

Play-for-Fun/ Social-Casino Gambling: An Examination of Our Current Knowledge

Summary Report for the Manitoba Gambling Research Program

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Significance

There is little doubt that the Internet has profoundly changed our daily behavior. We use the web to purchase and sell products, read the news, acquire information, view television shows and movies, purchase music, search for entertainment, participate in political processes, and as a means of communication. Convenient, easy access to the Internet is almost universal, especially among students. The cost of high-speed computer access has dramatically decreased internationally during the past decade as has the cost of personal computers, laptops, Tablets and smart phones. Ease of access and widespread broadband coverage has resulted in individuals being readily connected/ wired to the Internet virtually 24 hours a day, 365 days per year.

One of the biggest changes to the way people have engaged with the Internet over the last few years has been seen in the growth of social networking and user generated websites. Social media heavily relies on user-generated content and allows users to share, discuss, and participate in an interactive, virtual conversation. Social networking websites provide an easily accessible platform for individuals to engage with each other using multiple formats, including text, images, videos, audio, and increasingly, games. Its popularity is evident by the enormous number of users who are engaging in these social networking sites from their desktop and laptop computers, PDAs and Smart phones.

A growing segment of this social gaming market has been the play-for-fun gambling simulated casino sites. Here, individuals can play and “gamble” in the same way they would at a casino or Internet gambling site on similar games (e.g., poker, blackjack, slots, roulette, etc.). What distinguishes these sites from actual gambling sites is that rather than using real money, games are played for virtual currencies which are typically given free to the player.

Research Questions

The aim of this review was to gain insight into the relationship between social media simulated forms of gambling and the possible convergence to actual gambling; both land-based and Internet wagering. In particular there is a concern that young people, who exhibit higher rates of gambling problems, may be particularly responsive to such gambling simulated games.

Methodology

PsychINFO, PubMed, Google Scholar, Google Alerts (Gambling) and Web of Knowledge were searched for relevant literature concerning the impact of play-for-fun (non-monetary) simulated gambling activities to better understand their popularity and their relationship to gambling behaviors amongst adolescents and young adults. Key words included the following terms: social gaming, social gambling, freemium models, youth gambling, Internet wagering, online gaming, digital gaming, social gaming regulation, and social casino games. As well, a number of well-established gambling-related research sites having multiple reports were scanned for unpublished reports and manuscripts. The following review encapsulates the available information derived from empirical studies, research reports, industry reports and briefs, and personal discussions with gambling operators.

This report presents the results of a review of literature of our current knowledge of social casino-simulated gambling played on social networking platforms, its similarities between actual gambling, and an examination of the limited research available concerning the potential impact upon vulnerable populations. We have attempted to examine the scant literature on social gaming with respect to the potential risk and protective factors for young people. Issues associated with regulatory and social policy practices are addressed.

Key Findings

A synthesis of the available literature suggests that young people appear to be highly attracted and actively engaged in playing on these social gambling sites and represent a particularly vulnerable population. Some researchers have suggested that the overall number of opportunities for young people to “gamble” on these unregulated sites is “overwhelming.” The review highlights a number of studies suggesting that these games remain highly attractive and popular amongst children and adolescents. Several studies have found a linear relationship between playing on these sites, gambling behavior, and problematic gambling. Of particular concern are the numbers of sites which have unrealistic payouts and increased winnings when playing for virtual currency. Such sites may promote an illusion of perceived skill/control and may prompt individuals to want to engage in actual gambling for money. Unlike Internet gambling, most social gaming sites are unregulated, have few age prohibitions, and provide both direct or indirect marketing and advertising to consumers.

Conclusions

Given the scant literature in the field, no definitive conclusions can currently be drawn concerning the potential convergence between playing (or excessive playing) of such gambling simulated social games and actual gambling behavior at this time. However, multiple reports highlight that while the relationship between social gambling games and their impact is complex, there is some evidence suggesting potential problems and an urgent need for more research examining the potential impact of these games on vulnerable populations. Given that such sites offer the potential to teach young people to gamble, while providing distorted payout rates may result in more problematic behaviours.

Implications

Issues concerning self-regulation by the industry and governmental legislation/regulation are continuing to be raised. While much of this review focused upon the potential risks associated with the normalization and convergence between social gambling games via social media networks and potential problems associated with youth gambling, there may be some potential positive learning and educational benefits if such games are developed with that goal in mind.

Collaborative efforts between funding agencies, regulatory bodies, researchers and operators will help improve our understanding of the short-term and long-term risk and protective factors associated with social casino gaming.



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