

Gambling and Gaming

Blurring Lines

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Introduction

- Gaming – what is it?
- Gambling and Gaming – where are the blurs?
 - E-sports and Gambling
 - Loot boxes and Skin Betting
- Research – where are we now?
- Questions



What is E-sports?

- E-sports are a form of competition that is played online; mediated by human-computer interfaces
- E-sports take the form of organised, multiplayer video game competitions, particularly between professional players.

E-sports is big, getting BIGGER

- Watched by more people than HBO, Netflix, ESPN and Hulu combined
- Consumers worldwide aware of esports will surpass one billion this year, up 36% year-on-year
- Dota 2 International total prize pool stood at \$20.7m
- Global E-sports economy will grow to \$905.6 million, up 38% YoY.
- League of Legends (Riot Games) made \$1.6bn in 2015 on in game sales alone

How is it watched?

- Amazon's Twitch
 - 140 million monthly unique viewers
 - 15 Million daily active users.
- YouTube
- Over 6 billion hours of E-sports watched in 2016, according to IHS Markit (a 19% rise from 2015)
- \$280 million was spent on advertising in E-sports in 2016, and estimated reach to over \$1 billion by 2021
- BT Sports to produce Esports and Gaming TV Programming



Who watches?

- Base high female representation (46%)
- High average income (\$58k/annum in the US)
- 42% of viewers do not actually play the games
- “LoL” World Final sold out the world cup stadium in Seoul and had 27m viewers online



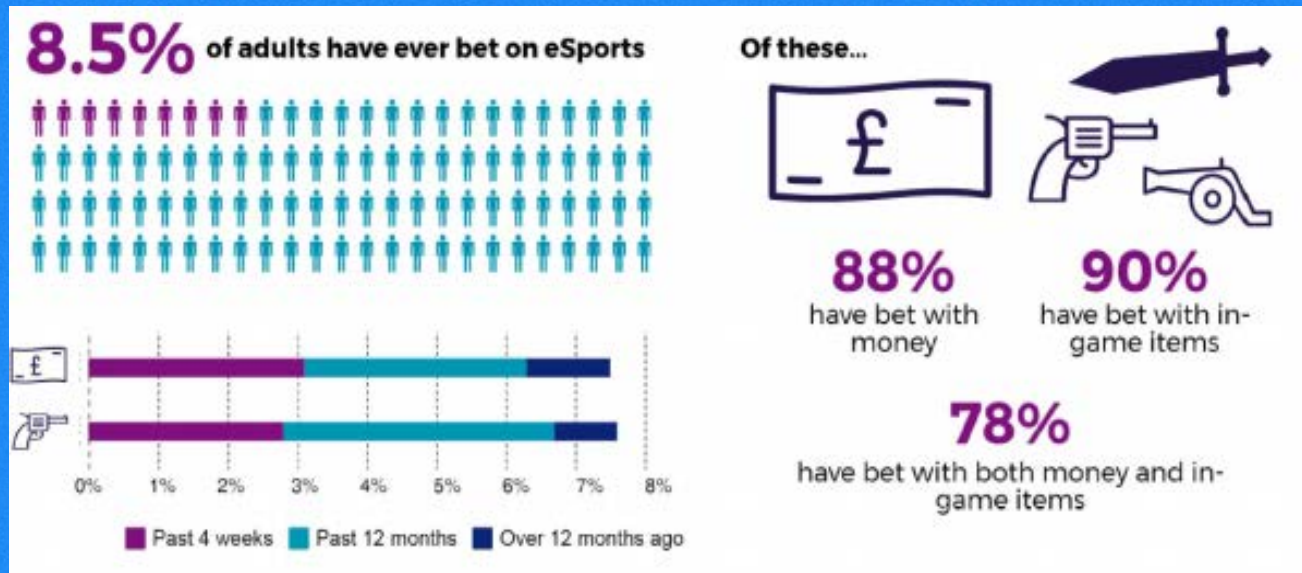
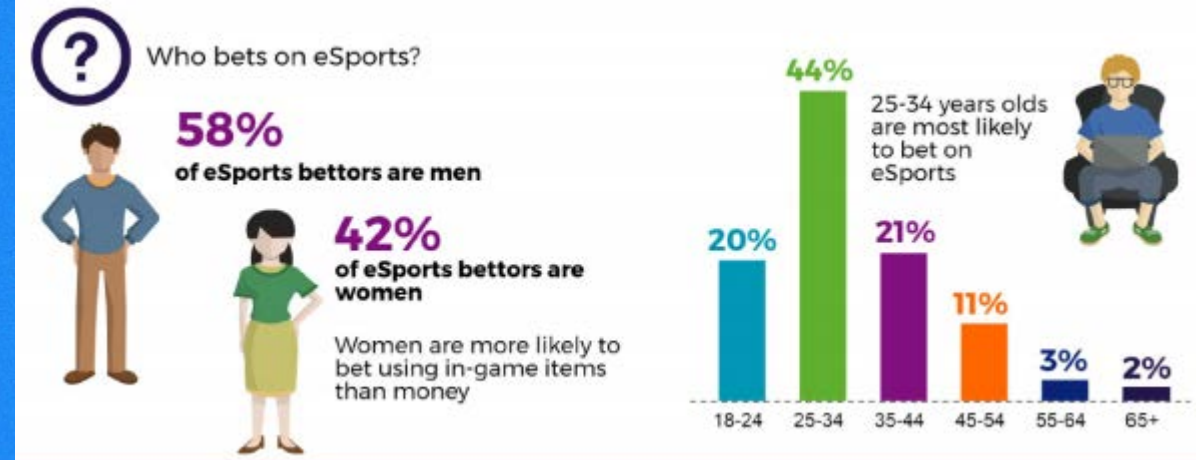


WORLD'S 2015 LEE WOODS TAKE ALL

Esports and Gambling

Types

- Betting
- Skin-Betting
- Participation in eSports for a prize



Skins & Betting



- “Skins” = cosmetic enhancements for in-game weapons
- Gambling with in-game items
- Skins hold different values and are used to bet with

Loot Boxes

- Randomised rewards that alter the game in some way.
- Players often purchase boxes for money and receive rewards of varying value based on chance











Research

Where are we now?

“Video game loot boxes are linked to problem gambling: Results of a large-scale survey”

David Zendle & Paul Cairns

- Large-scale study (n=7,422) found important links between loot box spending and problem gambling
- Severity of problem gambling indicator for spend on loot boxes
- Psychologically akin to gambling
- Better predictor than depression and drug abuse

Zendle, D., & Cairns, P. (2018, August 8). Video game loot boxes are linked to problem gambling: Results of a large-scale survey.

Statements:

- Loot boxes act as a gateway to problem gambling amongst gamers
- Loot boxes provide games companies with an unregulated way of exploiting gambling disorders amongst their customers

“Video game loot boxes are psychologically akin to gambling”

Dr. Aaron Drummond & Dr. James Sauer

Analysed 22 games

1. The exchange of money or valuable goods;
2. An unknown future event determines the exchange;
3. Chance at least partly determines the outcomes;
4. Non-participation can avoid in incurring losses;
5. Winners gain at the expense of the losers.

45.45% met all 5 criteria

Statements:

- “in the way they encourage and sustain user engagement, loot-box systems share important structural and psychological similarities with gambling”
- “ripe breeding ground” for problem gambling amongst gamers.

Areas of Interest

- Harms
- Demographics
- 5 Aspects
- Foundation
- Scale
- ???



QUESTIONS?

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