Social gaming & the convergence of gambling & gaming
Lessons from research

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Disclosures

– I have not received funding or expenses related to this presentation

– I have worked on research projects that have received funding from gambling industry bodies, government departments, and organisations that are funded indirectly from taxes and/or contributions from the gambling industry.

– I have worked directly as a consultant to provide expertise to guide responsible gambling initiatives for gambling industry bodies, government departments, and organisations that are funded indirectly from taxes and/or contributions from the gambling industry.

– I have accepted funding to cover travel and expenses to attend and present at meetings on topics with the aim of enhancing the provision of responsible gambling strategies.

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Intersection of gambling & gaming

Play Free Slots. Get Real Rewards.
Gambling themes within games
Gambling with video games
Gambling on games

eSports
Betting now available on major tournaments

eSports is now one of the largest sports globally, attracting viewer numbers that are on par with traditional sports such as American football and basketball. It continues to boom in popularity with events like the League of Legends World Championships showcasing the talent of the world’s best gamers.

Luxbet now offers single Head to Head betting on eSports with a maximum bet of $250, with a view to expand to include more markets, provide multi-betting and live betting options in the near future.
Gambling with virtual game items
Many social casino games are owned by gambling operators

Caesars Interactive
IGT
WMS Interactive
Aristocrat
Bally
Technologies

Top 5 operators generate ~42% of rev

Source: AppMtr.com, Company data, Macquarie Research, May 2013
Intersection of gambling & gaming

- 521 Australian SCG users (34%)
  - 90% gamblers
- 1103 US SCG users
  - 36% visit casinos

How big could the player overlap be?

Source: H2 Gaming Capital, Morgan Stanley Research
Concerns about gambling-themed games

- Inflated payouts
- Normalisation
- Favourable attitudes
- Impact on gambling
- Problematic game play
Inflated payouts increase perceptions of winning

- Irrational beliefs
- Perception of skill
- Increased confidence & risk taking

- 18% SCG users migrated to gambling → greater chance of winning at gambling
  - 33% adolescents
Social casino games look similar to gambling sites

- 85% of adults felt SCGs look similar to gambling
- 90% adolescents
- Focus on ‘winning’, ‘cash’
Gambling as a game (skill) & social activity
Migration to gambling

Most SCG users report no impact on gambling – 66%

17% reported increased gambling as a result of SCGs

19% of SCG users report having gambled as a result of SCG play (migrated)

18% adolescents increased gambling
28% migrated
Migration to gambling

85% had paid to play (vs. 42% non-migrators)

Motivation $\rightarrow$ win real money (50%)
“I just decided well if I'm gonna do that... ...I might as well just play online slots with the real money”.

SCGs developed skills (31%)
- 18% thought greater chance of winning
- “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”

Gambling is more fun & exciting (26%)

Males, younger, problem gamblers
Payments may indicate migration

Play to relieve stress $\rightarrow$ purchases to increase enjoyment

Payments
- Normalise spending
- Increase similarity with gambling
- Increase salience of rewards
Impact of social casino games on problems may vary

Why pay when I can play for free?

Why play for free when I can win real money?
Online gaming problems

- Online gaming proposed disorder
- 26% of at-risk & problem gamblers reported negative impact from SCGs
  - More involved SCG play
  - More payments
  - Younger, less educated, non-English
  - Play games to escape
Actions needed to protect game users

- Limits on gambling content for children & adolescents
  - Limit in-game purchasing

- Warnings
  - Games are not gambling

- Games provided by gambling operators
  - Not linked to gambling
  - Restricted access
  - Accurate payouts

- Public education
  - Parents
Thank you

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References


