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Sports bettors' responses to sports-embedded gambling promotions: Implications for compulsive consumption

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ABSTRACT

Commercial arrangements between sport organizations and gambling operators are resulting in extensive promotion of gambling during televised sport. This study aims to explore sports bettors' responses to these promotions, and whether this varies with problem gambling severity. Surveys with 544 Australian sports bettors with varying degrees of problem gambling severity indicate that problem gamblers have highest approval of these promotions. Compared to non-problem and at-risk gamblers, problem gamblers also report most encouragement and influence to gamble from these promotions. Problem gamblers are also more influenced to sports bet by contextual factors, particularly certain bet types and promotional appeals. Three theories are discussed to explain these results – product involvement, cue induced craving and classical conditioning. Given the rapid growth of sports betting, increasing sports betting problems, and inability to avoid gambling advertising while watching televised sport, further research is critical to understand how sports-embedded gambling promotions impact on gambling consumption and problem gambling. Research is also important to inform policy, given that sports-embedded advertising is a controversial practice prompting recent changes to broadcasting codes of practice. This exploratory study provides some foundations and future directions to inform this research effort.

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1. Introduction

Harmful and unhealthy products, including alcohol, tobacco and fast food, have historically been promoted via professional sport in some countries, with sports events and associated broadcasts providing widespread exposure for advertisers and sponsoring brands. A recent entrant is the gambling industry, particularly sports betting operators. Promoting gambling through sport is raising concerns that the practice is normalizing gambling, exposing minors to gambling marketing, and fuelling increased problem gambling (Derevensky, Sklar, Gupta, & Messerlian, 2010; Lamont, Hing, & Gainsbury, 2011; McMullan, 2011; Milner, Hing, Vitartas, & Lamont, 2013; Pettigrew, Ferguson, & Rosenberg, 2013). Further, research into gambling advertising reports that it has most effect on existing gamblers, particularly problem gamblers (Binde, 2009; Grant & Kim, 2001; Hing, Cherney, Blaszczynski, Gainsbury, & Lubman, 2014), raising questions over whether this

sports-associated gambling marketing is contributing to compulsive consumption of gambling.

However, little is known about how sports bettors, including those who meet criteria as problem gamblers, perceive and act on embedded gambling promotions during sports broadcasts. Embedded promotion is defined as 'any means of inserting brands and sponsor references into entertainment vehicles', which might include 'product or brand placement, sponsorship and celebrity endorsement where these occur in the context of mediated entertainment' (Hackley & Tiwsakul, 2006, p. 64). Embedded gambling promotions refer to those that are integrated into broadcasts of match play, in contrast to paid advertising that occurs during commercial breaks in those broadcasts. While two studies examine community attitudes to and interactions with sports-embedded marketing (Pettigrew et al., 2013; Thomas, Lewis, McLeod, & Haycock, 2012), none specifically focus on responses of sports bettors in general nor sports bettors who are also problem gamblers. Against this backdrop, this study aims to explore how sports bettors respond to these gambling promotions, and whether this response varies with problem gambling severity. This study, conducted in Queensland Australia, is the first known quantitative research into this issue and is therefore considered exploratory. It seeks to provide foundational information on sports bettors' attitudes to gambling promotions during televised sport, how much these promotions encourage them to gamble, and whether the promotions are perceived to influence their

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sports betting behavior. A secondary aim of the paper is to identify directions for future research based on these initial findings.

2. Growth of sports betting in Australia

Sports betting is the practice of wagering on the ultimate outcome and component outcome elements of sporting events which may be local, national or international events other than horse and greyhound racing (Macpherson, 2007). Sports betting is growing rapidly in many countries, including Australia, where a recent nationally representative telephone survey of 15,000 people reports an adult participation rate of 13% compared to 6% in 1999 (Hing, Gainsbury, et al., 2014; Productivity Commission, 1999).

The National Rugby League (NRL) and Australian Football League (AFL) are the two largest betting sports in Australia, representing approximately 50% of all sports betting and earning sports betting operators margins of AU\$13.4 million on NRL and AU\$15.5 million on AFL betting, with turnover expected to double in the next five years (Deloitte, 2012, p. 6). Product fees of 5% of gross betting win are reportedly paid to the NRL and AFL, while sports betting operators also contribute approximately AU\$45 million per year to NRL and AFL related products through sponsorship and advertising expenditure (Deloitte, 2012, p. 6). This symbiotic relationship suggests that both sports betting operators and sporting codes have a continuing interest in providing competitive and innovative market offerings that maximize returns to both parties.

3. The growth of sports betting marketing in Australia

Gambling companies now embed promotional messages within sport broadcasts to obtain heightened brand presence and avoid ad-skipping (Devecioglu, 2013). Lamont et al. (2011, p. 248) confirm the practice as widespread in Australia by 2009 when, for example, 43 gambling companies sponsored 14 of the 16 NRL teams. This sponsorship provides sponsor exposure at sporting grounds, during sports broadcasts on free-to-air and Pay TV and radio, in print media, and via the Internet and mobile phones (JSCGR, 2011). Paid sports betting advertising during sport telecasts is also increasing, with a purchased Ebiquity Research List identifying 3069 individual advertisements relating to sports betting in 2012, not including on social media. Sports betting operators also purchase television advertising rights with the major Australian football leagues, reportedly for sums of AU\$40–\$50 million per year (Gardner, 2014, p. 20).

This 'blizzard of advertising' in Australian sports broadcasts (Horn, 2011, not paginated) includes promotions embedded into broadcast match play including gambling sponsored segments, on-screen displays of logos and betting websites, logos on player uniforms, stadium signage, and celebrity endorsement of gambling brands, as well as paid advertisements during commercial breaks (Lamont, Hing, & Vitartas, 2012; McMullan, 2011; Milner et al., 2013; Thomas, Lewis, Duong, & McLeod, 2012). Until recently, corporate bookmakers joined match commentary teams to facilitate vigorous advertorial discussion around live betting odds for each match, as well as odds for upcoming events. These live odds refer to updates, during an event, of the odds for particular outcomes relating to that event (Nettleton, 2013). Other marketing techniques have included promotion of novelty and exotic bets on match events embedded into in-match commentary, accompanied by on-screen displays of changing odds and live studio cross-overs to bookmakers discussing the movement of odds (Lamont et al., 2011; Milner et al., 2013). However, community outcry and concerns debated during three government inquiries (DBCDE, 2013; JSCGR, 2011, 2013) prompted Australian Government pressure to curtail the promotion of live odds during televised sport. Broadcast advertising codes were amended accordingly, effective from 1 August 2013 (Nettleton, 2013). However, the other promotional practices continue, including the

promotion of live odds in sports broadcasts immediately before match commencement.

Research confirms the proliferation of gambling promotions during televised sport. An audit of eight AFL match broadcasts in 2011 reveals that seven leading wagering brands were promoted during 50.5 separate marketing episodes totalling 4.8 min per match (Thomas, Lewis, Duong, et al., 2012). Similarly, an audit of two weeks of NRL and AFL programs in early 2012, comprising five matches and two associated entertainment programs, identifies 72 gambling promotions and advertisements, constituting 2.5% of observed broadcast time (Milner et al., 2013). Embedded promotions are the dominant technique. The researchers conclude that extensive product integration potentially optimizes these promotions' effectiveness, while their personal relevance, empathy, information and congruence align well with young male target audiences with interests in football and sports betting. Other researchers comment on the synergetic relationship between sport and betting, with related advertising capitalizing on fan loyalty, notions of masculinity, sporting knowledge and the image of sport as healthy, harmless fun (Hing et al., 2013; Lamont et al., 2011; McMullan, 2011; Thomas, Lewis, McLeod, et al., 2012).

4. Gambling advertising research

One stream of gambling advertising research focuses on effects on problem gamblers. In a qualitative study of 31 treatment-seeking and 50 non-treatment seeking Internet gamblers (Hing, Cherney, et al., 2014), promotions for sports betting and other Internet gambling forms invoked urges to gamble, including amongst those actively attempting to limit or cease gambling. A proportion of treatment-seekers reported increased gambling, particularly associated with bonus offers for sports bets requiring matched deposits, but this was less common amongst non-treatment seekers. These findings are consistent with previous studies finding that gambling advertising triggers gambling amongst some problem gamblers, with 46% of 131 pathological gamblers in one study reporting this effect from television, radio and billboard advertisements (Grant & Kim, 2001). Similarly, Binde (2009) reports that gambling advertisements and promotions remind problem gamblers about gambling, arouse urges to gamble, provide inducements to gamble, increase already high gambling involvement and undermine decisions to curtail gambling. Derevensky et al. (2010) conclude that gambling advertising helps to maintain established gambling patterns, including amongst problem gamblers, although it is less effective in converting non-gamblers to gamblers (Hing, Cherney, et al., 2014).

Little research focuses on gambling promotions during televised sport. A qualitative study provides insights into young Australian men's views on these promotions, which they consider aggressive, unnecessary and unavoidable (Thomas, Lewis, McLeod, et al., 2012). Men describe feeling pressured to gamble to avoid isolation from peers, with betting odds embedded in peer discussions. A quantitative study of 131 Australian adolescents (12–17 years) reports that greater intention to sports bet once of legal age is associated with higher frequency of watching televised sports where gambling is promoted (Hing, Vitartas, Lamont, & Fink, 2014). This study also reports that 42.0% of adolescents could recall at least one gambling brand from watching televised sport, with the most recalled brand nominated by 26.0% of respondents. Another Australian study reports that three-quarters of 228 children (4–15 years) surveyed could correctly assign at least one sponsor to at least one sport or team (Pettigrew, Ferguson, & Rosenberg, 2012). Reflecting the lasting impacts of brand association, the children also had strong recall of previous sponsors and many children endorsed gambling brands not specifically associated with a team demonstrating transference from other advertising. A related survey was completed by 209 adults at sporting events with 63% concerned about gambling companies sponsoring sports (Pettigrew et al., 2013). In fact, these

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