



Internet gambling. A new problem for gamblers?

It is estimated that the revenue from online gambling worldwide was about \$15.2 billion in 2006 and that it will reach \$24.4 billion by 2010.¹

Internet or online gambling has effectively made any environment a gambling environment. It has taken gambling away from the public domain of the casino, bars and clubs and moved it into the private domain of the home and even the bedroom. The influence of technology combined with cheap Internet access allows problem gamblers to become even more anonymous and asocial.

Not only has gambling begun to invade the home but it is having a huge impact on the Workplace, as gamblers use work time to access gambling sites, lessening their ability to achieve legitimate levels of work outcomes.

In 2007 it was reported that there were 2,069 Internet gambling web sites listed at online.casinocity.com.²

It is estimated that between 14-23 million people gamble online. Seven million (49%) of these are from the Asia-Pacific region.²

It is estimated that between 0.1 and 8% of the US population gamble online. A US study in 2007 estimated that 2.1% (750,000) of US youth are problem gamblers. An additional 11% regularly use the Internet to gamble. In Canada a survey found that 42.7% of those surveyed were

classified as problem gamblers.

Problem gambling rates among those who gamble on the Internet is 10x higher than the general population.³

Other forms of gambling are prohibited to those under 18 years but the Internet offers an easy route to an otherwise illegal activity. Less than half of the online sites have age restrictions.

Internet gambling offers youth a combination of exciting graphics and video game technology coupled with easy accessibility and the opportunity to try to 'win' money.

There are a large number of 'practice sites' which offer free games and free trials but they allow pop up messages to appear which are linked to paying sites. Practice sites tend to allow more winning streaks but once a gambler plays for real money the odds are considerably reduced. Practice sites are increasingly offering 'play for free, win for real' options. This means they can use the 'money' they win on the free sites to bet on the real gambling sites, slowly pulling them in until they start to spend their own money.

Over 33% of participants in a recent survey had had disputes with online sites. The problems cited were disconnection from the game and software malfunctions while playing. They suggested sites pull the plug when they were on a winning streak.

Main reasons for gambling on the Internet^{4,5,6}

Accessibility: Available 24/7

Anonymity: Important to problem gamblers

Convenience: Access from home

Distance from casino

Increased realism in games

Multi-lingual sites

Can use practice sites for free

Immersive nature of the Internet

Ability to gamble while under influence of drugs/alcohol

Electronic cash (rather than real cash) is easier to spend on credit.

Interactivity: Can 'talk' with others while betting in peer-to-peer betting or chat rooms

Event frequency: Can play on multiple sites at the same time and spins are faster than pokies

Don't get checked by venue staff each time they want to gamble

Affordability: Cheap Internet access

Dislike of smoke (no longer a problem in NZ)

Dislike of crowds

Comfort

Integrated cash systems

Flexibility and ease of use

Large number of sites available



The gambling may be virtual but the money is real

Regulation and legislation

Under the NZ Gambling Act the only organisations who can manage or run Internet gambling within NZ are the TAB and the NZ Lotteries Commission.

However, it is not illegal to gamble from NZ on international gambling sites.

Online gambling via the Internet can create huge regulatory problems as there are no national boundaries. The remote gambling environment makes it hard to police and that leaves it open for gambling operators to be less than scrupulous in areas such as the checking of client's ages.

Sites can take people's money and then shut down or refuse to pay out people's winnings and there is nothing that gamblers can do about it.

Prevention

Cotte and LaTour suggest that the following strategies could also be tied into online regulations, thereby helping reduce the incidences of problem gambling:

- Better use of age checks when signing up for an online account

- Setting financial limits on gambling and having the site communicate to gamblers that they are spending long hours and a lot of money
- Making information available about problem gambling treatments via pop-ups on instant messages
- Having an online gambling counsellor available online
- Mandatory "cooling-off periods," which force online gamblers to stop gambling for a preset amount of time before they are allowed to wager money from their accounts
- Making tabulations of wins and losses more central and larger on the screen

Other strategies are :

- Pop up messages – every 30 minutes in red box taking up 75% of screen reminding gamblers of time spent and money spent
- Limits on deposits in internet accounts
- Limits on time and frequency of use of site
- Use of credit cards helps to restrict underage gamblers

Types of Internet gambling available:

- Online casinos
- Lotteries
- Online bingo
- Sports books (eg TAB)

Internet gambling puts gamblers at risk because:

- There is 24 hour access
- A huge number of sites
- Lack of safeguards to protect players
- The ease of hiding a gambling problem

Demographics of online gamblers:

- Male
- Social gambler
- Single
- University educated
- Working full time
- Social gamblers wagered about \$25 an Internet session whereas problem gamblers averaged over \$1,000 per Internet session.

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