

# GAMBLING ADVERTISING: WHAT REALLY MATTERS

A new report on gambling advertising highlights the real opportunity for operators to follow Ladbrokes' lead and address public concerns through their creative, argues **Tom Grant** of Harris Hagan.

A new report called "Betting on Digital" has been published, which examines some of the challenges the gaming industry faces in ensuring its marketing activities effectively and accurately target the right audience. The report is based on research carried out by IgnitionOne, a digital marketing firm, and ComRes, a polling organisation.

The research polled 2,000 people and carried out interviews with 11 senior marketers at various gambling organisations. Given the relatively small sample, one could argue that some of the claims should be taken with a pinch of salt, not least the statement that two thirds of "the British Public" are concerned about the amount of advertising of online gambling. As David Letterman, the renowned American chat show host, once quipped "a new survey showed that three out of every four people make up 75% of the population."

The report does, however, raise some interesting conclusions from its interviews with gaming industry marketers, which are as follows:

1. An increased focus on mobile products – not only are consumers using devices more frequently but this presents increased opportunities for location-based marketing activity;

2. The importance of quality over quantity in respect of customer acquisition – given the brand promiscuity of gaming customers, it is no longer a simple land grab but there is now a more profound quest amongst operators to align all of the key ingredients to be a market-leader;

3. The growth of new media channels available requires a re-evaluation of priorities, as gaming companies place greater emphasis on their social gaming strategy whilst re-examining the value and effectiveness of traditional TV advertising.

What is particularly striking is that the

marketers' views are not always consistent with the consumers that were surveyed. Whilst the consumer responses inevitably placed a high value on matters such as user experience, game quality and discount offers, there is an interestingly high stock placed on reputation, regulation and overall corporate social responsibility. Not all of the marketers felt, however, that consumers cared about whether or not a company donates to related causes. A snapshot of some of these findings makes interesting reading:

- 40% of those surveyed said that they would be more likely to place a bet with a company that they knew were acting responsibly and making financial contributions towards research, education and the treatment of addicted gamblers;
- 77% of those surveyed agreed that online gaming companies should pay taxes in the countries in which they operate;
- Only 26% of those surveyed agree that online gambling makes a positive contribution to the UK economy.

One of the headline outcomes of the research is that 67% of those surveyed are concerned about the amount of advertising for online gambling companies. Whilst the survey revealed that TV is still considered to be a powerful tool, the ever multiplying number of gambling adverts may be a concern for regulators. OFCOM published a report earlier this year which revealed a staggering increase in the number of gambling adverts on TV in the UK from 152,000 in 2006 to 1.39 million in 2012. There are, of course, various factors at play here – such as cost and channel proliferation – but the key concern relates to the number of "impacts" (i.e. the times an advert was seen by viewers) on children which increased by 272% during that period. It remains to be seen whether either the OFCOM report or the "Betting on Digital" report will

lead to a reconsideration of the existing advertising codes, particularly bearing in mind that the existing BCAP Code is well policed by the ASA and is supplemented by the industry's own code of practice which reinforces the scheduling constraints.

The new report demonstrates that there are two key forces at work here: on the one hand, we see the growth and power of social media as gaming organisations naturally gravitate towards an accessible and price-competitive means of reaching wider audiences; on the other hand, the current age of austerity has understandably given rise to a mood of national cynicism. The gaming industry does not stand alone here as the likes of Starbucks, Apple and Amazon have faced a tremendous public backlash in relation to their tax affairs. It will be interesting to see whether gaming companies will continue unabated in their quest to dominate acquisition through social media or whether there is an opportunity here for a gaming organisation to buck the trend in their approach. There is a compelling argument that both gambling advertising and the products itself have become somewhat generic. Without necessarily boring the consumer, there may be an opportunity for an operator to zone in on some of the more serious issues that consumers appear to care about – namely, spending limits, financial contributions towards research and education and paying its UK taxes. The irony is that all gambling companies do these things already (or, in the case of taxes, are about to) but do not seem to feel that they are worth shouting about. Ladbrokes have, however, started to lead the way with their 'responsible gambling' centric "Mr Brightside" advert. It is well known that perception is everything and gambling operators would do well to recognise that this applies to the public as well as to regulators.

Tom Grant is a partner at Harris Hagan and specialises in commercial law with a particular focus on gaming related products and services.

