 Self-reported impact of promotions via social media on gambling desire and behaviour

Social media users were asked if the promotions on social media by gambling operators had increased or decreased how much they would like to gamble, as well as how much they had actually gambled. These responses are presented in Table 8.67, with most respondents stating that they believed that these promotions had neither increased nor decreased their desire to gamble, or actual gambling behaviour. Of those who did report some change in their desire to gamble or their actual gambling behaviour, the results were similar in terms of those who reported an increase or decrease.

Males<sup>142</sup> and gamblers<sup>143</sup> were significantly more likely to state that their desire to gamble was increased by these promotions, as were older adolescents.<sup>144</sup> In terms of the influence of these promotions on actual gambling behaviour, once again, males<sup>145</sup> were significantly more likely to state that these promotions had increased their gambling.

Table 8.67

*Impacts of promotions by gambling operators on social media sites in terms of gambling (% of adolescents, n = 553)*

<b>To what extent have promotions or content posted on social media by gambling operators increased or decreased how much you <u>would like</u> to gamble?</b>	<b>%</b>
Greatly increased	6.1
Somewhat increased	13.7
Neither increased nor decreased	64.0
Somewhat decreased	3.1
Greatly decreased	13.0
<b>To what extent have promotions or content posted on social media by gambling operators increased or decreased how much you <u>actually</u> gamble?</b>	
Greatly increased	4.0
Somewhat increased	6.9
Neither increased nor decreased	75.6
Somewhat decreased	2.9
Greatly decreased	10.7

*Note:* This question was asked of all respondents. The data presented here are only among social media users.

#### 8.4.3.8 Recall of responsible gambling messages on social media

Overall, 47.8% reported never having seen responsible gambling messages on social media sites. Of those who had, most reported only seeing them sometimes. A similar pattern was evident for responsible gambling messages being promoted on social media by gambling operators (see Table 8.68). Older adolescents were significantly more likely to report seeing responsible gambling messages being promoted by gambling operators on social media.<sup>146</sup> Gamblers (78.2%) were significantly more likely to report having seen responsible gambling

<sup>142</sup> Mann-Whitney U = 35,282.0, Z = -2.42, p = 0.016

<sup>143</sup> Mann-Whitney U = 18,670.5, Z = -3.62, p < 0.001

<sup>144</sup> Spearman's rho = -0.09, p = 0.039

<sup>145</sup> Mann-Whitney U = 35,401.5, Z = -2.66, p = 0.008

<sup>146</sup> Spearman's rho = 0.11, p = 0.009

messages on social media compared to non-gamblers (46.5%).<sup>147</sup> Gamblers (71.3%) were also significantly more likely to report having seen responsible gambling messages promoted by gambling operators on social media compared to non-gamblers (35.9%).<sup>148</sup>

Table 8.68

*Responses to questions about responsible gambling on social media sites (% of adolescents, n = 561)*

<b>How often have you noticed any responsible gambling messages being promoted on any social media sites you have used?</b>	<b>%</b>
Never	47.8
Sometimes	41.7
Often	7.8
Almost always	2.7
<b>How often have you noticed any responsible gambling messages being promoted on social media by gambling operators you have seen content from?</b>	
Never	57.8
Sometimes	35.3
Often	5.3
Almost always	1.6

#### ***8.4.3.9 Using social media to seek information about responsible and problem gambling***

Social media users were asked how likely they were to use social media to find information about responsible gambling and problem gambling, to ask for advice about responsible gambling and problem gambling, and to share their opinions about responsible gambling and problem gambling (see Table 8.69).

Most respondents reported that they were unlikely or very unlikely to do any of these things. Adolescent gamblers were significantly more likely to report using social media to find information about responsible gambling and problem gambling,<sup>149</sup> to ask for advice about responsible gambling and problem gambling<sup>150</sup> and to share their opinions about responsible gambling and problem gambling.<sup>151</sup>

<sup>147</sup>  $\chi^2(3, N = 561) = 39.57, p < 0.001, \phi = 0.27$

<sup>148</sup>  $\chi^2(3, N = 561) = 64.42, p < 0.001, \phi = 0.34$

<sup>149</sup> Mann-Whitney U = 15,339.5, Z = -5.66,  $p < 0.001$

<sup>150</sup> Mann-Whitney U = 13,879.5, Z = -6.70,  $p < 0.001$

<sup>151</sup> Mann-Whitney U = 14,843.0, Z = -5.96,  $p < 0.001$



Table 8.69

*Responses to questions about how likely respondents were to do each of the following actions on social media sites (% of adolescents,  $n = 561$ )*

<b>Find information about responsible gambling and problem gambling</b>	<b>%</b>
Very unlikely	43.9
Unlikely	13.5
Neither likely nor unlikely	25.8
Likely	11.6
Very likely	5.2
<b>Ask for advice about responsible gambling and problem gambling</b>	
Very unlikely	44.0
Unlikely	12.8
Neither likely nor unlikely	25.1
Likely	12.5
Very likely	5.5
<b>Share your opinion about responsible gambling and problem gambling</b>	
Very unlikely	40.5
Unlikely	12.7
Neither likely nor unlikely	27.1
Likely	13.7
Very likely	6.1

#### **8.4.4 Social casino game use**

##### **8.4.4.1 Classification of social casino game users**

All respondents were asked how often they had played social casino games within the last 12 months (see Table 8.70 for the forms). Based on these questions, respondents who stated that they had played any of the social casino games within the last 12 months were classified as social casino game users, while those who stated that they had never played any of these games within the last 12 months were classified as social casino game non-users.

Subsequent analysis of later questions that were asked of the social casino game users revealed that not all respondents understood the definition of social casino games. When asked which games they played, or which devices they used, or other similar questions, a number of respondents indicated that they had misunderstood the initial question, either by explicitly stating that they had misunderstood, or by giving answers such as ‘I do not play these games’. These five respondents were then reclassified as non-social casino game users. The final figures were 127 (22.6%) adolescent social casino game users and 434 (77.4%) non-users.

Male adolescents ( $n = 72$ , 27.1%) were significantly more likely than female adolescents ( $n = 55$ , 18.6%) to play social casino games.<sup>152</sup> Social casino game users ( $M=15.39$ ,  $SD = 1.47$ ) were significantly older than social casino game non-users ( $M = 14.85$ ,  $SD = 1.57$ ).<sup>153</sup> In

<sup>152</sup>  $\chi^2(1, N = 561) = 5.67, p = 0.017, \phi = 0.10$

<sup>153</sup>  $t(559) = 3.50, p < 0.001, d = 0.30$

total, 73.3% of gamblers reported being social casino game users compared to 11.5% of non-gamblers.<sup>154</sup>

Subsequent questions in this section were only asked of social casino game users.

Table 8.70

*Frequency of engagement in each of six categories of social casino game in the last 12 months (% of adolescents, n = 561)*

Type of social casino game	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	2.1	4.8	4.8	5.0	83.2
Slot machines/pokies/gaming machines	1.6	4.3	4.8	4.5	84.8
Sports betting	1.8	3.0	3.9	3.0	88.2
Race wagering	1.4	2.7	3.4	3.4	89.1
Poker	1.8	3.0	3.7	4.3	87.2
Other casino-style card or table games	1.8	2.9	3.6	4.1	87.7

*Note:* Respondents who were reclassified as social casino game non-users were recoded in Table 8.70 to “Never” for each form.

#### 8.4.4.2 Number and length of social casino game sessions

Most respondents reported engaging in one or two sessions of social casino game use in a typical day on which they played social casino games, with few reporting more than six sessions per typical day (see Table 8.71).

Of the 127 social casino game users, most (78.0%) reported playing three or fewer sessions on a typical day. While the omnibus chi-square test was not significant,<sup>155</sup> more focused tests of proportions revealed that gamblers (37.8%) were significantly less likely to play only one session on a typical day compared to non-gamblers (58.5%), but significantly more likely to play four to six sessions on a typical day (21.6% v. 5.7% for non-gamblers).<sup>156</sup>

Table 8.71

*Number of social casino game sessions on a typical day on which respondents reported using social casino games (% of adolescents, n = 127)*

Frequency of social casino game use	%
1	46.5
2–3	31.5
4–6	15.0
7–10	3.9
11+	3.1

<sup>154</sup>  $\chi^2(1, N = 561) = 180.29, p < 0.001, \phi = 0.57$

<sup>155</sup>  $p = 0.075$

<sup>156</sup> both  $p < 0.05$

On typical days of social casino game use, most respondents reported spending half an hour or less playing social casino games (see Table 8.72). Most typical social casino game sessions lasted for half an hour or less. Males were significantly more likely to play longer sessions.<sup>157</sup>

Table 8.72

*Length of time spent on a typical day on which respondents reported using social casino games (% of adolescents, n = 127)*

<b>Duration of social casino game sessions</b>	<b>%</b>
0–15 minutes	37.0
16–30 minutes	37.8
31–59 minutes	18.1
1–2 hours	2.4
2+ hours	4.7

#### **8.4.4.3 Alternate activities to social casino games**

Social casino game users were asked which activities they would be doing if they were not playing social casino games. The most common response was surfing the Internet, with playing other video or online games, using social media sites and watching television shows or movies the next most popular responses (see Table 8.73).

Most reported that if they were not playing social casino games, they would still be engaging in Internet activities or playing other video or online games. Gamblers (36.5%) were significantly more likely to report surfing the Internet compared to non-gamblers (17.0%), but significantly less likely to report playing other video or online games (9.5%) compared to non-gamblers (24.5%).<sup>158</sup>

Table 8.73

*Activities in which respondents would engage if they were not playing social casino games (% of adolescents, n = 127)*

<b>Activity</b>	<b>%</b>
Surfing the Internet	28.3
Playing other video or online games	15.7
Using a social media site	15.7
Watching television shows/movies	11.8
Working/studying	9.4
Spending time with friends/family	7.1
Reading a book/magazine	6.3
Doing housework	3.9
Other	1.6
Gambling	0.0

*Note:* This question was only asked of those who reported playing social casino games.

<sup>157</sup>  $\chi^2(4, N = 127) = 12.050, p = 0.014, \phi = 0.31$ .

<sup>158</sup>  $\chi^2(8, N = 127) = 17.72, p = 0.023, \phi = 0.37$

#### 8.4.4.4 Purchases in social casino games

When asked if they had ever spent money on social casino games, 40.2% of adolescent social casino game users stated that they had done so. Of those who had, the most common forms were lottery-type games, followed by slot machines/pokies/gaming machine-type games and sports betting (see Table 8.74).

Table 8.74

*Social casino games on which respondents have spent real money (% of adolescents, n = 127)*

Type of social casino game	%
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	20.5
Slot machines/pokies/gaming machines	17.3
Sports betting	18.1
Race wagering	10.2
Poker	8.7
Other casino-style card or table games	1.6
<i>I have never paid real money for social casino games</i>	59.8

*Note:* This question was only asked of those who reported playing social casino games. Multiple responses were allowed.

Of those who reported spending real money on social casino games, the majority did so at least monthly, with few reporting spending real money on social casino games on a daily basis during the last 12 months (see Table 8.75).

Table 8.75

*Frequency of spending money on social casino games during the last 12 months (% of adolescents, n = 51)*

	Frequency: At least once per...				Never
	day	week	month	year	
Adolescent Sample (n = 51)	7.8	39.2	35.3	11.8	5.9

*Note:* This question was only asked of those who reported playing social casino games.

When asked how much they usually spent per transaction on social casino games, most social casino game users reported spending less than \$20 per occasion (see Table 8.76).

Table 8.76

*Usual spend each time respondents made a purchase on social casino games during the last 12 months (% of adolescents, n = 51)*

Spend	%
< \$1	5.9
\$1–\$5	19.6
\$6–\$10	23.5
\$11–\$20	19.6
\$21–\$50	21.6
\$51–\$100	3.9
\$101+	5.9

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

The most commonly reported reasons for spending money on social casino games were based around avoiding waiting for earning credits, to get ahead in the game or to take advantage of a special offer (see Table 8.77).

Table 8.77

*Reasons for spending money on social casino games (% of adolescents, n = 51)*

<b>Reason</b>	<b>%</b>
To avoid waiting for earning credits	43.1
To get ahead in the game	37.3
To take advantage of a special offer	37.3
To purchase gifts for friends	29.4
To increase my level of enjoyment	23.5
The game isn't fun otherwise	19.6
As an impulse decision to continue play	15.7
To decorate or personalise the game	9.8
Other	0.0

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded. Multiple responses were allowed.

Most respondents who reported spending money on social casino games reported spending money on up to three different games (see Table 8.78), with most spending money on only one or two different games.

Table 8.78

*Number of different social casino games on which respondents typically spent money each month (% of adolescents, n = 51)*

<b>Number of different social casino games typically spend money on each month</b>	<b>%</b>
0	9.8
1	21.6
2	41.2
3	19.6
4	0.0
5+	7.8

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

Most respondents reported that the actual cost of purchases made for social casino games was made clear before they paid, while approximately 10% of adolescents reported that they disagreed or strongly disagreed that the cost was made clear prior to purchase (see Table 8.79).

Table 8.79

*Agreement with the statement 'the cost of any purchases for social casino games was made clear before you paid' (% of adolescents, n = 51)*

<b>Spend</b>	<b>%</b>
Strongly agree	15.7
Agree	60.8
Neither agree nor disagree	13.7
Disagree	5.9
Strongly disagree	3.9

*Note:* This question was asked of those who reported playing social casino games. The results for those who reported not spending money on social casino games have been excluded.

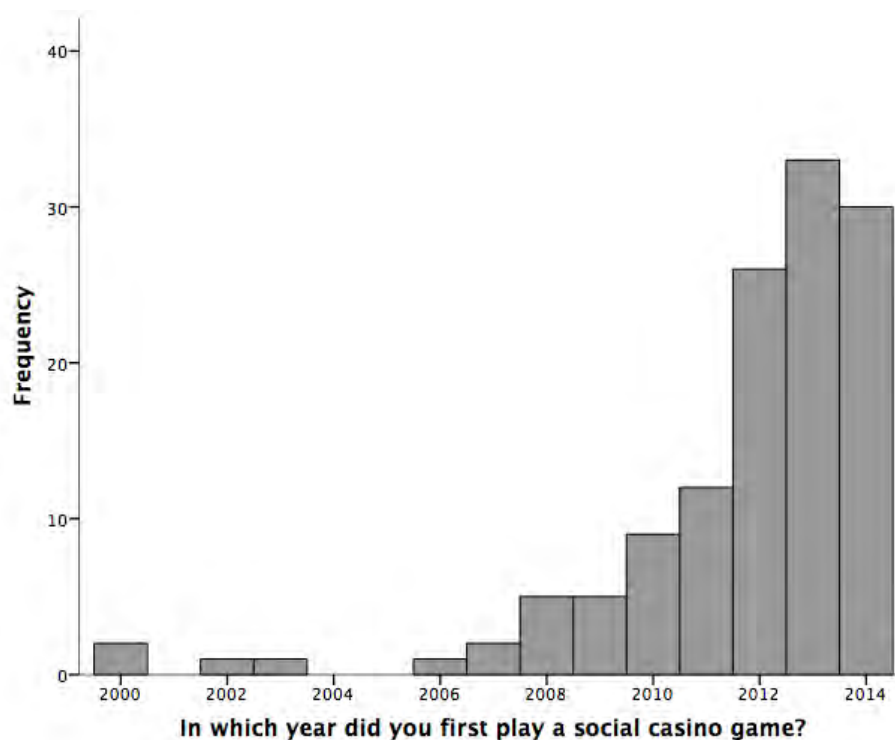
#### **8.4.4.5 Year in which social casino game users first played these games**

Most adolescents reported first playing social casino games within the last three years (see Table 8.80 and Figure 8.2).

Table 8.80

*Descriptive statistics for first year in which respondents engaged in social casino games (% of adolescents, n = 127)*

<b>Statistic</b>	<b>Year</b>
Mean	2011.74
SD	2.71
Median	2012
Minimum	1999
Maximum	2014



*Figure 8.2* Frequency histogram depicting the first year in which adult social casino game users first reported playing a social casino game (adolescents,  $n = 127$ )

*Note:* The year 2000 category is a “2000 or earlier” category and is not displayed as such due to software limitations.

#### 8.4.4.6 Most common sites/platforms, devices and individual social casino games

The most commonly reported site or platform on which respondents reported playing social casino games was Facebook, with more than half reporting that this was the case. The next most common responses were the site’s own website, followed by mobile phone apps (both Android and iOS) and Google+ (see Table 8.81).

Table 8.81

*Sites and platforms on which respondents have played social casino games (% of adolescents,  $n = 127$ )*

Site/Platform	%
Facebook	64.6
iOS apps	25.2
Android apps	23.6
The game’s own website	22.8
Google+	22.0
Windows apps	11.8
Hi5	7.1
Tylted	3.1
Other	1.6

*Note:* Multiple responses were allowed.

The most commonly reported devices for playing social casino games were laptop or desktop computers, mobile phones or tablet devices, with few reporting game consoles or other devices (see Table 8.82).

Table 8.82

*Devices on which respondents have played social casino games (% of adolescents, n = 127)*

<b>Device</b>	<b>%</b>
Laptop computers	58.3
Mobile/smartphones	50.4
Desktop computers	37.8
Tablet devices	30.7
Home video game platform (e.g., Xbox, Wii, Playstation, etc)	11.0
Other	0.8

*Note:* Multiple responses were allowed.

The social casino game users were presented with a list of common social casino games and asked which ones they typically used. Respondents could reply with as many responses as they liked. Responses are presented in Table 8.83. The most popular form was Texas Hold’Em Poker, followed by Slotomania; however, we note that Texas Hold’Em Poker is a broad term for a particular type of game as well as the name of a popular social casino game, so it is possible that these results are conflated.



Table 8.83

*Social casino games played by respondents (% of adolescents, n = 127)*

<b>Games</b>	<b>%</b>
Texas Hold'Em Poker	27.6
Slotomania	24.4
Big Fish Casino	19.7
Lucky Slots	19.7
Bingo Blitz	18.1
Bingo Bash	15.0
Lucky Bingo	15.0
Monopoly Slots	14.2
Texas Poker	14.2
Best Casino	12.6
Bingo Blingo	11.8
Slot City Casino	11.0
Heart of Vegas	10.2
House of Fun	10.2
MyVegas	10.2
Zynga Casino	10.2
Lucky Gem Casino	8.7
Other	8.7
ClickFun Casino	7.1
High 5 Casino	7.1
Mirrorball Slots	7.1
DoubleDown Casino	6.3
Jackpot Party Casino	6.3
Zynga Slingo	6.3
DoubleU Casino	5.5
Dragonplay Poker	5.5
GSN Slots	5.5
Hit It Rich! Casino Slots	5.5
World Series of Poker	5.5
Shake the Sky	4.7

*Note:* Other responses were generally of the form 'I can't recall the name'. Multiple responses were allowed.

Social casino game users were asked which of the reasons listed in Table 8.84 were important to them in terms of their decision to play social casino games. The most commonly reported items were for excitement/fun and to avoid boredom/pass the time. Most adolescents (62.2%) reported social interaction as at least somewhat important when choosing to play social casino games.

Table 8.84

*Proportion of respondents who reported the following reasons for playing social casino games (% of adolescents, n = 127)*

Reasons for playing social casino games	Not important	Somewhat important	Important
Social interaction	37.8	46.5	15.7
To relieve stress/escape from my worries	36.2	47.2	16.5
To pass the time/avoid boredom	23.6	52.8	23.6
To improve my gambling skills	52.0	34.6	13.4
To make money	45.7	41.7	12.6
For excitement/fun	19.7	51.2	29.1
For the competition/challenge	27.6	49.6	22.8

*Note:* Multiple responses were allowed.

In total, 46.5% of the adolescents reported not using social features while playing social casino games. Those who did engage in social features tended to read or post comments, with fewer promoting their activity, sharing comments or inviting their wider online networks to join in the game (see Table 8.85).

Table 8.85

*Reported use of social features while playing social casino games (% of adolescents, n = 127)*

Interaction	%
I have read comments written by other users	32.3
I have posted comments	20.5
I have promoted my activity, shared comments, or invited my wider online network to join	12.6
I have not used social features	46.5

*Note:* Multiple responses were allowed.

#### 8.4.4.7 Interest in gambling on social casino games

Social casino game users were asked about their interest in gambling for real money on their favourite social casino game, with responses outlined in Table 8.86. The most common response was that they were not interested. Those who were interested mostly reported being somewhat interested rather than very interested. Gamblers were significantly more likely to be interested in gambling on their favourite social casino game compared to non-gamblers.<sup>159</sup>

Similar responses were found when social casino game users were asked how likely it was that they would gamble online on forms that are currently illegal in Australia. Gamblers were significantly more likely to report being likely to do so.<sup>160</sup>

When asked if being able to legally gamble online in Australia would increase their social casino game play, most respondents reported that their social casino game play would likely stay the same, with 14.2% of adolescents reporting that they thought their social casino game

<sup>159</sup> Mann-Whitney  $U = 1,078.5$ ,  $Z = -4.83$ ,  $p < 0.001$ ,

<sup>160</sup> Mann-Whitney  $U = 1,037.0$ ,  $Z = -4.97$ ,  $p < 0.001$

play would decrease, and 15.0% of adolescents reported that their social casino game play would increase.

When asked whether they had ever gambled as a result of playing a social casino game, 35 (27.6%) respondents stated that they had done so. Males (38.9%) were more likely to do so compared to females (12.7%).<sup>161</sup>

Table 8.86

*Responses to hypothetical questions about gambling on social casino games (n = 127)*

<b>If it were possible, would you be interested in gambling with real money on your favourite social casino games?</b>	<b>%</b>
Not at all interested	47.2
Somewhat interested	45.7
Very interested	7.1
<b>If you could legally gamble online for real money in Australia (i.e., on online casino-style games, bingo, slots), how likely do you think you are to do this?</b>	
Not at all likely	44.9
Somewhat likely	43.3
Very likely	11.8
<b>If you could legally gamble online for real money in Australia, would this increase or decrease your social casino game play?</b>	
Likely decrease	14.2
Likely stay the same	70.9
Likely increase	15.0

Social casino game users were asked whether they thought social casino game operators encourage them to try gambling. More than half of the adolescents agreed or strongly agreed with this statement, while 7.0% of adolescents disagreed or strongly disagreed with the statement (see Table 8.87).

Table 8.87

*Agreement with the statement 'To what extent do you agree or disagree that social casino game operators encourage you to try real-money gambling' (% of adolescents, n = 127)*

<b>Agreement</b>	<b>%</b>
Strongly agree	22.8
Agree	44.9
Neither agree nor disagree	25.2
Disagree	3.1
Strongly disagree	3.9

#### **8.4.4.8 Self-reported impact of social casino game use on gambling desires and behaviour**

When asked if they thought that their social casino game use had had any impact on their desire to gamble for money, or their actual gambling behaviour, most social casino game users reported that their gambling had neither increased nor decreased (see Table 8.88). Males were significantly more likely to report that social casino games had increased their

<sup>161</sup>  $\chi^2 (1, N = 127) = 10.69, p = 0.001, \phi = 0.29$

desire to gamble,<sup>162</sup> but not their actual gambling. Gamblers were significantly more likely to report an increase in their actual gambling behaviour as a result of their social casino game use,<sup>163</sup> but not their desire.

Table 8.88

*Impacts of social casino games in terms of gambling (% of adolescents, n = 127)*

<b>To what extent have your experiences with social casino games increased or decreased how much you <u>would like to</u> gamble for money?</b>	<b>%</b>
Greatly increased	4.7
Somewhat increased	24.4
Neither increased nor decreased	55.1
Somewhat decreased	8.7
Greatly decreased	7.1
<b>To what extent have your experiences with social casino games increased or decreased how much you <u>actually</u> gamble for money?</b>	<b>%</b>
Greatly increased	8.7
Somewhat increased	19.7
Neither increased nor decreased	62.2
Somewhat decreased	3.9
Greatly decreased	5.5

*Note:* This question was asked of all respondents. The data presented here are only among social casino game users.

#### **8.4.4.9 Gambling as a result of social casino game use**

When asked if they had gambled as a result of their social casino game use, 35 adolescents (27.6%) reported that they had done so. These particular respondents were then asked which aspects of social casino games had encouraged them to gamble. The most common response was that they wanted to win real money, with other responses outlined in Table 8.89.

<sup>162</sup> Mann-Whitney  $U = 1,613.0$ ,  $Z = -1.98$ ,  $p = 0.048$

<sup>163</sup> Mann-Whitney  $U = 1,335.0$ ,  $Z = -3.53$ ,  $p < 0.001$

Table 8.89

*Aspects of social casino games that had encouraged respondents to gamble (% of adolescents, n = 35)*

Aspect	%
I wanted to win real money	65.7
I thought I would have a good chance of winning at real-money gambling	42.9
I wanted to challenge myself	37.1
Real-money gambling is a better game experience	37.1
Real-money gambling is easier to play	37.1
Playing social casino games allowed me to develop my gambling skills	34.3
Playing social casino games allowed me to play without risking any money	34.3
Gambling for real money is more fun and exciting than social casino games	31.4
I wanted greater competition against other players	31.4
I didn't want my play to be connected to a social network	17.1
I came across advertisements for real-money gambling sites as a result of playing social casino games	8.6
I had gambled online in the past	8.6
Other	0.0

*Note:* Multiple responses were allowed.

#### **8.4.4.10 Social casino game use as a result of gambling**

Social casino game users were also asked if they had ever played a social casino game as a result of gambling on a gambling site, with 32 respondents (25.2%) stating that they had. These respondents were then asked which aspects of gambling sites had encouraged them to play social casino games (see Table 8.90). Common responses included wanting greater competition against other players, that social casino games are just as much fun as gambling, offer a better game experience and are easier to play.

Table 8.90

*Aspects of gambling sites that encouraged the playing of social casino games (% of adolescents, n = 32)*

Aspect	%
I wanted greater competition against other players	56.3
Playing social casino games is just as much fun as gambling for money	46.9
Social casino games are a better game experience	46.9
Social casino games are easier to play	40.6
I wanted to play without spending money	37.5
Social casino games are more social than gambling	37.5
I wanted to challenge myself	34.4
I came across advertisements for social casino games as a result of real-money gambling	25.0
I had played social casino games in the past	15.6
I wanted to reduce my real-money gambling	15.6
Other	0.0

*Note:* Multiple responses were allowed.

#### 8.4.4.11 Perceived similarities between social casino games and gambling websites

Respondents were asked about the perceived similarities between social casino games and gambling sites in terms of look, general experience and the experience of winning. Most respondents reported that social casino games and gambling sites were somewhat similar in the way they look. In terms of general experience, most respondents again reported that social casino games and gambling sites were somewhat similar. When asked about the winning experience, some respondents said that winning on social casino games was more exciting than gambling; however, approximately half reported that the excitement of winning was similar between social casino games and gambling (see Table 8.91).

In terms of general experience, gamblers were significantly more likely to report a higher level of similarity between social casino games and gambling.<sup>164</sup> Gamblers were significantly more likely to report that winning in social casino games was as exciting (or more exciting) than winning at gambling<sup>165</sup>.

Table 8.91

*Responses to questions about perceived similarities between social casino games and gambling, among those who both use social casino games and gamble (% of adolescents, n = 127)*

<b>How similar do social casino games look to real-money gambling sites?</b>	<b>%</b>
Not at all similar	9.4
Somewhat similar	65.4
Very similar	25.2
<b>How similar does the general experience of playing social casino games feel to gambling for real money?</b>	<b>%</b>
Not at all similar	20.5
Somewhat similar	63.0
Very similar	16.5
<b>Does winning in a social casino game feel more or less exciting than winning with real-money gambling?</b>	<b>%</b>
Not as exciting	36.2
Similar levels of excitement	52.0
More exciting	11.8

#### 8.4.4.12 Social casino game use and gambling on the same form

Social casino game users were asked if they had ever gambled on the same types of activities as the social casino games they played (e.g., if they played social poker games, had they actually gambled on poker?). Forty (31.5%) respondents stated that they had. In the adolescent sample, males were significantly more likely to endorse this item (31.9% v. 16.4% for females),<sup>166</sup> as were gamblers (43.2% v. 0.0% for non-gamblers).<sup>167</sup> When asked which they had done first, 19 adolescents (47.5%) reported that they had used the gambling activity first, with the remaining respondents reporting that they had used the social casino game first.

<sup>164</sup> Mann-Whitney  $U = 1,599.0$ ,  $Z = -2.06$ ,  $p = 0.039$

<sup>165</sup> Mann-Whitney  $U = 1,423.0$ ,  $Z = -2.92$ ,  $p = 0.003$

<sup>166</sup>  $\chi^2 (1, N = 127) = 4.02$ ,  $p = 0.045$ ,  $\phi = 0.18$

<sup>167</sup>  $\chi^2 (1, N = 127) = 30.64$ ,  $p < 0.001$ ,  $\phi = 0.49$

Respondents were asked how likely they thought it was that their experience with social casino games increased their success at gambling. The results are presented in Table 8.92.

Table 8.92

*Effects of playing social casino games on gambling (% of adolescents, n = 127)*

<b>How likely is it that your experience with social casino games will increase your success at real-money gambling?</b>	<b>%</b>
Highly likely	5.5
Somewhat likely	28.3
Neither likely nor unlikely	42.5
Somewhat unlikely	7.1
Highly unlikely	16.5

#### ***8.4.4.13 Recall of responsible gambling and age recommendation messages on social casino games***

Respondents were asked whether they had noticed responsible gambling messages in social casino games. More than half of the adolescents reported that they had seen these messages at least sometimes, but few reported that they had seen them often or almost always (see Table 8.93).

When asked if they had noticed any responsible gambling messages in social casino games, 29.9% of adolescent social casino game users reported that they had not. Of the remainder, most reported that they had either not seen them or only seen them sometimes. Older respondents were significantly more likely to report having seen responsible gambling messages in social casino games.<sup>168</sup> Adolescent gamblers were significantly more likely to report having seen responsible gambling messages in social casino games (87.8%) compared to non-gamblers (45.3%).<sup>169</sup>

Table 8.93

*How often respondents reported noticing responsible gambling messages in social casino games (% of adolescents, n = 127)*

<b>Frequency</b>	<b>%</b>
Never	29.9
Sometimes	54.3
Often	8.7
Almost always	7.1

Respondents were also asked whether they had seen age restrictions or recommendations on social casino games. Most reported that they had, with 18+ being the most common response among those who had seen age restrictions (see Table 8.94). In total, 62.2% of social casino game users reported having seen age restrictions. Older respondents were significantly more likely to report seeing age restrictions<sup>170</sup>. Gamblers (79.7%) were significantly more likely to report seeing age restrictions in social casino games compared to non-gamblers (37.7%).<sup>171</sup>

<sup>168</sup> Spearman's rho = 0.18,  $p = 0.042$

<sup>169</sup>  $\chi^2 (3, N = 127) = 27.18, p < 0.001, \phi = 0.46$

<sup>170</sup> Spearman's rho = 0.30,  $p < 0.001$

<sup>171</sup>  $\chi^2 (3, N = 127) = 23.16, p < 0.001, \phi = 0.43$

Table 8.94

*Age restrictions or recommendations on social casino games noticed by respondents (% of adolescents, n = 127)*

<b>Age restriction</b>	<b>%</b>
13+	11.8
15+	19.7
18+	37.8
21+	4.7
I have never seen any age restrictions	37.8

*Note:* Multiple responses were allowed.

#### **8.4.4.14 Self-reported negative consequences due to social casino game use**

Respondents who reported at least one negative consequence of gambling were asked which of five negative consequences they had experienced within the last 12 months due to their social casino game use, along with an overall question about whether they thought they had a problem with their social casino game use. Males (51.3%) were significantly more likely than females (20.0%) to report that they had used social casino games to escape from worries or to relieve a negative mood<sup>172</sup> (see Table 8.95).

Table 8.95

*Self-reported negative consequences due to social casino game use (% of adolescents, n = 59)*

<b>Thinking about your social casino game use, in the past 12 months:</b>	<b>%</b>
Have you had frequent thoughts about or frequent strong urges to use social casino games?	39.0
Have you felt sad or irritable when you could not use social casino games?	39.0
Have you made many unsuccessful attempts to limit time spent on social casino games?	40.7
Have you used social casino games to escape from problems or to relieve a negative mood?	40.7
Have you experienced any negative consequences due to social casino games use? (e.g., relationship problems, poor school or work performance, worse physical health)	42.4
Overall, do you think you have a problem with your social casino games use?	37.3

*Note:* Multiple responses were allowed. The question stem was ‘Thinking about your social casino game use, in the past 12 months...’

### **8.4.5 Practice game use**

#### **8.4.5.1 Classification of practice game users**

Respondents were asked which of six types of practice games they had played in the last 12 months, with practice games defined as games that replicate gambling activities that are provided by a gambling operator for play without requiring any money. Responses are given in Table 8.96. Respondents who stated that they had taken part in any of the practice games at least once in the last year were classified as practice game users ( $n = 122$ , 21.7%), while those who reported engaging in none of these activities during the last 12 months were classified as non-practice game users ( $n = 439$ , 78.3%).

<sup>172</sup>  $\chi^2(1, N = 59) = 5.36, p = 0.021, \phi = 0.30$



Practice game users ( $M = 15.46$ ,  $SD = 1.42$ ) were significantly older than practice game non-users ( $M = 14.84$ ,  $SD = 1.57$ ).<sup>173</sup> Gamblers (76.2%) were significantly more likely to play practice games than non-gamblers (9.8%).<sup>174</sup>

Table 8.96

*Frequency of engagement in each of six categories of practice games in the last 12 months (% of adolescents,  $n = 561$ )*

Type of practice game	Frequency: At least once per...				Never
	day	week	month	year	
Lottery-type games (lotteries, scratchies, lotto, pools, bingo or keno)	2.0	4.5	5.0	4.5	84.1
Slot machines/pokies/gaming machines	1.6	5.5	3.9	2.5	86.5
Sports betting	1.4	3.6	4.3	2.3	88.4
Race wagering	1.8	2.5	2.9	3.7	89.1
Poker	1.1	4.8	3.4	4.1	86.6
Other casino-style card or table games	2.0	3.4	4.3	3.6	86.8

#### 8.4.5.2 Length of practice game sessions

The typical length of practice game sessions was 30 minutes or less for more than half of the adolescents (see Table 8.97).

Table 8.97

*Length of typical session playing practice games (% of adolescents,  $n = 122$ )*

Duration of sessions	%
0–15 minutes	35.2
16–30 minutes	36.1
31–59 minutes	18.9
1–2 hours	4.9
2+ hours	4.9

*Note:* This question was only asked of those who reported playing practice games.

#### 8.4.5.3 Gambling and playing practice games on the same form

Practice game users were asked if they had ever gambled on the same types of activities as the practice games they played, with 32 adolescents (26.2%) indicating that they had done so.

Those who had done so were asked if they thought that their experience with practice games would be likely to increase their success at gambling. The most common response was that their experience with practice games was neither likely nor unlikely to change their success rate at gambling, although almost one-third of adolescents thought that it was somewhat likely that their success would increase (see Table 8.98).

Males were significantly more likely to report that their use of practice games had increased their success at gambling.<sup>175</sup>

<sup>173</sup>  $t(559) = 3.95$ ,  $p < 0.001$ ,  $d = 0.33$

<sup>174</sup>  $\chi^2(1, N = 561) = 214.92$ ,  $p < 0.001$ ,  $\phi = 0.62$

Table 8.98

*Effects of playing practice games on gambling (% of adolescents, n = 122)*

<b>How likely is it that your experience with practice games will increase your success at real-money gambling?</b>	<b>%</b>
Highly likely	4.1
Somewhat likely	30.3
Neither likely nor unlikely	39.3
Somewhat unlikely	9.8
Highly unlikely	16.4

**8.4.5.4 Reasons for playing practice games**

The most common reasons for playing practice games were for entertainment or fun, to pass the time or avoid boredom, and for the competition or challenge (see Table 8.99).

Table 8.99

*Proportion of respondents who reported the following reasons for playing practice games (% of adolescents, n = 122)*

<b>Reasons for playing practice games</b>	<b>Not important</b>	<b>Somewhat important</b>	<b>Important</b>
Social interaction	37.7	53.3	9.0
To relieve stress/escape from my worries	38.5	43.4	18.0
To pass the time/avoid boredom	20.5	56.6	23.0
To improve my gambling skills	47.5	40.2	12.3
To make money	45.1	37.7	17.2
For entertainment/fun	19.7	54.1	26.2
For the competition/challenge	29.5	52.5	18.0

*Note:* Multiple responses were allowed.

**8.4.5.5 Opinion on whether practice game operators encourage users to gamble**

Most practice game users either agreed or were neutral when asked if they thought practice game operators encouraged people to try gambling, and more participants agreed than disagreed with this statement (see Table 8.100). Gamblers<sup>176</sup> were significantly more likely to disagree that practice game operators encourage people to try gambling.

Table 8.100

*Extent to which respondents agreed or disagreed that practice game operators encourage people to try gambling (% of adolescents, n = 122)*

<b>Agreement</b>	<b>%</b>
Strongly agree	20.5
Somewhat agree	29.5
Neither agree nor disagree	40.2
Somewhat disagree	7.4
Strongly disagree	2.5

<sup>175</sup> Mann-Whitney  $U = 1,471.0$ ,  $Z = -2.01$ ,  $p = 0.045$

<sup>176</sup> Mann-Whitney  $U = 1,197.0$ ,  $Z = -2.99$ ,  $p = 0.003$

Practice game users who had gambled were asked whether they had played practice games or gambled first. Nineteen respondents (59.4%) stated that they had played the practice game first.

#### **8.4.5.6 Self-reported impact of practice game use on gambling desire and behaviour**

Practice game users were asked whether their use of practice games had increased or decreased their gambling desire or actual gambling behaviour. The results are presented in Table 8.101, with most respondents reporting that their use of practice games had neither increased nor decreased their gambling behaviour.

Table 8.101

*Self-reported impact of practice game use on gambling desire and behaviour (% of adolescents, n = 122)*

<b>To what extent have your experiences with practice games increased or decreased how much you <u>would like to</u> gamble for money?</b>	<b>%</b>
Greatly increased	4.9
Somewhat increased	26.2
Neither increased nor decreased	59.0
Somewhat decreased	5.7
Greatly decreased	4.1
<b>To what extent have your experiences with practice games increased or decreased how much you <u>actually</u> gamble for money?</b>	
Greatly increased	7.4
Somewhat increased	17.2
Neither increased nor decreased	64.8
Somewhat decreased	6.6
Greatly decreased	4.1

#### **8.4.5.7 Recall of responsible gambling messages in practice games**

Most respondents reported seeing responsible gambling messages in practice games, although those who saw them reported mostly doing so only sometimes (see Table 8.102).

Table 8.102

*How often respondents have noticed responsible gambling messages in practice games (% of adolescents, n = 122)*

<b>Frequency</b>	<b>%</b>
Never	25.4
Sometimes	59.8
Often	11.5
Almost always	3.3

#### 8.4.6 Impact of social media use, social casino game use and practice game use on gambling-related problems

When asked whether their use of social media, social casino games or practice games had increased or decreased any problems that they had had with their gambling, approximately 10% of the respondents who reported at least one negative consequence of gambling reported that they had never had any gambling problems. Of the remaining respondents, approximately half reported that their use of these services had neither increased nor decreased their problems, with the next most common response being that their gambling problems had somewhat increased as a result of their interactions with social media, social casino or practice games (see Table 8.103).

Table 8.103

*Agreement with the statement 'To what extent has your use of social media, social casino games or practice games increased or decreased any problems you have had with your gambling' (% of adolescents)*

<b>Has the use of <u>social media</u> by gambling operators (e.g., promotions or social media profiles and activity) increased or decreased any problems you have had with your gambling? (n = 62)</b>	<b>%</b>
Greatly increased problems	8.1
Somewhat increased problems	25.8
Neither increased nor decreased problems	41.9
Somewhat decreased problems	9.7
Greatly decreased problems	3.2
I have never had any gambling problems	11.3
<b>Has the use of <u>social casino games</u> increased or decreased any problems you have had with your gambling? (n = 59)</b>	
Greatly increased problems	8.5
Somewhat increased problems	20.3
Neither increased nor decreased problems	45.8
Somewhat decreased problems	13.6
Greatly decreased problems	1.7
I have never had any gambling problems	10.2
<b>Has the use of <u>practice games</u> increased or decreased any problems you have had with your gambling? (n = 56)</b>	
Greatly increased problems	8.9
Somewhat increased problems	25.0
Neither increased nor decreased problems	44.6
Somewhat decreased problems	3.6
Greatly decreased problems	5.4
I have never had any gambling problems	12.5

*Note:* Valid N varies for each question, as it was only asked of those who used each individual service.

## 8.5 Limitations

A number of methodological factors need to be considered when interpreting these findings. First, caution is necessary when interpreting results obtained regarding problem gambling severity among adolescents as PGSI has not been validated using adolescent samples and the sample of 84 adolescent gamblers was insufficient to allow for any form of validation. Second, there was some evidence that a small proportion of adolescents provided aberrant responses (e.g., such as having a postgraduate degree), but we found little evidence of unusual responding for other questions (e.g., gambling expenditure). Given the very small number of cases that fell into this category, it is unlikely that this had very much effect upon the results. Third, as stated in Section 8.3.4.1, some respondents may not have understood the questions, for example, about social casino games. Where detected (through open-ended questions), the answers for these respondents were removed from analysis. While the term ‘social casino game’ was defined during the survey, it is evident that some respondents click through surveys quickly and do not read explanatory blocks of text properly. This should be taken into account in future surveys. Fourth, it is important to recognise that the data reported here are based on self-report, which can sometimes be biased or inaccurate. A final consideration is that the respondents in this study were not randomly selected from the population and so generalisations need to be made with caution. The study was also cross-sectional in nature, so the relationships observed between the variables reported are correlational in nature and they should not be used to infer causation.

### Key Point Summary

- This survey was designed to understand the use of social media, social casino games and gambling-related practice games in Australia by both adolescents and adults.
- Almost all (99%) of the adolescents sampled were social media users, compared to 86% of adults sampled, with Facebook being the most commonly used social media site.
- Most social media users reported using these platforms at least once per day (72% of adults, 82% adolescents) and the length of social media sessions was generally less than one hour, although session length was quite variable.
- Approximately 40% of social media users reported never seeing content from gambling operators on social media pages, while those who did mostly reported seeing paid advertisements or shared content on Facebook.
- Most respondents reported that there were too many unsolicited promotions by gambling operators on social media (69% adults, 65% adolescents).
- Most respondents agreed (63% adults, 65% adolescents) that gambling operators use social media, social casino games and practice games to encourage users to gamble.
- The majority (81%) of those surveyed reported never having engaged with gambling operators via social media. Among those who had, the most common responses including visiting pages, clicking on advertisements or watching videos, indicating primarily passive engagement.
- Among adults, problem gamblers were significantly more likely to engage with gambling operators on social media than were non-problem gamblers.
- Most social media users reported that they did not believe that social media promotions by gambling operators had impacted their desire to gamble or their actual gambling behaviour.
- Around half (54%) of social media users reported never having seen responsible gambling messages being promoted on social media.
- Most adults (73%) reported gambling within the last 12 months, while 18% of adolescents reported doing so, despite the activities being illegal for those under 18.
- Social casino games, in contrast, are not restricted to those aged 18 years or over and 23% of adolescents reported playing social casino games, as did 34% of adults.
- Among adolescents, these games were more popular among males and older respondents. No gender differences were found in the adult sample.
- The most commonly used forms of social casino games for both adults and adolescents were lottery or slot machines/pokies/gaming machines.
- Most users played one or two different types of social casino game per typical session of use.
- Social casino game sessions were typically less than half an hour and were usually conducted in place of other leisure activities such as surfing the Internet or watching a television show or movie. The games were mostly played for entertainment or fun.

- Half of adult social casino game users (50%) and 40% of adolescents had made purchases within these games. Most adults who spent money on social casino games reported doing so fairly infrequently, while adolescents reported more frequent purchases.
- Most social casino game users reported making purchases in a typical session of under \$20.
- Facebook was the preferred platform for playing social casino games and most were played via desktop or laptop computers, although iOS and Android apps were also popular on smartphones and tablets.
- Around half (49%) of the social casino game users in the adolescent sample and around three-quarters (73%) in the adult sample reported that they would not be interested in gambling on their favourite social casino game if the option were available.
- Similarly, when asked if their game play would be affected by being able to legally gamble online on these forms in Australia, 61% of adult and 71% of adolescent social casino game users reported that they thought this would have little impact on their social casino game play. This indicates that, for many, online gambling and social casino game play are distinct activities.
- The majority of social casino game players reported that their use of these games had had no impact on their desire to gamble (61% adults, 55% adolescents) or their actual gambling behaviour (66% adults, 62% adolescents).
- However, social casino game users mostly reported that social casino games look and feel like gambling sites and that, for around half of the social casino game users, winning in social casino games produced similar levels of excitement compared to winning with gambling.
- Younger male adults were significantly more likely to have made the transition from social casino games to gambling, along with those with higher problem gambling severity scores.
- Younger adults reported that they were more likely to make the transition from social casino games to gambling because gambling is more fun and exciting than social casino games.
- For adults, an increase in the desire to gamble was more likely to be reported by younger respondents, those with higher levels of problem gambling and social media users.
- Younger adults, those with higher levels of problem gambling, and social media users were more likely to report that their actual gambling behaviour had increased as a result of their social casino game use.
- Respondents were also asked about their use of practice games, with 21.7% of adolescents and 27.3% of adults reporting that they had played practice gambling games. Younger adults and older adolescents were more likely to use practice games.
- Practice game sessions were typically shorter than half an hour and were mostly played for entertainment or fun.
- Most practice game users reported that their experiences with practice games had not changed their desire to gamble (62% adults, 59% adolescents) or actual gambling behaviour (65% adults, 65% adolescents).

## Chapter 9: Discussion

This discussion chapter has been written in response to the research questions provided by GRA to guide this project. The intention of this chapter was to draw together the findings from all the studies to respond to the research questions and study purpose.

### 9.1 The Use of Social Media by the Gambling Industry

The structure and nature of gambling services offered via social media were examined, as was how new and emerging media are used to promote gambling products. Given the potential influence of social media as a marketing strategy, it is not surprising that gaming and gambling operators are using social media to engage with consumers. The results of the audit of gambling operators' use of social media showed that the majority of operators considered had some social media presence, which is consistent with other large Australian businesses (Yellow Pages, 2013). Most operators focused on a few social media sites, reflecting the popularity of these within Australia. The social media reach of gambling operators was considerable particularly among betting agencies and gambling operators were most active, and successful at engaging with customers via Facebook, followed by Twitter, with limited use of and following via other social media sites.

Betting agencies had the strongest social media presence, probably because their core business is online, making it practical to use strategies to engage existing and new customers directly with the online and mobile platforms. Further, online betting operators have considerable competition, as there are many available operators. In contrast, consumers are limited in the land-based operators they can easily access. Betting agencies' stronger social media presence is also consistent with the younger profile of wagerers, particularly sports bettors, who may be more active on social networking sites (Gainsbury, Russell & Blaszczynski, 2014). This was confirmed by our survey as social media users were younger than non-social media users. EGM providers engaged in a more limited use of social media. This may reflect tighter restrictions on advertising EGMs in some Australian jurisdictions, as well as the generally older profile of EGM users and potentially EGM venue managers, who may be less likely to engage with social media (Gainsbury, Russell, Blaszczynski & Hing, 2015).

Updated data were gathered from the social media monitoring site Socialbakers from March 2015. In the Australian gambling category the largest audience was held by TomWaterhouse.com with 113,815 fans, followed by OzLotteries with 90,917 fans and the fastest-growing pages based on new fans within the last month were CrownBet, OzLotteries, Ladbrokes.com.au, Crown Poker, and Jupiters. On Twitter within the category of gambling brands, Sportsbet.com.au had the largest number of followers (102,250), compared to second and third ranked TAB (28,023) and TomWaterhouse.com (24,775). The fastest-growing gambling profiles in Australia were reportedly CrownBet.com.au, Sportsbet.com.au, Ubet, TAB, and William Hill Aus. Sportsbet.com.au was ranked as the fourth most popular Twitter brand within Australia, while TAB was ranked 44<sup>th</sup>, and TomWaterhouse.com was ranked 53<sup>rd</sup>, and William Hill Aus was ranked 62<sup>nd</sup>. The gambling brands with the largest audience on YouTube was Ladbrokes.com.au, with 4,378,528 views and 485 subscribers, followed by Tabcomau (670,693 views, 564 subscribers), and tatsdotcom (160,178 views, 208 subscribers). No gambling brands were in the top 75 brands on Google+ within Australia. These statistics do not account for the large number of users connected to followers of



gambling brands who may have shared posted content in their newsfeeds. Sharing content allows exposure to content posted on social media well beyond those who elect to follow various brands. The results of the audit of gambling operators' use of social media were largely consistent with the use of social media reported by gambling operators in the interviews. Direct gambling promotions on social media, were typically balanced with non-gambling content. Specific promotions for gambling included notification of odds and promotions, upcoming events to bet on lottery draws, and notification of wins by customers. Many gambling operators, particularly those with land-based venues, used social media to promote events and venue interactions with the community, and to discuss food and beverage services. Large clubs affiliated with sporting teams used their social media profiles to provide information about the team, rather than the venue. The use of social media for land-based venues appeared to be primarily aimed at encouraging customers to visit the venue, although these promotions were rarely related to gambling content. There were exceptions including venues that promoted televised sporting events, which could be linked to the availability of betting within venues.

Many of the gambling operators appeared to use social media to create discussion and promote awareness of brands within the community, rather than specifically to promote gambling products or as a direct channel for sales. The use of social media by companies and brands, including gambling companies, has proven to be a significant advancement in the challenge of communicating directly with customers, rather than relying on less controlled media and less personal advertising (Stansberry & Strauss, 2015). Using these platforms, operators can engage in two-way communication with customers, as well as establish a brand identity that can engage customers and potential customers and be shared within these customers' networks. Many posts appeared relevant for existing customers, although some appeared to be directed towards encouraging new customers. Some posts portrayed gambling as glamorous, exciting and fun, while others emphasised gambling winnings and winners to add to its appeal. Community benefits were also portrayed. This is consistent with previous research on gambling advertising (Derevensky et al., 2007; Korn, Hurson & Reynolds, 2005; Lamont et al., 2011; McMullan, 2011; McMullan & Miller, 2010; Monaghan, Derevensky, & Sklar, 2008). Social media was also used as a means to respond to comments from existing customers, such as inquiries for help or complaints, and all interviewed operators discussed using these platforms for this purpose.

A prominent theme promoted in the posts by wagering operators in particular was sports. The 'sportification of gambling' and the 'gamblification of sport' (McMullan, 2011, p. 4) has prompted concerns that this alignment contributes to the normalisation of gambling, particularly within young male sub-cultures (Hing et al., 2013; Lamont et al., 2011; McMullan, 2011). Associating gambling with sport is thought to convey the impression that gambling is a measure of team loyalty, knowledge and manliness, and that gambling is a healthy entertainment pastime (Hing et al., 2013; Lamont et al., 2011; Monaghan et al., 2008). However, given that this is the central theme of sports wagering and a likely interest of sports bettors, this content is not surprising. If wagering operators want to focus on relevant content to engage with an audience, rather than on direct sales techniques and the promotion of gambling products, sports is a likely alternative. Therefore, it should not be presumed that the focus placed on sports coverage and links on social media platforms to sports and other major popular events by gambling operators is designed to normalise gambling.

Results from the case study of Facebook were specific to a particular period and were based on the experiences of a single user; however, they provide useful insights into marketing via this platform. The findings suggest that gambling-related advertising is very widely presented

on Facebook and different sectors of the gambling and gaming market clearly regard social media as an important vehicle for creating awareness and uptake of their products. An important insight provided by the case study is that there are clear similarities and differences between how social casino games and online gambling activities are typically promoted. For example, one of the main differences between social casino and gambling advertising is that push advertising for gambling tended to focus on Australian- and New Zealand-specific content. Gambling advertising on Facebook communicated culturally specific meanings around gambling ('pokies', 'Aussie classics') and the cultural spaces in which it was carried out ('the local'); notably, this included advertisements for offshore online slot and casino sites not legally operating in Australia. Promotions were offered during important sports events, such as the NRL Grand Final and the Melbourne Cup. Gambling promotions also tended to focus on the potential monetary rewards of this activity. This focus was not typically used by online wagering operators; however, it was used by unregulated offshore sites as well as lotteries, which used social media to highlight the life-changing nature of potential winnings.

The case study of Facebook demonstrated that unregulated offshore sites use this platform to advertise directly to Australian users, despite this being explicitly prohibited under the *Interactive Gambling Act* (2001). Some unregulated gambling operators promote specifically to Australian audiences using text and graphics that target this population, such as images of the Australian flag and Australian currency. At least one of the unregulated sites appeared to change the URL for its landing address constantly, suggesting some awareness of the need to bypass the scrutiny of regulators and law enforcement officials. The case study demonstrated that just one user was exposed to advertising from 19 different offshore gambling sites via Facebook, indicating that these advertisements may be commonly viewed and that many offshore websites were violating Australia's gambling and advertising laws.

Differences were observed between the approaches adopted by the regulated and unregulated markets. For example, regulated sports betting operators promoted bets related to specific events, such as the NRL Grand Final, electoral campaigns and the Melbourne Cup. Marketing was designed to create a sense of urgency, given that these opportunities to gamble were limited and that decisions had to be made before the event occurred. The nature and terms of these regulated promotions were generally more prescribed. Conversely, unregulated gambling operators tended to use questionable techniques and positioned their material on the user's timeline. Examples of potentially deceptive practices included the use of seemingly credible, but in fact fictitious, Facebook users, who shared their experiences (e.g., of winning a jackpot) in ways that potentially misrepresented the typical playing experience of the product's actual users. The fictitious nature of these posts was marked by their use of user names such as 'Hope Hemmingway', the fact that they were tagged as paid content, the overly positive stories and their clear call for users to click a link to visit a site. In contrast, although legal online wagering and lottery companies used social media to promote winners, they often did so without identifying the individual, and without a direct call to commence gambling.

Taken together, the results provide insight into how gambling operators use social media to promote their brands, and less commonly, gambling products. It is important to note that there are no gambling opportunities available directly on social media within Australia. That is, these platforms provide a way for consumers to engage with operators, and vice versa, but consumers must leave the platform and visit a gambling site or venue to engage in gambling. The marketing techniques used by gambling operators all appeared lawful, with the exception of offshore operators illegally advertising to Australian customers. The content from legal

operators abided by relevant codes of conduct and did not primarily focus on promoting gambling products. Instead, they used the platform to increase brand engagement and consumer loyalty. Considering that, unlike traditional media, social media does allow for time-sensitive posts and responses to current issues, as social media platforms and consumer interests change, it is likely that the techniques used via those platforms will also shift.

## **9.2 Gambling-Style Services and Promotions Offered That Are Not Played for Money**

Interviews with gaming operators and relevant stakeholders combined with the audit and case study suggest that social media is being used by the social casino game industry to promote gambling-style services and products. Facebook and Twitter were the major platforms used for this purpose. In addition to the ways other brands and companies can use social media to promote content described above, social casino games encourage users to share content from a game with their contacts. This may include sharing progress within the game, or inviting friends to join the game. Games often prompt users to do this to win additional credits to facilitate ongoing game play.

Facebook promotions for social casino games included personalised messages for users, demonstrating that operators use algorithms to target their marketing to specific groups and individuals to increase its perceived relevance and enhance its effectiveness (Postma & Brokke, 2002; Xu et al., 2008). Advertising for social casino games often includes offers of free credits or other specific offers to encourage new and existing customers to engage with games. Some games are specifically promoted as being addictive, demonstrating the difference between gambling operators and social casino game operators, as it is unlikely that gambling operators would use such terminology, particularly to convey a positive impression of a game. The use of addiction-related language in marketing (e.g., ‘Your new addiction’) demonstrates the intent of game operators to encourage users to play as often as possible, and to highlight this as a quality of a successful game—one that is so entertaining and immersive that players will not want to stop.

In contrast to promotions for gambling via social media, advertising for social casino games on these sites was generally not culturally specific. The slogans and promotions appeared to communicate with an international audience. In general, the advertising for social casino games focused predominantly on the novelty of this gaming genre and the enjoyment of play. Products were often associated with content related to licensed Hollywood franchises, and the advertisements often depicted cartoonish characters or settings that evoked the child-like quality often found in casual social media games.

Several gaming machine manufacturers, including those with products in Australian venues, offer social casino games that closely resemble their gambling products. At the time of the interviews with gambling operators and gaming stakeholders, only one gambling operator in Australia was offering social casino games to Australian customers. This venue required customers to verify their age before playing the game; however, as Facebook was used for this purpose, it would be easy to falsify this information. Nonetheless, the game was not actively promoted to youth. The game was primarily used to engage with potential venue visitors, although money could be spent within the game.

Practice games refer to free-play modes or versions of gambling products. These did not appear to be heavily promoted on social media by gambling operators, however they were reportedly used by a notable subgroup of respondents surveyed. Adolescent practice game

users were more likely to be older and also gamble, indicating a potential relationship between practice game use and gambling, although causality cannot be determined. Among adults, males were more likely to report using practice games, as were gamblers and younger adults, indicating some similarities with those more likely to use social casino games. The most common reasons for playing practice games similar to those provided for playing social casino games, indicating that practice games might be played for a similar purpose.

It is clear that the provision of gambling-style services and products via social media is highly popular and profitable, and this trend is likely to continue. Further discussion is included in the section below on the impact of social casino games.

### **9.3 The Impact of Social Media on Gambling and Gambling-Type Activities**

Social media, and social networks in particular, appear to be useful platforms for marketing, as they are highly used within Australia. The vast majority of adolescents and adults surveyed were social media users and visited these sites daily. A minority of social media users actively used ad-blocking software, and these may have had limited impact on the advertisements within social media platforms, particularly promoted content within newsfeeds.

#### **9.3.1 The impact of gambling operator's use of social media**

Several types of messages identified in the audits overtly encouraged gambling, either by exhorting new users to try gambling products or facilitating and promoting betting by existing consumers. This social media use may influence users at various stages of gambling engagement. The most consistent aim reported by Australian gambling operators with regard to social media use was to increase brand awareness and customer engagement. This included fostering an increased sense of loyalty and a more personal relationship with the brand or venue. Research on engagement with brands via social media has found that the relationships between consumers and the brand, product and company all positively influence trust and brand loyalty (Habibi et al., 2014; Laroche et al., 2012). Consumers are more likely to make a purchase online from a brand they know or trust (Kim, 2012), rather than have to consider and compare unfamiliar brands. This is consistent with studies of Australian Internet gamblers that show that reputation is the most important factor for customers in choosing a particular site to bet with (Gainsbury, Wood et al., 2012; Gainsbury, Russell, Blaszczynski et al., 2015).

In this sense, gambling operators did not report that they necessarily intend to increase sales or consumer spending directly through social media promotions. Rather, they seek to extend brand reach, increase favourable impressions of the company and engage with a broader community. Many operators attempted to use social media differently than traditional marketing, which only allows messages to be pushed to customers. Content posted on social media was often more time sensitive, to increase its relevancy and engagement with followers. One aim of many operators was to increase the number of fans, or followers, on social media platforms, as well as engagement as measured by liking or the reposting of content. Other operators interviewed, including operators of international gambling venues, used social media as a means of increasing feedback from customers and learning about their customer's preferences, so that they could target their promotions more effectively. The interviews were broadly consistent with the results of the audit of social media use by gambling operators. Nonetheless, it is also possible that the interviews presented a biased and

positive view of social media use by gambling operators and increased consumer sales is an indirect aim of these promotions.

Despite the potential for social media to facilitate two-way engagement, many gambling operators used this as a form of online notice board, making posts about events, updates, offers and in-venue specials. This is consistent with a study of international gambling operators, which concluded that these operators did not take advantage of the potential for consumer engagement with social media promotions (Behmann, 2013). Many operators used such posts as a way to encourage venue visitation and provide customers with current information about the venue.

No clear target audience for gambling operators on social media was identified by this research. In interviews, several operators noted that younger Australians (notably young adults, as opposed to youth) were likely to use these platforms, but all acknowledged that use was relatively universal. Most operators attempted to target their existing customers, and those who were similar to their existing customers, such as the customers of their competitors, or people with an existing interest in gambling. Operators could use geolocation to target users in the jurisdictions to which they were permitted to market, but it was difficult to target different messages to users based on location due to the global nature of social media posts. Despite these statements, the audits suggest that young to middle age males were the predominate target for sports and race betting operators on social media. The use of humour and specific types of graphics are also likely to appeal to young people generally.

It is important to note that no gambling operators in Australia provide opportunities to gamble directly through social media. That is, there is some level of distinction between the actual gambling platforms (online and offline) and operators' social media presence. This was revealed through the audits as well as operator interviews, which noted that there was currently no real way to determine the impact of social media on actual sales, venue visitation or the creation of customer accounts. For this reason, the vast majority of gambling operators interviewed considered social media an important investment and resource, but few expected that this activity would yield immediate returns.

In addition to using social media, some gambling operators, including both Australian operators and offshore gambling sites, provided free-play practice game versions of their gambling products. These are distinguished from social casino games, as they are typically based on a standalone site, and are not linked to a social media site. They are promoted to users as a way to practice, learn the rules of a game or view a gambling product, without having to risk any money. Users may or may not have to register to play these games. Within Australia, as well as in some other jurisdictions, practice games are required to have the same payout rates as the actual gambling product being demonstrated, to avoid misleading users. Another variation of these games is the use of tipping competitions, offered by several online wagering providers. These are not promoted as ways to practise betting, but often use similar mechanics to picking a winner out of a competition.

Despite attempts by gambling operators to engage with the community, the majority of social media users surveyed indicated that they had not engaged with gambling operators through social media. Although over half of adult social media users reported not having seen any advertisements for gambling operators on social media sites, over thought that there were too many promotions for gambling on social media sites. This apparent discrepancy between not seeing any advertisements yet reporting that there were too many may be a failure to report seeing advertisements accurately, or an overall view that gambling operators should not be

advertising to potential customers via social media sites. The majority of those surveyed also agreed that gambling operators used social media sites to encourage users to gamble, indicating the perspective among the public that gambling operators used social media for highly commercial reasons. This perspective was somewhat inconsistent with the stated aim of social media use by operators. Although increased revenue appeared to be an indirect aim, operators did not explicitly state this to be the primary reason for using social media for promotions. The results from the survey are inconsistent with the interviews with gamblers and social game players. Most respondents interviewed reported very high levels of exposure to social casino gaming and gambling advertising on social media sites. Some participants described the degree of exposure as 'relentless', suggesting that this advertising had assumed a prominent place on social media. The greater exposure to gambling and social casino game advertisements among those interviewed may reflect the likelihood of gambling and game operators to target advertisements to users who have demonstrated an interest in this content. These findings suggest that active users of social casino games, or those who have demonstrated an interest in gambling, would be more likely to see a higher volume of advertisements and promoted messages.

Only a minority of adult social media users surveyed had engaged with a gambling operator using social channels. Adults using these social features were younger than those who did not, but they were not typically young adults. Respondents were more likely to report passive engagement with gambling operators on social media, such as visiting a Facebook page or watching a YouTube video. The reasons stated by survey respondents for connecting with gambling operators on social media included to access special offers, bonuses and promotions and entertaining content, and to ask for help and advice. However, users were also interested in connecting with other people, sharing their opinions and accessing news and updated information. As these were the types of content commonly posted by gambling operators, this suggests that the industry is reasonably accurate in its appraisals of the content sought by its customers.

The impact of promotions and content posted by gambling operators on social media was assessed in the survey study. The majority of adults surveyed reported that promotions on social media had no impact on the amount they would like to gamble or on how much they had actually gambled. A minority of respondents indicated that social media use by operators had increased how much they gambled, with most reporting this had somewhat increased. However, a greater proportion of adult respondents reported a decreased desire to gamble and a decrease in their actual gambling, which suggested that the impact is not necessarily in a single direction.

The little direct impact on gambling reported from social media use by gambling operators is similar to research on other forms of advertising and marketing (Hing, Cherney, Blaszczynski et al., 2014). As such, the self-reported impact of gambling operators' use of social media on gambling appears relatively limited. This may reflect the third-person effect, whereby individuals typically view advertising to affect others more than themselves (Davison, 2003). Survey data may underestimate the actual impact of advertising on individuals, especially given that the majority of respondents perceive that social media use by gambling operators does encourage people to gamble (Hing, Vitartas, Lamont & Fink, 2014).

These results are fairly consistent with the impact of social media use by commercial retailers in general. According to a Gallup survey, 62% of US adults who use social media say these sites have no influence on their purchasing decisions and only 5% say that they have a great deal of influence (Gallup, 2014). The reach of social media may be lower than thought, as a

Forrester study found that posts from top brands on Twitter and Facebook reach just 2% of their followers, which are those who have actively opted to receive content, not new customers (Elliott, Paderni & Colburn 2014). Further, only 0.07% of those followers actually interact with those posts. This suggests that high engagement of companies with social media may not be effective, particularly when one considers the cost and resources required and the existing effectiveness of other communication channels, such as email and telephone. Interviews with operators confirmed that it was difficult for companies to measure any meaningful statistics to understand the return on their investment in social media. That is, the meaning of followers, clicks and shares is not clear in terms of the effect that it has on purchases. Nonetheless, the most common reason cited by Australian Internet gamblers for choosing a particular site is reputation (Gainsbury, Wood et al., 2012). As brand promotion and word-of-mouth are core aims of social media use, this may contribute to an overall positive impression, which influences consumers, even if they have minimal awareness of this.

It is likely that gambling operators will continue to pursue social media as a vehicle for promoting their brands and products, as long as this remains a popular channel among consumers. Efforts to link users with their purchasing actions may increase, although no strategy appears to have emerged as yet. Nonetheless, unlike other forms of marketing, consumers can influence the direction and content of gambling operators' social media promotions, and this consumer engagement and preference will likely have the largest impact on determining the type of use and potential impact going forward.

### **9.3.2 The impact of social casino games**

Around one-third of adults and one-fifth of adolescents surveyed reported playing social casino games. The survey results were not intended to be representative of the wider Australian population, although the sample of Internet users was stratified in accordance with State, age, and gender across the Australian population. These results indicate that these games are quite popular among Australian Internet users. Unlike in previous studies (Morgan Stanley, 2012; SuperData, 2013), social casino game players were not more likely to be women. Social casino game players were younger than non-users and typically middle aged, more likely to work full-time or be students, less likely to be unemployed or retired, and more likely to speak a language other than English at home. This is consistent with other reports of typical social casino game users (Gainsbury, Russell & Hing, 2014; Macquarie, 2013; SuperData, 2013), which may indicate that our survey was relatively representative of social casino game users. Almost twice as many gamblers played social casino games than non-gamblers, suggesting a common interest in gambling-themed activities may drive use. The proportion of gamblers who played social casino games was higher in the current study (42%) than in a previous study of gamblers conducted in 2012 (13%) (Gainsbury, Russell & Hing, 2014). Although the samples are not comparable, it is possible that social casino game use has increased since the previous study was conducted.

If they were not playing social casino games, the adults surveyed were most likely to report that they would be surfing the Internet or watching television or movies. This indicates the games are used as a form of entertainment, which is consistent with users most commonly reporting playing the games for excitement or fun or to pass the time. This is consistent with motivations described more broadly for social games (Lee et al., 2012; Liu et al., 2013).

Half of social casino game players reported having spent money on these games. The majority agreed that the cost of the purchase was clear to them. The high proportion of social

casino game players surveyed who reported spending money on these games suggests that the sample consisted of more involved social casino players than is representative of a typical population. Most estimates suggest only 2–4% of social casino gamers spend money on these games (SuperData, 2015). Our survey sample appeared to comprise an unrepresentative number of involved players, given their much higher rate of spending on social casino games.

In contrast to gambling operators, social casino game operators viewed social media platforms as important for direct sales. These platforms were commonly used to promote offers such as free credits, and provided direct links to games that could be played without leaving the social media platform. Integrating games within the social media platform was a key element of social casino games marketing and game success, as users were encouraged to share their progress within their networks, and invite their friends to play, to foster socialisation and competition as well as collaboration between friends. Interviews with gamers and gamblers suggested that promotions for social casino games most often involved pop-up advertisements in social media sites, invitations with refer-a-friend incentives and promotions from within a user's social network. Although social casino games were strongly promoted based on personal connections, few social media users interviewed discussed social interaction as a motivator or a feature of their social casino game play. One of the key motivators proposed by game operators for ongoing engagement was the ability to play within a social context, challenging users against either themselves or others. This was facilitated by game mechanics such as the availability of weekly leaderboards that enabled all players to have a chance to progress and to reset goals over short-term periods of play.

There was strong support among the gaming operators interviewed regarding the notion that the 'social' component of social media sites plays an important role in the promotion of social casino gaming. The results from the survey and interviews with gamers indicate that personal recommendations via social media are influential, although social media advertising can also be persuasive. However, social interaction was one of the least important reasons for playing among adults surveyed. This is consistent with the results of the interviews with gamers, which suggest that, although this is a core feature of social casino games, it is not necessarily used by players.

A notable minority of social casino game users surveyed whom also had at least some gambling problems reported some negative consequences related to these games. One-quarter of social casino game players surveyed who had at least moderate gambling problems reported that they thought they might have a problem with these games, with symptoms including negative consequences for their relationships, school or work, or health, and negative feelings when they could not use the games. Over two-fifths of these participants reported that these games had been used to relieve a negative mood. These questions are not reflective of any diagnostic indicators as these have not been developed or agreed on for disordered social casino game use, but they do suggest that some people's game use may be used as a coping mechanism and become excessive and somewhat problematic in their lives. This is in line with the reports in some interviews with social casino game players of gamers spending more time and money on these games than was intended. This highlights an important issue of time displacement, whereby, although people may be spending less money than they would if they were gambling, the investment of time is displacing other activities. However, one social casino gamer interviewed reported considerable problems and distress associated with excessive use of these games, including excessive expenditure of time and money. The negative financial consequences of social casino games may be similar to



gambling problems for some highly involved players and demonstrates that for a minority of users these games can cause serious negative consequences. The individual accounts from these individuals and notable minority of social casino game users surveyed reporting problems presents somewhat discrepant findings from the industry reports that social casino games are not harmful. These dramatic harms, although experienced by a minority of players, suggest that further action is needed to protect players from harm.

Problems with social casino games were more commonly reported by younger adults as well as those with higher levels of problem gambling. These results were consistent research which suggests some underlying similarities between these populations (Yau et al., 2014). Problematic video gaming is becoming increasingly recognised as a possible mental health disorder; for example, the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) includes Internet gaming disorder in its appendix (King et al., 2013). Problems with online gaming have been increasingly reported, particularly among youth, and models of disordered use similar to disordered gambling have been proposed. Problems with social casino games specifically have not been researched; however, this study suggests that these games can become problematic for some players. Excessive social casino game use may also become clinically significant, warranting consideration as a form of Internet gaming disorder, assuming sufficient overlap in their formulation. Nonetheless, these results require further exploration in future research, as they suggest that for a quarter of social casino game players who also have gambling problems, the games may have a negative impact on their life. Future research should examine social casino game problems more broadly within the population.

Taken together, the results suggest that social casino games are played by a notable proportion of Australian Internet and social media users. These games are primarily played for entertainment and to pass the time. This is particularly reflected among mobile and tablet players, who are likely playing in casual moments. Some involved players use desktop computers, play frequent and long sessions and spend notable amounts of money on these games. For some of these players, the games may have a negative impact on their lives, and further research is needed to investigate whether this is clinically significant.

### **9.3.3 The impact of social media in gambling for vulnerable populations**

#### **9.3.3.1 Problem gamblers**

##### **9.3.3.1.1 Promotion of gambling on social media**

All gambling operators interviewed appeared to be mindful and cautious about ensuring that social media was not used to promote excessive gambling and did not target vulnerable populations. All operators had policies for monitoring social media profiles closely. Any comments or information suggesting that an individual had a gambling problem was reportedly acted on following policies and procedures similar to those used for other modes of contact, such as when a problem gambler was identified in venues, by telephone or through other practices. Most operators discussed that, in these instances, they would proactively gather further information, seek to take the conversation offline and, in some cases, ban the individual from further involvement with social media platforms and direct them towards additional support. Several operators mentioned that their responsible gambling managers worked closely with the social media team, both to review content prior to posting, and to be involved if problem gambling issues arose with individual users. Despite these stated efforts, adult problem gamblers were more likely than non-problem gamblers to engage with gambling operators using social features, such as reading and posting comments online. This is notable given the interviewed operators' intention to ensure problem gamblers

were not active on social media, and suggests that the interactions from problem gamblers did not indicate the severity of their problems. Alternatively, it is possible that gambling operators are not as vigilant at detecting users on social media who have gambling problems as claimed in the interviews.

Among all adults surveyed who were identified as having at least some risk of gambling problems, the majority reported that the use of social media by gambling operators had no direct impact on their gambling problems. However, those with higher problem gambling severity scores were more likely to state that promotions on social media by gambling operators had increased their gambling behaviour. Over one-quarter of at-risk gamblers reported that social media marketing had at least somewhat increased their problems, while a much smaller proportion reported a reduction in problems as a result. Therefore, the survey results suggested that for a minority of those with pre-existing gambling problems, the use of social media by gambling operators might exacerbate these problems. This is similar to the reported impact of gambling advertising more generally. However, there was no evidence to suggest that social media use by gambling operators created problems, and the majority of users reported no impact on their gambling as a result of social media.

Gambling operators within Australia appear to be using social media within the bounds of codes of conduct for advertising and not purposefully exploiting vulnerable people. Gambling problems are related to a broad number of personal, social and environmental variables, and it is unlikely that social media plays a significant role in the development or exacerbation of problems compared to other significant factors. This is consistent with conclusions drawn from other studies on marketing and advertising for gambling products (Binde, 2014; Sproston et al., 2015). For some vulnerable people, multiple triggers exist that may exacerbate gambling, and they may benefit by attempting to avoid these, such as by not following gambling operators on social media, using ad-blocking software and seeking help to resolve their gambling-related problems.

#### 9.3.3.1.2 Social casino games

All stakeholders interviewed generally agreed that there was currently insufficient evidence to suggest that engagement with social casino games was associated with harm, except for a very small minority of high-intensity users. In this sense, these specific games did not appear to be as associated with harmful outcomes as suggested by research on the prevalence of problem video game playing (Ferguson, Coulson & Barnett, 2011). Regulators and policy makers interviewed expressed more concerns about free-play modes or practice games than about social casino games, because of the capacity for the former to mislead consumers about potential odds associated with gambling. However, it should be noted that in Australia and many other jurisdictions, gambling operators are required to ensure that practice games associated with gambling products have the same payout rates as actual gambling versions, to avoid any deception. The extent to which this is monitored by regulators is unclear.

Some limited evidence from the interviews with social casino game players supported concerns that social casino gaming might lead to or exacerbate problem gambling. Only one participant described developing gambling problems after being introduced to social casino games. However, other participants with pre-existing gambling problems described how playing social casino games could trigger and remind them of gambling, and that spending money to buy virtual credits for social slot games could encourage online gambling so that monetary prizes could be won. Similarly, adults surveyed with higher problem gambling severity levels were more likely to report an increase in their desire to gamble, as well as how

much they actually gambled, as a result of playing social casino games. Around one-quarter of those surveyed who were at some risk for gambling problems reported that these games increased their problems. Among survey respondents who played practice games on the same activity on which they had gambled, those with higher problem gambling severity levels were more likely to report that they thought that using these games would increase their success at gambling, suggesting some irrational beliefs about these games that may contribute to gambling problems. Similarly, those with higher levels of problem gambling severity reported that playing practice games increased the amount that they gambled. Among those at-risk for problems, one-third reported that the practice games had increased their problems.

Despite these findings, the majority of at-risk gamblers surveyed reported no apparent influence on their gambling of their social casino or practice game play. Further, 10% of at-risk gamblers surveyed reported that social casino games reduced their problems, and 8% said this about practice games. Gamers interviewed more commonly reported that engagement in social casino games had lessened their monetary gambling activities by helping them to manage gambling urges, pass the time and remain mindful of the likelihood of losing at monetary gambling. Consistent with these experiences, a gambling counsellor interviewed discussed using social casino games with his clients as a way to reduce their urges and cravings to gamble. He encouraged problem gamblers to substitute their gambling with social casino game use, and reported using this to control his own gambling after experiencing problems personally. Further, playing these games was thought to be a useful way to remind players that they would eventually lose. However, despite this indication from the counsellor, as social casino games often have very high payout rates, this effect may not be reliable.

One potential limitation to using social casino games as a substitution for gambling was that the interviewed respondents reported playing social casino games for extended sessions, and in some cases spending money on these, which may create additional problems (i.e., displacing other activities or interference with life responsibilities). There was also some evidence of respondents spending large amounts of money on virtual credits. This may be considered somewhat speculatively as an emerging subtype of problem gambling or problem Internet use; that is, negative financial consequences without the possibility of the player 'chasing' or otherwise recovering monetary losses. Several gamers interviewed also described how, although their gambling had decreased, they were spending more time and money than they intended on social casino games. One of those interviewed described highly excessive use of social casino games, which appeared to reflect disordered use, similar to gambling problems. This is consistent with the results from the survey in which social casino game players with higher problem gambling severity scores were more likely to spend money on social casino games and report problems with these games. As the games were still focused on gambling content, they might not extinguish cravings and urges to gamble, and some interviewed players with gambling problems reported that these games did act as triggers, making them want to gamble. This was acknowledged as a risk by the problem gambling counsellor, as was the potential for users to view many promotions for gambling sites when playing these games. This suggests that the use of these games therapeutically would likely benefit from specific warnings and safeguards.

Taken together, the findings suggest mixed impacts of social casino games among people with gambling problems. These mixed results are consistent with those from a small survey of problem gambling counsellors in Great Britain (Parke et al., 2013) in which some counsellors reported that social casino games were helpful for clients in allowing them to manage their gambling urges without spending money. For others, social casino games

triggered an urge to gamble, particularly when players experienced ‘wins’ in the social casino game. The results from this study provide some evidence that, for some problem gamblers, playing social casino and practice games can exacerbate existing problems. Social casino games may be helpful for some people dealing with gambling-related problems, if used purposefully and combined with efforts to avoid gambling. However, at earlier stages of change, they may be more likely to exacerbate problems.

The lack of research and evidence to inform regulatory policies on social casino games and practice games was noted by policy makers interviewed, who expressed views that it would be inappropriate to take regulatory action without any empirical evidence of harm. The evidence found here does not indicate that these games should be the focus of specific gambling-related regulation. However, as social casino games pose many risks for vulnerable people, they should continue to be monitored. Requiring social casino game operators to increase consumer protection standards might be difficult given the large number of companies involved, most of which are located in offshore jurisdictions. Consumer education could be increased, targeting those who are likely to experience problems related to social casino games, as well as those who work with people with gambling problems, such as counsellors. This could focus on increasing the understanding that these games do not accurately represent gambling, may act as a trigger for gambling and, importantly, should only be played for entertainment purposes. Further research is necessary and should focus on the impact of incorporating social casino games into a treatment program or as a prevention strategy, as there are potential benefits and risks of this for individuals.

### **9.3.3.2 Youth**

#### **9.3.3.2.1 Gambling and social media**

The audits and interviews in the current study found no evidence that Australian gambling operators are directly targeting youth through social media. Although they could not control others sharing content with minors, several operators did have age-restricted gates and controls on their own Facebook pages, and one operator had taken the active step of requesting an age gate to be placed on Twitter. All Australian gambling operators, and most international operators, do have age restrictions on gambling sites; that is, if a user moves from a social media page to a gambling site, they will have to log in or create an account, which requires some form of age verification. A notable exception to this restriction is that users typically have a set period (up to three months in Australia) in which to verify their age (and identity); however, they cannot withdraw winnings until this has been completed. This is viewed as a deterrent to underage gambling by gambling operators, but is a loophole that may allow youth to place bets online.

The relatively high proportion of adolescents who reported having engaged in gambling is indicative of the ability of this population to access and participate in gambling, despite age restrictions. Research studies on Australian young people under 18 years suggest that many have engaged in gambling (Delfabbro, 2012; King, Delfabbro, Kaptsis & Zwaans, 2014), which is consistent with the results of our survey. This provides further evidence that young people can access and do engage in gambling activities, despite established barriers to entry. However, the current results should not be taken as a representative prevalence of gambling, as the sample size was limited. Further, there are challenges in measuring gambling among adolescents. For example, many young people have trouble understanding what constitutes gambling, which may confuse their responses. Young people do not necessarily think about gambling in the legal terms typically used by researchers (Purdie et al., 2011). For example, some youth may report gambling themselves if they were present with an adult who was

gambling, or they may classify gambling-themed games as gambling (Griffiths, King & Delfabbro, 2013).

Not surprisingly, the survey results revealed that the vast majority of adolescents use social media. Similar proportions of adolescents as in the adult sample were engaged with gambling operators via social media, suggesting that age-gated content is not effective. Older adolescents were more likely to report social engagement with gambling operators, as were adolescents who played social casino games, suggesting some crossover in interests in gambling-related activities. Among the adolescents surveyed, the majority indicated that promotions by gambling operators on social media had little or no impact on how much they would like to gamble or on how much they actually gambled. However, a small proportion reported that the promotions had increased how much they gambled. Among those adolescents at some risk for gambling problems, one-third reported that social media use by gambling operators had at least somewhat increased their problems, while just over one-in-ten reported this decreased their problems. Despite this low stated perceived impact on gambling desire, it is not possible to determine the potential impact on future gambling. However, given the importance of reputation in selecting an online gambling site (Gainsbury et al., 2012), these promotions may affect gambling at a later point in time. Among adolescents already engaged in gambling and those who have experienced some negative consequences, the social media use by operators may encourage gambling, which may exacerbate involvement and future problems.

Despite the concern and potential impact of social media use by operators, all of the Australian gambling operators observed through interviews and the audits were obeying the codes of conduct. Operators were not visibly targeting children with their advertising and they appeared to attempt to restrict access to content by youth. Youth are exposed to incidental advertising for gambling products in many areas, notably recently when viewing sporting events (Hing, Vitartas & Lamont, 2013; Hing, Vitartas et al., 2014; Lamont et al., 2011; Monaghan et al., 2008; Sproston et al., 2015). However, advertising is likely only one variable influencing youth engagement in gambling and their risk of developing problems. It is important that efforts focus on reducing gambling among youth, and the use of social media by gambling operators should be monitored to ensure that it continues to abide by appropriate codes of conduct and take appropriate steps to prevent engagement with youth.

In response to potential concerns, some gambling operators have introduced certain restrictions on social media to those who are 18 years of age and older. In an international example, UK bookmaker Coral has introduced an age gate screen on its Twitter account (Macleod, 2014). When a user attempts to follow Coral, they will be prompted to provide their date of birth, a system that Twitter has previously offered for alcohol brands and only recently opened up for bookmakers. The verification process has also been introduced on Android and iOS devices. Efforts could also be taken by gambling operators or other concerned stakeholders to encourage adult users to avoid sharing gambling-related content with their networks when they are connected to young people. Additionally, parents play a role in monitoring children's use of social media, including the creation of their own accounts and restricting access to adult accounts that can access gambling-related content. If adults engage in gambling or related activities online, online advertisers may target their IP address with gambling-related advertisements, which may be viewed by other users, including children. This can be minimised by creating separate user accounts on devices, using ad-blocking software and deleting cookies and browsing history. Ultimately, efforts to reduce gambling among young people must involve a wide variety of stakeholders, including gambling operators, but also regulators, parents, educators and the youth themselves.

#### 9.3.3.2.2 Social casino games

Based on their knowledge of the market and their user data, social casino game industry representatives argued that there was little evidence that young people were disproportionately attracted to social casino games. They estimated that players under the age of 25 comprised only 10% of the total market, although this has not been independently verified. Social casino game operators interviewed indicated that very few children played their games and that they did not want to market to children, as this would create controversy and potentially lead to government regulation. The greater proportion of adults than adolescents who played these games in our survey sample is consistent with the arguments advanced by social casino game operators; however, the results still suggest a relatively high engagement with these games among those aged less than 18 years.

Among the adolescents surveyed, just over one-fifth reported that they had played social casino games, which was lower than the proportion of adults. Of interest, almost three-quarters of adolescents who reported gambling played social casino games, compared to around one-tenth of non-gamblers. This is consistent with previous research on gambling and simulated gaming (King et al., 2014). These results indicate a common interest in gambling-themed activities, and it is possible that youth engage with social casino games to explore this activity without risking money. This was reported as a reason for social casino game play by just over one-third of adolescents who had also gambled on the same activity type on which they played a social casino game. A higher proportion of adolescents in our sample reported playing social casino games than in a previous survey of Australian youth (King et al., 2014). While neither survey is representative of the larger population, this may nevertheless reflect an increasing popularity of these games.

Among the social casino game users, most played these games once per day and spent less than 30 minutes playing these daily. Males were more likely to play for longer than females. Social casino games appeared to be displacing other Internet use, with over two-fifths reporting that they would otherwise be surfing the Internet or using social media. The games appeared to be used as a form of entertainment, with over one-quarter reporting that they would otherwise be engaged in some sort of electronic entertainment. These results suggest that the games do not appear to be particularly distracting, but represent a general shift of entertainment activities to the Internet. However, a small subgroup of respondents indicated that they did play frequently and for long sessions.

The proportion of adolescents using mobile phones and tablets to play these games was higher than among adults. Similar to adults, adolescents played these games for excitement and fun and to pass the time. A greater proportion of adolescents than adults reported social interaction as at least somewhat important as a reason to play social casino games. Adolescents were also more likely to use some of the social features of these games, with almost one-third reading user comments and one-fifth posting comments. This may indicate a greater interest and desire for social connection in entertainment activities among adolescents.

Among the adolescents who played social casino games, about 40% had spent money. Three-quarters of adolescents agreed that the cost of their purchases was transparent; that is, they understood the costs before they paid. This indicates that the adolescents were knowingly making these purchases; however, it is possible that they were not aware of the contextual value of the purchases; that is, how much this would extend game play or be worth at a later point in the game. Games may advertise promotions and specials, but may also encourage

repeated purchases. As adolescents tend to have disposable income and few responsibilities, spending money on games is not necessarily problematic if it is done in moderation.

A higher proportion of adolescents as compared to adults reported that they thought they had a problem with their social casino game use. This may be a measurement issue as adolescents who reported just one negative consequence of gambling were asked to complete the social casino game measure as opposed to adults who had to report at least three negative gambling consequences. Around two-fifths of social casino game users surveyed who had at least one gambling negative consequence gave responses indicating preoccupation with these games, unsuccessful attempts to cut back, negative feelings when they could not play, using games to escape a negative mood or problems and experiencing problems in their life as a result of these games. These questions were based on proposed DSM-5 criteria for Internet Gaming Disorder. Problematic video or online game playing has become increasingly prevalent worldwide, and it has been proposed to be a further behavioural addiction (King, Haagsma, Delfabbro, Gradisar & Griffiths, 2013). The proposed diagnostic criteria are modelled on those for disordered gambling, as the populations appear to have similar psychological profiles (Dowling & Brown, 2010). Youth appear to be at risk for developing gaming-related problems (King et al., 2013). As problematic use of social casino games was not the focus of this study, these results require further exploration. A review of the literature found no overlap between the populations reporting problem gambling and Internet dependence (Dowling & Brown, 2010); however, further research may inform a more updated discussion of the impact of social casino games specifically on problematic gambling among youth.

Similar to social casino game use, around one-fifth of adolescents surveyed reported playing practice games. These participants were older than those who did not play practice games, and practice game use was unsurprisingly much more common among gamblers. The most common reasons to play these games was similar to the motivations for social casino game play. One-quarter of adolescents who had played practice games also reported that they had gambled on the same type of game. Of these respondents, one-third reported that they thought it was likely that their experience with practice games would increase their success in gambling. Beliefs regarding enhanced skill are likely to be irrational, as gambling activities are largely chance-based and only a few, such as poker, have a role for skill. This is a troubling finding because, although practice games are required to accurately resemble actual gambling, earlier research has indicated that some sites provide inflated payout ratios for these games (Smeaton & Griffiths, 2004). Inflated payout rates on practice games may increase player confidence and encourage gambling when players switch between activities (Bednarz et al., 2013).

Among adolescents surveyed who reported at least some risk of gambling problems, over one-quarter reported that social casino games increased the problems experienced, and one-third reported the same in relation to practice games. Although only a minority, the increase in severity of problems due to playing social casino games is a cause for concern. Social casino games have no warnings about gambling problems or resources for help. Survey-based studies have shown an association between the use of social casino games and online gambling and related problems in samples of adolescents and young adults (Byrne, 2004; Floros, Siomos, Fisoun & Geroukalis, 2013; Ipsos MORI, 2009; King et al., 2014; McBride & Derevensky, 2012). However, these studies, including the current results, do not allow causal inferences or insights into the potential influence of these games on gambling. The current results provide further evidence to suggest these games are being played by vulnerable people and that they should provide warnings, as they can contribute to gambling harms, even if they do not provide gambling activities within the games. The onus on practice

games provided by gambling operators to incorporate further harm minimisation measures and warnings about potential risks is even more important given the clearer links to gambling related to these games.

The audit and case study demonstrate that social media sites, which are accessible to under-aged players, have the capacity to promote gambling-related materials to a wide audience. Social casino games often use cartoon-like characters, which arguably appeal to children (Monaghan & Derevensky, 2008). Research has demonstrated that young children respond positively to animated characters and that these generate high levels of attention and liking, as well as product recognition and liking (Neeley & Schumann, 2004). The use of animated characters may also signal to youth that the games are intended for use by young people and are suitable for them. Some games also incorporate themes from popular media that may be appealing to children, such as cartoons, television shows and movies. However, some of these themes may be intended for adults; for example, the Wizard-of-Oz-themed slot games featured in *Hit It Rich!* may be intended to appeal to adult markets who recall this movie from their youth.

Concerns were raised by some stakeholders interviewed regarding the potential impacts that exposure to gambling-style services have on young children, particularly with respect to normalising gambling; that is, gambling-style games and products being viewed on social media and being seen as a normal part of entertainment. There is little question that young people may be frequently exposed to advertising for social casino games and that many of these games are operated by companies that also provide gambling products. Respondents working in policy and regulation recognised the challenges of regulating social media and social casino games. They drew attention to the extent to which young people were exposed to advertising and the rapidly changing nature of technology and the games themselves.

Concerns were also raised regarding the potential convergence between gambling and gaming. This was typically related to the co-ownership of social casino games and gambling products by the same company, even when the products were promoted separately. Additionally, when gambling content was integrated within games that were not primarily focused on gambling, this was viewed as a potential risk, as it would expose children to gambling content and create favourable impressions of this activity.

There is some evidence suggesting that adolescents can distinguish between social casino games and online gambling, although a minority focus on the structural similarities of both games and perceive the purchase of credits with real money to constitute gambling (Carran, 2014). In our survey, adolescents mostly reported that the look and experience of social casino games was somewhat or very similar to gambling sites. This is consistent with a study examining the music and sounds in social casino games, which were found to be relatively similar to those within gambling games (Bramley & Gainsbury, 2014). The finding that over half of adolescents reported that winning on social casino games was as or more exciting than winning when gambling suggests that the games may actually have a protective influence on youth and may ultimately reduce engagement in gambling. This requires further investigation.

Despite concerns about gambling-themes within games, the regulation of social casino games remains a difficult area. Many companies providing these games are located outside Australia and may not work cooperatively with regulators. One recent development within Australia is the trial of a new classification code of conduct. Australia has joined the International Age Ratings Coalition, a globally unified age ratings classification system that will allow digital



games to be classified based on their content (Reilly, 2015). This may see gambling-themed games classified as restricted for young children, or those aged under 15 years. Social casino game operators may consider voluntarily restricting access to their games to those aged over 18, although user age can easily be falsely reported by users. Nonetheless, voluntary action would send a strong warning to users and parents that the content is intended for adults only. Parents should also monitor their children's use of social media and games and consider limiting access to games with gambling content, particularly for younger children.

#### **9.4 Migration from Conventional Forms of Gambling to New Forms through Social Media**

Social casino game operators interviewed expressed the view that gambling and gaming markets and products were distinct. Although some respondents conceded that there was likely to be some co-relation or overlap between the gaming and gambling markets, several differences were highlighted. Whereas the typical online gambler was more likely to be younger, male, with a higher education and income, social casino gamers were reported as much more likely to be middle-aged women playing for enjoyment. Social casino game industry representatives indicated that the migration rate between social casino games and online gambling was extremely low. This view was shared by members of Australian and international regulatory bodies. This is also reflected in the separation between companies or divisions within companies that offer social casino games as well as gambling products. However, these reports have not been independently and empirically validated.

Despite reports of gambling and gaming markets being distinct, recent research on Internet gambling suggests this is a relatively heterogeneous market, not overly dominated by a specific demographic, other than a preference shown by males and younger adults (Gainsbury, Russell, Hing et al., 2015). Further, Australian data suggest that there is a high crossover between social casino game and gambling markets, including land-based gambling venues (Gainsbury, Russell & Hing, 2014; SuperData, 2015). Our survey found no gender difference in social casino game use. Although social casino game users were younger than non-users, the mean age of adult users in this group was 42.5 years. The crossover in markets was clearly demonstrated, as both the adolescent and adult gamblers surveyed showed significantly higher participation in social casino games than non-gamblers.

Reports from interviewed game players suggested that there is advertising for gambling products in social casino games and vice versa. Gambling operators may target users who play social casino games with online advertisements because of their demonstrated interest in gambling-themed activities. This was consistent with the survey findings that of the majority of adolescents and adults agreed that social casino and practice game operators encouraged them to try gambling. This indicates a perception that operators of gambling-themed games attempt to convert players to gambling.

The potential for social casino games to normalise participation in gambling-themed activities was reflected in the finding that the majority of survey respondents reported that social casino games and gambling sites were at least somewhat similar in their look and the general experience of playing. Further, around one-half reported that winning at games was similarly exciting to winning when gambling. However, around half of the adolescents and almost three-quarters of the adult social casino players reported that they would be unlikely to be interested in gambling on their favourite social casino game if this were available. The majority of respondents indicated that their use of social casino games had no impact on their desire to gamble or their actual gambling. This suggests users engage with social casino

games for different reasons than gambling. People typically report gambling to make money, but this was not a strong motivation for playing social casino games. Further, playing social casino games to improve gambling skills was the lowest ranked motivation for play.

Among those who had gambled on the same type of activity as they played in social casino games, just under half of adolescents and over half of adults reported that the gambling had come first. This suggests that gambling is potentially migrating players to social casino games as well as games migrating player to gambling; however, it is likely that a common interest in these activities drives engagement in both activities.

One-quarter of the adolescent respondents and 17% of the adults reported having gambled as a result of playing a social casino game, with males, younger adults and adults with gambling problems more likely to have migrated to gambling. The most common reason endorsed for moving from a social casino game to gambling was to win money. This is consistent with the gamers interviewed. Some social casino game players interviewed reported playing these games to learn about gambling without staking money, or to practise their skills. One-third of adolescents and 15% of adults thought that their experience with social casino games would increase their success with gambling. This may be because playing some social casino games such as poker, where a genuine element of skill can influence the outcome, led to the perception that practice could improve future performance when these skills were applied to gambling. However, given the large role of chance in most gambling activities, it is likely that any belief in enhanced skill is irrational and may encourage ongoing gambling and the potential development of problems.

Although social casino games may increase gambling for a sub-section of players, the interviews revealed that social casino games might have a positive impact by acting as a protective factor against engagement with gambling. By allowing users to experiment with gambling themes without risking any money, these games may be helpful for those wishing to engage in gambling-themed activities. If people were interested in the game, they could continue to play without spending money, or by spending much lower amounts than would typically be required to enable sustained gambling activity. A similar argument could be made in support of the use of practice games, particularly since these have realistic payout rates. However, a counter-argument is that, if people play and enjoy social casino games or practice games, they will be more likely to seek out gambling. Further, if they experience unrealistically high payout rates, they will be overly confident about winning, which might activate or foster irrational beliefs and lead to monetary loss (Bednarz et al., 2013).

Social game players interviewed were more likely to report a transfer of interest from gambling to social casino gaming than in the other direction. For some respondents, this was a deliberate action to reduce their gambling and retain control over excessive gambling expenditure, sometimes in combination with self-exclusion from gambling venues and sites. For others, they viewed social casino games and gambling as distinct activities, either preferring to play with, or without money, with gambling being viewed as more exciting, while social games were a way to pass the time. A relatively similar proportion of survey respondents reported moving from gambling to social casino games (24% of adolescents and 14% of adults) as migration in the other direction. Migration to social casino games from gambling was most commonly reported for a desire to play without spending money, that social casino games are easier to play, more social, as much fun and better than gambling. Compared to adults, adolescents also were more likely to report viewing advertisements for social casino games and wanting greater competition against other players. The results support the argument that social casino games could represent graduated exposure to

gambling and provide a means of exploring gambling (Gambling Commission, 2015). It appears that some gamblers became bored with or were happy to move away from gambling towards social casino games, which can be played for free—an advantage when the activity is being used just to pass the time.

Similar to social casino games, the majority of practice game users surveyed reported that their experience with these games had had no impact on how much they would like to gamble or had actually gambled. However, one-fifth reported some increase in their desire, and a slightly smaller proportion reported some increase in their gambling as a result of these games. A higher proportion of adolescents reported these effects, with 31% reporting an increased desire and one-quarter reporting an increase in how much they had gambled as a result of playing practice games. Over half of those who had played practice games and gambled on the same activities reported that the practice game had come first, suggesting a potential transitional mechanism from these games to gambling, similar to social casino games.

As noted, for some gamers, playing gambling-themed games did lead to and increase their gambling. However, although many gambling operators also operate social casino games, attempts to migrate customers from gaming to online gambling do not generally appear to have been successful. Specifically, although gambling-themed games may increase gambling for some players, this does not necessarily result in migration from games to gambling provided by the same operator. Most social-media-based gambling products have been shut down due to lack of financial viability, suggesting that social media is not a suitable mode of access for gambling products and gamblers do not want to be socially connected or interactive with other gamblers while they are actually gambling. This is demonstrated by numerous operators ceasing their gambling operations via social media. For example, Paddy Power's social media gambling app, *BetDash*, which debuted in late 2012 was terminated in August 2014, following 888 Holdings shutting down its gambling *Magic888 Casino* app from Facebook in July 2012, barely 18 months after its 2013 debut, and Gamesys closing its *Bingo & Slots Friendly* gambling Facebook apps in May 2012 (Altaner, 2014; Amsel, 2013). One social slots game company, Arooga, experimented with providing gambling, but reportedly found less than 0.1% of its customers converted to the gambling product (Altaner, 2014). Another company reported clear differences in styles of play between gamers and gamblers; for example, social casino players tended to make big bets because the chips were virtual. This can be a successful strategy for these games, but is less so for gambling, further suggesting social players and gamblers are not the same market. One reported barrier to entry was the significant sign-up process for gambling as compared to social games, which might be considered as too much work for a casual player. Further, it can be difficult to integrate social aspects into gambling.

Migration between activities is difficult to assess in cross-sectional surveys and interviews based on recall. To assess transition between social casino games and gambling, research must include a longitudinal component and cooperation with industry. Nonetheless, this research provides important insights into the use of gambling and social casino games and the crossover between these activities. Consistent with previous research, there is a high degree of interest in social casino games among gamblers. Evidence available to date suggests that, although some social casino game players may migrate towards gambling, gamblers also migrate towards social casino games, suggesting an underlying interest in gambling-themed activities, but different motivations for engaging in these distinct activities.

## **9.5 Using Social Media to Promote Safer Gambling Habits**

One aim of this research was to investigate whether problem gambling messages or warnings are present on social media and in social casino games. A further aim was to evaluate whether posts made on social media might influence behaviours to enhance responsible gambling and help seeking where relevant.

### **9.5.1 Presence of responsible gambling messages**

The audits demonstrated that marketing via social media is undertaken frequently without any reference to responsible gambling, differing significantly from the codes of conduct for advertising that generally require the inclusion of responsible gambling messages. The audit and case study revealed a noticeable lack of responsible gambling content on social network pages and content posted by Australian gambling operators. As many operators did not use social media to promote gambling products or services (e.g., EGM venues, which instead promoted in-venue non-gambling events), it might not have been considered necessary to post responsible gambling messages via these platforms. Additionally, as social media allows operators to interact with customers in relatively new ways, advertising codes of conduct do not specify how responsible gambling messages should be included on social media and within these interactions. A small number of the social media pages of gambling operators viewed in the audit did include responsible gambling messages; however, these were generally small, difficult to read or hidden away from the main page (e.g., under the About Us tab) and not promoted to users. A few operators did post specific information and posts about responsible gambling, although these were infrequent.

All gambling operators interviewed had considered the potential impact of their social media promotions on problem gambling. However, mixed views were expressed regarding the use of responsible gambling messaging. Several operators included responsible gambling messages and information on their Facebook profiles. Some responsible gambling messages were present on advertisements shared on social media. These were commonly graphics intended for print, presented at a small size on social media, often rendering the responsible gambling messages unreadable. Some interviewees felt that social media was not an appropriate channel to be discussing responsible gambling and that users would not like these messages, as they were on social media for entertainment, not to view warnings. Further, as social media posts are generally quite short, it was viewed as impractical to include responsible gambling messages within all posts.

Consistent with the results of the audit, over half of the adult social media users surveyed reported having never noticed responsible gambling messages promoted on social media, and almost two-thirds had never noticed these specifically promoted by gambling operators on social media. In contrast, just over half of adolescents surveyed reported having seen responsible gambling messages on social media sites, although over half reported never having seen these specifically promoted by gambling operators. Younger adults, gamblers and those classified as problem gamblers were more likely to report seeing these messages, perhaps as a result of interacting with gambling sites more often. It is somewhat surprising that over one-third of respondents reported having sometimes seen responsible gambling messages or warnings on social media and a small proportion reported seeing these often or almost always, as our audit suggested that such messages were posted much less frequently than this. It is possible there is a bias towards positive reporting of seeing messages, as these are commonly displayed within gambling venues and to some extent on online gambling sites.

In comparison, three-quarters of adolescents and just over half of adults who played practice games reported seeing responsible gambling messages on these sites, the majority reporting only seeing these occasionally. No audit was conducted of the extent to which responsible gambling messages are present in practice games, so these figures cannot be verified. However, they suggest that the closer participants are to actual gambling and related sites, the more likely they are to view responsible gambling messages and warnings. This is appropriate, as there are often links from practice games directly to gambling opportunities and products, so the messages are more relevant for this audience.

Of interest, over half of the adults surveyed and two-thirds of adolescents reported at least sometimes seeing responsible gambling messages in social casino games. Although an audit was not conducted of these games, the authors are not generally aware of many warnings or messages about responsible gambling being included in these games. Further, more than half of each sample reported seeing age restrictions or recommendations on social casino games, although there was no agreement on which age these games were restricted to or recommended for. Within Australia, most social casino games do not actually have any age restrictions. Therefore, it is possible that respondents were not accurate in this recall, which may call into question the accuracy of their recall of responsible gambling messages generally. It may also indicate a participant bias indicating a belief that there should be age restrictions on these games.

The Facebook case study suggested that responsible gambling features and messages were rare to non-existent in the social casino game industry's social media promotional material. None of the advertisements collected contained specific problem gambling or responsible gambling warnings or messages. Further, some games were specifically advertised to be addictive, indicating the social casino game operator's perception that this is a positive quality of a game. Given that social casino games do not facilitate gambling, it is not surprising that these do not contain warning messages; despite some recommendations for this (e.g., National Council on Problem Gambling, 2013), the inclusion of any warnings is voluntary for a social casino game operator. Despite not offering gambling, social casino games do allow users to spend money, and the interviews with players and survey results revealed that some players spend considerable amounts of time and money on these games. Social casino game operators should consider implementing some system of warnings or messaging to encourage players to spend within their means and to manage their time spent.

Consideration of the impact of social media on vulnerable populations such as problem gamblers requires a balanced view of the intent of marketing via these platforms. Although some individuals have difficulties with gambling, the vast majority of those who gamble do so without difficulties. However, the practicality of including responsible gambling warnings on all social media posts should be considered. For example, Twitter posts are limited to 140 characters, meaning that any warning would take up the bulk of any tweet. Operators may relate specific responsible gambling messages as part of balanced communication with their social media followers. Although gambling operators did occasionally post direct links to online platforms to facilitate betting or lottery purchases, these required customers to create or sign in to an account, rather than allowing direct betting with no further processes. Customers must actually visit the venue or online gambling platform to be able to gamble, and these typically have higher levels of information about responsible gambling as well as resources such as the ability to set limits on gambling.

Gambling regulators and policy makers interviewed noted that many current broadcasting and advertising laws did not necessarily apply to online material. To promote responsible

gambling via social media, a framework could be developed that specifies which phrases, language, themes, images and content are appropriate or not appropriate for use by gambling operators through these networks. For example, responsible gambling messages may communicate clearly that gambling is a form of entertainment that costs money, and is not likely to be a way to make money. Social media posts should follow advertising codes of conduct; for example, by not misrepresenting the chances of winning or encouraging gambling as a normal part of daily life. Social media posts should also not encourage irrational beliefs or give people the impression that they have any control over randomly generated outcomes. Some international examples of gambling operators not following these guidelines include a tweet by The [UK] National Lottery (@TNLUK) on 5 March 2015, which stated 'Winner Alert! Mr S from Essex who has won £587,098.20 on #EuroMillions. RT to share the luck!'. This could potentially be interpreted as suggesting that someone's chances of winning may be increased by retweeting the message. However, the operator denied this, instead describing the message as encouraging people to talk about sharing luck, as well as excitement and positivity and think about the possibility of winning (Hannah, 2015). As previously mentioned, a careful balance is required between posts that encourage people to be involved with a gambling operator, and those that encourage hope for a positive outcome as opposed to an irrational belief. Further, caution is needed in targeting an audience that potentially includes vulnerable people, such as children.

The gambling industry is likely to continue to use social media and other online platforms for promotional purposes as these become available. Therefore, it is important that all messages consider a responsible gambling perspective and frame gambling as an entertainment past time that includes risks and must be undertaken responsibly with a full understanding of the potential repercussions.

### **9.5.2 Use of social media to promote responsible gambling**

The majority of social media users surveyed were not interested in using social media to find information about responsible or problem gambling, to seek advice about these issues or to share their opinions on them. Younger adults showed more interest in using social media to seek information or help regarding gambling problems, as did those with higher problem gambling severity levels. The adolescents surveyed were more likely to be willing to use social media for these purposes than were adults, although only a minority was likely to do so. Based on these results, investing in social media for the promotion of responsible gambling and to encourage help seeking or information sharing may have limited effectiveness.

Some stakeholders interviewed suggested that social casino games could be used to promote responsible gambling or educate users about gambling. For example, the games could incorporate responsible gambling messaging or educational material about gambling. The games could also be promoted as a way to engage with gambling content without risking large sums of money. This was currently being practised by one problem gambling counsellor interviewed, who used the games to assist his clients reduce their gambling. Similarly, several of the social casino game players interviewed reported that playing social casino games helped them reduce their gambling. However, there is no available research to indicate the effectiveness of this as a therapeutic tool. Furthermore, caution is required when individuals with gambling problems use social casino games as the games may also act as a trigger for gambling sessions and excessive time and money can be spent on the games in their own right.

Gambling operators often have a large number of followers and posts made on social media promoting responsible gambling would be likely to reach a highly relevant audience. Although some gambling operators expressed reservations about the appropriateness of using social media to promote responsible gambling, if done using an appropriate tone and message, this could assist in facilitating appropriate engagement with responsible gambling concepts, tools and resources. Nonetheless, given the potential conflict of interests with operators making posts to promote gambling, there is still an arguable role for independent, non-profit and government as well as treatment and support organisations to lead the use of social media for promoting responsible gambling behaviour.

The use of social media to promote behavioural change is still in early stages of development and further research is needed to determine how to maximise retention, engagement, and whether behavioural change can be sustained in the longer term. Nonetheless, despite the potential limitations, given the potential for social media to reach an appropriate target audience, the use of these platforms to promote safer gambling warrants further exploration and research to enhance its effectiveness. Future research should evaluate the effectiveness of using social media to raise awareness of gambling issues and problems, as a stand-alone intervention, and to direct people to appropriate information and help-seeking resources.

## **9.6 Future Directions of Gambling, Gaming and Social Media**

It was generally agreed by the gambling and gaming operators interviewed that the online environment was essential to the future of gambling and gaming, including mobile technology and social media. The Internet has evolved rapidly, often leaving policy makers and regulators far behind innovative commercial products and offerings.

Social media is being used as an important customer acquisition and retention tool by gambling operators. This reiterates the findings of the audit and interviews that social media is increasingly being used as a customer acquisition tool for online gambling companies. More commonly, social media profiles are used to engage with customers and potential customers, provide relevant information and entertainment, and build the company's brand profile. Customers may be encouraged to visit gambling venues or site; however, this is often not the main aim of social media. Rather, most gambling operators attempt to engage with customers and develop relationships beyond simply the provision of gambling products.

Gambling operators interviewed offered few predictions about the future evolution of social media, although most planned to continue to use these platforms, as long as they reached their target audience of customers and potential customers. The potential for various social media platforms to rise and fall in popularity was noted, as was the need for operators to remain relevant. One potential area for concern expressed was that regulators might more actively monitor and restrict gambling operator's use of social media. In particular, if this occurred in just one Australian jurisdiction, it would create difficulties for all social media use, as it is generally not possible to restrict content posted to one geographical area. In response, some operators were trying to work with regulators and advise them of potential policy implications, and they were being cautious in their use of social media to avoid additional regulations.

Respondents working in policy and regulation recognised the challenges of regulating social media and social casino games. They drew attention to the extent to which young people were exposed to advertising and the rapidly changing nature of technology and the games themselves. They noted that many current broadcasting and advertising laws did not necessarily apply to online material. The regulators and policy makers interviewed did not

feel that there was an immediate need for tighter regulation of social casino games because there was little emerging evidence of harm arising from these activities. Instead, they emphasised the need to develop greater consumer education and awareness and collaboration with industry (designers, social media platforms and search engine designers such as Google, Yahoo and others) to encourage self-regulation and responsible behaviour.

In January 2015, the UK Gambling Commission released their latest summary on social gaming, which they define as games that look and feel like traditional gambling games, but have no prize of money. Based on a review of the literature, including industry reports, this report stated that there was no evidence to move to regulate these games, as most people played the games using small amounts of time and money, and although a minority of players were excessively involved, this group was too small to justify regulatory intervention. The report described potential risks as relating to problem gambling, transition to gambling and exploitation of consumers. It also stated that the government would only be advised to consider regulating these games within the scope of gambling regulation if the risks could not be addressed by responsible self-regulation by operators or targeted use of existing consumer protection powers. Of interest, the report described the formation of the Social and Online Games: Regulators Information Group, for the purposes of sharing knowledge, learning and research in relation to social gaming, indicating interest in these games across various regulatory and stakeholder groups.

The Gambling Commission report concurred with stakeholders interviewed that social casino games are regulated just like any other consumer activity. Discussion over the past few years has included whether these games should be regulated in the same way as gambling products. Interviewed stakeholders indicate that it was generally considered unhelpful to regulate games just because they contained gambling content, because content of this nature may often only be peripheral to the main action in games (e.g., in some video games) and may be a feature of many games not necessarily identified as gambling related. This is consistent with a discussion article from a US perspective that concluded that there would be no easily discernible, objective way to differentiate among social games, and that there was no substantial evidence of harm caused by these games to justify further regulation (Dayanim, 2014). However, some social casino game products—such as *myVEGAS*, in which players can earn free play at a live casino as one of their rewards—are arguably blurring the line between games and gambling. Thus, it is likely that discussions regarding the potential need to regulate these games will continue, particularly as further hybrid products are launched.

Both State and Federal departments in Australia endorsed the importance of classification and better labelling standards for these new games. Other industry-affiliated respondents noted that some developments of this nature are already emerging. In Europe, new classification standards and information for games are being developed and there are international moves to develop consistent standards for identifying the content of games before distribution across multiple platforms. Most recently, as mentioned above, in March 2015 it was announced that Australia would trial a new classification code of conduct. This will be part of the International Age Ratings Coalition, a globally unified age ratings classification system to allow digital games to be classified based on the content of games. Classification will be decided based on a survey of game operators outlining the game features (Reilly, 2015). This trial may see changes to the accessibility to children of gambling content within games.

Based on the Facebook case study, it appears likely that social casino games and unregulated offshore gambling operators will continue to use these platforms to advertise directly to Australian users. The promotions often include specific targeted content designed for



Australians, and users may not be aware that the promotions for offshore sites are illegal. Public educational campaigns may raise community awareness of the presence of these illegal offshore operators and discourage Australians from using these sites due to the lack of consumer protections available. Educational campaigns aimed specifically at parents may also be useful to alert them to the availability through social media of games and sites with gambling content. This may encourage parents to discuss these games with their children, or engage in monitoring or enact blocking software to prevent or minimise their children's use of activities that may normalise gambling.

The extent to which Australians view advertising for gambling and gambling-related content will also depend on the policies of major social media platforms and other Internet providers. These are constantly evolving; for example, in February 2015 Google announced that it would commence a beta test that would support advertisements for social casino games. Previously, Google had enforced a policy restricting the promotion of gambling-related content, including online and offline gambling. However, the major search engine will now trial advertisements for social casino games. The restrictions on these are that the advertisements and games must not link to gambling sites or contain any gambling advertising on the site or app. Further, the advertisements must 'clearly and prominently' inform users that the social casino games are 'intended for an adult audience' and that 'practice or success' at social casino games 'does not imply future success' at gambling sites (Google, 2015). Despite these restrictions, increased advertising for social casino games will likely increase participation in these activities. Gambling operators have increasingly begun to offer social casino games as a way to engage with customers when they are not gambling. This development has been argued to be a response by gambling operators in the US, where Internet gambling is mostly illegal, as a way to increase the competitiveness of land-based casinos, providing them with a way to protect their markets, market their product and increase consumer attendance in venues (Girvan, 2015). The current research suggests that gamblers also play social casino games. For example, *Maryland Live!*, a social casino game operated by a casino in Maryland released data indicating that 12% of the online players came into the casino to gamble (Girvan, 2015). Of these, 40% came more frequently, were worth 20% more per visit and stayed 10% longer than other customers. These data do not suggest that playing the social casino games caused the greater engagement with the casino, but it does support the potential crossover between markets and the use of these games as a marketing device for gambling operators. Australia presents a different consumer and regulatory landscape. However, some Australian venues have launched free online gambling-themed games as a marketing and player engagement tool. Similarly, SkyCity is offering free gambling-themed games for players, through which players can earn loyalty points and vouchers which can be redeemed within venues, including for gambling credits. Tying online games to loyalty points and vouchers redeemable in venues may be increasingly used as a marketing tool to encourage venue visitation.

In addition to encouraging venue visitation, social casino games are most commonly offered by operators as a way to generate revenue that is independent from gambling. Operators whose parent companies are focused upon gambling operations now dominate the social casino game market. Gambling operators have looked to social casino games as an additional source of revenue, particularly in the US where online gambling is largely illegal and gambling expenditure has been in decline (Roocroft, 2014). Land-based gambling companies are expected to continue to invest in social casino gaming, most commonly through acquisition, and especially in mobile gaming applications, which look to be the future of social casino games. Gambling operators bring distinct competitive advantages to the social casino game market. Offline slot manufacturers have proven content and an understanding of

game design and player engagement; offline casino operators have brand recognition and can cross-promote products; and online gambling operators have digital casino experience that can drive customer acquisition and engagement (Kushnir, 2014). Nonetheless, purely social game companies may have greater agility, mobile and social experience, and a regional focus. The hundreds of social casino game companies currently competing for the same market provide a high amount of customer choice.

## **9.7 Limitations**

The limitations of this research have been outlined at various stages throughout this report. However, it is important to again note some of the limitations. The audit and case study were not a comprehensive review of all posts made on the platform. Rather, they intended to provide a snapshot of examples of the type of content typically posted. Further, the case study was based on one single user's profile. As advertisements are targeted, it is likely that all Australians view different types and extents of advertisements and promotions on these platforms.

The interviews conducted are not representative of the views of all Australian gambling operators, stakeholders or social casino game players. The samples were primarily those of convenience and people willing to participate and share their perspective in this study. The use of self-report in the interviews and surveys means that the accuracy of responses cannot be ascertained. The correlational design of the study (particularly the survey) precludes any conclusions to be drawn regarding causal relationships.

These limitations have been mitigated by the inclusion of multiple types of investigation, audit, case study, interviews, a survey and literature review, to provide multiple ways to answer each research question (i.e., triangulation). Therefore, we expect that many of the study's findings will be relevant over time, particularly the mechanisms captured such as transition between activities and biases in the judgements of winnings.

## **9.8 Future Research**

The area of social casino games, social media and gambling is evolving so rapidly that further and ongoing research will have to be conducted continually to ensure that new and emerging developments are captured. There will be continued consideration of actions by commercial operators on social media regarding whether these should be classified as marketing and/or advertising. The use of social media by gambling operators (or social casino operators) could be the subject of a more in-depth content analysis, to determine the messages that are being promoted via these platforms.

This study did not include an audit of social casino games or practice games *per se*. Some research has been conducted comparing social casino games with gambling apps on specific characteristics (e.g., music and sound; see Bramley & Gainsbury, 2014). Future research could examine other characteristics of these games, the extent to which responsible gambling messages are displayed, whether the 'odds' within games are realistic and representative of gambling operations, and what game mechanics exist, including those that may be deceptive and encourage ongoing or excessive play. It may be particularly useful to examine how certain characteristics of these games (e.g., payout) may change over time as a player progresses through the game.

Another area that warrants future consideration is a deeper examination of the motivations and experiences of social casino gamers and in particular the links between gaming and

gambling. The interviews with social casino users and survey in the current study provided preliminary insights that would benefit from a follow-up and exploration. This includes examining why gambling-themes games do not impact on gambling, as well as how these games may increase or lead to gambling.

The use of social media to promote responsible gambling should be explored to challenge social norms around gambling and encourage the reduction of gambling-related harms. Although efforts may be needed to increase users' interest in seeking to engage with responsible gambling and help-providing agencies via social media, these platforms may be a useful way to encourage people to seek help through relevant sources. Similarly, it was suggested that social casino games might have a positive impact on some people under certain conditions, by reducing desire to gamble, teaching people about gambling, and allowing people to engage in gambling-themed activities without spending money (or spending low amounts). This is an important area for future research, including among potentially vulnerable populations, such as youth and people with gambling-related problems.

Industry-provided data have been used within the gambling field to provide insight into gambling behaviour (e.g., Dragicevic, Tsogas & Kudic, 2011; Gainsbury, 2011; LaBrie, LaPlante, Nelson, Schumann & Shaffer, 2007). Although many insights could be gained by examining industry data from social casino game operators, there are also significant limitations to this. These data are meaningful when looking at specific questions or at subgroups of players, but averages are largely meaningless given the significant variation within the player database, and particularly when there is no indication given of the distribution of the data. For example, in gambling, as in many consumer activities, participation is generally highly skewed, with a small proportion of consumers contributing a large proportion of revenue (Gainsbury, Sadeque, Mizerski, & Blaszczynski, 2012; LaBrie et al., 2007). It is also important to ensure that the data are accurate; for example, most social games do not require customer identification. Most datasets contain limited and potentially inaccurate demographic information about customers. Crucially, research conducted using data provided by industry must be collaborative but independent, ideally verified with research questions, methodology, analysis and reporting done without influence from stakeholders. This does not necessarily refer to funding, which must be transparently disclosed, but rather the conduct and publishing of research to reduce conflicts of interest and avoid bias in results. Despite these limitations, industry data have been provided to researchers to examine the impact of specific social games (Whitbourne, Ellenberg & Akimoto, 2013). Future research could explore the use of disaggregated industry-provided data, to understand the use and impact of social casino games, examining specific questions such as the impact of various features within games on play, and the identification of potentially at-risk players.

## **9.9 Conclusions**

This report provides an overview of how gambling and gambling-related games are being offered and promoted via social media. This work represents the first comprehensive study to investigate this emerging area in terms of its impacts on the gambling field. The Internet has changed the way that gambling is provided, and social media offers a highly accessible platform to promote products to a wide consumer audience. Social media allows advertisements and promotions to be targeted to those who opt in to receive these, as well as to users based on relevant demographic variables and expressed interests. In this way, gambling and gaming operators can directly target consumers who are most likely to be interested in their content. Gambling operators licensed within Australia appear to abide by

advertising codes of conduct and many do not specifically promote gambling via social media. Rather, they use this platform to promote their brand and encourage customer engagement in other ways. There was little evidence that operators were intentionally encouraging excessive gambling or purposefully encouraging gambling in vulnerable groups, such as younger age cohorts.

Social casino games are easily accessible via social media, as well as through standalone platforms, most notably mobile applications, which are increasing in use. This allows these games to be accessed and played easily and conveniently. These games are popular in Australia, with Australians spending more on these games than do people in other countries, making them an important market for operators. Accordingly, it is likely that promotion of these games within Australia will continue, including promotions viewed by young people. There are currently no restrictions to stop children from playing social casino games.

There is little evidence that gambling promotions via social media or social casino games are creating substantial increased gambling problems among adults or adolescents, although the current study did not examine causation. For the vast majority of people, including adolescents and problem gamblers, social media and games have minimal reported impact on their gambling. However, for a minority of people with existing gambling problems, social-media-based promotions and social casino games may act as a trigger for gambling and may increase gambling and exacerbate gambling problems. The development of gambling problems is generally based on a wide range of psycho-social and environmental factors. Marketing does play a role in attitudes and awareness, as well as acting as a trigger to gamble for some people (Binde, 2014; Hing, Cherney, Blaszczynski et al., 2014). Therefore, use of gambling-themed games may contribute to the development of gambling problems for some players. It is difficult to examine the full impact of marketing, as this would require isolating this specific impact and examining changes over time, which is beyond the capacity of the current cross-sectional study.

There is a high overlap between gamblers and social casino game players, indicating an underlying interest in gambling-themed activities driving both activities. However, people appear to use each activity for different purposes. Most people would not gamble for money on social casino games and, although some have played both, the movement between activities appears to be bi-directional. That is, for some players, use of social casino games may lead them to try or engage in gambling; whereas for others, gambling leads to social casino game use.

There are very few responsible gambling messages or warnings on social media, including postings by gambling operators and in social casino games. Interest among Australians to seek information or help for gambling-related problems via social media likely needs further encouragement to make this an effective platform. It is possible that social casino games may be helpful in avoiding gambling and may prove to be a protective factor for those who want to gamble without money, including people with gambling problems. This potentially positive use of social casino games warrants further investigation. Nonetheless, the interviews and surveys clearly revealed that a small subset of social casino game players are experiencing negative consequences and harms as a direct results of excessive time and money spent on these games. This suggests that the games can be problematic in their own right and regulators and game operators should consider further actions to protect vulnerable consumers of these games.

The presence of gambling themes on social media is likely to remain within Australia as long as the relevant audience uses these platforms. It is likely that, as technology changes, access to the Internet remains high and new developments occur, use of social media by gambling and game operators will also continue to evolve. Regulations appear to lag quite far behind operators; for example, with Internet gambling regulation being created in 2001, before Facebook even existed. Policy makers and stakeholders should continue to monitor the use of social media for the promotion of gambling, to ensure the minimisation of negative consequences for users.

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## Appendices

### Appendix A: List of Gambling Operators

	Casino Name	Owner	Web Address
NSW	<b>Casino</b>		
	The Star	Echo Entertainment Group	<a href="http://www.star.com.au/">http://www.star.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Bankstown District Sports Club Ltd	<a href="http://www.bankstownsports.com/">http://www.bankstownsports.com/</a>
	2	Penrith Rugby League Club Ltd	<a href="http://penrith.panthers.com.au/">http://penrith.panthers.com.au/</a>
	3	Rooty Hill RSL Club Ltd	<a href="http://rootyhillrsl.com.au/">http://rootyhillrsl.com.au/</a>
	4	Bulldogs League Club Ltd	<a href="http://www.bulldogs.com.au/">http://www.bulldogs.com.au/</a>
	5	Mt Pritchard & District Community Club Ltd (trading as Mounties)	<a href="http://www.mounties.com.au/">http://www.mounties.com.au/</a>
	6	South Sydney Junior Rugby League Club Ltd	<a href="http://www.thejuniors.com.au/">http://www.thejuniors.com.au/</a>
	7	Revesby Workers' Club Ltd	<a href="http://www.rwc.org.au/">http://www.rwc.org.au/</a>
	8	Western Suburbs Leagues Club Ltd (West's Illawarra)	<a href="http://www.westslc.com.au/">http://www.westslc.com.au/</a>
QLD	9	Parramatta Leagues Club Ltd	<a href="http://www.parraleagues.com.au/">http://www.parraleagues.com.au/</a>
	10	Blacktown Workers' Club Ltd	<a href="http://www.bwcl.com.au/">http://www.bwcl.com.au/</a>
	<b>Casino</b>		
	Treasury Casino	Echo Entertainment Group	<a href="http://www.treasurybrisbane.com.au/Pages/default.aspx">http://www.treasurybrisbane.com.au/Pages/default.aspx</a>
	Jupiter's Townsville	Echo Entertainment Group	<a href="http://www.jupitertownsville.com.au/Pages/default.aspx">http://www.jupitertownsville.com.au/Pages/default.aspx</a>
	Jupiter's Gold Coast	Echo Entertainment Group	<a href="http://www.jupitersgoldcoast.com.au/Pages/default.aspx">http://www.jupitersgoldcoast.com.au/Pages/default.aspx</a>
	Reef Casino (Cairns)	Casinos Austria International Limited and Accor Casino Investments (Australia) Pty. Ltd.	<a href="http://www.reefcasino.com.au/">http://www.reefcasino.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Brisbane Broncos Leagues Club Limited	<a href="http://www.broncosleagues.com.au/">http://www.broncosleagues.com.au/</a>
	2	Caloundra Sub-Branch RSL Services Club Incorporated	<a href="http://www.caloundrarsl.com.au/">http://www.caloundrarsl.com.au/</a>
	3	Carina Leagues Club Limited	<a href="http://www.carinaleaguesclub.com.au/">http://www.carinaleaguesclub.com.au/</a>
	4	Cazaly's Cairns Limited	<a href="http://cazalys.com.au/">http://cazalys.com.au/</a>

	<b>Casino Name</b>	<b>Owner</b>	<b>Web Address</b>
	5	East's Leagues Club	<a href="http://www.eastsleagues.com.au/">http://www.eastsleagues.com.au/</a>
	6	Greenbank RSL Services Club Inc	<a href="http://www.greenbankrsl.com.au/">http://www.greenbankrsl.com.au/</a>
	7	Kedron-Wavell Services Club Inc	<a href="http://www.kedron-wavell.com.au/">http://www.kedron-wavell.com.au/</a>
	8	Maroochy RSL	<a href="http://maroochyrl.com.au/">http://maroochyrl.com.au/</a>
	9	Redcliffe Leagues Club Limited	<a href="http://www.redcliffeleagues.com.au/">http://www.redcliffeleagues.com.au/</a>
	10	Sunnybank Rugby Union Club Inc.	<a href="http://www.sbru.com.au/">http://www.sbru.com.au/</a>
<b>VIC</b>	<b>Casino</b>		
	Crown Casino	Crown Limited	<a href="http://www.crownmelbourne.com.au/">http://www.crownmelbourne.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Bayswater Hotel	<a href="http://www.thebayswaterhotel.com.au/">http://www.thebayswaterhotel.com.au/</a>
	2	Bendigo Stadium	<a href="http://www.bendigostadium.com.au/">http://www.bendigostadium.com.au/</a>
	3	Cardinia Club	<a href="http://www.cardiniacub.com.au/">http://www.cardiniacub.com.au/</a>
	4	Caulfield Glasshouse	<a href="http://www.caulfieldglasshouse.com.au/">http://www.caulfieldglasshouse.com.au/</a>
	5	Excelsior Hotel	<a href="http://www.theexcelsiorhotel.com.au/">http://www.theexcelsiorhotel.com.au/</a>
	6	Zagame's Ballart Club Hotel	<a href="http://www.zagames.com.au/">http://www.zagames.com.au/</a>
	7	Moonee Valley Racing Club	<a href="http://www.mvrc.net.au/">http://www.mvrc.net.au/</a>
	8	Mulgrave Country Club	<a href="http://www.mulgravecc.com.au/index.php">http://www.mulgravecc.com.au/index.p hp</a>
	9	Old England Hotel	<a href="http://www.oldenglandhotel.com.au/">http://www.oldenglandhotel.com.au/</a>
	10	Seaford Tavern	<a href="http://www.theseaford.com.au/">http://www.theseaford.com.au/</a>
<b>SA</b>	<b>Casino</b>		
	SkyCity Adelaide	SKYCITY Entertainment Group	<a href="http://www.adelaidecasino.com.au/">http://www.adelaidecasino.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Ceduna Foreshore Hotel Motel	<a href="http://www.cedunahotel.com.au/">http://www.cedunahotel.com.au/</a>
	2	Berri Hotel	<a href="http://berriresorthotel.com/">http://berriresorthotel.com/</a>
	3	Central District Footballer's Club	<a href="http://cdfc.com.au/">http://cdfc.com.au/</a>
	4	Eureka Tavern	<a href="http://www.eurekatavern.com.au/">http://www.eurekatavern.com.au/</a>
	5	Flagstaff Hotel	<a href="http://flagstaffhotel.fhost.com.au/">http://flagstaffhotel.fhost.com.au/</a>
	6	Highway Inn	<a href="http://www.thehighway.com.au/">http://www.thehighway.com.au/</a>
	7	Lakes Resort	<a href="http://www.lakesresorthotel.com.au/">http://www.lakesresorthotel.com.au/</a>
	8	Watermark Glenelg	<a href="http://www.watermarkglenelg.com.au/">http://www.watermarkglenelg.com.au/</a>

	<b>Casino Name</b>	<b>Owner</b>	<b>Web Address</b>
<b>TAS</b>	9	The Eagles Club	<a href="http://www.wwtfc.com.au/?page_id=355">http://www.wwtfc.com.au/?page_id=355</a>
	10	Woodcroft Tavern	<a href="http://www.woodcrofttavern.com/">http://www.woodcrofttavern.com/</a>
	<b>Casino</b>		
	Wrest Point – TAS	Federal Hotels & Resorts	<a href="http://www.wrestpoint.com.au/">http://www.wrestpoint.com.au/</a>
	Country Club-Launceston	Federal Group	<a href="http://www.countryclubtasmania.com.au/">http://www.countryclubtasmania.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Argosy Motor Inn	<a href="http://www.goodstone.com.au/">http://www.goodstone.com.au/</a>
	2	Carlyle Hotel	<a href="http://www.carlylehotel.com.au/">http://www.carlylehotel.com.au/</a>
	3	Mackey's Royal Hotel	<a href="http://mackeysroyalhotel.com.au/">http://mackeysroyalhotel.com.au/</a>
	4	Molly Malones	<a href="http://www.mollymalones.com.au/">http://www.mollymalones.com.au/</a>
<b>ACT</b>	5	Olde Tudor Hotel	<a href="http://www.oldetudor.com.au/">http://www.oldetudor.com.au/</a>
	6	Newstead Hotel	<a href="http://newsteadhotel.com.au/">http://newsteadhotel.com.au/</a>
	7	Mowbray Hotel	<a href="http://www.mowbrayhotel.com.au/">http://www.mowbrayhotel.com.au/</a>
	8	Granada Tavern	<a href="http://www.granadatavern.com.au/what_s_on">http://www.granadatavern.com.au/what_s_on</a>
	9	St Helens Bayside Inn	<a href="http://www.baysideinn.com.au/">http://www.baysideinn.com.au/</a>
	10	Club Hotel Glenorchy	<a href="http://www.clubhotelglenorchy.com.au/">http://www.clubhotelglenorchy.com.au/</a>
	<b>Casino</b>		
	Canberra	Casinos Austria International Limited	<a href="http://casinocanberra.com.au/">http://casinocanberra.com.au/</a>
	<b>Top-10 EGM venues</b>		
	1	Canberra Tradesmen's Union Club	<a href="http://www.thetradies.com.au/html/s01_home/home.asp">http://www.thetradies.com.au/html/s01_home/home.asp</a>
	2	Canberra Labor Club	<a href="http://www.laborclub.com.au/">http://www.laborclub.com.au/</a>
	3	Southern Cross Club	<a href="http://www.csec.com.au/">http://www.csec.com.au/</a>
	4	Hellenic Club of Canberra	<a href="http://www.hellenicclub.com.au/">http://www.hellenicclub.com.au/</a>
	5	Gungahlin Lakes Golf & Community Club	<a href="http://www.gungahlinlakes.com/cms/">http://www.gungahlinlakes.com/cms/</a>
	6	Viking Town Centre Sports Club	<a href="http://www.vikings.com.au/town-centre/">http://www.vikings.com.au/town-centre/</a>
	7	Raiders Belconnen	<a href="http://www.westbelconnen.com.au/home-belconnen.aspx?pf=belconnen">http://www.westbelconnen.com.au/home-belconnen.aspx?pf=belconnen</a>
	8	Sports Club Kaleen	<a href="http://www.eastlakefc.com.au/kaleen/">http://www.eastlakefc.com.au/kaleen/</a>
	9	Mawson Club	<a href="http://www.mawsonclub.com.au/citrus_cafe/citrus_cafe.html">http://www.mawsonclub.com.au/citrus_cafe/citrus_cafe.html</a>
	10	Canberra Highland Society & Burns Club	<a href="http://www.burnsclub.com.au/">http://www.burnsclub.com.au/</a>

	Casino Name	Owner	Web Address
NT	<b>Casino</b>		
	Skycity Darwin	Skycity Entertainment Group	<a href="http://www.skycitydarwin.com.au/">http://www.skycitydarwin.com.au/</a>
	Lasseter's Hotel Casino	Lasseter's International Holdings Pty. Ltd.	<a href="http://www.lasseters.com.au">www.lasseters.com.a</a>
	<b>Top-EGM venues</b>		
	1	Alice Springs Memorial Club Inc	<a href="http://memobowlsclub.com.au/">http://memobowlsclub.com.au/</a>
	2	Casuarina All Sports Club	<a href="http://casclub.com.au/">http://casclub.com.au/</a>
	3	Cazalys Palmerston	<a href="http://www.cazalysnt.com.au/">http://www.cazalysnt.com.au/</a>
	4	Gillen Club	<a href="http://www.gillclub.com.au/">http://www.gillclub.com.au/</a>
	5	Katherine Club	<a href="http://www.katherineclubinc.com/">http://www.katherineclubinc.com/</a>
	6	Palmerston Sports Club	<a href="http://palmerstonsportsclub.com.au/">http://palmerstonsportsclub.com.au/</a>
	7	The Arnhem Club	<a href="http://www.thearnhemclub.com/">http://www.thearnhemclub.com/</a>
	8	Tracy Village Social & Sports Club	<a href="http://www.tracyvillage.com.au/">http://www.tracyvillage.com.au/</a>
	9	Palmerston Golf and Country Club	<a href="http://www.pgcc.com.au/">http://www.pgcc.com.au/</a>
	10	Palmerston Tavern	<a href="http://www.palmerstontavern.com.au">www.palmerstontavern.com.au</a>
WA	<b>Casino</b>	Burswood	<a href="http://www.crownperth.com.au/">http://www.crownperth.com.au/</a>
National	<b>Betting</b>		
	Bet365	Denise Coates, John Coates, Peter Coates	<a href="http://www.bet365.com/en/">http://www.bet365.com/en/</a>
	Betfair	Andrew Black and Edward Wray	<a href="http://www.betfair.com/">http://www.betfair.com/</a>
	Centrebet	Sporting Bet	<a href="http://centrebet.com/">http://centrebet.com/</a>
	Eskander's betstar	Michael & Alan Eskander	<a href="https://www.betstar.com.au/default.asp">https://www.betstar.com.au/default.asp</a>
	IASbet	International All Sports Limited	<a href="http://www.iasbet.com/">http://www.iasbet.com/</a>
	Sportingbet	William Hill	<a href="http://www.sportingbet.com.au/">http://www.sportingbet.com.au/</a>
	Sportsbet	Paddy Power	<a href="http://www.sportsbet.com.au/">http://www.sportsbet.com.au/</a>
	Tom Waterhouse	William Hill	<a href="https://www.tomwaterhouse.com/">https://www.tomwaterhouse.com/</a>
	Unibet	Nordic OMX	<a href="https://www.unibet.com/start">https://www.unibet.com/start</a>
	tab.com.au	Tabcorp Holdings Limited (Tabcorp)	<a href="http://www.tab.com.au/view?pageId=home">http://www.tab.com.au/view?pageId=home</a>
	Tattsbet	Tatts Group Limited	<a href="https://tatts.com/tattsbet">https://tatts.com/tattsbet</a>
	<b>Lottery/keno</b>		
	Tatts	Tatts	<a href="https://tatts.com/tattersalls">https://tatts.com/tattersalls</a>
	SA Lotteries	Tatts	<a href="http://www.salotteries.com.au/">http://www.salotteries.com.au/</a>
	ACTTAB	ACT Government	<a href="http://www2.acttab.com.au/site/">http://www2.acttab.com.au/site/</a>

<b>Casino Name</b>	<b>Owner</b>	<b>Web Address</b>
Lottery West	WA Government	<a href="http://www.lotterywest.wa.gov.au/">http://www.lotterywest.wa.gov.au/</a>
Playkeno.com.au (Tabcorp)	Tabcorp	<a href="http://playkeno.com.au/home.php">http://playkeno.com.au/home.php</a>
<b>Other Tatts Products</b>		
Golden Casket	Tatts	<a href="https://tatts.com/goldencasket">https://tatts.com/goldencasket</a>
NSW Lotteries	Tatts	<a href="https://tatts.com/nswlotteries">https://tatts.com/nswlotteries</a>
Tatts	Tatts	<a href="https://tatts.com/tattersalls">https://tatts.com/tattersalls</a>

## **Appendix B: Summary of Survey Questions**

### **Demographics**

- Age
- Gender
- Postcode of usual residence (used to determine State or Territory of residence)
- Marital status
- Household type (e.g., single person, group household, couple with children, etc.)
- Highest educational qualification
- Current work status
- Family or household annual income (in brackets)
- Language other than English
- Country of birth

### **Gambling behaviour**

- Frequency with which they have engaged in each of the following forms of gambling<sup>177</sup> over the last 12 months: lottery-type games, pokies/gaming machines, sports betting, race wagering, poker, other casino-style card or table games
- Whether they have gambled on any of these activities online (including using supplementary devices, such as mobile phones, tablets, etc.)
- Estimated monthly expenditure on all forms of gambling
- Importance of each of the following reasons for gambling: social interaction, to relieve stress/escape from worries, to pass the time/avoid boredom, to improve gambling skills, to make money, for excitement/fun, for the competition/challenge
- Age at which the respondent first gambled

### **Social media use and advertising/content on social media:**

- Which social media sites they have used in the last 12 months
- How often they use social media
- How long the session lasts
- Whether the respondent uses ad-blocking software
- Whether they have used social features on an Internet gambling site, or on a social media page/profile of a gambling operator
- Types of content (posts, pages, videos, tweets, etc.) from gambling operators seen on social media platforms
- Whether respondents have engaged with gambling operators via social media, including visiting a gambling operator's page, liking their posts, sharing content, etc.
- Importance of various types of posts in terms of encouraging people to connect with a gambling operator, such as special offers or bonuses, news and product updates, the ability to ask for help, etc.
- Views on the amount of unsolicited promotions from gambling operators on social media
- Views on whether respondents believe gambling operators use social media sites to encourage gambling and whether these promotions have increased or decreased their desire to gamble and/or actual gambling behaviour
- Whether respondents have noticed responsible gambling messages on social media

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<sup>177</sup> Note: The term 'real-money gambling' was used in the survey, to clarify to respondents that certain questions were asking about gambling rather than gambling-like activities. The term appears in the report below where items are quoted directly from the survey to refer to gambling, as opposed to gaming.



- Whether respondents are likely or unlikely to use social media for information about responsible gambling

#### **Social casino game use**

- Frequency with which respondents have engaged in each of the following forms of social casino games over the last 12 months: lottery-type games, pokies/gaming machines, sports betting, race wagering, poker, other casino-style card or table games
- Number of separate social casino game sessions engaged in on a typical day on which they play social casino games
- Typical duration of social casino game sessions
- Activities in which the respondents would engage if they were not playing social casino games
- On which forms of social casino games respondents have spent real money
- How often they had spent real money on social casino games
- Typical expenditure per purchase on social casino games
- Reason for spending money on social casino games
- Number of different social casino games on which respondents spent real money
- Whether the actual cost of purchases on social casino games was clear before making the purchase
- Year in which they first played social casino games
- Platforms used to play social casino games (e.g., Android or iOS apps, Facebook, etc.)
- Devices used for playing social casino games (computers, mobile phones, etc.)
- Actual social casino games played
- Importance of each of the following reasons for playing social casino games: social interaction, to relieve stress/escape from worries, to pass the time/avoid boredom, to improve gambling skills, to make money, for excitement/fun, for the competition/challenge
- Whether they have used social features on a social casino game
- Whether they would be interested in gambling on their favourite social casino game
- Likelihood of gambling on social casino games if it were to be made legal, and whether this would increase or decrease their social casino game play
- Views on whether respondents believe social casino game operators encourage gambling
- Whether respondents have gambled as a result of their social casino game use
- Aspects of social casino game use that encouraged gambling
- Whether respondents have ever played a social casino game as a result of gambling
- Aspects of gambling that encouraged social casino game use
- Perceived similarity between social casino games and gambling sites in terms of look and feel of the sites
- Relative excitement of winning on social casino games compared to winning while engaging in gambling
- Whether social casino game use has increased or decreased the desire to gamble and/or actual gambling behaviour of the respondents
- Whether respondents played social casino games before engaging in gambling or vice versa
- Whether they believed that their experience with social casino games was likely to increase their success at gambling
- Whether they noticed responsible gambling messages on social casino games and, if so, how often
- Whether they had seen age restrictions or recommendations on social casino games

- Self-reported negative consequences due to social casino game use

#### **Practice game use**

- Frequency with which respondents have engaged in each of the following forms of practice games over the last 12 months: lottery-type games, pokies/gaming machines, sports betting, race wagering, poker, other casino-style card or table games
- Typical duration of practice game sessions
- Whether respondents have gambled on the same type of practice game they have played
- Whether respondents played practice games before engaging in gambling or vice versa
- Whether they believed that their experience with practice games was likely to increase their success at gambling
- Importance of each of the following reasons for playing practice games: social interaction, to relieve stress/escape from worries, to pass the time/avoid boredom, to improve gambling skills, to make money, for excitement/fun, for the competition/challenge
- Views on whether respondents believe practice game operators encourage gambling and whether the use of practice games has increased or decreased the desire to gamble and/or actual gambling behaviour of the respondents
- Whether they noticed responsible gambling messages on practice games and, if so, how often

#### **Problem Gambling Severity Index (PGSI)**

- Adults completed the regular nine-item PGSI (Ferris & Wynne, 2001). The original cut-offs were used to specify groups (0 = non-problem, 1–2 = low-risk, 3–7 = moderate-risk, 8–27 = problem gamblers).<sup>178</sup>
- Adolescents: A modified version of the PGSI questions was used for the adolescent sample, which included questions about preoccupation, exceeding planned spending, feeling restless or irritable when cutting down on gambling, chasing losses, gambling to escape problems, hiding or lying about gambling, arguing about gambling or taking money without permission to spend on gambling. This scale was completed by 84 respondents.<sup>179</sup>
- Whether the following have increased or decreased problems related to gambling: social media use by gambling operators, social casino game use, practice game use.

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<sup>178</sup> Cronbach's alpha = 0.94

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