

The Wide World of Sports...Gambling

Presented By:


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Council on Compulsive Gambling of NJ
800-GAMBLER[®]



Schedule for the Day

Overview and Landscape

Progression from Fantasy Sports to
Real Sports

The Rise of Esports

Sports Betting and Emerging Trends

Summary and Responsible Gambling

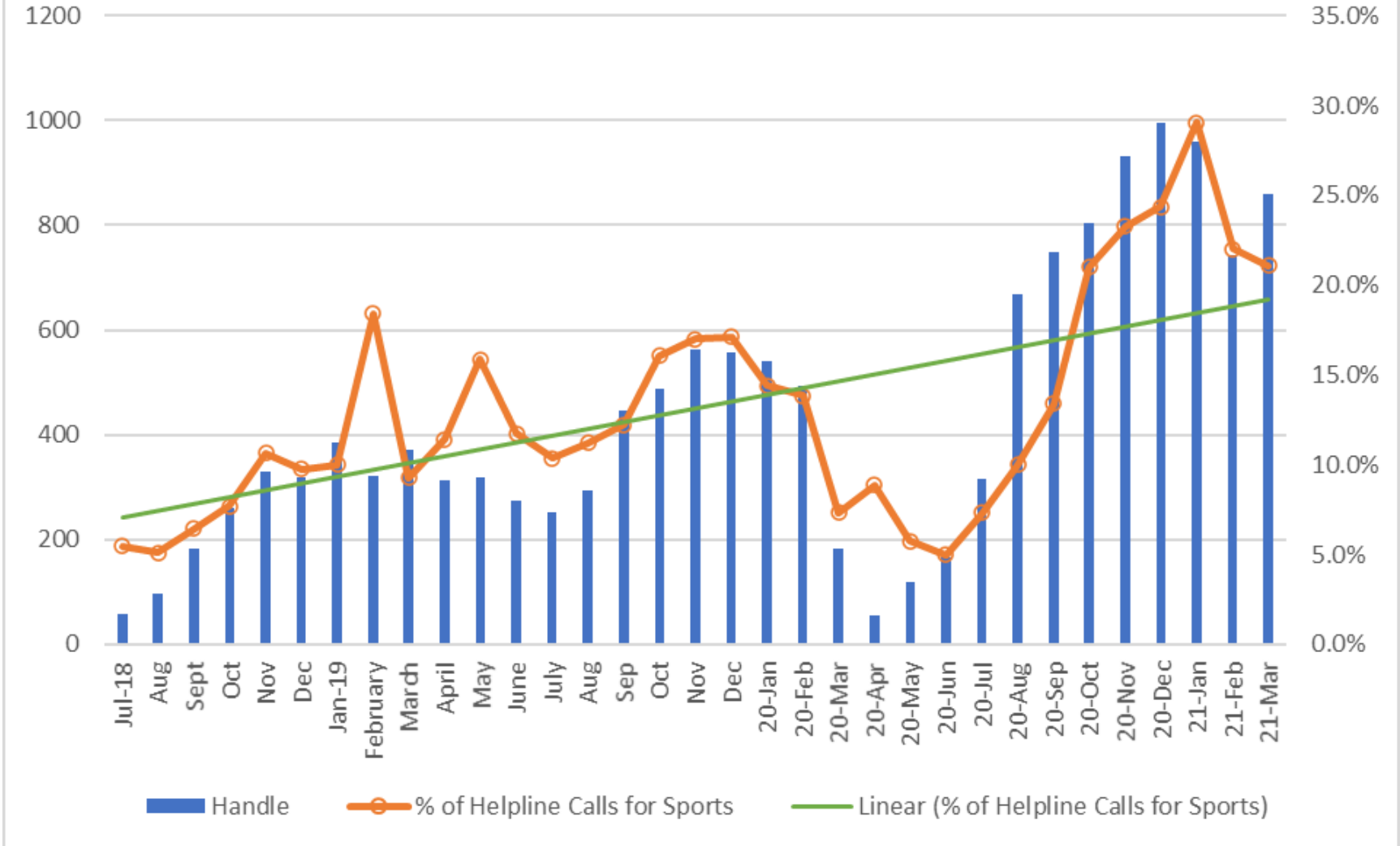
Sports Gambling Around the Country as of March 1st

According to Legal Sports
Report...

- 21 states offer some form of legalized sports betting
- 15 states offer some form of remote legalized internet or mobile device gambling
- New Jersey sports betting is second only to Nevada



% of Sports Helpline Calls vs Handle







The Hidden Addiction

- Extremely difficult to diagnose
- Hard to overcome because the gambler believes that they will overcome it on the next win
- Intermittent reward schedules are difficult to abandon
- Gambler does not know...
 1. How much they will win
 2. How Often they will win
 3. When next win will occur



Reasons for Gambling and potential predictors for PG



Escape from day-to-day problems & stress.




Psychological Problems such as depression, anxiety, or trauma, may lead to gambling as a coping strategy.



“Big” wins early

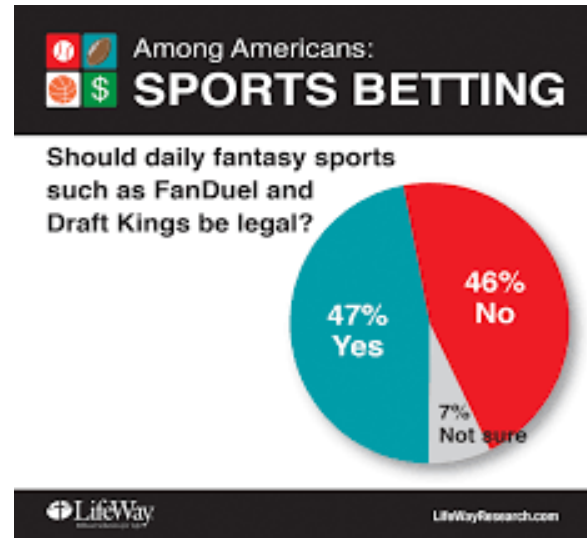


Risk factors – Male; 18-31, S.U.D., Veteran



Internet and Mobile Device Gambling and the Impact on the Gambler:

- Accessibility
- Affordability
- Anonymity
- Escape
- Immersion / Dissociation
- Disinhibition
- Event Frequency
- Interactivity
- Simulation
- Asociability







Fantasy Sports Contests



Also known as “Roto” or “Rotisserie” contests



Participants assemble imaginary teams using real players



Typically done online



Points are earned based upon the statistical performance of those players



Participants play head-to-head and whoever scores higher wins

Fantasy Sports Scoring Example

Category	Fantasy Points (FP)
TD	6
2 point conversion (rushing, receiving or passing)	2
PAT (kicking)	1
Touchback (kicking)	1
Safety	5
Field Goal	3
Field Goal (50+ yds.)	1
Every 15 yards Rushing or Receiving	1
Every 30 yards Passing	1
Every 50 yards Returning	1
Fumble (only if lost)	-3
Interception (thrown)	-3
Interception (caught)	4
Fumble Recovery (Defensive)	4
Sack	4
Solo Tackles	1
Forced Fumble	3
Blocked Kick (punt, field goal or PAT)	5
Pass Defended	1



Daily Fantasy Sports

An ACCELERATED version of Fantasy Sports contests

Takes place over shorter periods of time

New teams are drafted daily or weekly

Prizes are paid out (Rewards) more frequently

More games to choose from and different entry fees

A booming business with dedicated weather people to merchandise



What is the relationship between Fantasy Sports and Gambling?



Normalizes the spending of money on sports-based outcomes



DFS reinforces outcome and reward faster than traditional Fantasy Sports



DFS also reinforces the near-miss faster and encourages multiple opportunities to chase or play



Promises of a big payout via Million Dollar or more tournaments



Real time feedback of stats, data, and current winnings



Daily Fantasy Sports Players: Gambling, Addiction, and Mental Health Problems

- ▶ Study done in 2018 in NJ
- ▶ Seeks to identify the nature, frequency, and preference of gambling behaviors as well as PG severity and comorbid conditions of DFS players
- ▶ 3634 NJ Residents age 18+
- ▶ Most predictive of DFS players:
 - ▶ Higher number of gambling activities
 - ▶ Increased frequency
 - ▶ Male
 - ▶ Reports of Suicidal Ideations
 - ▶ Being single also noted as elevated predictor



The Rise of Esports

- Professional gaming events are gaining speed.
- Among gamers, 40% watch live stream at least once per week
- 25% of gamers who watch esports tune in for more than 4 hours per week
- 66% watch reality TV or competition shows
- What is the future....?



**SHOULD ESPORTS
BE PART OF THE
OLYMPICS?**



What are eSports?!



A global industry!



A new form of entertainment



Competitive gaming in real time allowing for engagement, thinking critically, and collaboration in team sports



You Tube, Mixer and Twitch streams tournaments live...Twitch owned by Amazon who bought it for \$1 Billion in 2014

What are eSports?!



Colleges and Universities offer scholarships



They also offer degrees in management



A cultural phenomenon




Esports was a medal event at the Southeast Asian Games in the Philippines in November 2019





What is the impact on gaming to today's youth?




Free to play and Freemium



Temporary Escape




Social Connection



Measurable Growth



Purpose and Meaning




Dopamine Overload



Behavioral Psychology keeps you in



Safe place to play, experiment, fail



Video Gaming...What is the Connection with Gambling?

- ▶ Esports tournaments can be wagered on under sports betting legislation in many jurisdictions.
- ▶ It arises out of the normalization of early onset gaming
- ▶ More games are incorporating Loot Boxes (Random Reward Mechanisms) within games encouraging players to spend money to win digital items of value.
- ▶ While a loot box does not necessarily impact the outcome, it is unregulated and present with little oversight in games . .
- ▶ Advertising, Partnerships with Casinos, Esports arenas, Celebs
- ▶ Spectating Esports is growing in popularity



Potential Risks with Gaming



- Can lead to Problem Gambling.
- Bigger concern among the youth.
- The earlier one starts, the higher likelihood to develop a problem.
- The brain develops the “gas pedal” faster than the “braking system.”
- Inability to control impact on time or money.
- Illusions of Control
- Sense of identity and belonging.



Problematic Cognitions with Gaming



- ▶ Allows the behaviors to hang around longer
 - ▶ No amount of time spent is ever enough
 - ▶ Continue until a level, reward, or feature is completed
 - ▶ Gaining power and status through the game
 - ▶ Escaping the real world
 - ▶ The computer or console is an “electronic friend.”
-
- ▶ “ The goal of companies producing video games is to identify, harvest, and mine the motivation of gamers while administering the **digital dopamine drip** they crave.” (SteamSpy, 2019)



Sports Betting and Emerging Trends

Understanding the Convergence of Markets in Online Sports Betting

- Griffiths and Lopez-Gonzalez
- 2016
- Seeks to understand the market characteristics
- Intersection with adjacent industries



ONLINE sports betting

- Online = Digital Integration
- Data – Stats, Transmission, Clothing and Chip Sensors
- Social Gaming – Virtual currency, progression, familiarity
- eSports – Competition, Prizes, Massive audience
- Immersive Reality – VR Headsets, AR, AI,

online **SPORTS** betting

- Sports = Sporting Integration
- Sport Journalism and Influencers – Odds, Podcasts, Shows, Mainstream
- Sponsorship and Endorsement – Naming rights in stadiums, Player partnerships, casino
- Virtual and Fantasy Sports – Can wager on sport themed games person plays, other person plays, AI plays, or non-sport games

online sports **BETTING**

- Betting = Gambling Integration
- In venue and in-stadium wagering – Online and Mobile Device, order food, check parking, upgrade seat, stats
- Poker – Shared traits from poker industry in sensation seeking and risk-taking
- Trading – Exchange wagering, cash-out, “points bet” concept



Emerging Structural Characteristics of Online Sports Gambling

The Top 2 Structural Considerations for Online Sports Betting

1. In-Play Betting
2. Early Cash-Out Feature



In-Play Sports Betting

Does in-play sports betting have the potential to be more harmful than other ways of gambling because of its structural characteristics?

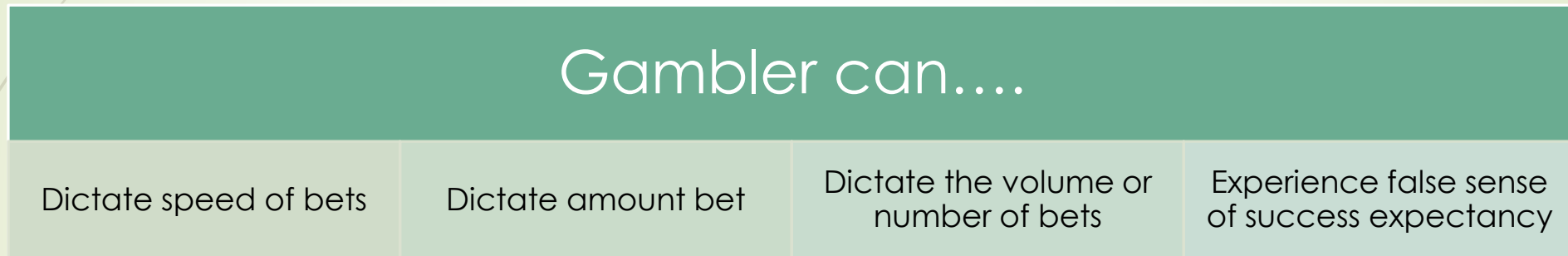
Crucial in the acquisition, maintenance (illusion of control over bet patterns), and development of online gambling behaviors. (Parke and Griffiths, 2007)

Large number of bets throughout the game instead of one bet on the outcome.

Akin to season long fantasy sports contests and the advent of daily fantasy sports

Fear of missing out

Illusion of Control and In-Play Sports Betting



Illusion of Control contributes to **MAINTAINING** a gambling problem.

More on In-Play Wagering

34



Leads to high speed and continuous reinforcement



Leads to micro-bursts of dopamine similar to the digital dopamine drip that social media “likes” can provide



Lacks time component for reflection



Constant and continuous action and marketing



Pre-occupation



Isolation



Immersive



Emotional connection with team or activity



MY BETS

NOV 13, 2018

AUG 18, 2018, 9:21:23 PM OPEN

DIVISION WINNER: LA RAMS (WINNER)

Wager: \$130.00

Odds: -130

Pot. Payout: \$230.10

NFC West (NFL 2018/2019)

Cash Out \$212.07



Early Cash Out



Cash – Out Feature

Cash Out lets you take profit early if your bet is coming in, or get some of your stake back if your bet is going against you - all before the event you're **betting** on is over. **Cash Out** offers are made in real time on your current bets, based on live market prices. (Betfair.com)

Introduction of “Cash-Out” feature likens in-play sports gambling to stock market day trading...lock-in profits and limit losses

Changes thinking from “gambling” to “investing”?

Changes thinking from “skill-based” gambling to “skillful money management.”



Observations

- Immediate gratification and increased frequency can contribute or exasperate a condition.
- The delay of the reward, a protective factor, is removed and the player becomes highly sensitive to shorter reward durations.
- Reward every few hours replaced with every few minutes
- Online gambling becomes the “syringe” versus the traditional gambling “pill”....faster impact



Observations

- ▶ Sport betting becomes a potentially continuous gambling activity.
- ▶ Resembles stock market / day trading as cash-out amounts are recalculated real-time based upon market factors (i.e. the game situation)
- ▶ Outcome of the game does not matter
- ▶ Convergence of sports betting and stock market dynamics
- ▶ Transitions the bettor to an investor or skillful money manager
- ▶ Reinforces a control type behavior



The Shortening Reward Schedule Among Various Types of Gaming / Gambling

Delayed

- ▶ Season Long Fantasy
- ▶ Traditional Sports Betting
- ▶ Daily or Nightly Lottery
- ▶ Brick and Mortar Live Casino
- ▶ Video Games - Grind out play slowly over time
- ▶ Investing

Immediate

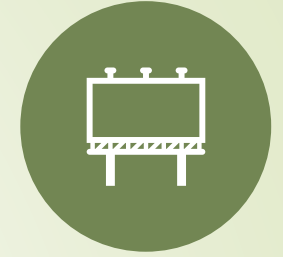
- ▶ Daily Fantasy
- ▶ In Play Sports Wagering
- ▶ Instant Win / Scratch Off
- ▶ Internet Casino Games
- ▶ Video Game & Loot Boxes speed up progression within game
- ▶ Day Trading



ILLUSION OF CONTROL –
SKILL VS. LUCK



INTERMITTENT
REINFORCEMENT – EVERY
SO OFTEN WIN



SOCIAL PROOFING –
OTHERS ARE DOING IT
AND MARKETING MATTERS

Summary:



SCARCITY PRINCIPLE – ACT
NOW; ACT FAST!



“NEAR MISS” IS A HOOK –
SOOO CLOSE, DO IT
AGAIN!

The 5 E's of Why People Play Games or Gamble!

Excitement!

Entertainment!

Escape life's
problems or
pain

Economics....It's
all about the
Benjamin's!

Ego....Pride,
reputation, or
identity

Responsible Gaming Guidelines

Decide ahead

Decide ahead of time how much money you intend to gamble and stick to your limits!

Play

Play, knowing that it is likely that you will lose more often than win-so make sure you are playing with money you can afford to lose.

Make

Make informed decision about your gambling-know the odds.

Think

Think of gambling as a form of entertainment-not a way to make money.

Enjoy

If you win big, enjoy! But remind yourself it may never happen again.



Resources



- ▶ 800-GAMBLER Helpline
- ▶ www.800gambler.org
- ▶ www.gamequitters.com
- ▶ www.ncpg.org
- ▶ Certified Gambling Counselors
- ▶ SMART Recovery
- ▶ Addictions Victorious
- ▶ GA and Gam-Anon
- ▶ www.gamblersinrecovery.com

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Thank you!

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