

RETHINKING RESPONSIBLE GAMING: A PLAYER-CENTRIC APPROACH

With responsible gaming top of national regulators' wish lists, **Michael Auer** of Neccton shares insights from the research which has driven development of a new approach to player protection based on player-tracking and personalised communication.

The creative spark for a new approach to player protection came back in 2008, when I met expert Dr Mark Griffiths from Nottingham Trent University (NTU) at a Responsible Gaming conference. A subsequent joint study with Dr Griffiths with real world gamblers followed, which established that monetary limits, as well as time limits, have an effect on highly involved gamblers.

Interestingly the effects also depended on which games they preferred to play. Poker players, for example, were often found to spend long periods playing during which they may not lose much money, or even won money in the long run. The study found time limits to be very effective among online poker players, but not so among pure lottery players. Other studies found similar results.

In play, pop-up messages are another crucial element of player protection that have also been the subject of past research. Such messages inform players about the nature of games or when a certain time or money threshold has been reached, and should be dynamic, motivational and non-judgmental. Warning messages like those on cigarette packages usually do not deliver the expected effects.

Comparison to normative standards is important for reflection

Gamblers often tend to believe that others play as often or spend as much as they do. This is a psychological way of justifying their behaviour. For this reason, normative feedback is essential when it comes to responsible gaming approaches based on player-tracking. In fact, whenever we want to assess our own behaviour, we regularly compare ourselves to others. And if this comparison is somehow blurred, objective feedback can help us to realise this.

These findings on what constitute the most effective messages, as well as how and when these should be communicated, materialised in the approach subsequently developed with Dr Griffiths.

The challenge was to develop a player-tracking software which not only assisted players with personalised feedback in the form of charts and numbers, but most importantly engaged with the player through a personalised communication via text messages. Whereas in the past responsible gaming solutions were often seen as anti-commercial, this approach was developed with the aim of actually contributing to player experience and player loyalty. The mission statement from

the beginning was to help create fun, as well as safe, gambling environments.

Scientific basis

For a player-tracking solution to assist players optimally, it is crucial to rest on a solid scientific foundation.

Options for players to commit to certain spending limits before they engage into play have become a popular way of assisting their decision-making process and keeping spending at a moderate level. Nowadays many regulators require online operators to establish options for players to voluntarily choose monetary and/or time limits before they start playing. In fact operators who do not offer these options are now rather the exception than the rule.

Personalisation and player experience

Some countries have incorporated mandatory limits into their gambling regulations. Players are not allowed to exceed certain deposit or loss limits over specific periods of times. Those limits apply to all players, irrespective of income or demographic. However, science clearly shows that players are different and that there is not the one type of problematic gambler. One example is a scientifically described group called "binge gamblers". They are characterised by sudden bursts of highly intense gambling, and once they run out of resources, cease to play until they return. Many more specific

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behavioural indicators have been described in the past. This led us to the conclusion that personalisation is the key to success. And it of course goes totally in line with what we experience in our daily lives. What makes companies like Amazon or Google so successful? They tailor their offers absolutely to each and every customer. Amazon does not care about the product it may sell, but it increases the chance of a sale by offering the right product to the right customer at the right point in time. Heavy personalisation based on extensive data analysis lies at the core of every successful e-business these days. And this is also the cornerstone of each successful responsible gaming approach: personalized messages which address a specific change in behaviour and notify the player about it. The player can then check this fact in the customer portal and decide how to react upon it! The final decision on how to deal with a message should always be up to the individual. This approach is preferable because it doesn't patronise players, helping to assure acceptance.

Determining gambling intensity/ player value

An evidence-based approach to responsible gaming also has to rely on reliable metrics. A measurement is only as accurate as the tools at hand. Foremost, it is important to measure a player's monetary gambling intensity, no matter if the purpose lies in marketing or responsible gaming. Obvious metrics like win/loss, amount wagered or number of games played are not reliably measuring

gambling intensity due to the randomness of outcomes. A player can either win or lose, which is down to chance, and the amount wagered depends strongly on the odds of the game played. In sports betting this is especially dominant, as the odds of the event determine the payback on the long run. Also classical casino games come with specific house-edges, which correlate with the casino's wins and the gambler's losses in the long run. So we came up with a way to reliably measure monetary gambling intensity irrelevant of the games played. This metric is called theoretical loss. Interestingly it has been used by casino marketing departments for ages as a way of determining player value, but never described scientifically before. Have you ever wondered why you have to produce 20 times or 50 times of the bonus amount before you can make any pay-outs? This is because usually only 1%-5% of total wagers end up in the casino's pocket and the rest is paid back to players as winnings.

The benefits

- Adherence to regulatory standards

Governments are increasingly implementing licensing schemes and require licence holders to implement responsible gaming solutions. Personalised responsible gaming approaches that are transparent and which objectively inform players are soon to be part of many gambling settings, and an operator deploying a scientifically sound approach can convince and provide stronger assurances to regulatory bodies and gain

a key advantage over other potential licensees as a result.

- Increased player experience

Customer communication portals can enhance player experience through displaying appealing charts, objective information and personalised messages. In the ever-competitive world of online gaming, players can choose from many options and with these converging gaming offers it is obvious that customers will choose the most transparent and honest operator! In the long run, the early onset of personalised communication also increases player lifetime via keeping players from going full tilt!

- Increased player insight

A responsible gaming approach founded on player-tracking is also compatible with Big Data and advanced analytics. Many insights are produced along the way that operators can potentially benefit from, from marketing communication to game design and customer support, to mention just a few.



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