

## ***What if there were no problem gamblers?***

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The 12<sup>th</sup>. International Conference on Gambling and Risk-Taking (Vancouver, 25-30<sup>th</sup>. May 2003) was unusual for the reappearance of a challenge to orthodox views not seen for at least 20 years. Two academic speakers with marketing as their background argued that sales and other data about the leisure, entertainment product of gambling looked like the distribution for any other consumer product and that therefore the validity of some unique consumer such as a problem gambler could be challenged. These arguments were essentially vigorous rather than scholarly but it seemed an opportunity to put aside the language of psychology and see what transpired; to see what might be the implications if, so to speak, there were no problem gamblers and the task was simply to sell the product, gambling, in all its different forms.

Selling a product does not occur in a vacuum but in a social context of values and regulations that both facilitate and put various checks and balances on how products may and may not be marketed. When the expenditure on any one product by an individual is large, say for gambling, A\$12-15,000 per annum for regular (once per week or more often players) (Productivity Commission 1999), then the high value placed on a free and informed choice by most developed nations results in certain requirements regarding the process by which the product is sold.

Where the 'product' is a choice between various therapeutic options in the remediation of illness the concern is that the patient can make an informed choice and the validity of any one process by which a patient is informed and reaches a decision is tested: e.g. would

the information be understood by the ‘average’ patient? Was the decision made in a calm and secure place and manner? Is a cooling off period required to ensure that a change in choice is possible?

In the marketing of gambling products such social values have already influenced some sectors of the industry in their definitions of ‘responsible gambling’. Taking the current definition of responsible gaming from the Victorian Gaming Machine Industry (VGMI), a group that has set international benchmarks with its Code of Practice;

***“The industry’s role is to offer products and services in a way that facilitates customers’ ability to engage in responsible gaming”***

and

***“Responsible gaming is each person exercising a rational and sensible choice based on his or her individual circumstance.”***

The latter confirming the relevance of a free and informed choice as a socially valued concept that imposes certain requirements on how gambling products may be provided to the customer/player.

If attention is now focused on one of the most popular forms of gambling where ever they are legally available especially in convenience settings such as bars, clubs and hotels, the Electronic Gaming Machine (EGM). Consider the moment 35 minutes into a session of play on an EGM by a regular player; a relatively slow rate of play would be 10 games per minute and in New South Wales (Australia) the maximum stake per game is \$10. In other words at this early stage of a session (In NSW regular players on average play for 842 games in a session, range 14-2784: Haw, 2000) the player has been offered a total of 350 games for each of which the possible outcomes ranged from a loss of \$10 to a win of \$100,000 for a linked machine (\$10,000 for a stand-alone machine).

In this process of purchasing games the purchase point is both at commencement when the player may buy a sum of coins from the cashier or place a \$20, \$50 or \$100 bill in the note acceptor fitted to the machine and then between each game there are further purchase points where the player decides whether to stop, cash out or buy another game (or spin).

Even before turning to the relevant evidence every aspect of this gaming machine sequence by which games are sold seem to be in conflict with the value of informed decision-making.

Recent research has illustrated the range and strength of emotions that regular players experience during such a sequence of gaming decisions (Coventry, 2001; Schellinck & Schrans, 1998). The latest theoretical model of human decision making, subjective expected emotion (SEE) (Mellers, Schwartz & Ritov, 1999) has provided a strong account of human gambling choices in the laboratory and which has seen recent support in field studies with regular gamblers (O'Connor, 2000). Recent studies of the cortical responses of human subjects to the expectation of winning money (Breiter, Itzhak, Kaheman, Dale & Shizgal, 2001) supports the view that strong emotional/physiological responses during a session of play is a natural human experience. The expectation that the player will be able to continue to make controlled, informed, rational decisions during such a session of continuous gambling is ill-founded.

Further support for this view is to be found in research involving one of the most common social activities that is enjoyed during gambling, drinking alcohol. It has been shown that normal, social levels of drinking alcohol (i.e. 2-3 standard drinks: Pols & Hawks, 1991) alter self-control over decisions to start to gamble and when to stop when losing in regular gamblers (Baron & Dickerson 1999; Kyngdon & Dickerson, 1999). In addition mild, non-clinical levels of sadness prior to play inhibit the persistence of infrequent players during a losing session of gaming, but the effect is not found for regular gamblers (Hills, Hill, Mamone & Dickerson, 2001). Further contextual information comes from the finding that a proportion of regular players lose track of time

during a session of EGM play (Schellinck & Schrans, 1998). Finally the calculation of “out of pocket spend or losses”, of a session of play involving wins and losses and the purchase of more change, even when that exercise is completed in a laboratory setting by university students is done accurately by only two thirds of the participants (Blaszczynski, Dumlao & Lange, 1997).

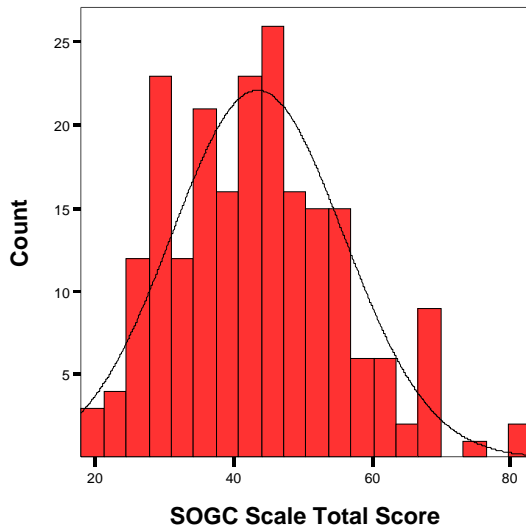
In brief the evidence confirms just what would be expected: place the consumer of gaming in a complex, emotionally stimulating and pleasurable environment that absorbs their attention and distracts them from the realities of their life circumstances and the ‘average player’ loses control of time and money expenditure.

**Figure 1: Distribution of responses of regular EGM players (N=246) to item number 18 of the Scale of Gambling Choices (Baron, Dickerson and Blaszczynski, 1995)**



As illustrated in the figure above when regular players are recruited in gaming venues (no other selection criteria) 43% “sometimes”, “often” or “always” experience an irresistible urge to continue a session of play once they have started. The response distribution to this item with the mode close to the category “sometimes” is shown by the distribution of responses of regular players to the full set of items as shown in Figure 2.

**Figure 2: Distribution of total scores on the Scale of Gambling Choices(SOGC) by regular EGM players (N=246) with normal curve superimposed.**



In Figure 2 above the distribution of scores by regular players does not differ significantly from the normal curve. Difficulties in maintaining limits to session length and expenditure and over involvement in gambling generally are very common in this group as was predicted from the manner in which the purchase point is embedded in a sequence of emotionally involving and entertaining events that recur at speed.

One could hypothesise that it would take a very unusual, highly motivated individual with considerable training to be able to maintain control over such a sequence of purchasing decisions and this is exactly what the literature shows for successful professional gamblers (Allcock & Dickerson, 1986). Such players approach gambling with a work ethic, devoting many hours daily to learning skills mastering new information in order to make rational decisions, well aware of potential hazards of emotional involvement and loss of control. Given that contemporary gambling is marketed as a leisure and entertainment product, the possibility that all regular players might somehow learn to gamble 'like' professional gamblers is open to speculation but is

essentially foolish: despite being the corner-stone of most responsible gambling strategies!

The difficulties of maintaining rational choice experienced by regular players during a session of continuous gambling is probably an integral component of the pleasurable feelings aroused during the session: loss of control may be part and parcel of a really enjoyable session of play. From the evidence available (e.g. Ben-Tovim, Esterman, Tolchard & Battersby, 2001) it may be that this pleasure is only reduced or lost once severe negative impacts arising from gambling are experienced by the player.

Returning to the theme of how to market EGM play, the fact that it is a common human response to lose control over a sequence of financial decisions that are integrated into EGM play can now be seen to be:

- a) exactly as one would expect, and
- b) in conflict with the earlier definition of responsible gambling:

***“Responsible gaming is each person exercising a rational and sensible choice based on his or her individual circumstance.”(VGMI)***

In the context of the example session of egm play reaching the 35 minute mark for a regular player, common sense and the research evidence confirms that he or she will often be unable to continue to make controlled rational choices as the session progresses.

In addition the industry or the provider of the gaming is also in breach of responsible gambling:

***“The industry’s role is to offer products and services in a way that facilitates customers’ ability to engage in responsible gaming”***

In the example session the next game is still being offered by the EGM. It is still being offered to the player after 1, 2, or 10 hours of continuous play. The EGM process of offering the games to players does not “facilitate”, it does the opposite, it **undermines** the average regular player’s ability to engage in responsible gaming.

From a marketing perspective if the adherence to the social value of informed choice is to be satisfied by the manner in which gaming is sold to the player then either the EGM sequence needs to be slowed and made less emotionally pleasurable and absorbing etc so that the purchase point is not surrounded by an entertaining and distracting context i.e. a denial of the whole basis of the design and purpose of EGMs, or, the purchase point needs to be removed from the gaming sequence to a time and place away from the venue floor.

This is nothing new and has been referred to as pre-commitment; the process enables a player to decide prior to actually starting to gamble, how much s/he wishes to spend in terms of frequency of venue visits, and time and money duration of any one session, and is available in different degrees for some internet gaming sites.

The marketing of gaming could at a stroke guarantee that players could purchase currently available forms of gaming and yet never over-spend. The gaming industry could choose to prioritise informed choice of all players, thereby echoing the value placed on this throughout the community. It could claim that all consumers were protected from excessive expenditure by the safeguards that were in place.

This could be achieved 'tomorrow' by the change to the use of player cards for all EGM play (Machines would only operate to cards to which cash value had already been committed and would not operate to the insertion of coins.). Player cards would be issued on the usual 100 point ID requirements of other significant cash cards, accounts etc. Such cards can be made desirable to players depending on a variety of attractive loyalty and reward schemes.

The limits to the amounts of money and time that an individual could pre-commit to his/her card would be transparently computed along the same sort of lines by which mortgage and other credit/loan levels are currently established. There would be the opportunity for individuals to make a special case that they had greater levels of discretionary monies than the standard levels but such claims, as in any other major

purchasing context, would be open to verification. For the majority of players it is likely that their preferred expenditure would be well within the regulated limits.

The environment in which the player made these pre-purchase decisions would be the proper place in which to provide player warnings and information about the potential harmful impacts that can arise from gambling and the availability of professional help should harmful impacts arise. This setting could include a simulated EGM (Productivity Commission, 1999) so that buyers could explore how long a particular level of staking might last on a particular machine and what were the probabilities of winning.

The venues would then need have no notices and warning labels on machines but return to the pre- “responsible gambling” days of being purely escape and fantasy, never a window or a clock in view. The player could go and play and ‘lose control’ within the previously set safety constraints.

There would be additional positive corollaries for the providers of gaming; by using a process of consumer protection for all players that guaranteed informed choice gaming could be advertised as ‘safe’, the industry would be seen to have set standards that transparently abided by a core social value and their status would rise accordingly, new products could be tested against the same standard before being legalized. Above all the industry would have a coherent approach derived from a social value and with the whole policy and process couched in their core language and expertise of business management and marketing.

If the marketing process ensured that only by criminal activity such as fraud could a player spend excessive and uncontrolled amounts of cash on gambling, then the industry takes charge of the agenda and can be proactive rather than reactive to each research finding about the harmful impacts of gambling etc.

If such consumer protection was demonstrated to significantly reduce the harmful impacts of gambling, the nexus between convenience availability of gaming, regularity of



play and the higher risk of harmful impacts would have been loosened if not broken. Extending the regular player base and increasing the availability of gaming then may become socially acceptable options.

The above argument can be replicated for all forms of gambling (currently available and those in the future) that permit continuous sequences of stake, play and determination, whether casino table games or off-course betting (e.g. O'Connor & Dickerson, 2003: 56% of regular bettors report "sometimes, often or always" "I feel an uncontrollable urge to continue gambling once I have started.").

There are a number of good reasons why all forms of gambling should be included in such a regulated, player card system of purchasing gambling:

- 1) it would at a stroke stop all under-age gambling
- 2) some rare players have been known to develop harmful levels of gambling using only lottery type products
- 3) some players gambling to their limit using EGMs etc might then reach harmful levels of expenditure purchasing unregulated quantities of lottery products and
- 4) future gambling products may be developed that blur the line between continuous forms and other current non-continuous forms such as the daily/weekly draw of a lottery.

The use of a player card would have almost no impact on the convenience of most people as they purchased gambling. Introduced with player points and bonus schemes as a loyalty card but with the added social impact of stopping the harmful impacts of gambling it could be a highly attractive option politically in jurisdictions wanting to maintain the taxation/revenue stream from gambling but aware of the growing community backlash against the levels of harm arising and the escalating costs of preventing and treating individuals and families adversely affected.

The argument makes logical sense and good business sense without any mention of problem gambling. In retrospect it may be seen that industry's preoccupation with

problem and pathological gambling has been one of reaction to the evidence, concepts and theories of psychology and psychiatry rather than proactive policy and strategy driven by sound business and marketing ethics and practice. The latter approach has been shown to result in a strong consumer protection approach which ‘at a stroke’ has the potential to prevent excessive consumption of gambling: i.e. to prevent problem gambling?

If the consumer protection approach is taken all jurisdictions where gambling is legalized can now choose to prevent problem gambling.

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