

Player card technologies in the gambling environment

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Behavioural tracking technologies (1)

- In 2002, two separate academic papers examined behavioural tracking:
 - (1) **Wang & Aquino** (2002) highlighted the **advantages** to the gaming industry in relation to slot machines
 - (2) **Griffiths & Parke** (2002) highlighted the **disadvantages** to the players in relation to Internet gambling
- Both papers claimed that companies could keep track of what the customer was playing, time spent playing, the the number of wins and losses.
- Both papers also highlighted that such tracking technologies could be linked to loyalty schemes.

Behavioural tracking technologies (2)

- On joining loyalty schemes and/or buying products from online companies, customers supply lots of information including such things as name, address, telephone number, date of birth, and gender.
 - Basically they can accurately track the playing patterns of all their customers.
 - They know more about the gambler's playing behaviour than the gamblers themselves.
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Behavioural tracking technologies (3)

- They can send the gambler offers and redemption vouchers, complimentary accounts, etc.
- Benefits and rewards to customer: cash, food and beverages, entertainment, and general retail.
- More unscrupulous gaming operators are able to entice known and/or suspected problem gamblers back onto their premises with tailored freebies.

Loyalty cards vs. Player cards

- Some companies using smartcards to help identify problem gamblers rather than promote their gaming products to them
- Such cards more accurately described as **Responsible Gaming Cards** or **Player Cards** rather than Loyalty Cards
- Player cards concerned with **minimising harm to vulnerable**
- Loyalty cards concerned with rewarding customers for using products, and for gathering data used for direct marketing.

Loyalty cards vs. Player cards

- It is important for the credibility of a player card as a **responsible gaming tool** that it is used only for the purposes responsible gaming and **not for other commercially motivated reasons.**
- A clear distinction needs to be drawn between a 'player card' and a 'loyalty card,' the latter being designed to promote loyalty and/or increased sales of a product.

Loyalty cards

- Relationship marketing (in particular loyalty marketing) is popular among companies who seek customer retention in marketplaces that are complex, dynamic and highly competitive (*Capizzi & Ferguson, 2005*). Retailers tend to compete primarily on product price.
- Hospitality and leisure industries tend to compete on basis of atmosphere, service quality, and reputation (*Fisk, 2004*).
- Could therefore be argued that customer loyalty and retention may be more relevant and of greater importance to the leisure sector than for retailers (*Michels & Bowen, 2005*).

Smartcard technologies (1)

- *South Australia Independent Gambling Authority* (2005) investigated how smartcard technology might be implemented with a view to significantly reducing problem gambling.
- *SAIGA* recommended that smartcard technology should be integrated with a central gaming machine monitoring system.
- Most of the smartcard providers reported that they not only had the technology, but also had a fully developed harm minimisation program.

Smartcard technologies (2)

(Bernhard, Lucas & Jang, 2006)

- The gaming industry have serious concerns about the implementation of smartcard technology:
 - » Cost of implementation
 - » loss of gaming revenue
 - » establishment of black markets
 - » burdensome responsibilities on employees
 - » mandatory (rather than voluntary)
 - » limit setting
 - » Privacy and inconvenience issues
- However, the *SA/GA* concluded that the benefits of smartcard technology outweighed the concerns raised.

Smartcard technologies (3)

- Features of the technology have the potential to facilitate socially responsible play including:
 - » The ability for players to set limits on play in time and money
 - » The ability to exclude (over long periods of time or certain dates) and provide self-exclusion tools
 - » The balance limit
 - » The ability to request a player activity statement.
- Some say players are generally reticent to use the system, and advocate incentives and rewards to overcome this.

CARD-BASED GAMING SYSTEMS

(Queensland Government Treasury, 2005)

- *QGT* recommended that the player must be capable of setting limits on a number of transactions including:
 - » Maximum deposit into player account or the card per time.
 - » Maximum deposit per time period into the player account or card.
 - » Maximum amount that may be transferred to the credit meter from the player account or balance on the card at any one time.
 - » Maximum total amount that may be transferred from the player account or balance on the card to the credit meter during a time period.
 - » Maximum bet per game.
 - » Maximum account/card limit.

DO PLAYER CARDS WORK? (1)

(Bernhard, Lucas & Jang, 2006)

- All VLT players between October 2005 and April 2006 were required to use a *Responsible Gaming Card* (RGC) that required a personal pin number TO USE.
- Qualitative work highlighted that several participants across all types of gamblers disliked the mandatory nature of the card use (only mandatory component of this RGC system was that the responsible gaming card must be inserted to play).
- It was also reported that many gamblers felt that they themselves would not use the RG features, and expressed dismay that they had to insert a card to play.

- The “accounting” features, (i.e., “My Account” and “Live Action”), were rated the most popular features by players.
- Different types of gamblers appreciated ability to find how much money had been won/lost over a given period of time.
- Feature was argued to represent an advance in convenience.
- To maximize utility of “limit” features, could be used in conjunction with self-exclusion or other educational programs
- One of the main problems was that some degree of card sharing occurred among the study’s participants.

DO PLAYER CARDS WORK? (2)

(Focal Research, 2007)

- Quantitatively based, study examining the trial use of a *Responsible Gaming Device (RGD)* accessed by use of a mandatory player card on Video Lottery.
- Just under half (48%) of regular players adopted the system (i.e., regularly used the responsible gaming features).
- Most **frequently used features** were those relating to player **expenditure information** (e.g., *how much spent during a session*) rather than the gaming control features (e.g., *setting a weekly spend limit*)

- Those who used the RGD were winning more money than those who did not.
- RGD features provided players with a means and/or the motivation to better control their own behaviour such that they obtained more entertainment value out of the gambling machines while simultaneously controlling or 'capping' the amount spent.
- In other words, they may have been better equipped to understand when to quit whilst they were ahead.
- However, such an explanation is largely speculative and requires further empirical support.

DO PLAYER CARDS WORK? (3)

(Nisbet, 2005; 2006)

- Administered questionnaire to 134 patrons of two large NSW clubs that implemented these card-based technologies.
- She concluded that consumers do not believe that card-based technologies would help them manage their spending.
- However, players did believe that player activity statements were a useful feature.
- in absence of empirical evidence the impact of card-based gambling as a harm minimization tool remained unresolved.

HOW CAN THE USE OF PLAYER CARDS BE ENCOURAGED?

- Use of **theory of planned behaviour??**
- Use the **strengths of loyalty cards and apply to player cards??**

THEORY OF PLANNED BEHAVIOUR

(Ajzen, 1988)

- Behavioural intention (the likelihood of performing a behaviour) will be dependent upon:
 - ***Personal beliefs*** (*Does the player card reflect players' personal values?*)
 - ***Normative influence*** (*Is the player card well regarded by society?*)
 - ***Perceived behavioural control*** (*Can I use the player card easily, and will I get rewarded for using it?*)
- When all of these factors are positive, behavioural intention will be high (i.e., players are likely to use the player card).

Perceived value of loyalty cards

Elements of success (O'Brien & Jones, 1995)

- Monetary value of the rewards given relative to the cost of the product (e.g., the price of a game compared to the value of the reward).
- Aspirational value of the rewards (e.g., how exciting and/or desirable the reward is).
- Perceived likelihood of achieving the rewards (e.g., the odds or frequency of getting a reward).
- Ease of use of the scheme.
- Availability of the rewards.

- The potential such a program has to attract members depends not only on the value of the rewards it offers, but also on when the rewards are available.
- Psychology of gambling reinforcement tells us that when rewards are delayed they are far less motivating
- O'Brien and Jones (1995) note that accumulating benefit programs (frequent-flyer schemes) try to (partially) alleviate this problem by sending their members a statement of accumulated points at regular intervals.
- Typically, statements accompanied by material promoting the aspirational values and ease of achieving available rewards.

PROPOSED REWARD STRATEGIES

- Players need to be **rewarded for actually utilising responsible gaming features** (RGFs) but it is important that any reward given does not encourage continued gambling.
- Loyalty card schemes can encourage longer and/or more frequent play - **player cards (as RGFs) should encourage behavioural transparency.**
- Effective use of RGFs, a player should **spend some time actually using the features** rather than players quickly clicking on them in order to qualify for a reward.

- Use of a player card will be dependent upon **intrinsic and extrinsic rewards**.
- Intrinsic rewards involve the **satisfaction that players get from actually using the player card** and will be highly dependent upon their attitudes towards it.
- Marketing materials for player cards should **focus on the benefits to the majority of 'normal' players** rather than as a safety device for 'vulnerable' or problem gamblers.
- Intrinsic rewards are achieved when the player feels that the **player card is a good thing** to use because they have value and/or are enjoyable to use.

- **Extrinsic motivations** are material rewards that aim to persuade the player to use the *PlayerCard* through pairing something else that is desirable with the use of RGFs.
- The **design of the interface is essential** and it should be both easy to use and entertaining.
- The player card should feel as though they are an **integral part of the overall gaming experience** rather than something that is tagged on afterwards.
- Players should not feel that the social responsibility tools are a chore to use or a service for only problematic players. Instead they become a part of the **core playing experience.**