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Voluntary limit setting in online gambling increases patron loyalty

What this research is about

Online gambling is a popular form of gambling. It is easily accessible and convenient. There is concern that online gambling is riskier than land-based gambling due to its accessibility. Setting limits to one's gambling is a way online gambling companies promote responsible gambling. Some researchers, including the authors of this study, argue that responsible gambling is a corporate social responsibility of gambling companies.

The goal of this study was to examine how setting limits voluntarily affects patron loyalty to an online gambling operator. The researchers also wanted to know whether there are any age and gender differences in voluntary limit-setting.

What the researchers did

The researchers looked at the behavioural tracking data of customers of an online gambling company called Kindred. Behavioural tracking is the use of actual gambling data rather than self-reported data. The total sample was 175,818 people who had gambled online at least once with Kindred between January 2016 and May 2017. The majority of the customers were men (89.3%).

There was also information about customers' voluntary limit setting. All Kindred customers can choose to set a limit based on daily, weekly, or monthly losses. The limit can also be an amount deposited. Limits can be changed. Increases take seven days to come into effect, whereas decreases are effective right away.

What you need to know

Online gambling is easily accessible and a convenient way to gamble. Some online gambling operators offer limit setting as a way for patrons to practice responsible gambling. The aim of this study was to assess whether voluntarily setting limits affects patron loyalty to a gambling operator. The researchers were given behavioural tracking data of 175,818 people who gambled at Kindred during January 2016 and May 2017. They found that only 8.3% of people in the sample voluntarily set a limit.

Women were more likely to set limits than men. Younger people were more likely to set limits than older people. People who set limits in the first three months of 2016 were 2.96 times more likely to still be active in the first three months of 2017. This suggests that voluntary limit setting makes it more likely for people to continue gambling with the same operator.

What the researchers found

A total of 14,581 people set a voluntary limit between December 2016 and May 2017. This included 8.3% of the sample. The percentage of people choosing a voluntary limit decreased with age. Except for people between 56 and 76 years old, people in the other age groups tended to set a smaller daily limit than their daily bet. About 9.5% of women and 8.2% of men set a voluntary limit. Women generally set lower daily limits than men. Women had higher daily bets than men in every age category.

To determine whether voluntary limit setting affected customer loyalty, the researchers identified all customers who had placed at least one bet in the first three months of 2016. These people were placed into one of ten groups that were organized by bet size. Then the sample was divided into those who did and did not set a voluntary limit for each bet size group.

A total of 165,622 people had placed at least one bet in the first three months of 2016. About 8.3% of the sample set voluntary limits during this period. People with larger bet sizes were more likely to set limits. About 2.6% of people with a bet size less than €4 set a voluntary limit (the lowest bet size group). About 14.9% of people who bet more than €239 set a voluntary limit (the two highest bet size groups). No gender differences were found. There were some age differences except in the two highest bet size groups (minimum bet of €240 and €597). In the other bet size groups, people who had set limits were younger than those who had not.

From this group of customers who had bet in the first three months of 2016, the researchers looked at who was still active in the first three months of 2017. Older adults and men were more likely to still be active in the first three months of 2017 than younger people and women. People who set a voluntary limit in the first three months of 2016 were 2.92 times more likely to still be active in the first three months of 2017. Further, for each bet size group, the percentage of active 2017 players was larger for those who had set a voluntary limit compared to those who had not. In other words, more people who had set voluntary limits were active patrons in 2017 than those who had not set limits.

How you can use this research

This study could be useful for researchers interested in responsible gambling tools, specifically voluntary limit setting. Researchers interested in the interaction between responsible gambling and loyalty to gambling operators would find this study particularly relevant to their interests. This research could also be of interest to people involved in the operation of online gambling companies.

About the researchers

Michael Auer and **Niklas Hopfgartner** are affiliated with neccton Gmbh in Müllendorf, Austria. **Mark D. Griffiths** is affiliated with the International Gaming Research Unit at Nottingham Trent University in Nottingham, United Kingdom. For more information about this study, please contact Mark D. Griffiths at mark.griffiths@ntu.ac.uk.

Citation

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