



Substitution of land-based gambling products by online alternatives in Finland during COVID-19 restrictions

What this research is about

People who gamble moderately as well as those who gamble excessively may be at risk of experiencing gambling-related harms. Regulations and interventions can help reduce gambling harms. Restricting availability and limit setting have been shown to reduce gambling behaviour. But restricting the availability of some gambling products and channels may change the uptake of other products or channels. In particular, people may switch to online gambling when land-based gambling is not available.

The COVID-19 pandemic led to the closure of many land-based gambling venues in Finland. During the pandemic, Finland's gambling monopoly operator, Veikkaus, also introduced other measures that could affect gambling behaviour. The first was mandatory identification for land-based non-casino electronic gaming machines (EGMs). The second was mandatory precommitment whereby people had to set a loss limit for all land-based EGMs.

The purpose of this study was to examine how these policy changes in land-based gambling impacted: (1) total consumption across product categories, and (2) whether there was substitution by online gambling for the same products. Total consumption was based on sales data provided by Veikkaus for 2019–2022.

What the researchers did

Veikkaus is mandated to provide data to the Finnish Institute for Health and Welfare for research on gambling harms. The researchers requested information on weekly gross gambling revenue (GGR) per gambling product type. The data spanned from January 7, 2019, until July 3, 2022.

What you need to know

In Finland, land-based gambling was restricted during the COVID-19 pandemic. Veikkaus, Finland's gambling monopoly operator, also introduced mandatory precommitment and identification. The purpose of this study was to examine how these policy changes in land-based gambling impacted: (1) total consumption across product categories, and (2) whether online alternatives were used instead. Veikkaus provided data on weekly gross gambling revenue (GGR) per gambling product type. The data covered January 2019 to July 2022.

Total consumption of gambling decreased across the observation period (2019–2022). During the first wave of COVID-19, there was some substitution of land-based gambling by online gambling. Specifically, land-based table games were substituted by their online alternatives. Land-based horse betting and possibly sports betting were substituted by online horse race betting when there was restricted availability. The sales revenue of lottery-type products did not change during the observation period. There was an increase in sales of online lotteries during the first COVID-19 shutdown of EGMs. But land-based EGM sales declined overall. This decline was not offset by online alternatives or other fast-paced products.

Veikkaus provided information on the following gambling product types: lottery-type products (lotteries and scratch cards), betting-type products (sports betting and horse race betting), and casino-type products (EGMs, table games, and bingo).

The researchers also requested information from Veikkaus about COVID-19-related restrictions on their operations. These included limitations on or closures of gambling offer. They also looked at the restrictions placed by the government on online gambling. These included loss limits for fast-paced online gambling products.

What the researchers found

Between January 2019 and July 2022, there was a decrease in total revenue from gambling. The largest decrease aligned with restrictions on land-based gambling during the first two waves of COVID-19. After the restrictions were lifted, revenue increased. But it did not fully return to what it was before the restrictions. Thus, there was a decreasing trend of consumption across the observation period.

Sales revenue from lottery-type products did not change during the observation period. There was an increase in the sales of online lotteries during the first COVID-19 shutdown of EGMs. But there were no similar increases in subsequent shutdowns. Overall, lottery sales (online and offline) declined since 2019.

Trends in sales revenue from betting-type products varied based on whether they were land-based or online products. Online and land-based sports betting had similar sales patterns until late 2020. After this, online sales increased more than land-based sales. Online horse race betting seemed to act as a substitute for both land-based horse betting and online sports betting when there was restricted availability due to COVID-19 restrictions, mandatory identification, and daily limits.

Many COVID-19 restrictions were placed on land-based casino-type products. Sales of land-based EGMs and table games decreased between 2019 and 2022. The researchers noted that land-based table games appeared to be substituted by their online versions.

EGM gambling was the most profitable product category overall. Veikkaus operated the same EGM products online and in land-based venues. But there was no clear substitution of land-based EGM sales with online alternatives. Also, the researchers did not find that land-based EGMs were substituted by other

fast-paced products such as scratch cards and table games.

How you can use this research

Public health can use this research to inform policies around availability and mandatory precommitment.

About the researchers

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Citation

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