

»» Your quarterly guide to the key issues affecting Europe's online gambling sector

Online Gambling Focus

THIS ISSUE Online Gambling Advertising and Sponsorship



Introduction

With several countries adopting new measures related to gambling advertising over the past year, it seems appropriate that advertising should be the topic for this Winter edition of our Online Gambling Focus newsletter.

As well as enabling companies to highlight their products and offers to potential or existing customers, a major benefit of gambling advertising is that it directs consumers towards those gambling operators who are licensed in a given EU country. For online gambling companies, advertising is particularly important because it is the only way they can inform consumers about their existence and products.

Without advertising, consumers would be more susceptible to unreliable and dubious search engine results which direct them to play on gambling websites which are potentially wholly unregulated. This could leave them exposed to potentially very risky situations, including a lack of player support, consumer protection and zero legal recourse whenever they have a dispute with such websites.

Having said that, there are risks that advertising exposes minors and other vulnerable groups to gambling. That's why we strongly support measures to clamp down on irresponsible gambling advertising to protect all consumers, including these vulnerable groups.

The challenge is how to strike the right balance: allowing advertising which is responsible, sufficiently directs betting consumers to the regulated gambling websites and does not entice problem gamblers or young people to gamble.

In this issue we are pleased to have contributions from Prof. Mark Griffiths, of Nottingham Trent University, who elaborates on research in this area, and William Fenton, from the European Sponsorship Association (ESA), who gives his perspective on the role of sponsorship of sports.

Maarten Haijer,
Secretary General, EGBA



Protecting consumers and ensuring gambling advertising is responsible: A brief overview

By **Dr. Mark Griffiths**, Distinguished Professor of Behavioural Addiction, International Gaming Research Unit, Nottingham Trent University, Nottingham, UK

Over the past decade, there has been a great deal of speculation over the role of advertising and marketing as a possible stimulus to increased gambling, and as a contributor to problem gambling (including underage gambling).



»» The biggest concerns appear to be: (1) the impact of gambling advertising on consumers (particularly minors and problem gamblers), (2) the volume of gambling advertising (given the large increase in exposure of gambling advertising to individuals across many platforms including social media), (3) the content of gambling advertising (e.g., glamorous images of beautiful people used to sell gambling, the unrealistic or misleading claims and 'get rich quick' slogans made in gambling adverts [e.g. "Winning is easy"], the idea that individuals are the ones in control in sports betting adverts), and (4) normalization and cultural acceptance of gambling by constant gambling advertising exposure. These are issues that need to be addressed by both gambling regulators and advertising regulators based on the research evidence within their jurisdictions.

While research has found that there is a large public awareness of gambling advertising, and that problem gamblers often mention advertising as a trigger to gambling, there is no definitive evidence that gambling advertising causes gambling problems.

Dr. Mark Griffiths, Distinguished Professor of Behavioural Addiction, International Gaming Research Unit, Nottingham Trent University



However, the empirical research base (while increasing) is arguably limited. While research has found that there is a large public awareness of gambling advertising, and that problem gamblers often mention advertising as a trigger to gambling, there is no definitive evidence that gambling advertising causes gambling problems. While there has been a significant increase of gambling advertising via social media, little is known about the varying effects (if any) of different advertising mediums on gambling behaviour (for instance, the impact of television gambling advertising versus social media gambling advertising on subsequent gambling behaviour). The effects may differ due to factors such as age of the individual watching the advert or the type of gambling advertising, but as yet, nothing is known about such effects.

It has also been claimed that many gambling adverts denigrate the values of hard work, initiative, responsibility, perseverance, optimism, investing for the future, and even education. Those promoting gambling products typically respond in a number of ways. The most popular arguments used to defend such marketing and advertising is that: (1) the gaming industry is in the business of selling fantasies and dreams, (2) consumers know the claims are excessive, (3) big claims are made to catch people's attention, (4) people don't really believe these advertisements, and (5) business advertising is not there to emphasize 'negative' aspects of products. While some of these industry responses have some merit, a much fairer balance is needed.

Statements such as "*winning is easy*" are most likely (in a legal sense) considered to be 'puffery'. Puffery involves making exaggerated statements of opinion (not fact) to attract attention. Various jurisdictions deem it is not misleading or deceptive to engage in puffery. Whether a statement is puffery will depend on the circumstances. A claim is less likely to be puffery if its accuracy can be assessed. The use of a claim such as "*winning is easy*" is likely to be considered puffery because it is subjective and cannot be assessed for accuracy. However, a statement like "*five chances to win a million euro*" are not puffery because it is verifiable and measurable.

Gambling advertising appears to play an important role in 'normalizing' gambling. Content analyses of gambling adverts have reported that gambling is portrayed as a normal, enjoyable form of entertainment involving fun and excitement. The likelihood of large financial gain is often a central theme, with gambling also viewed as a way to escape day-to-day pressures.

Personally, I believe that gambling advertising should focus on buying entertainment rather than winning money. Gambling problems often occur when an individual's primary reason to gamble is to win money. Quite clearly it is appropriate and necessary for the gaming industry to advertise, market, and promote its facilities and products. However, I believe that all advertising and marketing should be carried out in a socially responsible manner, as it is good for long-term repeat business.

So how can this be done? For me, a responsible gambling advertising and marketing policy should: (1) prohibit any advertising that is overly aggressive, (2) reject concepts liable to incite the interest of minors and problem gamblers, (3) prohibit the use of spokespeople who are popular among youth, (4) prohibit placement of advertisements within media viewed mainly by minors, (5) highlight the probability of winning, (6) not target any particular group or community and exploit their cultural beliefs about gambling for the purposes of promoting gambling, (7) prohibit or condone gambling in the workplace, (8) adhere to national and international advertising regulation bodies and codes of practice, and (9) not send gambling advertising to individuals who have voluntarily excluded themselves from gambling.

Further reading

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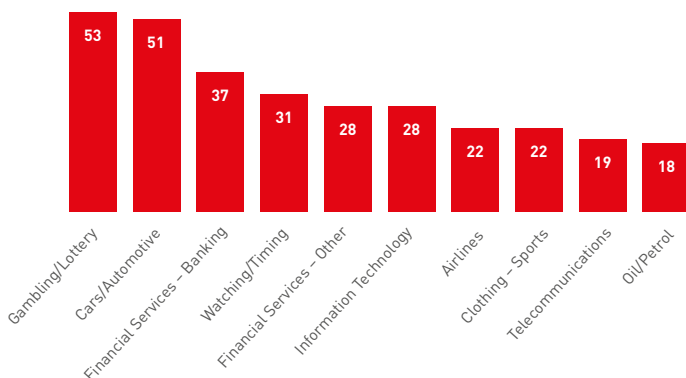
Sports Sponsorship and Gambling

By **William Fenton**, Board Director, European Sponsorship Association (ESA)

Over the past 10 years, the gambling industry has become one of the major investors in sponsorship, particularly in the sports industry. It has now, purely in terms of the number of sponsorship deals agreed, joined the traditional big player sectors in sponsorship, such as the car, banking and telecom industries. A review of international media coverage shows that in 2018 the gambling and lottery sectors completed the most sponsorship agreements of all sectors.

Due to the intrinsic nature of sports and betting, sponsorship by gambling companies has now become a major part of professional sport funding in Europe. For example, almost 60% of the teams in the top two tiers of the English football leagues have gambling brands as a shirt sponsor. A number of gambling companies also have agreements with English football clubs to act as their official sports betting partner.

Top 10 Sponsoring Industries in number of deals reported in media (2018)



The drivers of this growth are:

1. Many gambling brands, particularly those who are active exclusively online, have no physical presence and need the visibility and awareness that media exposure, via sponsorship, brings.
2. Top level sports media coverage is exported internationally with some brands looking to sponsor teams and events based outside their home market but whose competitions are shown domestically.
3. There is a natural association between the idea of winning and sports.
4. The symbiotic relationship that benefits both sports clubs and the gambling companies.

Apart from the financial support for clubs and leagues which sponsorship provides, betting has brought an extra excitement and tension to those watching sports events. There are many examples of gambling brands creating witty advertising gimmicks which have increased the “buzz” and media attention given to a sport, event or team, as well as the gambling company itself.





“ With social responsibility now being an integral part of any sustainable business, sponsorship could be a good tool to express that commitment publicly, also for gambling operators.

William Fenton, Board Director, ESA

Given these facts, it is obvious that significant restrictions on sponsorship by gambling companies would have a significant negative impact on sponsorship and the revenue derived from it across Europe, including that which goes directly to sports clubs and leagues. This is the very reason why, in July 2018, the Italian football league, Serie A, issued a warning that Italy's incoming restrictions on gambling advertising would disadvantage Italian football clubs and divert advertising budgets abroad. It is estimated Italy's restrictions on gambling advertising, in place since this summer, will cost Italian football leagues and clubs about €120 million per year in revenue from lost sponsorship deals with gambling companies.

While sport and betting have an arguably natural relationship, part of the recent growth in gambling sponsorships in sport has been made possible by self-regulation and good practice. The European Sponsorship Association (ESA) has worked with a number of gambling groups to produce a set of industry guidelines for responsible sponsorship, and we look forward to continuing this work.

The laws and regulations relating to the provision and advertising of gambling services vary significantly in different European jurisdictions, including within individual

EU countries. Those laws and regulations have also changed regularly over recent years, and they are likely to continue to do so.

However, in all EU countries, sponsorship is conceptually based on a contract of mutual benefit, and so the onus should be on both the gambling operators, the sports rights holders and particularly the sponsored parties, such as sports clubs or leagues, to take an active role in ensuring the sponsorship activities and their implementation are consistent with these guidelines. The guidelines cover marketing, exposure to vulnerable groups, such as minors, and insider knowledge of sporting performance (i.e. match fixing).

Gambling sponsors are not alone in facing pressure from regulators, and ESA works with a number of other sectors, such as the fast food and alcoholic drinks, to establish and adopt self-regulation initiatives. Indeed some of the brands in these sectors are using sponsorship as a medium to promote responsibility. A good example of this approach is Heineken's successful and prominent campaign against drinking and driving in Formula One. With social responsibility now being an integral part of any sustainable business, sponsorship could be a good tool to express that commitment publicly, also for gambling operators.

EGBA | European Gaming & Betting Association

The European Gaming and Betting Association (EGBA) is the Brussels-based trade association representing the leading online gaming and betting operators established, licensed and regulated within the EU. EGBA works together with national and EU authorities and other stakeholders towards a well-regulated market that provides a high level of consumer protection and takes into account the reality of the digital economy and consumer demand.

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