

Betting and Gambling Covid-19 Impact study

Key insights to inform the UK Government's review of the Gambling Act 2005

Briefing paper 2: March 2021

In December 2020, the UK Government announced a wide-ranging review of the Gambling Act 2005, seeking to ensure that Britain's laws for gambling are fit for the digital age. Alongside this, the Government announced a call for evidence, listing over 40 questions it is interested in.

Since June 2020, researchers at the Universities of Stirling and Glasgow have been conducting research on patterns and experiences of gambling among regular sports bettors and young people (aged 18-24) and on gambling marketing. This independent research is funded by the UK's Economic and Social Research Council.

While the study's primary focus is on changes in gambling behaviours, experiences, advertising, and marketing during the Covid-19 pandemic, it offers new data and insights into some critical questions posed by the Government. In this briefing paper, using early findings from our ongoing research, we highlight new evidence relevant to questions raised as part of the review.

Study overview

Aims: How has the Covid-19 pandemic impacted the gambling behaviours of regular sports bettors and young people (18-24)? What has the impact been on advertising & marketing?	Longitudinal studies:	Surveys with regular sports bettors (July, Nov 2020; April 2021) & young people (summer 2019; 2020; 2021)
	Market analysis:	In-depth interviews with regular sports bettors & young people (interviewed Aug-Oct 2020; May/June 2021) Advertising spend data Social media marketing: volume and content Content analysis of adverts/marketing

Full details available at: Hunt et al, 2020. *Protocol for a Mixed-Method Investigation of the Impact of the COVID-19 Pandemic and Gambling Practices, Experiences and Marketing in the UK: The "Betting and Gaming COVID-19 Impact Study*. International Journal of Environmental Research and Public Health
<https://doi.org/10.3390/ijerph17228449>

Contact

Dr Heather Wardle
University of Glasgow
✉ heather.wardle@glasgow.ac.uk

March 2021

Questions from the Government's call for evidence

How are online gambling losses split across the player cohort?

Background: A key policy concern is to understand who spends what and whether those experiencing difficulties with gambling generate a disproportionate amount of industry profits. This is relevant to the sustainability of the industry and its economic model for profit generation. The Gambling Commission has attempted to encourage gambling companies to estimate this, with mixed results - mainly due to gambling companies' inability to "know" who is experiencing difficulties. Surveys provide another way to look at this. In 2011, researchers estimated that 20-26% of expenditure on sports betting came from people experiencing moderate risk or problem gambling (Orford, 2013). To our knowledge, data have not been updated since then.

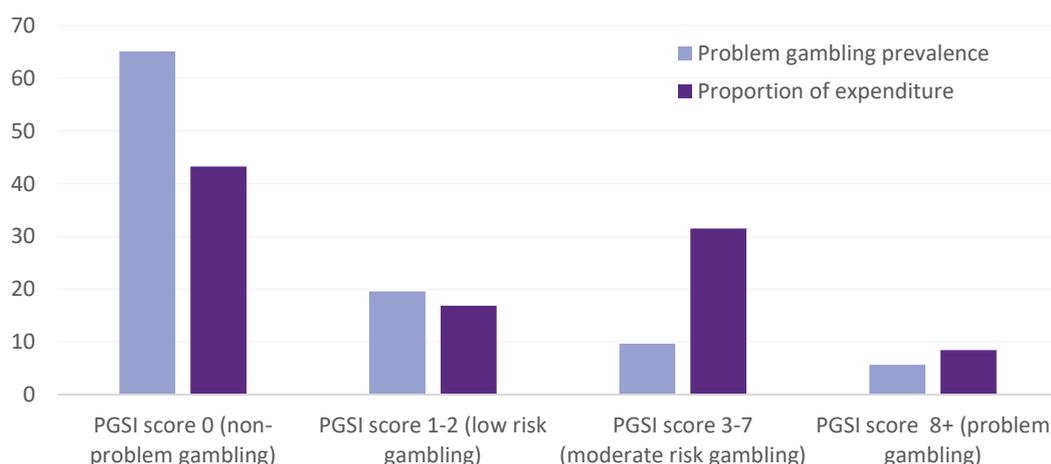
Our study: Our survey of regular sports bettors asked 3195 participants how much they had spent on online horse or dog races and online sports in the last three months. It also used a standard set of questions for assessing whether someone is experiencing gambling problems. So, from our survey, we can calculate what proportion of spend on each gambling activity was generated by people who are experiencing low risk, moderate risk, and problem gambling (see Figure 1).

Key findings & implications

- Overall, participants reported having spent over £700,000 between August and October 2020 – specifically £428,893 betting on online horse or dog races (n=1274) and £271,897 betting on online sports (n=1908).
- On average, **those experiencing gambling problems spent three times more than those with no gambling problems when betting on online sports (£318.96 vs £96.88)**. However, those who bet on online horse or dog races with no gambling problems spent more, on average, than those who experienced problems with gambling (£362.81 vs £185.54).
- **A disproportionate amount of money was spent betting on online horse or dog races and online sports by those experiencing moderate risk or problem gambling.** Those experiencing moderate risk or problem gambling spent £147,475 on online horse or dog races between August and October 2020, accounting for 34.4% of total spend, despite these groups only representing 17.9% of the sample.
- Results for online sports betting were more pronounced: **39.9% of total spend (£108,618) was generated from the 15.3% of sports bettors who were experiencing moderate risk or problem gambling.**
- **Regular sports bettors experiencing moderate risk and problem gambling spend a disproportionately higher amount of money gambling, suggesting they contribute a disproportionately greater amount of money to industry turnover.**

Source: regular sports bettors participating in wave 2 of the study (data collected November 2020)

Figure 1: Problem Gambling Severity Index status among online sports bettors and the proportion of total expenditure accounted for by each group



What are the benefits or harms caused by allowing licensed gambling operators to advertise?

Background: Gambling advertising and marketing are prominent in mainstream and digital media. It is therefore important to examine who marketing communications are reaching and how they may be shaping attitudes and behaviour. A key risk of harm presents itself when those who are most likely to be exposed to gambling are those in vulnerable groups, such as young people and those experiencing harmful gambling behaviours.

Our study: Our marketing data suggest gambling operators engage in a wide variety of marketing and advertising activities, from high-profile television adverts, to direct mail and social media. In our first survey with regular sports bettors, we asked them where they recalled seeing gambling marketing in the past month (e.g. television, print media, sponsorship) and whether they had received any direct marketing in the past month (e.g. e-mails, messages through apps). We also asked whether participants felt that the amount of gambling marketing they had seen during the Covid-19 lockdown had changed and how often, if at all, a gambling marketing communication had prompted them to spend money on gambling when they hadn't otherwise planned to during the lockdown. During the in-depth interviews, we also asked participants for their reflections on the presence, reach and influence of gambling marketing.

Key findings & implications

- Among regular sports bettors, **those experiencing gambling problems were more likely to recall seeing and receiving gambling marketing communications.** More than three quarters of those experiencing moderate risk and problem gambling recalled receiving direct marketing in the past month, compared with just under half of non-problem gamblers.
- **Those experiencing gambling problems were three times more likely** as those experiencing no problems to report that the **amount of gambling advertising they saw, and the amount of direct marketing they received** from gambling operators, **increased during the initial Covid-19 lockdown.**
- **Marketing was also successful in instigating behavioural response among those gambling at higher risk.** Around **half (54%) of those experiencing gambling problems** stated a gambling advert, promotion or sponsorship **often or very often prompted them to spend money on gambling** when they were not otherwise planning to during the initial Covid-19 lockdown. **Equivalent estimate for those not experiencing gambling problems was just 2%.**
- In the in-depth interviews, some participants described a sense of a relentless onslaught of adverts – *'it's almost like it's a frenzy of adverts'; 'my email box is constantly filled with gambling adverts, constantly'*. Some voiced a need for greater regulation.
- **Gambling marketing is successful in reaching, and engaging, sports bettors** through a variety of advertising and direct marketing. When received, **the data suggests that marketing communications may have a disproportionate behavioural impact on those who are already moderate or problem gamblers.**

Source: regular sports bettors participating in wave 1 of the study (data collected June/July 2020) and those who took part in the in-depth interviews (data collected July/November 2020)

What is the evidence on the effectiveness of mandatory safer gambling messages in adverts in preventing harm?

Background: While product and brand promotion are the primary purpose and motivation behind gambling marketing, these communications also provide a high-reach and low-cost opportunity to communicate important protective messages to a large number of consumers, including: warnings that gambling is an age-restricted activity, harm reduction messages, harm minimization strategies, and signposts to sources of help and support. In the UK, the current approach to communicating this information is self-regulation.

Our study: Although our project is not collecting information relating to the effectiveness of 'safer' gambling messages, the findings do contribute further evidence concerning the limitations of the current self-regulatory approach and why a mandatory approach may be needed. Specifically, our content analysis of gambling advertising and social media marketing is examining the presence, design and tone of these current safer gambling messages in adverts shown during the initial Covid-19 lockdown. Moreover, while we did not specifically ask about safer gambling messages in the interviews, some participants spontaneously expressed their opinions on current practice.

Key findings & implications

- Our ongoing analyses of the advertising and social media marketing highlights a **range of deficiencies in the current self-regulatory approaches to age warnings, consumer protection messages and terms and conditions in gambling marketing.**
- This includes consumer protection messages that are: missing entirely, use strategically ambiguous language, are overshadowed or juxtaposed against more stimulating marketing content, do not explicitly reference gambling harms, infrequently promote harm minimisation strategies, and are inconsistently formatted across different media and gambling subsectors.
- In the in-depth interviews, a few participants **spontaneously expressed scepticism about the intent and effectiveness of current ‘safer’ gambling messages.** They made comments such as *‘the companies just pay lip service.. more should be done than simply sort of saying ..be GambleAware’* and *‘Simply chucking Be GambleAware at the end of a three minute advert is irrelevant’*, and *‘Don’t do it , but do it! ..like here’s a gambling advert, but don’t gamble!’*.
- There **are limitations in the current self-regulatory approach to safer gambling messages.** A change in practice is needed to increase the visibility, design, and tone of messages and that provides greater protection to consumers.

Source: in-depth content analysis of gambling advertising and social media marketing (from the initial Covid-19 lockdown) and sports bettors who took part in the in-depth interviews (data collected July/November 2020)

What additional evidence is there around advertising, marketing and sponsorship?

Background: While gambling advertising and sponsorship catch the attention of the general public and mainstream media, few studies have asked what regular gamblers think about this. This is important to know because advertising and marketing is often directed at those who are already gamblers - understanding their views helps us to assess if there is further impetus for change among those who are highly engaged in gambling.

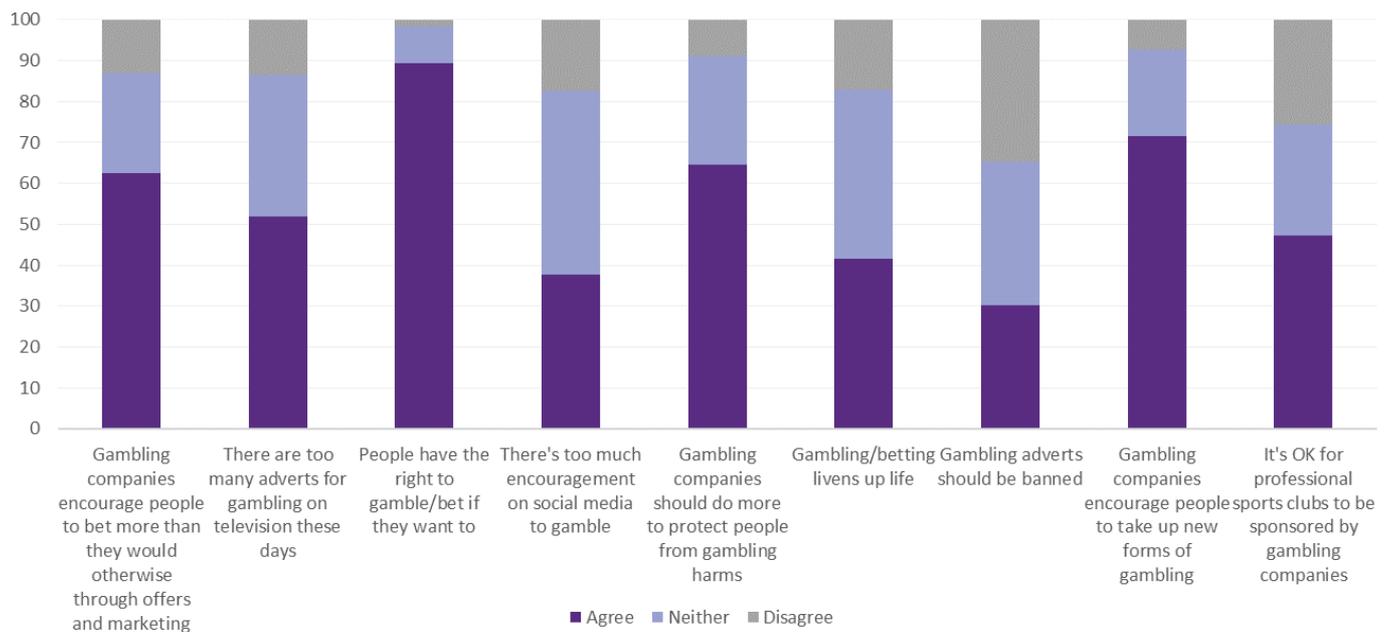
Our study: In the second wave of our survey of regular sports bettors, we asked whether they agreed or disagreed with statements about gambling advertising, marketing and sponsorship and statements about the role of gambling in everyday life. People provided responses on a five point scale, from ‘strongly agree’ to ‘strongly disagree’ (see Figure 2).

Key findings & implications

- Most regular sports bettors agreed *‘People have the right to gamble/bet if they want to’* (90% agreed/strongly agreed).
- **But**, there was also wide agreement that *‘Gambling companies encourage people to take up new forms of gambling’* (72% agreed/strongly agreed), that *‘Gambling companies should do more to protect people from gambling harms’* (65%), and that *‘Gambling companies encourage people to bet more than they normally would through offers and marketing’* (64%).
- **Half agreed that ‘There are too many adverts for gambling on television’ (52%),** whilst just under half agreed that *‘It’s OK for professional sports clubs to be sponsored by gambling companies’* (47%). **Nearly a third thought ‘Gambling adverts should be banned’** (30%).
- **Results suggest** whilst sports bettors believe people should be able to gamble or bet if they want to, **there is appetite for changes in advertising and marketing and notably a strong mandate for gambling companies to do more to protect people from harms.**

Source: regular sports bettors participating in wave 2 of the study (data collected November 2020)

Figure 2: Attitudes to gambling



What evidence is there to suggest there is risk of a “black market” emerging for gambling?

Background: The “black market” for online gambling refers to players accessing any gambling operator or product which is not licensed and regulated by the UK Gambling Commission. This is not necessarily to say these companies are not regulated, but rather that they are not regulated in Britain. Arguments against greater regulatory controls often invoke fear that a gambling “black market” would emerge. This assumes that when faced with stricter controls on gambling, a significant number of ordinary gamblers would choose to gamble with a non-UK licensed provider instead.

Our study: Our study has not collected information about regular sports bettors’ use of “black market” activities *per se*, but it does provide quasi-experimental evidence of how people’s behaviour changes when severe constraints are placed on one of their regular gambling activities (sports betting). This is achieved by comparing gambling behaviours during the initial Covid-19 lockdown and with gambling behaviours prior to the onset of the Covid-19 pandemic.

Key findings & implications

- Overall, 81% of regular online sports bettors and 78% of online horse race bettors stopped gambling on each during the initial Covid-19 lockdown.
- Some sports events and horse races continued legally in other jurisdictions, but few regular sports bettors continued to gamble on these activities during the initial Covid-19 lockdown (**22% continued to bet online on sports and 19% bet online on horses**).
- Among regular sports bettors, **31% stopped gambling entirely on all products** when sports betting was largely unavailable to them; 52% continued to gamble on other things (activities they had engaged in previously) and **17% of regular sports bettors switched gambling activities and tried something new**.
- Whilst there is some evidence that a minority of sports bettors did engage in new forms of gambling or continued to bet on foreign sports/horse racing markets, **the majority behaviour was for people to stop betting on these products specifically, and some stopped gambling entirely**.
- **This suggests**, under these circumstances (where opportunities for a regular gambling activity were severely restricted), **the emergence of a significant black market among regular sports bettors may be unlikely for the vast majority**.

Source: regular sports bettors’ (wave 1 survey) - gambling behaviours in the 3 months prior to Covid-19 outbreak and during the initial Covid-19 lockdown (mid March – mid June 2020)

What evidence is there that extra protections are needed for those aged 18-25?

Background: Young people aged 18-24 routinely have higher rates of problem gambling. Earlier evidence from the Avon Longitudinal Study of Parents and Children, for example, showed high onset of problem gambling between the ages of 17 and 21, with researchers calling for special protections for this age group (Forrest & McHale, 2018). Little is known, however, about the specific gambling behaviours of those aged 18-24 and how this compares with older adults. The Emerging Adults Gambling Survey (a study of young people aged 16-24, see Wardle, 2019) showed that online sports betting was the third most common gambling activity in this age group, after the purchase of scratchcards and lottery tickets.

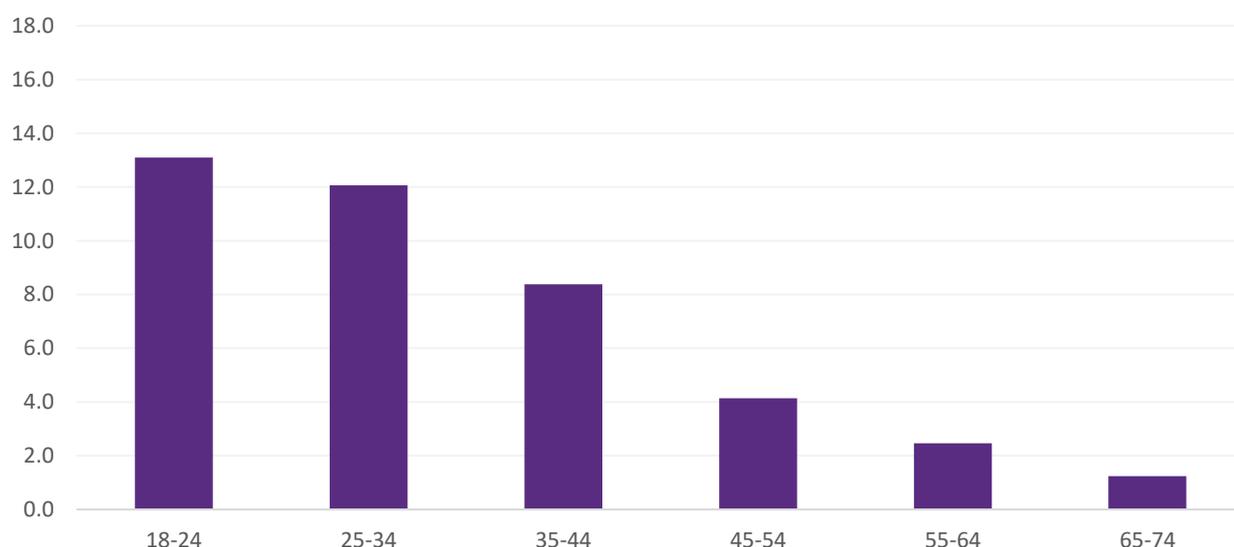
Our study: Our study provides an opportunity to look at the gambling behaviours of regular sports bettors aged 18-24, and to compare these with older sports bettors.

Key findings & implications

- **Among regular sports bettors, the prevalence of problem gambling was highest among those aged 18-24:** 13.1% compared with 1.2% for those aged 65% and over (see Figure 3).
- Gambling behaviours among **younger sports bettors** varied in some distinctive ways: they **were far more likely to bet in-play** than older age groups (64% of those aged 18-24 had bet in-play in the 3 months prior to the Covid-19 outbreak compared with 35% for those aged 65+). This is likely related to **young people's greater propensity to place sports bets online**. On average, younger sports bettors also tended to take part in a slightly greater range of gambling activities (4.0) than people aged 65+ (3.0).
- It was unclear whether the amount of time or money spent gambling varied by age group, though young sports bettors were less likely to gamble on a weekly basis (74.5%) than older sports bettors (89.4%)
- In the in-depth interviews, people noted that not just young adults, but also teenagers and children, were effectively being advertised to through the sponsorship of football teams by gambling companies. For example, one participant said *'a lot of children or teenagers are active watchers of football .. you're effectively advertising to children.. if a child supports a team .. and some gambling company has been sponsoring that team, that's really getting in psychologically . I support [team], that means I support this company'*.
- **Among regular sports bettors, those aged 18-24 have significantly elevated rates of problem gambling** although their gambling consumption may not differ greatly to others'. This suggests that **among younger sports bettors there may be specific risks with regards to the range and type of gambling activity they engage with. There may also be specific risks relating to the stage of life of this age group, requiring greater regulatory safeguards.**

Source: Regular sports bettors reporting gambling behaviours in the three months prior to the Covid-19 outbreak

Figure 3: Problem gambling status among regular sports bettors, by age group



About this study

This briefing is based on ongoing research funded by the ESRC (grant no: ES/V004549/1), led by:

- Professor Kate Hunt, Institute for Social Marketing and Health, University of Stirling
- Dr Nathan Critchlow, Institute for Social Marketing and Health, University of Stirling
- Dr Heather Wardle, School of Social and Political Sciences, University of Glasgow.

Further information about the study, including the full survey questionnaires and publications are available:

<https://osf.io/f4zgw/>.

Suggested citation for this paper: Wardle H, Critchlow N, Donnachie C, Brown A, Hunt K (2021) *Betting and gambling Covid-19 Impact study. Briefing paper 2: Key insights to inform the UK government's review of the Gambling Act 2005*.

Current (peer-reviewed) publications from the study:

Hunt K et al, 2020. *Protocol for a Mixed-Method Investigation of the Impact of the COVID-19 Pandemic and Gambling Practices, Experiences and Marketing in the UK: The "Betting and Gaming COVID-19 Impact Study*. International Journal of Environmental Research and Public Health

<https://doi.org/10.3390/ijerph17228449>

Wardle H et al, 2021 The impact of the initial Covid-19 lockdown upon regular sports bettors in Britain: findings from a cross-sectional online study. *Addictive Behaviours* 118

doi.org/10.1016/j.addbeh.2021.106876

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<https://www.begambleaware.org/sites/default/files/2020-12/gambling-and-problem-gambling-among-young-adults-revision-10818-final-publish-002.pdf>.

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UNIVERSITY of
STIRLING



University
of Glasgow

Contact

Dr Heather Wardle

University of Glasgow

✉ heather.wardle@glasgow.ac.uk