



Social casino gaming and adolescents: Should we be concerned and is regulation in sight?



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ABSTRACT

While gambling has traditionally been viewed as an adult activity, there is a growing body of research that a significant number of adolescents are not only gambling but are experiencing gambling related problems. As ease of access via Internet wagering has increased, so too have some of the concomitant problems. Social casino gambling, often thought of gambling without risking one's money through the use of virtual currency, has become increasingly popular. The current review examines whether we should be concerned over its widespread use and whether such social games should be regulated.

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1. Simulated casino gaming: an overview

There is little doubt that the Internet has profoundly changed our daily behavior. Convenient, easy access to the Internet is almost universal, especially among adolescents. The cost of high-speed computer access has dramatically decreased internationally during the past decade as has the cost of personal computers, laptops, tablets and smart phones. Ease of access and widespread broadband coverage have resulted in individuals being readily connected/wired to the Internet virtually 24 h a day, 365 days per year.

One of the biggest changes to the way people have engaged with the Internet over the last few years has been seen in the growth of social networking and user generated websites. The largest social networking site, *Facebook*, launched in 2004, recently reported in excess of one billion users, however, *Facebook* alone comprises less than 30% of the unique visitors to the scores of popular social networks worldwide (*iGaming Business*, 2011). In addition to increase in the number of platforms and users, the frequency and time spent on social networks have also increased.

Social media gaming, that is playing a diversity of games via social networking sites, is barely five years old and represents an enormous, ever-expanding business (*Morgan Stanley*, 2012). Game genres are numerous and diverse, including casino-type games, role playing games, caretaking and simulation games, puzzles, arcades, competitive and

dating games, as well as a host of interactive creative games (e.g., *Farmville*) among others.

Social games were initially developed to emphasize the social element of entertainment and player interaction, in contrast to the potential monetary benefit that players traditionally expect from gambling. However, as more and more social games incorporate elements of simulated gambling into their game play and players are able to purchase additional 'virtual' credits for money, the distinction between gambling and gaming is becoming increasingly blurred. It has been argued that governments and operators have yet to clearly define and articulate clear rules and procedures covering 'gambling' on social networking sites (*Korn, Norman, & Reynolds*, 2010), although this is becoming a hotly debated topic at international symposia examining the impact of social media gaming and gambling. A number of regulators within Europe and Australia are beginning to more closely examine and monitor this issue. Many regulators, including the European Commission, are awaiting empirical research examining the impact of social casino gaming before addressing the issue of regulation.

An examination of many of the social casino (non-monetary gambling-style games) games suggests that such games are available on numerous sites, including Internet gambling sites where they may be offered as 'practice' or 'play-for-fun' games, with such games having many similarities with traditional forms of online gambling activities. Both typically focus on the 'entertainment value' and 'time on device', appeal to a diverse audience, incorporate high-tech graphics and representations as well as simpler graphics suitable for lower-tech devices. Some gambling sites also promote user interaction, a central feature of social gaming. Social games are typically offered using a 'freemium' model, which are free to play, although players can also purchase additional credits to improve the game experience. Players are often

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encouraged to continue to play for non-cash promotional prizes with a growing number of sites actually including the possibility to win cash prizes through random draws or allowing individuals to accumulate points or credits which can subsequently be redeemed for prizes. The ability to play for free remains an essential component of these games. It is not mandatory for users to purchase virtual credits to play and the absence of monetary prizes has enabled operators to avoid gambling regulatory oversight. Nevertheless, social casino games have come under scrutiny with the industry and social policy experts differing as to whether or not they require regulation (Alaeddini, 2013).

The global social gambling market continues to expand at an unprecedented rate, with estimates suggesting US\$1.6 billion in revenues and 35 million people playing social casino games (SuperData Research, 2012). Revenues in the social gaming market have been primarily driven by advertising within games themselves, sales of virtual items, and micro-payments. Over half of Facebook users (53%) reportedly play games on social media sites, with estimates of 81 million people playing at least one social media game daily, and social casino games players reportedly spending nearly twice as much as the average social games player (SuperData Research, 2012). Similar to other social games, individuals playing gambling games excessively ('whales') typically represent upward of 15% of players, but generate almost half of the revenue (GamblingData, 2012). To show the enormity of this population, the Morgan Stanley Report (2012) has suggested that there are currently 170 million social casino game players, well over triple that of actual online gamblers. Social casino games are now being developed by the world's largest gambling companies including *Caesar's Entertainment*, *IGT*, *Betfair*, *Paddy Power*, *Bwin Party*, and *MGM*, among others. Even ESPN, the largest sports network in the U.S., which hosts multiple versions of championship Texas Hold'em Poker, has established a game called *Streak-for-the-Cash*. This App encourages individuals to build the longest streak of correct winners from a daily list of competitive matchups across the world of sports, with reportedly 3 million players having the opportunity to win upward of \$1,000,000 (Taylor, 2010).

Globally, the social gaming industry represents approximately 5% of the online gambling revenues but its significant potential to migrate customers to online gambling remains an enormous incentive. Such games also represent a way to diversify customer interactions and product offerings. Social networking has the highest penetration globally among youth aged 15 to 24 (Pring, 2012). Data from casual and social gaming sites suggests that young adults may be among the most significant users of social games and that 13–25% of gamers are between 10 and 20 years old (Newzoo, 2012). This may be a result of the increased use of mobile devices for social games play. A survey conducted in the U.S. found that 33% of youth aged 12–17 play social casino games online and Canadian studies have reported that half of the youth surveyed reported playing social casino games (McBride, Derevensky, & Gupta, 2006). However, it is important to note that as these studies were not conducted with large representative samples, the evidence concerning the extent to which youth use social casino games sites is limited. However, there is little doubt that this age group clearly receives extensive exposure and is actively engaging in these games with few prohibitions and actual restrictions.

Griffiths (2003), in early discussions of the potential impact of technology upon gambling, articulated the important salient factors which facilitate and/or promote excessive play. In spite of a lack of empirical evidence at that time, he noted that games or gambling on the Internet within a virtual environment has the potential to provide short-term comfort, excitement, entertainment and/or distraction from daily routines. There is a growing body of empirical support for his contention and there is concern that individuals may be using social media networks and gambling opportunities as a way of relieving boredom (McBride & Derevensky, 2009). Nevertheless, the salient characteristics identified by Griffiths for Internet gambling—accessibility, affordability, anonymity, convenience, escape, immersion, dissociation, disinhibition, event frequencies, interactivity, stimulation, and asociality—are all

present in both the social casino games as well as on Internet gambling sites. As the popularity of social gaming increases and gambling operators become increasingly involved, the ethical questions of whether young users' exposure or enticement to gamble and whether the risks of 'gambling' on these sites are being trivialized are being raised.

2. Youth gambling and problem gambling: a vulnerable population

There is a growing body of research suggesting that early onset of gambling behavior in general is a risk factor for problem and gambling-related harm (Derevensky & Gupta, 2004; Shead, Derevensky, & Gupta, 2010; Volberg, Gupta, Griffiths, Olason, & Delfabbro, 2010). There is clear evidence that adolescents and young adults are engaged in multiple forms of gambling, often beginning at a fairly early age, in spite of legislative prohibitions. The recent Ipsos MORI (2011) study of underage gambling in England and Wales as well as reviews of international studies all report higher prevalence rates of gambling and problem gambling (as currently measured) among adolescents in spite of different methodologies and instruments used to assess problem gambling (Volberg, Gupta, Griffiths, Olason & Delfabbro, 2010).

International surveys indicate that adolescents and young adults are gambling on the Internet at high rates (Griffiths & Wood, 2007; Gupta & Derevensky, 2011; Ipsos MORI, 2006; Jackson, Dowling, Thomas, Bond, & Patton, 2008; Petry & Weinstock, 2007). In spite of regulatory prohibitions, adolescents reportedly gain access to Internet gambling sites by intentionally falsifying their age on sites without identification verification and some use their parent's accounts, either with or without permission (Ipsos MORI, 2006). Young problem gamblers have been shown to more likely to gamble online than non-problem gamblers (Ipsos MORI, 2006; McBride & Derevensky, 2009, 2012; Olason, Kristjansdottir, Einarsdottir, Bjarnarson, & Derevensky, 2011; Petry & Weinstock, 2007). Most recently, results from a recent survey of Australian gamblers suggest that early age of onset was predictive of Internet gamblers being identified as problem gamblers (Gainsbury, Russell, Wood, Hing, & Blaszczynski, 2012).

While the number of land-based and online gambling venues continues to increase and has become normalized, our prevention efforts toward minimizing problem gambling have not kept pace. As the online gambling industry has matured, improved efforts have been made by regulated online gambling operators to more accurately verify their clients' age, ultimately minimizing the ease with which an under-aged person can open an account. The lack of easy access to credit cards and ways of electronically transferring funds has also limited young people's access to online gambling. However, social gaming sites typically have no minimum age requirement, no age verification procedures, nor need for money or a credit card to play. There is evidence that gambling problems among teens are not a particular concern to parents and teachers (Campbell, Derevensky, Meerkamper, & Cutajar, 2011; Derevensky, St-Pierre, Temcheff, & Gupta, 2015). It is conceivable that social casino games would be of less concern than gambling involvement, suggesting that parents and teachers are not monitoring use of these games or discussing them with adolescents.

3. Intersection and convergence of social gaming and internet gambling

The landscape of gambling has changed dramatically during the past decade, with online gambling being among the fastest growing segment of the market (Online Casino City, 2012). Given the rise in popularity of social media sites, gambling operators have sought to capitalize on this trend by including using social media as a platform to engage and interact directly with both existing and potential customers, to advertise their products, and to provide social casino games either directly or in partnership with gaming companies.

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