

Background briefing on new research commissioned by the ISGA **“A Snapshot of Youth in the Digital Playground”**

The ISGA has published an independent academic research report undertaken by Harvest Strategy focused on concerns surrounding whether freemium social games are a path to gambling in young people.

Since the inception of the industry, there has been speculation amongst some gambling academics and anti-gambling advocates that social games, and in particular social casino games, encourage young people to gamble or develop problem gambling behaviour. Analysis in this area has tended to be hypothetical or based upon small and localised samples.

In order to provide a more solid evidence base to the discussion, the ISGA commissioned the Harvest report as well as facilitating access to a large-scale data snapshot of its members' games. Harvest undertook the study of previously unseen data for freemium social games and social casino games covering in excess of 12 million player data points across the UK, EU, Australia and US during the month of May 2014,¹ alongside a review of existing academic literature and data in this field.

The team at Harvest was led by Dr Rohan Miller, Senior Lecturer in Marketing at The University of Sydney.

The key findings of Harvest Strategy's report are as follows:

Tiny numbers of under 18s play social casino games – 99% of players are adults

- Harvest's data grab shows that a tiny proportion of under 18's are playing social casino games and an even smaller proportion is paying to play. Over 99% of social casino players were found to be adults. Out of the under 18 years olds that did play, only 0.56% spent any money at all. These findings are consistent with industry data, which indicates that social casino games appeal to an older demographic.

Insignificant level of youth expenditure challenges purported link between social games and gambling

- Data from the ISGA snapshot also showed that under 18's made up only 0.15% of paying players² and constituted 0.07% of all game expenditure. The level of paying play and revenue generation amongst under 18's was found to be so low that it is difficult to support the claim that social games companies groom young people for commercial gambling.

No market where social game growth has coincided with rises in problem gambling

- Throughout their research, Harvest could not find markets where the proliferation of social games had coincided with a rise in problem gambling. Problem gambling rates across the

¹ Data is age categorized on the basis of 13 through to 18 year olds (“under 18's”) and over 18's. For reasons of commercial sensitivity the games' titles are anonymous.

² Social games are based on the freemium-pricing model. Game access and play is free, with certain additional and special features – for example extra lives, extra energy, tools or maps to expand the game experience are available for a real money payment. Most users (around 95-99%) do not pay to play. Businesses monetize via the minority of consumers that make in-app purchases and in-game advertising.



UK, AU and US have not increased, whilst the social games market has grown dramatically, including the social casino genre.

Data provides no indication of conversion from social games to commercial gambling

- Some businesses operate in both social gaming and commercial gambling markets. These separate markets are defined and distinct from each other. Data for iGaming and freemium markets provide no real indication of conversion.

There are very occasional examples of high expenditure gameplay in youth

- Much of the concern surrounding young people and social games has been fuelled by stories of minors running up large bills while playing social games, without their parent's consent. Out of the 505 under 18 players paying to play, Harvest's data grab found only two players, aged 15, engaged in unusually high levels of expenditure. These data outliers indicate that although such incidents may occur, they are the exception rather than the norm and of low incidence in comparison to other goods and services.

Social game play models do not fit well with addictive gambling behaviour models

- Harvest found that social games (including social casino and other genres) are played using mobile devices casually and for shorter time periods than real money gambling products, which does not fit with patterns of addictive gambling behaviour, leading them to urge caution in the use of slippery slope assumptions to suggest an inexorable path from moderate to addictive behaviour.

Introductions of new technology are often met with fearful analyses and rhetoric

- Harvest suggest that the discourse linking social games to gambling addiction may be an example of moral panic and disproportionate analysis. From a historical perspective, new digital entertainment technology has frequently been met with initial fears of harm - even when the available evidence does not support it.

About the ISGA

The ISGA is a global non-profit trade association established to develop and communicate best global practices in consultation with public policy makers and regulators around the world. It has been set up by a group of leading social games companies to explain to the public, policy makers and regulators what the social games industry does, how it works and the value that it generates, both for the people who enjoy playing social games as well as for the digital economy.

Upholding best practice principles and self-regulation to ensure compliance with laws and advertising standards is a key component of the ISGA's work. The ISGA is also committed to researching the social impact of its sector and has launched two new research projects in this regard over the past year (please visit www.i-sga.org/research).

Members include Zynga, Plumbee, Playtika, PlayStudios, MGM, IGT, High 5 Games, Gamesys, Big Fish Games, Bally Technologies, Aristocrat, Akamon and Abzorba Games.

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