

Live-odds in-sports betting advertising and time limited special offers

A rapid scoping report for Gamble Aware

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Terms of reference: GambleAware has requested a summary of (1) live-odds in-sports betting and whether this form of advertising causes harm in a way that gambling advertising in general does not, and (2) the risks posed to gamblers, and particularly problem gamblers, by time-limited special offers.

Live-odds in sports betting

Live-odds refer to the presentation and discussion of the betting odds at a current point in time, for example, the likelihood of a team winning a sporting event currently underway. These are typically portrayed in sports broadcasts through presenter commentaries and/or odds displayed on television screens, sponsored segments, and visual displays at venues (e.g., on score boards).

Live-odds promoted through these channels can be construed as advertisements. In addition to the general influence of advertising on consumption of products and services, live-odds are integrated into the coverage of a live sporting event and can be construed as:

- Embedded (and intrusive/excessive/unnecessary) advertising for most viewers that is difficult to avoid given these occur at critical points within the sports broadcast (as opposed to commercial breaks that can be muted or attention distracted), and when audiences are attentive and potentially in a heightened state of arousal and emotion¹.
- An added incentive or inducement to place bets or increase bet size, that is, encourage the impulsive placement/increase in betting in response to attractive odds being offered at that point in time, and to avoid the regret of missing out on a potential win.
- An incentive to chase losses, by highlighting the potential for a bet to lose, thus encouraging gamblers to place further bets to minimise losses.
- In the context of a sporting event, live-odds in-play exposes and draws the attention of all viewers, irrespective of age and at-risk gambling status or vulnerabilities, to gambling. Such passive embedded exposure to live-odds in-play normalises gambling as an integral component of sports, that is, the 'sportification of gambling', and the 'gamblification of sports'.

Little research has investigated the influence of these promotions on gambling attitudes, participation, and problems. Focus groups with Australian adults and adolescents found strong disapproval for live studio crosses to gambling operators to discuss betting odds, on-screen displays of live betting odds, and in-match commentary about betting odds². A subsequent survey found sizeable minorities of sports bettors agreed that promotions encouraged them to bet on sports, especially pre-match commentary on betting odds (37.5%), on-screen displays of live betting odds (36.6%), live studio crosses to gambling operators discussing betting odds (32.5%), and in-match commentary about betting odds (30.%). Nearly one in eight adolescents surveyed agreed that these promotions encouraged them to bet. Problem gamblers participating in the research were more likely to agree that these promotions increased their

¹ Hing, Australian Gambling Research Centre, and Australian Institute of Family Studies, *Sports Betting and Advertising*.

² Hing, Vitartas, and Lamont, "Promotion of Gambling and Live Betting Odds during Televised Sport."

gambling frequency, expenditure, and time spent betting. Although limited by the reliance on self-report, this provides some evidence of the potential harm related to the promotion of live betting odds.

Policy

Legislations approving or prohibiting the extent and types of sports betting varies across international jurisdictions with no consistent common threads able to be discerned. The pervasiveness of sports betting promotions during sports broadcast has raised community concerns and led to voluntary codes of conduct being amended as well as legislation. In 2012, Australian commercial and subscription broadcasters agreed to amend their existing codes of practice to restrict live odds promotions, including banning sporting commentators from referring to live odds, and banning all live odds promotion during play. Promoting live betting odds during sports coverage was subsequently banned by the Australian Communication and Media Authority in August 2013. Promotion of betting odds is allowed half an hour before and half an hour after the game, and only by persons clearly identified as bookies. Bookmakers are not allowed to be guests on sports panels and commentators cannot discuss odds. Gambling advertising is still allowed, although it is restricted to scheduled breaks such as half time, and unscheduled breaks, such as rain delays. Australian bookies can no longer offer live bets online but gamblers remain able to place in-play bets over the telephone and in venues. 'Click-to-call' facilities on smart phones applications where a single click on an icon allows bets to be placed within seconds is to be banned by the Australian government.

In the absence of research and empirical evidence to inform policy, policies are largely driven by public sentiment and community response to the rapid increase in sports betting advertising during sporting events, particularly the promotion of live odds. Research before the ban revealed 42% of Australians believed that giving odds during live sports coverage should be illegal and 11% ranked sports gambling ads as more harmful than tobacco promotions³. Conversely, operators expressed concerns that banning promotion of live odds during televised sporting events would result in an increase in online promotions and potentially drive gamblers to offshore sites with few consumer protection measures. Three government inquiries conducted before the ban into sports betting advertising came into effect had all recommended legislative changes to restrict the promotion of live odds during sport.

Consideration should be directed to potential unintended consequences of restrictions on promotions for live-odds such as displacement to other forms of advertising and promotion. Evidence of this potential can be sighted in the effects apparent 12 months following the 2013 ban where gambling advertising reportedly increased by 251%⁴ and warnings about the risks of gambling and provision of the gambling helpline that had typically accompanied the provision of live betting odds reportedly reduced⁵. This suggests a compensatory shift in the advertising environment from promoting live-in odds during televised events to online marketing with televised and in-play ads for online gambling in general increasing. However, it should be noted that the online gambling market was shifting at this time to see the entry of several new operators, which is likely also related to the increase in gambling advertising.

In determining policies related to banning promotions of live-odds, attention could be given to introducing legislation to restrict these promotions to sporting events broadcast outside of prime-time television (after 8.30pm, for example), or to ban live-odds and restrict other forms of gambling advertising to commercials shown in non-prime time periods.

³ Sandev, "Newspoll: Sports Betting Agency Ads Increase Problem Gambling."

⁴ Schetzer, "Gambling Ads Soar Following ACMA 2013 Live Odds Ban."

⁵ Hing, Vitartas, and Lamont, "Promotion of Gambling and Live Betting Odds during Televised Sport."

Time-limited special offers

Online sports betting agencies advertised various forms of time-limited bets and promotions. Inducements are generally time-limited and change frequently. They are often related to specific bets and events and intensify in the lead-up to weekend sports and racing events. This frequent refreshment of inducements provides a steady and continual stream of new short-term offers which may help to keep the betting product interesting for customers and encourage frequent visitation to wagering sites⁶.

An audit of wagering inducements among 30 companies in Australia found 223 distinct inducements, categorised into 15 different types, demonstrating the wide-range of betting promotions⁷. The most common types of inducements were refund/stake back offers (often interpreted as 'free' bets), followed by sign-up offers, bonuses or better odds and bonuses or better winnings. Almost half of all promotions (48%) included time restrictions. For example, 'Happy Hour' bets are offered during a defined time and may concentrate betting into short time periods, thus intensifying betting. For other promotional offers, in order to achieve the benefit of the bonus offer, and withdraw any winnings, customers are generally required to make a deposit and make multiple bets within a specified time period. These conditions may have the consequence of intensifying betting and encouraging repeated betting during a specified time period. Consequentially, customers are encouraged to return to the betting site and place further bets in order to receive any 'winnings', while being targeted with promotional marketing and offers in the meantime.

Another type of time-limited bet includes micro-bets. Micro-bets within sports betting refer to betting on events within a game, such as the next goal scorer in a soccer match, or the outcome of the next ball in a cricket match. By their nature these are time-limited. Micro-bets allow for a large number of bets to be placed, particularly as compared to betting solely on the outcomes of a match. They make the betting experience more continuous and with the potential for less consideration involved in each bet.

Online gamblers are influenced by gambling advertising. One-tenth of Australian Internet gamblers surveyed reported that marketing and promotions were critical to their initial uptake and 29% reported increased online gambling expenditure as a result of viewing promotions⁸. Gambling advertising can have particularly negative impacts on problem gamblers. Compared to other gamblers, problem gamblers report gambling advertisements as being a greater stimulation to gamble, a larger influence on spending more than intended, and an encouragement to them to think they can win⁹. Problem gamblers also report that gambling advertisements can remind them about gambling, trigger gambling urges, provide inducements to gamble, further increase gambling involvement and undermine attempts to moderate their gambling¹⁰. Time-limited special offers, such as money-back guarantees and 'free' bets that require player deposits, appear to particularly increase Internet gambling among problem gamblers. Research has indicated that problem gamblers were also particularly attracted to promotions for time-limited bet-types, such as micro-bets placed on short-term contingencies during match play¹¹.

⁶ Hing et al., "Review and Analysis of Sports and Race Betting Inducements."

⁷ Ibid.

⁸ Hing et al., "Interactive Gambling."

⁹ Hing, Australian Gambling Research Centre, and Australian Institute of Family Studies, *Sports Betting and Advertising*.

¹⁰ Hing et al., "Do Advertising and Promotions for Online Gambling Increase Gambling Consumption?"

¹¹ Hing, Vitartas, and Lamont, "Promotion of Gambling and Live Betting Odds during Televised Sport."

There is very little research on the impact of different bet types and promotional offers. A study of Australian gamblers found that one-third of sports bettors agreed that the promotion of time-limited bet offers (e.g., available only to the first 100 callers) during a sporting event encouraged them to bet, and about one-quarter agreed that it increased the likelihood of them placing impulse bets during a sports match¹². Among gamblers surveyed, a bet with a risk-free offer elicited most interest, temptation, and likelihood of placing a promotional bet, followed by a micro-bet¹³. Message elements further increasing this likelihood were the message being presented by an attractive non-expert, neutral type of appeal, and use of on-screen display. Problem gamblers were more likely to be attracted to time-limited micro-bets than non-problem and at-risk gamblers. Similar results were found from a focus group with Canadian problem gamblers¹⁴; time-limited promotions, such as having to earn a certain amount of 'points' through gambling to reach a specific tier within a loyalty program, encouraged further gambling. Participants across these research studies discussed how these promotions make it difficult for them to control their gambling, including for those who were actively trying to reduce this, as they triggered urges to gamble and increased gambling expenditure. The time-limited nature of promotions can be particularly influential on gamblers with impulse-control difficulties, which is highly related to gambling problems.

Policy

Many regulatory environments lack clear definitions to guide bet types and promotional offers. One of the challenges confronting regulators is the capacity to differentiate between offers that constitute an inducement as compared to a legitimate marketing promotion. Both inducements and promotions are designed to increase consumption (in addition to enhancing visibility and brand loyalty); inducements, however, contain an implication of unfairness or excessive encouragement to consume a product or service that otherwise the individual would not typically purchase.

Guidelines may also vary considerably between jurisdictions as well as between regulations, voluntary industry and advertising codes of conduct, and platforms (e.g., television vs. online). In the Australian audit of wagering inducements¹⁵, promotions and inducements rarely (12%) had a responsible gambling message embedded, despite the requirement for all gambling marketing to include this. Across Australian states, regulations differ on what types of inducements and promotions can be offered to existing and new online gambling customers. Micro-betting and in-play betting is not allowed to be offered by online operators, although these types of bets can be placed via telephone or in venues. Terms and conditions for inducements and promotions are generally complex and lack transparency. They are generally not displayed in the advertisements and offers, but require customers to click on a link to access these, or find these themselves, often placed within a more general terms and conditions page.

In Denmark, gambling inducements can be offered, but are subject to essential conditions which must be included in the first presentation of the offer (i.e., not in fine print). These include clearly defining time limits related to the offer, such as the expiry of the bonus, or requirement to play through within a specified period.

¹² Ibid.

¹³ Ibid.

¹⁴ Responsible Gambling Council, "Responsible Gambling Best Practices for Player Incentives: Land-Based Venues."

¹⁵ Hing et al., "Review and Analysis of Sports and Race Betting Inducements."

Policy implications

- Embedded gambling promotions, particularly for live-betting odds, 'free' bets, and time-limited micro-bets, are likely to be appealing to gamblers, and particularly problem gamblers, and potentially have an impact on adolescents and children. Consequently, promotions for these bet types may contribute to, and exacerbate gambling-related problems in vulnerable populations.
- Measures are needed to minimise sports betting problems, including community education and social marketing targeted at high-risk groups to counter advertising of sports betting. These should specifically target young males who are highly exposed to sports betting promotions and at-risk of developing gambling problems.
- Exemptions for gambling advertising during general television viewing times and the quantity and types of promotions allowed during live and televised sports could be reviewed, with particular attention paid to the promotion of live-odds and time-limited and bonus promotions.
- Terms and conditions associated with inducements should be clearly stated in the initial promotional offer, including any time-restrictions and play-through requirements.
- All promotions should include responsible gambling messages. These should be visible and as likely to gain attention as the central marketing messages.
- Adequate time and space during sporting events and across marketing platforms should be dedicated to counter-advertising and public education to balance public information about betting offers, including warning and educational messages and information about prevention, help-seeking, and treatment.
- Ongoing research is needed to determine the impact of sports betting promotions, particularly on vulnerable groups. This includes research on how promotions can shift consumer attitudes and behaviours and contribute to the development of gambling-related problems.