

RESEARCH REPORT

Direct and affiliate wagering marketing and gambling-related harm



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FINAL REPORT

Direct and affiliate wagering marketing and gambling-related harm

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Executive summary

Key findings

Wagering direct marketing

- The study's most important contribution is providing, for the first time, real-world experimental evidence that supports a causal relationship between exposure to wagering direct marketing and increased betting, betting expenditure and betting-related harm.
- Participants who opted-out of receiving direct messages from wagering operators during the experimental period placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who did not opt-out.
- A longitudinal analysis of 4,020 observations found that, for each additional direct message received from wagering operators, there were significant increases in: 1) the number of bets placed, 2) betting expenditure, and 3) betting-related harm.
- The study concludes that exposure to wagering direct messages and the inducements they promote directly increases betting, betting expenditure and betting-related harm.
- These findings imply that banning wagering direct marketing and the inducements they routinely promote will reduce betting-related harm in the Australian population.

Wagering affiliate marketing

- Numerous features of affiliate marketing increase the risk of gambling harm. Affiliate marketing: 1) is incentivised to recruit new customers and maximise the losses of existing customers, 2) is very often deceptive in not disclosing affiliate links with wagering operators, 3) can target people with moderate or severe gambling problems, 4) encourages erroneous cognitions that betting success is enhanced by using 'expert' tips, 5) is reported by bettors to be particularly influential on their betting, and 6) occurs in a regulatory environment with limited capacity to monitor and sanction breaches and prevent harmful practices.
- The ease with which affiliates can establish a business, the low cost involved, the generous commissions paid, and the lack of licensing and due diligence requirements have enabled wagering affiliates to proliferate.
- These findings imply that greatly improved regulation of wagering affiliate marketing in Australia would reduce gambling harm.

Study aims

Past research has consistently demonstrated an association between exposure to wagering direct marketing and gambling harm. However, few studies have assessed causality and they have small sample sizes. In addition, little is known about wagering affiliates, particularly how their marketing impacts on gambling behaviour, problems and harm. To address these gaps in knowledge, this study aimed to:

1. identify any causal relationships between receiving wagering direct messages, experiences of gambling-related harm, and the development and maintenance of problem gambling among existing customers, and
2. examine wagering affiliate marketing business models, practices, marketing materials, and the risk of problem gambling and gambling-related harm for new and existing customers.

Terminology

Wagering affiliate marketing is a performance-based marketing system where wagering operators pay third-party affiliates to direct customers to their products.

However, wagering affiliates often do not disclose their affiliate relationships to bettors. To avoid confusion when collecting data from bettors, the study's survey distinguished between three main sources of wagering marketing:

- *Wagering operators* (e.g., Sportsbet, Ladbrokes) that provide sports betting and race betting services to customers, including calculating odds, taking bets, and paying out winnings.
- *Free betting information services* including influencers, tipsters, odds comparison sites, expert review sites, betting communities, and sports/racing news sites. These services almost certainly have a commercial affiliation with the wagering operator/s they promote, even if they do not disclose this relationship.
- *Paid tipsters* that charge customers a subscription fee to receive betting tips and information. Paid tipsters may or may not have a commercial affiliation with one or more wagering operators.

Methods

The study collected and analysed numerous sources of data:

Literature reviews – of research on wagering direct and affiliate marketing.

Regulatory review – of how direct and affiliate marketing is captured by regulatory arrangements in Australia, relevant regulatory hearings and decisions, and submissions to the National Self Exclusion Register draft bills consultation.

Website analysis – of the marketing practices, wagering inducements and affiliate disclosures on the websites of 10 wagering operators and 10 wagering affiliate marketers.

Twitter analysis – of marketing and inducements posted from the Twitter (now X) accounts of 10 wagering operators and 10 wagering affiliate marketers.

Stakeholder interviews – with 44 individuals from 27 organisations representing 12 wagering operators, 4 wagering affiliates, 5 gambling regulators and legal advisors, and 6 gambling support providers – to elicit their experiences and observations about wagering direct and affiliate marketing practices.

Ecological momentary assessment (EMA) – of at-least fortnightly online sports and/or race bettors. This provided data for 1) a cross-sectional *EMA baseline study* (N = 1,015) that analysed relationships between past-year exposure to wagering direct and affiliate marketing, and gambling behaviour, problems and harm. Participants then completed seven short surveys every 48 hours that allowed 2) an *EMA longitudinal analysis* of these same relationships (N = 4,020 observations). Participants also forwarded the wagering direct messages they received during the EMA period to enable 3) a *content analysis of direct messages* (N = 678).

Experimental study – that involved EMA participants who indicated their willingness to opt out of receiving direct messages from the wagering operators they had an account with, for the two-week EMA period. Only the test group (n = 99), but not the control group (n = 150), was asked to actually opt-out and they provided proof of having done so. The experiment assessed the causal relationship between exposure to direct marketing from wagering operators and 1) the number of bets placed, 2) betting expenditure, and 3) betting harms during each 48-hour assessment period.

Findings for each research objective

Key findings are summarised below. However, please see the Discussion chapter for details, including the different sources of data that provide evidence for the findings. Under each research objective and research question below, the key findings are presented in bold, followed by a summary of the supporting evidence.

1. Describe the types of affiliate marketing business models and practices being used.

Affiliate marketing is a major marketing tool for wagering operators, and is now a widespread industry practice to recruit new customers and foster ongoing betting.

Web-based and direct contact wagering affiliates employ a diversity of business models. *Web-based affiliates* operate mainly through websites and social media, marketing themselves as betting experts through comparison sites, news sites, tipster services, expert reviews, and betting communities. Affiliates post advertisements or links to one or more of their affiliated operators to encourage customers to open an account with them and/or take up specific inducements and bets. When a customer clicks on the link, an embedded tracking code identifies the referral as coming from the affiliate's account, allowing operators to track earnings and pay commissions to the affiliate. Web-based affiliates may also host advertising for wagering operators and sell them lists of potential customers. Their scale varies substantially, from individual influencers to multinational companies. *Direct contact affiliates* use personal interactions to recruit bettors in sporting and social contexts, such as TAB outlets, racetracks, sports matches, clubs and teams. They may also receive commissions to encourage continued betting by the customers they recruit, sometimes through extending free tickets to events, gifts and extensive hospitality.

Wagering affiliates are heavily incentivised to recruit bettors and encourage betting losses. The most widely adopted affiliate payment model, known as RevShare, entails operators compensating affiliates with trailing commissions, typically ranging from 25% to 40% of the lifetime losses of each customer they recruit. In contrast, Cost per Lead (CPL) and Cost per Acquisition (CPA) models remunerate affiliates upon a referral's registration or initial deposit on the betting site, respectively. Hybrid schemes enhance commission rates as referrals increase. These models incentivise affiliates to continually source new customers for wagering operators. RevShare also incentivises betting losses since the more a referred customer loses, the more the affiliate earns. Additional affiliate payments can include fees for hosting operator advertising, payments for lists of potential bettors, and informal arrangements where operators reward influencers and affiliate staff with bonus bets for each new recruit. Some affiliates also charge customers a subscription fee to receive 'premium' betting tips.

Wagering affiliates are not licensed to provide betting services but contract individually with wagering operators. Individual contracts govern the arrangements between wagering operators and their affiliates who act as agents for the operator. Contract details and payment models vary, with the affiliate's bargaining power dependent on their size and customer base relative to the operator. Operators monitor their affiliates' performance and retain those who meet their contractual performance goals.

Wagering affiliate marketing is attractive for wagering operators. Wagering operators typically view affiliate marketing as a cost-effective strategy for customer acquisition and engagement, especially for smaller operators competing against firms with large marketing budgets. However, these partnerships carry legal and reputational risks because operators are ultimately responsible for their affiliates' marketing of the operator's services.

Wagering affiliate partnerships are attractive for affiliates. Affiliate partnerships are appealing and profitable for wagering affiliate marketers, due to the ease and low cost of business start-up and ongoing commissions. They value attractive betting inducements from operators, which help drive traffic and increase their commissions.

Wagering affiliates engage in prolific and aggressive marketing through a range of online channels. Affiliates actively promote their services across social media platforms, including Twitter (X), Facebook, Twitch, and YouTube Live, attracting significant followings and fostering online betting communities. They can integrate into Facebook groups, positioning themselves as expert tipsters to build trust before promoting betting links to their affiliated operators. Affiliates might engage online influencers to endorse their services or be influencers themselves. Additionally, they may purchase email lists for direct marketing.

During our two-week observation of 10 wagering affiliate marketers on Twitter, they posted 1,473 tweets, garnering 3,989 likes and 1,060 retweets. Most tweets included links to betting tips that directed followers to the affiliate's website that then linked to the promoted operators. Our review of 10 wagering affiliate websites found they had more advertising than the 10 wagering operator sites reviewed, with a strong emphasis on promoting inducements and calls-to-action, urging customers to sign up or 'bet now' with the promoted operators.

Wagering affiliates do not often disclose their commercial arrangements and thereby attract unwarranted trust from consumers. Affiliates present as 'experts', but their affiliate relationships are typically not disclosed, not apparent in referral links, and not otherwise discernible. It is very often impossible to know whether a tipster, comparison site, review site, news site or betting community is a wagering affiliate. These commercial relationships were not obvious on most of the 10 affiliate websites we reviewed. This lack of disclosure can result in unwarranted consumer trust and engagement. Where relationships were apparent on websites, affiliate reviews showed a noticeable bias towards promoting betting with their partnered operators, potentially providing misleading betting advice to customers.

2. Describe the types of direct marketing received by new and existing customers from wagering operators, paid tipsters, and free betting information services and how they are captured by regulatory arrangements in each jurisdiction.

Direct wagering marketing is prolific and is mainly received from wagering operators, but also from the free betting info services and paid tipsters that customers engage with. Wagering direct marketing primarily uses emails, texts and app notifications, while phone calls are less frequent. In the EMA baseline study, participants reported receiving *each* of emails, texts and app notifications from wagering operators on a weekly or fortnightly basis. Amongst EMA baseline participants, 37.7% reported they engaged with free betting info services and 10.8% with paid tipsters. These participants reported receiving direct messages from paid tipsters about weekly or fortnightly *for each* of emails, texts and app notifications, and about monthly for each type of message from free betting info services.

More involved bettors receive more wagering direct marketing. Prior research has found that frequent bettors, those experiencing a gambling problem, and bettors with multiple wagering accounts receive the most wagering direct messages, sometimes almost daily. Wagering operators reported increasing their messaging in the lead up to weekends and major betting events, and tailoring their messaging and inducements to customer profiles. Overall, the more a customer engages with the operator, the more direct marketing they are sent.

In the EMA baseline survey, younger participants, the moderate risk/problem gambling group, and multiple account holders more frequently reported receiving direct messages from betting operators, free betting info services and paid tipsters.

Direct marketing from wagering operators mainly promotes inducements. The literature review and stakeholder interviews found that most wagering direct messages promote inducements. In the content analysis, about half the messages promoted an inducement. In the EMA baseline study, 'some' to 'most' messages participants received from wagering operators promoted an inducement, as well as 'some' messages from free betting info services and paid tipsters.

A complexity of Commonwealth and state/territory regulations govern wagering direct marketing and apply to affiliates as agents of the wagering operator. Key regulations that govern wagering operators and their affiliates in Australia include the Interactive Gambling Act and the Spam Act (overseen by ACMA); the National Consumer Protection Framework for Online Wagering (enforced by state and territory regulations, ACMA and AUSTRAC); the Northern Territory Racing Commission which regulates most online wagering operators; advertising standards set by the Australian Association of National Advertisers; and the Australian Privacy Principles that govern the use of personal data. Despite this complex regulatory framework, there is little material difference between states and territories on what wagering direct marketing practices are permitted.

Importantly, regulations for direct marketing apply to affiliates as agents of the wagering operator, but responsibility for compliance reverts to the operator as the licensed provider of gambling services.

Key regulatory breaches and concerns include sending direct marketing without a customer's consent, lack of functional unsubscribe options, and messaging to customers experiencing gambling harm. Wagering operators and affiliates sometimes breach regulations by sending direct messages to self-excluded individuals, customers who have opted-out of messages, and non-account holders. Regulators noted an increase in complaints about affiliates cold-calling individuals offering inducements to bet with a particular operator. Messages can also breach regulations by lacking a functional unsubscribe option. Some regulators felt that the current system, where opting-in to receive direct marketing is integrated into account sign-up, lacks genuine informed consent. They also considered that unsubscribing can be unnecessarily complicated, e.g., requiring the customer to opt-out separately from each of an operator's channels (texts, emails, etc). Regulators and gambling support providers were highly critical that direct messages target customers experiencing gambling harm. In the EMA baseline study, the moderate risk/problem gambling group reported receiving more messages, compared to other participants.

Challenges to regulation arise from the limited ability to monitor both direct messages and wagering affiliate marketing. Regulators noted the challenge of monitoring wagering direct marketing because it is not visible to them. They suggested improved oversight through requiring operators to maintain records of their and their affiliates' direct marketing activities, including phone conversations. Operators, affiliates and regulators called for national regulations to simplify the regulatory environment for direct marketing.

Regulators also noted challenges to monitoring wagering affiliates because they are not licensed and therefore do not receive the direct regulatory oversight applied to wagering operators. Their sheer volume, inconsistent disclosure of their affiliations, and their dynamic and obscured marketing also create difficulties for regulation. In essence, both the affiliate sector and its marketing are largely hidden from regulators, who must rely on complaints to identify breaches. This leaves gaps that affiliates can exploit. Gambling regulators highlighted that current regulations give them no authority over affiliates because affiliates are outside the wagering licensing system. They identified the need for further regulations and oversight of affiliate marketing.

3. Describe the impact of wagering direct marketing from wagering operators, paid tipsters and free betting information services on gambling-related harm and problem gambling.

Wagering direct marketing encourages more betting and harmful betting, particularly amongst involved bettors. The literature review found that direct messages, especially those with inducements, encourage more betting and harmful betting than other wagering advertising. Direct messages and inducements appeal particularly to bettors with a gambling problem. Direct marketing can therefore both create and exacerbate gambling harm. Regulators and gambling support providers similarly highlighted these negative effects, since direct marketing increases harm, amplifies the risk of relapse, and exploitatively targets vulnerable people.

In the EMA baseline survey, participants estimated that between ‘a few’ and ‘about half’ of the wagering direct messages they received *directly* resulted in them placing bets. The most frequently reported influences were to remind or trigger them to bet, place more bets, place impulsive and unplanned bets, and take up an inducement. Compared to other participants, younger bettors, the moderate risk/problem gambling group, and participants with multiple betting accounts reported that wagering direct messages more frequently influenced their betting.

The longitudinal and experimental studies provide evidence for a causal relationship between exposure to wagering direct marketing and increased betting and betting-related harm. The longitudinal analysis of the seven EMA survey waves found that, for each additional direct message received from wagering operators, there were significant increases in the number of bets placed, betting expenditure, and betting-related harm.

The experimental study provides stronger causal evidence. On average over the two-week EMA period, participants who had opted-out of receiving direct messages from wagering operators (by random assignment) placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who had not opted-out. This evidence indicates that receiving wagering direct marketing directly increases betting and betting-related harm.

Direct and other marketing from wagering affiliates has additional features that can negatively impact on gambling problems and harm. Several features of affiliate marketing can exacerbate gambling problems and conflict with harm minimisation objectives. RevShare commissions incentivise affiliates to promote bets and inducements that maximise losses, and to target individuals with high-loss potential. The non-transparency of these affiliations can mislead bettors into trusting that affiliates are well-meaning experts, disguising their true intent of profiting from the customer’s betting and losses. Affiliate marketing also perpetuates the false belief that betting success stems from expertise, enticing further betting and loss-chasing, particularly amongst highly involved bettors who are more likely to have erroneous cognitions. Further, affiliates are unable to monitor the betting behaviour of their referrals due to data privacy, so they cannot detect or respond to signs of problem gambling. Gambling support providers noted that affiliate marketing is particularly effective in encouraging excessive gambling, contributing to harmful outcomes.

The EMA baseline survey corroborated these concerns. Participants reported that direct messages from paid tipsters and free betting info services were more likely to prompt them to bet, compared to messages from wagering operators. Participants who used paid tipsters reported 'most' to 'almost all' of their bets were influenced by the information that tipsters provide, particularly betting tips. Nonetheless, participants were not confident they could trust paid tipsters or free betting info services to disclose any wagering affiliate arrangements they might have.

4. Document the types of direct marketing messages from wagering operators, paid tipsters, and free betting information services, including inducements to bet, that are harmful to bettors.

Direct messages with wagering inducements particularly increase the risk of harm to bettors. Most wagering direct messages promote inducements. Inducements have been linked to several potentially harmful behaviours, including increased expenditure, riskier betting and impulse betting. Inducements are particularly attractive to bettors with a gambling problem. Further, bettors can misunderstand the terms and conditions of inducements (see findings for Research Question 2). Wagering operators and affiliates noted that inducements have become an industry norm, are demanded by customers, and required to remain competitive. Regulators and gambling support providers considered that inducements exploit and harm vulnerable people.

In the EMA baseline survey, younger participants, the moderate risk/problem gambling group, and those with multiple betting accounts more frequently reported taking up inducements and misunderstanding some aspects of inducements. Moreover, in the longitudinal EMA study, betting, betting expenditure and betting-related harm all significantly increased with the take-up of inducements.

Inducements incentivised with bonus bets and matched deposits present a greater risk of harm. The most frequently promoted inducements in direct marketing are refund/stake-back offers, multi-bet offers, bonus odds/winnings, and matched stake/deposit offers. These inducements are associated with harmful betting behaviours, such as increased betting frequency and expenditure. Notably, these inducements are incentivised with bonus bets or deposits that provide credit for further betting, encouraging persistence and loss-chasing.

Gambling support providers considered all inducements to increase the risk of harm, but especially bonus bets. These bonuses, often perceived as 'free money,' are highly attractive and significantly contribute to relapse amongst clients in treatment. Some regulators and wagering operators concurred, noting that bonus bets not only pose considerable harm but have cultivated a culture of 'bonus-hunting', where customers expect and demand bonuses to keep their account open.

The content analysis also found that the predominant inducements in messages are refund/stake-back offers, multi-bet offers, bonus/better odds, and matched stakes/deposits. The vast majority (95%) of these inducements offer bonus bets. These four types of inducements were also the most utilised by participants in the EMA baseline survey. Notably, younger individuals, the moderate-risk/problem gambling group, and participants with multiple betting accounts reported a higher frequency of using these inducements. Moreover, the longitudinal EMA analysis

indicated a significant increase in the number of bets placed and betting expenditure with the use of these inducements. Using matched stake/deposit and multi-bet offers was also linked to an increase in betting-related harm.

These findings underscore that bonus odds/winnings, multi-bet, refund, and matched stake/deposit offers are not only the most aggressively marketed and widely used inducements, but also pose the greatest risk of harm. This risk is likely driven more by the allure of 'free' betting credits from bonus bets and deposits rather than the structural features of the inducements themselves.

Direct messages, whether sent through emails, texts or app notifications, are linked to significant increases in the number of bets placed, betting expenditure, and betting-related harm. Limited prior research has examined any differential effects of wagering direct marketing channels – emails, texts, app notifications and phone calls. Gambling support providers particularly highlighted the immediate impact of texts and notifications that can instantaneously shift a client's focus to betting, posing a continuous challenge to their recovery. Some wagering operators, acknowledging the distinctive influences of these channels, use emails to build awareness and anticipation for upcoming betting events. They then use text messages containing inducements closer to the event to instil a sense of urgency amongst bettors.

The EMA baseline survey found minimal differences in the reported influence of emails, texts, and notifications on participants' betting, but that phone calls were less frequent and influential. This finding is consistent with the longitudinal EMA findings that, for each additional email, text and app notification participants received (but not phone calls), the number of bets placed, betting expenditure, and betting-related harm all significantly increased.

Betting, betting expenditure, and betting-related harm significantly increase with the number of customised direct messages received. The behavioural betting data that operators collect enables message customisation. In prior research, bettors report receiving customised messages such as: inducements to encourage their return after a break; reminders to bet on their favourite team or horse or that promote inducements they have previously used; being banned from inducements if they win too much; and being inundated with inducements if they are less successful. Highly involved bettors report that customised direct messages make them feel special, can be very persuasive, and undermine their attempts to control their gambling.

Several wagering operators described using behavioural betting data to segment their customers and curate the content, channel and frequency of their direct marketing accordingly. Based on a customer's activity on their platform, this tailored approach considers seasonality, code preferences and betting frequency to optimise the relevancy of messages to each customer. Several operators discussed direct marketing to non-active customers to try to re-engage them before their account became permanently inactive after 12 months. Some operators segmented 'good customers' (who bet steadily over a long period of time); 'bad customers' (who bet only in response to inducements, or who were winning and may be professional gamblers); and 'problem gamblers' (showing red flag behaviours). However, it was unclear exactly how they tailored their direct marketing to these segments.

Our content analysis of 678 messages found that 12.4% reminded customers that a specific team, player or horse they had previously bet on was competing. The EMA baseline participants reported that 'some' direct messages they received included customised content based on personalised knowledge or their betting history.

Importantly, the longitudinal EMA data indicated that the number of bets placed, betting expenditure and betting-related harm all significantly increased with the number of customised messages that participants received.

Findings for each research question

Seven research questions were addressed, with the key findings detailed below.

1. How do affiliate marketers operate, particularly with regard to business models and promoting wagering services of Australian and offshore providers to new and existing Australian customers?

The findings for Objective 1 describe how wagering affiliate marketers operate, their business models and how they promote the services of wagering operators. Additional findings below relate to 1) affiliate marketing to new vs existing customers and 2) their promotion of offshore wagering providers.

All affiliates focus their marketing on recruiting new customers, but RevShare and subscription models incentivise affiliates to also market to their existing customers. Many affiliates focus on building big lists of new customers to sell to wagering operators, or to earn commissions when these customers sign up with a partnered operator. RevShare and direct contact affiliates also market to encourage betting by their existing customers to earn ongoing commissions from their continued betting and consequent losses. In addition, some affiliates charge customers a subscription fee for betting advice - and therefore market to their existing customers to retain subscribers and to potential new customers to attract more subscriptions.

Most direct marketing by affiliates appears to be to existing customers who have provided their contact details to receive tips and other betting information. However, affiliates are also known to cold-contact new potential customers using lists of customers from previous employers or purchased email lists.

Little is known about affiliate promotion of offshore wagering providers.

Regulators have few tools available to detect and sanction affiliates who promote offshore wagering sites. Affiliates tend to promote their services on social media platforms that may not act to prevent the promotion of illegal products. Bettors are often not aware what sites are domestic versus international and that offshore sites are illegal, reducing the likelihood of complaints. This study did not find any conclusive evidence about affiliate promotion of offshore wagering sites because it largely occurs 'under the radar' of the study's participants.

2. Do existing customers of wagering operators, paid tipsters and free betting information services understand the content in direct messages and the expected return-to-player, and are there any misperceptions of inducements being a safer betting strategy?

Customers can misunderstand certain elements of wagering inducements that are promoted in direct messages. Bettors can misunderstand aspects of wagering inducements, including the initial outlay required, conditions for using bonuses, and their true worth. The terms and conditions governing these inducements are often hard to find and challenging to decipher, leading some bettors to overlook them or to not properly assess the inducement's relative value. Inducements commonly promote complex bets with combined contingencies that bettors tend to overvalue, when in fact they usually have long odds and poor returns. Perversely, although inducements incentivise potentially harmful betting behaviours, some bettors wrongly view them as a safer betting strategy to reduce their losses.

Regulators and gambling support providers noted that bettors often misunderstand bonus bets and deposits. Customers can see these bonuses as 'free money', when instead they offer credit for further betting that encourages persistence and has no value if the bet loses. In fact, these inducements cost more if matching the bonus is a prerequisite for their use.

The EMA baseline survey revealed significant misunderstandings about wagering inducements. Roughly half the participants agreed with statements suggesting that inducements made their betting safer, and that after using an inducement they realised they had misjudged their eligibility for a bonus, the expected payout, or the turnover requirements. Younger participants, those in the moderate risk/problem gambling group, and those with multiple betting accounts were significantly more likely to agree with these misconceptions.

3. In what ways do wagering operators use wagering account data to customise and target direct messaging and what are the effects on gambling-related harm and risk of problem gambling?

Please see the findings for Research Objective 4.

4. In what ways do direct messages from wagering operators, paid tipsters, and free betting information services impact on gambling behaviour of new and existing customers, e.g., frequency, gambling intensity and impulsivity, loss of control of gambling?

Please see the findings for Research Objective 3. We also note that comparing the effects of direct marketing between new and existing customers is not possible because this marketing can only be sent to existing customers who have provided their contact details – with some exceptions (e.g., cold calling from obtained lists).

5. How do wagering operators, paid tipsters and free betting information services use messaging, marketing practices (such as inducements) and media (such as social media and online media e.g., gambling news websites) to promote wagering services to new and existing customers?

Please see the findings for Research Objectives 1 and 2, and Research Question 1.

6. What is the impact of marketing practices such as volume, direct messaging channels (email, text, phone call), use of online forums (such as news websites), and types of messaging (including inducements to bet) received by existing customers from wagering operators, paid tipsters, and free betting information services? Is this compounded when consumers have more than one betting account?

Please see the findings for Research Objectives 3 and 4.

7. How much gambling-related harm and risk of problem gambling is associated with direct wagering marketing from wagering operators, paid tipsters, and free betting information services and for single and multiple betting account holders? Is there a threshold for gambling-related harm?

Please see the findings for Research Objectives 3 and 4. Some additional findings are presented below on multiple account holders.

Having multiple betting accounts is associated with more betting, but not necessarily more harmful betting. Customers with multiple betting accounts have a higher incidence of gambling problems and receive more wagering direct marketing, compared to single account holders. Bettors report that they open multiple wagering accounts to shop around for inducements. Stakeholders noted that this ‘incentive-chasing’ has become normalised amongst customers.

The EMA baseline survey revealed that nearly 60% of respondents held accounts with more than one online betting service. These multi-account bettors more frequently reported a range of potentially exacerbating influences on their betting. These factors include taking up inducements, misunderstanding inducements, greater use of paid tipsters and free betting info services, more exposure to digital wagering advertising, more frequently receiving direct messages, and being more frequently influenced by these messages. The longitudinal EMA analysis found that having multiple betting accounts was positively associated with the number of bets placed and betting expenditure, but not significantly with greater short-term betting harm. These findings indicate that bettors with multiple betting accounts tend to bet more but do not necessarily experience more immediate harm. Factors other than multiple accounts have a greater impact on short-term betting-related harm.

Limitations of the study

The samples of website and Twitter marketing, stakeholders and bettors may not be representative of their broader populations. Some data were based on self-report, which may be subject to social desirability, selection and recall biases. Unfortunately, we were able to recruit only a few wagering affiliates for interviews, despite best efforts. Because many, or possibly most, wagering affiliates do not disclose their affiliate arrangements, we were unable to ask bettors directly about ‘affiliate marketing’. We instead asked them about free betting info services and paid tipsters. While free betting info services are nearly certainly affiliated with wagering operators, some paid tipsters may not be affiliated and instead earn their revenue through subscriptions. These ancillary services are nonetheless important sources of wagering marketing to understand, even if some operate outside of affiliate models.

Conclusions and implications

Wagering direct marketing

This study analysed multiple sources of data to greatly strengthen the evidence for the harmful effects of wagering direct marketing, using larger samples and more rigorous research designs than previous studies.

Key findings include that wagering direct marketing is prolific and targets more involved bettors, including those with a moderate or severe gambling problem. These direct messages most often promote inducements to bet that create and exacerbate gambling harm, and inducements incentivised with bonus bets and deposits present particular risk of harm.

Customers receive wagering direct marketing not only from wagering operators, but also from paid tipsters and free betting information services they engage with – most of whom are wagering affiliates who receive commissions from wagering operators.

The study's most important contribution to new knowledge is providing, for the first time, real-world experimental evidence that supports **a causal relationship** between exposure to wagering direct marketing and increased betting, increased betting expenditure, and increased betting-related harm.

Consistent results from the literature review, stakeholder interviews, EMA baseline study, EMA longitudinal analysis, and the experimental study provide confidence in our main conclusion that **exposure to wagering direct messages and the inducements they promote directly increases betting, betting expenditure and betting-related harm.**

This finding implies that banning wagering direct marketing, and the inducements they routinely promote (especially bonus bets and bonus deposits), would reduce betting-related harm in the Australian population. This assertion is consistent with the recommendation of the *Inquiry into online gambling and its impacts on those experiencing gambling harm* that the Australian Government prohibit all online gambling inducements and inducement advertising, and that it do so without delay (Standing Committee on Social Policy and Legal Affairs, 2023).

Wagering affiliate marketing

This study provides new evidence about wagering affiliate marketing, including business models, marketing practices, regulation, and links with gambling problems and harm. This evidence addresses a gap in knowledge about a widely used marketing practice that has attracted little scrutiny.

The study's evidence from multiple data sources points to a strong link between exposure to affiliate marketing and increased betting and betting-related harm. Inherent in affiliate business models is that affiliates are incentivised to recruit new customers and maximise the losses of existing customers – which elevates the risk of gambling harm in the Australian population. Their marketing practices often deceive customers by not disclosing their commercial links with wagering operators, are predatory in targeting people with moderate or severe gambling problems, and reinforce the myth that betting success can be enhanced by using 'expert' tips.

Further, participants reported that direct messages from affiliates have a greater influence on their betting than messages from wagering operators.

Wagering affiliate marketing occurs in a regulatory environment with limited capacity to monitor and sanction breaches and to limit this marketing and its harmful effects. The ease with which affiliates can establish a business, the low cost involved, the generous commissions paid, and the lack of licensing and due diligence requirements have enabled wagering affiliates to proliferate. This poses a serious regulatory challenge for consumer protection and harm minimisation.

Overall, the multiple data sources analysed consistently reveal that exposure to wagering affiliate marketing increases the risk of gambling harm. This evidence points to a high likelihood of continued increases in gambling harm if wagering affiliate marketing remains unchecked. The implication is that, to reduce or contain gambling harm in Australia, greatly improved regulation of wagering affiliate marketing is needed – or a complete ban.

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Chapter 1. Introduction to the study

1.1. Aims

Research has consistently demonstrated an association between exposure to wagering direct marketing and gambling harm. However, few studies have assessed causality and they have small sample sizes. In addition, little is known about wagering affiliates, particularly how their marketing impacts on gambling behaviour, problems and harm.

To address these gaps in knowledge, this study was commissioned by Gambling Research Australia and conducted by researchers at CQUniversity.

The study aimed to:

1. identify any causal relationships between receiving wagering direct messages, experiences of gambling-related harm, and the development and maintenance of problem gambling among existing customers, and
2. examine wagering affiliate marketing business models, practices, marketing materials, and the risk of problem gambling and gambling-related harm for new and existing customers.

The specific research objectives and questions are presented at the end of the literature review.

1.2. Report structure

After this introductory chapter, the report is structured into nine chapters:

Chapter 2 reviews the literature review on wagering direct and affiliate marketing.

Chapter 3 presents a regulatory review of how direct and affiliate marketing is captured by regulatory arrangements in Australia, relevant regulatory hearings and decisions, and submissions to the National Self Exclusion Register draft bills consultation.

Chapter 4 contains a website analysis of the marketing practices, wagering inducements and affiliate disclosures on the websites of 10 wagering operators and 10 wagering affiliate marketers.

Chapter 5 presents a Twitter analysis of marketing and inducements posted from the Twitter (now X) accounts of 10 wagering operators and 10 wagering affiliate marketers over a two-week period.

Chapter 6 analyses stakeholder interviews with 44 individuals from 27 organisations representing 12 wagering operators, 4 wagering affiliates, 5 gambling regulators and legal advisors, and 6 gambling support providers – to elicit their experiences and observations about wagering direct and affiliate marketing practices.

Chapter 7 contains the results of an ecological momentary assessment (EMA) of at-least fortnightly online sports and/or race bettors. Results are presented for 1) a

cross-sectional baseline study (N = 1,015) that analysed relationships between past-year exposure to wagering direct and affiliate marketing, and gambling behaviour, problems and harm, 2) a longitudinal analysis of these same relationships based on seven short surveys that participants completed every 48 hours over a two-week period (N = 4,020 observations), and 3) a content analysis of wagering direct messages (N = 678) that participants forwarded to the research team during the EMA period.

Chapter 8 contains results of an experimental study that involved EMA participants who indicated their willingness to opt out of receiving direct messages from the wagering operators they had an account with, for the two-week EMA period. Only the test group (n = 99), but not the control group (n = 150), was asked to actually opt-out and they provided proof of having done so. The experiment assessed the causal relationship between exposure to direct marketing from wagering operators and 1) the number of bets placed, 2) betting expenditure, and 3) betting harms during each 48-hour assessment period.

Chapter 9 summarises and discusses the study's findings to address the research objectives and research questions, and highlights the study's limitations, conclusions and implications.

Chapter 2. Literature review

Summary

Direct marketing of wagering services

- Direct messages to customers through emails, texts, notifications from wagering apps and phone calls are an easy, low-cost marketing channel for wagering operators, and have fewer restrictions and less visibility to regulators than mass advertising.
- Frequent bettors, those with higher problem gambling severity, and bettors with multiple accounts report receiving the most direct messages from wagering operators – sometimes daily.
- Most wagering direct messages promote inducements that incentivise betting, including with bonus bets, bonus deposits, odds boosts and partial refunds.
- Bettors can misunderstand aspects of wagering inducements because their terms and conditions are difficult to access and comprehend. Further, bettors tend to overestimate the probability of winning complex bets that are frequently incentivised, and some bettors do not read the terms and conditions or consider the relative value of inducements.
- Perversely, while inducements often incentivise and facilitate harmful betting behaviours, bettors tend to perceive inducements as a safer betting strategy that helps to minimise their losses.
- Behavioural online betting data provides opportunities for wagering operators to customise direct messages to individual account holders. However, little is known about how, and how much, operators use message personalisation.
- More so than other types of wagering advertising, direct messages, particularly those with inducements, have been implicated in fostering harmful behaviours, including increased expenditure, riskier betting and impulse betting.
- Direct messages and inducements particularly attract responses from bettors with a gambling problem. This may be because they are exposed to them more often, tend to have higher impulsivity, and because addictive drivers of a gambling problem increase the salience, arousal and desire to bet that these messages and inducements can elicit.
- Direct messages and inducements can therefore exacerbate existing harm among bettors already at-risk or currently experiencing a gambling problem. In Australia, these tend to be young adult men, who are consequently most negatively affected by wagering direct messages and inducements.

Affiliate marketing of wagering services

- Wagering affiliate marketing is a performance-based marketing system where wagering operators pay third-party affiliates to direct customers to their products.

- Catalysed by the rise of social media and online content, affiliate marketing is now a major source of new customers and ongoing business for wagering operators.
- Gambling affiliates position themselves as betting experts and present their services as comparison sites, news sites, tipster services, expert reviews, or betting communities. However, not all tipsters are affiliates and may instead earn income through subscriptions to their service. Some earn a mix of affiliate commissions and subscriptions.
- Wagering operators pay affiliate commission rates that far exceed those in other industries. Based on the widely used RevShare model, operators pay affiliates 30%-40% of the lifetime losses of each customer they refer.
- Despite wagering affiliates promoting the idea of 'beating the bookie', these commissions incentivise them to promote long shot bets and inducements to encourage more betting, and to seek customers with high loss-potential.
- Affiliates may not disclose their commercial arrangements with wagering operators. Bettors can therefore see affiliates as experts who aim to help them win, rather than their true interest in maximising customer losses.
- Affiliate advertising can be indistinguishable from spontaneously generated user content on social media, making it more persuasive than traditional advertising.
- Wagering affiliates may target vulnerable populations in their advertising by using computer algorithms and email lists.
- People experiencing gambling problems may be particularly influenced by affiliate marketing, especially those who see betting as a skill.
- Affiliate marketers may increase gambling harm because their guidance can arouse false confidence in the likelihood of winning, which increases betting. Perversely, their tips are likely to increase financial losses.
- Wagering affiliates may breach advertising regulations and offer illegal products and inducements. Regulation is challenging because of their sheer volume, inconsistent disclosure of their affiliate arrangements, and the dynamic and obscured nature of their advertising in online and social media and through direct marketing to customers.
- Very limited research has examined the practices of wagering affiliates, and how their marketing impacts on gambling behaviour, problems and harm.

2.1. Wagering direct marketing literature review

2.1.1. Introduction

Two-fifths of Australians who bet at-least once a month on sports or races currently report one or more indicators of a gambling problem (Armstrong & Carroll, 2017a, 2017b). These bettors are also the focus of intense marketing through direct messages from wagering operators via emails, text messages, notifications from wagering apps and phone calls. Most of these messages promote an inducement

with an incentive to bet (Rawat et al., 2020). However, questions remain unanswered about the relationship between wagering direct marketing (including inducements) and gambling problems. While this association has been demonstrated across dozens of studies, causal relationships have not yet been demonstrated. This is not because research has found conflicting evidence; instead, it is because there are a limited number of studies designed to assess causality, and they have small sample sizes.

To address this gap in knowledge, this study assesses the causal relationship between wagering direct marketing and gambling harm. It also provides insights into the direct marketing practices used by wagering operators and how customers respond to them. The first stage of this study comprises the literature review presented in this chapter.

2.1.2. Methods

This chapter presents a narrative literature review focused on research findings of most relevance to the current study. The review prioritises Australian studies and those conducted in the last 10 years. This approach poses minimal constraints, since most research into wagering direct marketing and inducements has been conducted in Australia from around 2015 onward.

The review employed a focused search of peer-reviewed scholarly articles and research reports, sourced mainly from Google Scholar because it captures both peer-reviewed and grey literature. Searches were conducted using a range of keywords and logic (Boolean operators), including 'direct messages OR direct marketing AND betting OR wagering'; 'inducements OR promotions OR incentives OR marketing AND betting OR wagering'; and 'problem gambling OR gambling disorder OR gambling harm AND betting OR wagering'. Reference lists of the publications reviewed were also searched to identify further relevant publications.

The review is structured into the following topics: 1) Provision, volume, channels and frequency of wagering direct messages; 2) Content of direct messages, particularly inducements to bet; 3) Bettors' perceptions and (mis)understanding of inducements; 4) Use of customised messages by operators; 5) Relationships between direct marketing and betting behaviour; and 6) Relationships between receiving direct messages and gambling harm, as well as the development and maintenance of problem gambling.

2.1.3. Provision, volume, channels and frequency of wagering direct messages

Direct marketing of wagering services constitutes emails, text messages, notifications and phone calls from wagering operators to their account holders. Wagering operators make ample use of this form of marketing, since direct messages are low-cost, easy to produce and distribute, and can be set up in advance of events as prompts to bet (Hing et al., 2018a). In general, people access direct messages quickly, particularly via text messages which most recipients open and read within 15 minutes, highlighting the immediacy of these marketing

communications (Hesilridge, 2020). Importantly for wagering operators, direct messages to their account holders are not subject to some restrictions that apply to mass advertising in traditional and online media because account holders are considered to have consented to receiving direct messages – unless they have specifically opted out. Most relevant to the current study is that restrictions on the advertising of wagering inducements do not apply to direct messages. Direct messages have therefore become a primary channel by which wagering operators promote inducements and betting prompts to their existing customers.

No representative Australian figures exist on how often bettors, and how many bettors, receive direct messages from wagering operators. In fact, it may be impossible to accurately measure the frequency and extent of this marketing, given that it can be targeted on an individual basis by operators sending different messages to different customers (Newall et al., 2019). Nonetheless, non-representative samples suggest that frequent bettors, those with higher problem gambling severity, and bettors with multiple wagering accounts are the people who most frequently receive wagering direct messages.

In a 2014 survey of 3,200 Australians from different population segments (frequent and infrequent sports and race bettors, non-gamblers and adolescents), approximately 40% reported receiving wagering marketing through emails from wagering operators in the preceding 12 months, and 20% through text messages and notifications (Sproston et al., 2015). Frequent bettors and those with a gambling problem were more likely to report ‘very often’ receiving these messages. In a national Australian survey of 5,019 gamblers (Hing et al., 2021), 20% of online gamblers reported receiving direct gambling messages at least weekly, 39% at least monthly, and 52% at least once during 2019. In a panel sample of Australian adults weighted by age, gender and location ($N = 1,765$), the 19% who reported receiving direct messages from wagering operators at-least weekly were significantly more likely than other past-year bettors to be at risk of gambling harm (AGRC, 2023). Qualitative research has also found that frequent sports and race bettors, and those experiencing a gambling problem, report frequently receiving direct messages from wagering operators (Hing et al., 2021, 2022b, 2022c; Lopez-Gonzalez et al., 2020, 2021; Parke & Parke, 2019). Receipt of direct messages also increases with the number of wagering accounts that bettors have, since most (if not all) wagering operators send direct marketing to their account holders. In fact, bettors report that they specifically open accounts with multiple wagering operators so they can shop around for inducements, which are frequently communicated through direct messages (Hing et al. 2014a, 2014b, 2021; Jenkinson et al., 2018).

Two Australian studies have conducted ecological momentary assessments (EMAs) of wagering direct messages and associated betting behaviours. EMAs are designed to collect repeated measurements of participants’ behaviours and experiences in close to real time to assess short-term influences on episodic behaviours. The approach aims to minimise recall bias and optimise ecological validity by assessing behaviour in real-world contexts (Shiffman et al., 2008). The first EMA involving wagering direct messages (Hing et al., 2018a) administered 15 surveys to frequent race bettors ($n = 402$) and frequent sports bettors ($n = 320$) to assess betting and exposure to wagering marketing in the past 24-48 hours. On average, these bettors reported receiving direct messages nearly every day during the study period and that

direct marketing was one of their most frequently viewed and recalled types of wagering advertising (Hing et al. 2019a).

A second daily EMA was conducted in the lead-up to major Australian race and sports betting events in 2017 (Rawat et al., 2020; Russell et al., 2018). It found that frequent race bettors ($n = 104$) reported receiving an average of 6.5 emails and 4.3 text messages over the 7-day EMA period, while frequent sports bettors ($n = 98$) reported receiving an average of 3.7 emails and 2.3 text messages. These and other findings suggest that bettors have received email messages more frequently than texts and notifications (Hing et al., 2018b; Sproston et al., 2015). However, text messages may now be more common with the increased uptake of smartphone betting, since operators are likely to channel messages directly to popular betting devices (Hing et al., 2021; Lopez-Gonzalez & Griffiths, 2018). Australian research has also observed that message volume peaks in the one or two days just before a major betting event, and just prior to weekends when most betting events are held (Hing et al., 2022c; Rawat et al., 2020; Russell et al., 2018). This reflects the use of messages as betting prompts aligned with specific sports and racing events.

A global review found that marketing of sports betting is most prominent in Australia and the United Kingdom (Etuk et al., 2022). Like Australia, research in the UK has also found that bettors experiencing gambling problems report receiving the most wagering direct messages. In a UK survey of 3,195 regular sports bettors, more than three quarters of those experiencing moderate risk or problem gambling recalled receiving gambling direct marketing in the past month, compared with just under half of participants in the non-problem gambling group (Wardle et al., 2021). Respondents with a gambling problem were also three times more likely to report that the direct marketing they received increased during the initial COVID-19 lockdown. Speculatively, this may reflect that operators adaptively target vulnerable customer groups with direct messages when other customers retreat from betting.

In summary, direct messages are an easy, low-cost marketing channel for wagering operators that enables them to circumvent tougher restrictions on mass advertising. In most studies, frequent bettors, bettors with higher problem gambling severity, and bettors with multiple accounts are people who report receiving the most direct messages from wagering operators. In Australia, these bettors can receive direct messages on a near-daily basis.

2.1.4. Content of direct messages, particularly inducements to bet

Wagering inducements have been defined as sales promotions 1) that offer an incentive to bet in addition to what is normally received as part of the core wagering product; 2) where the incentive to bet is offered in conjunction with a specified betting-related activity and/or redeemed in a form that encourages betting; and 3) where this incentive aims to trigger particular responses from customers, such as the immediate placement of bets or increased betting (Hing et al., 2017). Wagering inducements take many forms, including stake-back offers, multi-bet offers, and matching stake or deposit offers. These offers are incentivised in a variety of ways, including with bonus bets, bonus deposits, boosted odds, and partial refunds.

Most wagering direct messages promote an inducement to bet. In the only study to systematically examine the content of wagering direct messages, an Australian analysis of 931 wagering direct messages found that 88% of race betting messages and 77% of sports betting messages promoted an inducement to bet; and the remainder typically contained a general prompt to bet, such as a reminder about an upcoming sports or racing event (Rawat et al., 2020). In several qualitative Australian studies, bettors have confirmed that wagering direct messages are replete with inducements to bet (Deans et al., 2017; Hing et al., 2021, 2022b, 2022c; Nyemcsok et al., 2022).

Rawat et al. (2020) also analysed the types of inducements promoted in the 931 wagering direct messages. Inducements in the race betting messages most often comprised refund/stake-back offers, followed by match your stake or deposit offers, bonus or better odds offers, and sign-up offers. Somewhat differently, sports betting messages most commonly promoted offers for bonus or better winnings, followed by refund/stake-back offers, match your stake or deposit offers, and multi-bet offers. These inducements were incentivised in a variety of ways, predominantly with bonus bets, odds boosts, rewards points and reduced risk/partial refunds.

This same study also revealed some other aspects of the content of wagering direct messages (Rawat et al., 2020). While both race betting (67.5%) and sports betting (50.2%) messages most often promoted bets on the final outcome of an event, a higher proportion of sports betting messages (37.8%) than race betting messages (17.5%) promoted complex bets that are contingent on more than one outcome. Unsurprisingly, text messages tended to be more concise than emails. Text messages often contained minimal information but provided a link to more information about the offer, while emails contained more text and graphics and also promoted the operator's social media platforms.

The types of content in direct messages also shift over time. For example, a recent development has been the promotion of product features to 'bet with mates'. Research indicates that sports betting can tap into the competitive ego of young males, who are the main target market for wagering direct messages, and who then brag about their wins as an indication of their 'skill' at sports betting to gain in-group kudos (Gordon et al., 2015; Hing et al., 2022b). Changes such as this indicate the need to regularly monitor wagering direct messages and assess their current impact on betting behaviour.

In summary, few studies have examined the content of wagering direct messages, but content analyses and qualitative studies report they are primarily characterised by inducements offering a variety of incentives to bet, including on event outcomes and combined contingencies.

2.1.5. Bettors' perceptions and (mis)understanding of inducements

Research indicates that bettors might misunderstand certain aspects of wagering inducements. There are several reasons for this misunderstanding. One is the barriers that exist to accessing and understanding the terms and conditions of the offer. Wagering inducements are subject to numerous terms and conditions, and these tend to be complex, inconvenient to locate, obscured by legalistic language,

and subject to general terms and conditions that may run to over a hundred pages (Hing et al., 2017). This lack of easy accessibility and transparency is counter to promoting the informed choice underpinning responsible gambling models (Blaszczynski et al., 2008). This was found in a study of 299 sports bettors (Hing et al., 2019b) where presenting the terms and conditions for an inducement directly below the advertisement, instead of their usual placement elsewhere on an operator's website, reduced the perceived attractiveness of the inducement.

Given the difficulties of accessing and comprehending these terms and conditions, it is not surprising that some bettors misunderstand certain aspects of inducements, such as the outlay required, conditions for retrieving bonuses and wins, and ultimately, their true value. This was demonstrated in a study of turnover requirements on bonus bets (Hing et al., 2019b), which have since been restricted in Australia. In this experimental study, sports bettors ($N = 299$) were presented with the published turnover requirements for a promoted bonus bet. Nearly three-fifths of participants underestimated the amount they would need to bet in order to withdraw any winnings. On average, participants estimated the offer would cost them only two-thirds of its true cost. Underestimating this cost is likely to lead consumers to overestimate the attractiveness of these offers and to take up offers that cost more than expected. This experiment demonstrates that bettors can often misunderstand the value of inducements even when they read the salient terms and conditions.

Bettors can also misunderstand the value of wagering inducements if they overestimate the probability of winning the incentivised bet. Inducements are frequently applied to complex bets with combined contingencies, (e.g., a team to be behind at half-time but then win the match), to very specific outcomes (e.g., a certain player to score the first point), and to multi-bets with several legs. Calculating the true odds of these outcomes in order to obtain an associated incentive (e.g., bonus bets, odds boost) is difficult. One series of experiments in the UK ($N = 1,467$) found that sports bettors rarely made rational judgments about the win/loss probability of complex events, but instead were overly optimistic (Newall, 2017). In addition to promoting a misvaluation of the offer, these complex bets are the least profitable for bettors because a higher house-edge usually applies (Lopez-Gonzalez & Griffiths, 2017; Newall et al., 2015, 2021). As event complexity tends to result in overly optimistic beliefs about probability, incentivising complex bets can skew the perceived attractiveness of these offers and lead bettors to place bets with long odds and poor returns.

Bettors choosing not to read the terms and conditions of inducements, and not considering their expected value, are frequent causes of misunderstanding. One qualitative Australian study interviewed 29 long-term online bettors, 10 of whom had sought treatment for an online gambling problem (Hing et al., 2022c). Non-treatment-seekers in this sample reported taking various precautions when they used inducements, such as reading the terms and conditions, researching new operators before signing-up, carefully assessing the value of inducements, and researching each component of complex bets to ensure the inducement represented value for money. In contrast, the treatment-seekers tended to report exercising far less caution. Consequently, some treatment-seekers reported unexpected expenditure because they were not aware of the turnover requirements of bonus bets, or had not read the conditions which entailed they were ineligible to claim the bonus.

Treatment-seekers also reported immediately taking up bonus bets, even if it meant spending more than planned; responding to money-back offers by placing riskier bets with longer odds; and responding impulsively to inducements before researching their bets and then chasing their losses. As detailed below, several studies have found that inducements are most attractive to bettors experiencing a gambling problem. This attraction may be partly due to a diminished capacity to accurately judge the value of bets that are incentivised with an inducement.

While wagering inducements often incentivise riskier bets with longer odds (Newall, 2015, 2017), many bettors instead ironically perceive inducements as a safer betting strategy. In fact, some types of inducements convey the impression of reduced risk, such as stake-back offers and cash-back or cash-outs on multi-bet offers (Browne et al., 2019a). Several qualitative studies have found that bettors can perceive inducements as a way to minimise losses, as 'something for nothing', 'free money' and a risk reduction strategy (Deans et al., 2017; Hing et al., 2014a, 2014b, 2018b, 2022a; Killick & Griffiths, 2022; Sproston et al., 2015). In an Australian EMA, frequent sports bettors ($N = 320$) were more likely to believe that using inducements led to them placing safer rather than riskier bets (Hing et al., 2019a). However, these incentivised bets are only less hazardous if bettors do not amplify the riskiness, magnitude or frequency of their bets in response to inducements, and if utilising the incentive does not lead to additional, unforeseen expenditure. An Australian experimental study (Rockloff et al., 2019) with frequent sports bettors ($N = 299$) demonstrated that inducements do prompt bettors to gamble differently (i.e., make riskier bets), while the previously mentioned study on turnover requirements for bonus bets demonstrates that some inducements incur additional and unexpected costs (Hing et al., 2019b). Thus, gamblers' perceptions that bets with inducements result in safer gambling are generally misguided, given that exposure to wagering inducements has been reliably linked to a greater likelihood of betting, higher betting expenditure, spending more than intended, and riskier betting (Browne et al., 2019a; Rockloff et al., 2019).

In summary, bettors can misunderstand aspects of wagering inducements because their terms and conditions are difficult to access and understand, bettors tend to overestimate the probability of winning complex bets that are frequently incentivised, and some bettors do not read the terms and conditions or consider the relative value of inducements. Perversely, while inducements often incentivise and facilitate harmful betting behaviours, some bettors mistakenly perceive inducements as a safer betting strategy that minimises their losses.

2.1.6. Use of customised messages by operators

As discussed above, direct messages from wagering operators appear to target frequent bettors, who are also the most likely to be experiencing a gambling problem. Direct messages can also be customised to individual bettors, although research on this is scarce. One conceptual paper (Lopez-Gonzalez et al., 2019) explains that wagering operators are increasingly personalising their direct messages to tailor information to individual users based on their behavioural data, such as betting selections, time and money spent, team/player identity, age and gender. These researchers also observe that some of the most frequently used

personalisation features across messages and betting apps include sport, team and competition preferences, bet display, default stakes, targeted marketing promotions (e.g., individualised emails, user-relevant content), live-streaming options and special offers (e.g., birthday promo codes). They also note that personalisation can be harmful for bettors who want to reduce their gambling, including those with a gambling problem, because personalised messages can have greater salience than generic messages. Other research has found that receiving personalised messages and inducements can make bettors feel special and that they are being rewarded for being a highly valued customer (Syvertsen et al., 2020).

Little research is available to assess the actual use of personalisation in wagering direct marketing. In qualitative Australian research, bettors have reported receiving wagering direct messages that indicate some personalisation. This includes receiving direct messages after a break from betting, with incentives to re-engage (Hing et al. 2014b, 2021, 2022b). Another example is messages based on a customer's betting history that remind them to bet on a favoured team or horse or that promote offers they have previously used (Hing et al., 2018b, 2022b). Messages can also be personalised to bettors who either are or are not eligible for inducements. For instance, successful bettors report being banned from inducements, while less successful bettors report being inundated with messages that promote inducements (Hing et al., 2021; Newall et al., 2021; Podesta & Thomas, 2017).

In Spain, a focus group study with 43 sports bettors in gambling treatment identified personalised messages as being very persuasive (Lopez-Gonzalez et al., 2020). Participants had mixed feelings about the use of personalised messages, depending on their engagement with betting at the time. Receiving emails with attached bonuses when their betting account had a negative balance could arouse suspicions and criticisms that wagering operators used behavioural tracking to stimulate their betting. Similarly, being messaged with bonuses after a period of betting abstinence was considered harmful and annoying. After discontinuing betting because of insufficient funds, some participants said they received messages advising them that an unsolicited deposit had been placed into their account (i.e., a free inducement), which they considered a dishonest way to encourage excessive betting. However, when participants were heavily involved in betting, emails with bonuses tended to be viewed positively because the bonuses enabled them to extend their betting. Some participants reported that receiving personalised offers that appeared to offer good value was a key factor in their recommencement of betting after a period of abstinence. Similarly, in a qualitative Norwegian study involving 12 participants with lifetime or current gambling disorders, attitudes to direct messages from online wagering and casino operators tended to be positive when participants were actively gambling, but negative once they tried to stop (Syvertsen et al., 2020).

In summary, the behavioural data collected in online betting provides opportunities for wagering operators to customise the direct messages they send to their account holders. These messages can be harmful to those trying to limit their gambling. However, little is known about how, and how much, operators use message personalisation in trying to increase the salience of these messages.

2.1.7. Relationships between direct marketing and betting behaviour

Numerous studies have examined relationships between gambling advertising and gambling behaviour (see international reviews by Binde, 2014; Bouguettaya et al., 2020; Newall et al., 2019; Torrance et al., 2021). However, little research has focused on the specific relationship between wagering direct marketing and betting behaviour. To our knowledge, all quantitative studies examining this relationship have been conducted in Australia. These include self-report, longitudinal and experimental analyses.

In an EMA involving 15 surveys of frequent race bettors ($n = 402$) and frequent sports bettors ($n = 320$), two types of analyses observed relationships between exposure to wagering direct messages and subsequent betting behaviours. In the self-report data (Hing et al., 2019a), an average of 37% of race bettors and 39% of sports bettors in each *daily* EMA period reported that direct messages influenced their betting, most commonly to place more bets and larger bets. Longitudinal analysis of the EMA data, tracking receipt of direct messages to betting behaviour in the next 24-48 hours, found that direct messages had more effect on the respondents' betting than the other eight types of wagering advertising examined (Browne et al., 2019a). Amongst the race bettors, inducements offered via direct messages increased the likelihood of intending to bet, actual betting, and betting when not initially intending to do so, while stake-back offers increased the likelihood of betting and the amount spent. Amongst sports bettors, multi-bet inducements were associated with a higher likelihood of betting. For both race bettors and sports bettors, betting expenditure increased as exposure to wagering inducements increased.

A 7-day EMA involving 104 frequent race bettors and 98 frequent sports bettors focused specifically on wagering direct messaging. Based on the self-report data (Hing et al., 2018b), around one in five sports bettors and one in four race bettors reported that, on *each day* they received them, wagering direct messages influenced them to place more bets, reminded them to bet, and to place unplanned bets. About one in ten of these sports bettors, and one in six race bettors, reported that these messages prompted them to place larger bets and riskier bets. Based on the longitudinal data for race bettors (Russell et al., 2018), the likelihood of betting in the next 24 hours increased with the volume of text messages received, and specifically refund/stake back offers and bonus/better odds offers. Amongst sports bettors, the likelihood of betting in the next 24 hours increased with the volume of both texts and emails received, including bonus/better winnings offers and those messages with no inducements. This latter result indicates that direct messages can still serve as a trigger or reminder to bet even when they do not contain a specific inducement. Race betting expenditure in the next 24 hours increased with the volume of texts, but sports betting expenditure was not related to the volume of texts or emails received.

More recently, in a community panel sample, 770 past-year sports and race bettors reported on how they perceived that wagering direct messages had impacted their betting (AGRC, 2023). Key impacts reported were increased betting (by 17% of bettors), placing bets on impulse (13%), changes in what they bet on including new gambling forms (12%), and starting to bet for the first time (6%).

Additional research has further highlighted the impacts of wagering inducements on betting behaviour, although not necessarily inducements delivered via direct messages. Demonstrating causation in an experiment ($N = 299$), sports bettors selected significantly longer odds (i.e., riskier) bets on gambles when an inducement was offered compared to the no-inducement condition (Rockloff et al., 2019). The experiment found that better odds/winnings was the most attractive incentive offered, followed by bonus bets, cash rebates, reduced risk, and no-incentive, respectively. The choice of long odds with incentivised bets increases aggregate harm because it results in more bettors who lose, although the smaller proportion of winning bettors enjoy larger wins. Nonetheless, some individual bettors may adjust their betting volume to offset the increased risk of long-shot bets. Bets with inducements may also increase losses because they are often priced to provide poorer value to bettors and higher profits for operators (Newall, 2015).

In addition to impacting on riskier betting and betting losses, inducements in direct messages are also linked to impulse betting, since direct messages are received on a betting device (smartphone or computer) that enables immediate uptake of the promoted inducement. A survey of 1,813 sports bettors found that more frequent users of inducements were more likely to place bets on impulse (Hing et al. 2018c). Qualitative studies also consistently report that direct messages with inducements can stimulate spontaneous betting with little consideration or research, especially amongst higher-risk gamblers (Deans et al., 2017; Hing et al., 2015; Killick & Griffiths, 2020). Recent studies suggest that impulse betting may be further amplified when messages are received on a smartphone, since this enables instant access to betting anywhere and at any time (Drakeford & Hudson Smith, 2015; Hing et al., 2022b, 2022c; Parke & Parke, 2019).

In summary, direct messages, particularly those with wagering inducements, tend to be linked with changes in betting behaviour, more so than other types of wagering advertising. Exposure to these messages has been implicated in several harmful behaviours, including increased betting expenditure, riskier betting and impulse betting.

2.1.8. Relationships between receiving direct messages and gambling harm, as well as the development and maintenance of problem gambling

Numerous reviews have concluded that gambling advertising impacts people with a gambling problem more than other gamblers (Binde, 2014; Etuk et al., 2022; Guillou-Landreat et al., 2021; McGrane et al., 2023; Newall et al., 2019). Further, exposure to wagering advertisements and promotions is linked to a range of betting behaviours that can exacerbate gambling harm, including increased likelihood of betting, higher betting expenditure, spending more than intended, and placing riskier bets (Browne et al., 2019a; Rockloff et al., 2019). Direct messages are particularly impactful. In a large Norwegian study ($N = 5,830$), not only did participants with higher gambling severity receive considerably more direct gambling advertising, but this advertising had a significantly greater effect on their gambling activity (Syvertsen et al., 2022). These findings are consistent with Australian longitudinal analyses indicating that exposure to wagering direct messages and inducements predicts changes in betting behaviour, including increased expenditure, more so than other

types of wagering advertising (Browne et al., 2019a). These researchers found that this direct marketing negatively affects all gambler risk groups, although the analysis may have been too underpowered to detect any differences between PGSI groups. Nonetheless, these findings also indicate that wagering direct marketing negatively affects substantial numbers of bettors who are already at risk for, or currently experiencing, a gambling problem.

A more recent EMA focused on smartphone sports betting, since smartphones provide instant access to inducements sent directly to customers' betting devices (Hing et al., 2022a). An analysis of 1,378 betting sessions indicated that bettors who prioritised greater access to wagering promotions were significantly more likely to use betting inducements, bet with more operators, and report greater past-week betting harm. Consistent with earlier research (Hing et al., 2018c), bettors with higher Problem Gambling Severity Index (PGSI) scores also reported greater take up of wagering inducements. In qualitative research, bettors with a gambling problem report strong, immediate and urge-driven responses to wagering inducements, such as spending more than initially planned, placing riskier bets, betting impulsively, chasing losses, and opening new accounts to circumvent previously self-set limits and exclusions (Deans et al., 2017; Hing et al., 2022b, 2022c; Lopez-Gonzalez et al., 2020; Parke & Parke, 2019).

There are at least three potential explanations for why bettors with a gambling problem may be more influenced by direct messages, including messages with inducements: 1) they tend to receive these messages more often, 2) they may respond more impulsively to inducements, and 3) they may find them harder to resist compared to other gamblers because their addiction increases the salience and temptation of these messages.

2.1.8.1. Bettors with a gambling problem receive direct messages more often

As discussed earlier, Australian and overseas studies have found that bettors with higher gambling severity report receiving wagering direct messages more frequently than other bettors (AGRC, 2023; Sproston et al., 2015; Wardle et al., 2021). In a Norwegian study ($N = 5,830$), exposure to direct gambling advertising increased linearly with problem gambling level, but there were small or no differences in exposure to other types of advertising (Syvertsen et al., 2022). This finding is supported by qualitative research where bettors experiencing a gambling problem consistently report being inundated with direct messages, usually promoting an inducement to bet (Hing et al., 2022b, 2022c; Lopez-Gonzalez et al., 2020, 2021; Parke & Parke, 2019). Given the dose-response effect demonstrated between gambling advertising and gambling behaviour (Bouguettaya et al., 2020; Browne et al., 2019a; McGrane et al., 2023; Sproston et al., 2015), increased exposure to wagering direct marketing may at least partly explain why bettors experiencing a gambling problem are disproportionately most responsive to direct messages.

2.1.8.2. Bettors with a gambling problem respond more impulsively to inducements

Bettors with a gambling problem may have a heightened response to wagering messages and inducements because they tend to have higher trait impulsivity compared to other gamblers (Browne et al., 2019b; Ioannidis et al., 2019). This

heightened impulsivity is also observed amongst sports bettors with a gambling problem (Hing et al., 2015, 2016, 2018d), who are also more likely to have other personality traits related to risky behaviours, including lower self-directedness, lower self-control, and higher novelty-seeking tendencies (Cooper et al., 2021; Jiménez-Murcia et al., 2021; Russell et al., 2019). By their nature, inducements offer short-term sales promotions that are sometimes communicated with a sense of urgency to act and promote the ability to instantaneously place one-click bets using a smartphone (Hing et al., 2022b; Lopez-Gonzalez et al., 2018; Sproston et al., 2015). The combination of impulsive tendencies with instant access to betting may further explain why bettors with a gambling problem respond most to inducements to bet. For example, amongst 1,813 Australian sports bettors, the uptake of wagering inducements was particularly effective in stimulating impulse betting amongst higher-risk gamblers, and trait impulsivity was associated with both problem gambling and greater likelihood of betting on impulse (Hing et al., 2018c, 2018d).

2.1.8.3. Bettors with a gambling problem find direct messages hard to resist because their condition increases the salience and temptation of these messages

Another explanation for why bettors with higher gambling severity are more likely to be responsive to direct messages and inducements is that their addiction, or near-addiction, increases the salience and temptation of these messages that are therefore more likely to trigger a response. Like other addictions, problem gambling has several behavioural drivers that can manifest as preoccupation, craving, unsuccessful quit attempts, loss-chasing, and escalating urges to gamble (American Psychiatric Association, 2013). These characteristics of problem gambling can underpin the heightened responses to messages promoting inducements. This was demonstrated in a study of 59 bettors that found increased electrodermal activity (indicating higher arousal) and greater desire to bet while viewing wagering inducements, amongst those with higher gambling severity (Lole et al., 2020). This finding is consistent with theoretical explanations of the role of marketing cues in addiction. People at different stages of the consumption continuum not only respond differently to these cues, but the cues themselves act to reinforce addictive behaviours (Martin et al., 2013). That is, direct messages with inducements can contribute to the development and maintenance of addictive behaviours, such as problem gambling, through fostering intensified and harmful behaviours.

Of interest is that the wagering inducements that are banned in Australia are the least likely to reduce gambling harm to those already at-risk of problem gambling. These include sign-up and refer-a-friend inducements that aim to recruit new users to betting, and therefore initially facilitate progression from non-gambling to non-addictive gambling. In contrast, inducements that facilitate a transition from non-addictive gambling to harmful and addictive gambling form the main content of wagering direct messages and have not been subject to the ban. These inducements offer price-related promotions to incentivise the continuation and intensification of betting (Hing et al., 2017), which in turn ease progression along the 'road to addiction' (Martin et al., 2013). Examples include cash back offers, bonus bets, stake-back offers and odds boosts. In customers experiencing a gambling problem, these types of inducements are likely to trigger an automated response as craving and need increase (Martin et al., 2013). Gamblers in treatment find price-

related inducements to be the most persuasive marketing stimuli, but report they are also particularly harmful in encouraging reckless betting behaviour, including re-engagement after trying to abstain (Lopez-Gonzalez et al., 2020).

In summary, bettors with a gambling problem may be particularly influenced by wagering direct messages because they receive them more often, they have a greater likelihood of impulsive tendencies, and they may find them hard to resist because their addiction increases the salience and temptation of these messages. Promotional inducements can therefore exacerbate existing harm amongst bettors already at-risk or currently experiencing a gambling problem. In Australia, bettors with a gambling problem tend to be young adult men (Armstrong & Carroll, 2017a; Hing et al., 2016; Russell et al., 2019) who are therefore most negatively affected by wagering direct messages and inducements.

2.1.9. Gaps in knowledge and research aims for wagering direct marketing

Current knowledge indicates that wagering operators send frequent direct messages to existing customers, especially to frequent bettors, those with a gambling problem, and bettors with multiple accounts. Most direct messages contain wagering inducements that offer a variety of incentives to bet. Direct messages, particularly those with inducements, are linked to a greater influence on betting behaviours than other types of wagering advertising. Exposure to these messages has been implicated in several harmful gambling behaviours, including increased expenditure, riskier betting and impulse betting. Highly involved bettors are disproportionately attracted to direct messages and inducements, which can foster the development of a gambling problem and maintain or exacerbate gambling harm.

However, causal relationships between wagering direct messages (including inducements) and gambling problems remain unclear. As outlined in this review, one experiment has demonstrated causal links between inducements and riskier betting, and two longitudinal EMAs found that bettors who receive more direct messages are more likely to increase their subsequent harmful betting behaviours. These three studies, however, had quite small samples. Qualitative studies and cross-sectional surveys have provided additional insights, but cannot demonstrate causality. Stronger evidence of any causal links is needed to support changes to wagering policies and practices.

To address this gap, this study primarily aims to identify any causal relationships between receiving direct messages, experiences of gambling-related harm, and the development and maintenance of problem gambling among existing customers.

2.2. Wagering affiliate marketing literature review

2.2.1. Introduction

Affiliate marketing is a performance-based marketing program where a third-party is paid for directing customers towards a specific product or brand. Affiliate programs are widely used by online gambling operators, including wagering operators. Gambling affiliate programs have increased substantially in several countries, and

gambling affiliate accounts have large social media followings (Houghton et al., 2020; Lopez-Gonzalez & Tulloch, 2015; Miller et al., 2016). UK estimates are that affiliate marketers provide gambling operators with between 30% and 50% of their new customers (Responsible Affiliates in Gambling, 2019b).

Affiliate marketing is most prevalent on social media platforms and it sometimes skirts advertising regulations due to its relative recency and lack of oversight (Hörnle et al., 2019). Affiliate marketing often takes the form of 'native advertising', that is, advertising created from the perspective of a social media user that does not take the form of a traditional advertisement (Mathur et al., 2018). In this way, affiliate marketing may be difficult to distinguish from other social media communications, and to identify as advertising. This type of marketing has been found to be more persuasive than clearly identifiable advertising content (van Reijmersdal et al., 2016), perhaps because of the obscured purpose of the communications. It therefore potentially magnifies the influence of wagering affiliate advertising through a medium that is already perceived by those who gamble as highly persuasive (Hing et al., 2019; Syvertsen et al., 2022).

Because gambling affiliate marketing is a relatively new phenomenon, related research literature is scarce. There is limited research into how wagering affiliates are functioning in Australia or their effectiveness in directing customers to wagering operators (ACMA, 2022). Relatively few studies have examined the areas of interest in the current study, including affiliate business models, practices, marketing materials, and the risk of gambling problems and harm for new and existing customers.

2.2.2. Methods

This chapter comprises a narrative literature review focusing on affiliate marketing in the wagering industry. The review includes studies conducted in Australia and those in overseas jurisdictions where affiliate marketing, policy and research are more advanced.

The review utilised a targeted search of peer-reviewed scholarly articles, research reports, legislation, and industry guides, primarily obtained from Google Scholar as this search engine is powerful in sourcing both academic and grey literature. The searches included the use of keywords and logic (Boolean operators), including: 'affiliate OR tipster OR influencer AND betting OR wagering OR gambling'; 'advertising OR marketing AND betting OR wagering'; and 'problem gambling OR gambling disorder OR gambling harm AND betting OR wagering'. Reference lists of relevant publications were also searched to identify additional literature.

The review is structured to detail background information relevant to the study's research objectives and questions in relation to: 1) affiliate business models in gambling, 2) marketing practices, 3) risk of problem gambling and gambling-related harm, and 4) regulatory concerns.

2.2.3. Affiliate business models in gambling

Gambling affiliate marketers vary in scale dramatically, from independent social media users (e.g., influencers), to large multinational companies that offer themselves as ‘one-stop shops’ for wagering schedules, results, tips, statistics and betting offers (Responsible Affiliates in Gambling, 2019b). Regardless of size, gambling affiliates position themselves as providing expert guidance that can inform gambling decisions, and present their services as comparison sites, expert reviews, tipster services, betting communities, or gambling, sports-or-racing news sites (Houghton et al., 2020). Using online and social media, affiliates post advertisements or links to one or more of their affiliated gambling operators to encourage customers to open an account with them and/or take up specific inducements and bets (ACMA, 2022). When a customer clicks on the link, an embedded tracking code identifies the referral as coming from the affiliate’s account, allowing operators to track earnings from these referrals and facilitating payments to the affiliate.

Affiliate marketing is attractive to gambling operators because they benefit from gaining new customers and the continuing losses of existing customers referred for bets or promotions through their affiliates. Affiliate marketing also provides an attractive return-on-investment because gambling operators need only pay for customers who engage with them, instead of paying potentially large costs of advertising in other media or ‘per click’ costs for online adverts, regardless of whether these result in a sale (Gannage-Stewart, 2018). Some gambling operators may be motivated to use affiliate marketers as a way to circumvent advertising regulations or to reduce their liability, thus outsourcing the risks of regulatory violations (Hörnle et al., 2019). To attract affiliates, many gambling operators offer large commissions, in-house support, and well-developed systems to track referrals and earnings. Gambling operators and affiliates can also work with affiliate network companies that act as intermediaries, connecting operators with potential affiliates and facilitating tracking and payment processes.

Gambling affiliate marketing is attractive to affiliates because of the generous referral commissions paid. Gambling operators use various payment models to compensate their affiliates (Lopez-Gonzalez & Tulloch, 2015). A revenue-share model (RevShare) pays affiliates a percentage of the lifetime gambling losses of each customer they refer, sometimes 30%-40%. This compensation far exceeds the much smaller commissions of 1%-2% in other industries (ACMA, 2022) and reflects a very strong financial alignment of both parties’ interests. Cost per acquisition (CPA) pays affiliates when the referral makes their first deposit. Cost per lead (CPL) pays affiliates for referrals who register on the gambling site. Hybrid arrangements of RevShare + CPL increase the commission percentage given to affiliates as referrals increase. These models incentivise affiliates to continually source new customers for gambling operators. Importantly, the RevShare model encourages gambling losses since the more a referral customer loses, the more the affiliate profits (ACMA, 2022). A remuneration scheme based on losses, rather than new accounts acquired, means that affiliates share in the profits attributable to gamblers spending excessive amounts. This model may incentivise aggressive or unethical marketing practices by affiliates, for instance, where bets that are likely to lead to high losses are prioritised for promotion.

The affiliate referral commissions paid by gambling operators are a conspicuous outlier even when compared to those paid in other unhealthy commodity industries (Knaei et al., 2021). For example, in alcohol affiliate marketing, the closest comparison to the RevShare model is based on 90 days of trailing cookies. This is where a commission is paid to alcohol affiliate marketers for purchases made up to 90 days after the customer initially accessed the link. The commission rate in alcohol affiliate marketing is cited as between 4% and 10%, markedly lower than the gambling commissions of up to 40% (ACMA, 2022; Norris, 2023). This raises the question as to why affiliate business models in gambling offer such outsized commission rates compared to those in other industries.

2.2.4. Marketing practices of gambling affiliates

Social media services (e.g., Twitter, Facebook), streaming platforms (e.g., Twitch) and other web-based services are the main platforms that gambling affiliates use to market to potential customers (ACMA, 2022). Affiliate websites present gambling advertisements and inducements with links to the gambling operator's site, often contextualised within the affiliate's 'expert advice', and they can lack any clear disclaimer that they profit from this marketing (ACMA, 2022; Hörnle et al., 2019).

Twitter advertising by gambling affiliates is prolific. In the UK, of 877 Twitter accounts found to focus on producing gambling-related content, 59% were operated by tipsters who are frequently affiliated with wagering operators (Miller et al., 2016). Their main activities entail sharing betting tips, recommendations, advice and opportunities across a variety of sports. These accounts attract large followings and create online betting communities. One online betting community with 140,000 members, who tend to follow affiliates and tipsters more than wagering operators, use Twitter intensively to discuss gambling-related activities (Miller et al., 2016). Another UK study counted 8,315 tweets from the five most followed UK gambling affiliates over a two-week period (Houghton et al., 2019). Not only do these affiliates generate a great deal of content, but they also have sizable Twitter followings of between 194,858 and 583,153 users. Compared to the five most followed UK gambling operators, the affiliates had proportionately more posts that directly promoted inducements, especially sign-up offers, and that provided betting tips with a direct link to place the bet. Gambling operators tended to focus more on brand awareness, tweeting more humorous and general sports content. Houghton et al. (2019) concluded that gambling affiliate marketers are more aggressive in their marketing than gambling operators, despite labelling themselves as betting communities, tipsters, or sports news accounts. Another UK analysis, composed of 388,523 tweets from 226 tipster accounts, found that 66.6% of their tweets promoted specific bets or betting opportunities, 23.0% promoted an inducement to bet, and 11.6% promoted free and matched bets (Rossi et al., 2021). Thus, compared to gambling operators, tipster accounts make more direct 'calls to action' in encouraging specific and immediate betting behaviour.

Another marketing practice used by gambling affiliates is to join Facebook groups, presenting as expert tipsters to build a following. After building trust with their followers, these affiliates then post their affiliate link to inducements and recommended bets (ACMA, 2022). They position themselves as experts who help

bettors 'win against the bookie' and recommend specific promising bets and celebrate wins. Accordingly, communications from these affiliates might be reasonably understood to be deceptive, since they are contrary to their presumptive motivation to maximise their customers' gambling losses (Houghton et al., 2020). A study of the Facebook pages of three betting tipsters observed that their main activities were to promote accumulator and other sports bets, as well as bonus bets and inducements, through promoting a range of wagering operators' websites (Miller et al., 2016). They also provided betting advice, promoted their previous successful tips, overall success rate and likely returns, and posted links to football-related videos and news stories. Interactions between the tipsters and user-created betting communities of mostly male Facebook users, tend to be centred around intentions to bet through the tipster, the likely value of specific bets, individual sports matches, and football in general. About one-third of user posts were negative in tone, including about losses and the unreliability of the tips. An investigative journalist for The Guardian reported that many of these 'expert tipsters' recommend bets to their followers that are likely to lose, with the purpose to increase their own affiliate revenue share (Busby, 2017).

Affiliates may also be online influencers (individuals with large social media followings) or may hire influencers to stream and interact with viewers on services such as Twitch and YouTube Live (ACMA, 2022). Twitch banned the sharing of links and referral codes to online slots, roulette and dice gambling in August 2021, following community criticism and citing the prevention of harm to its users (Alford, 2021). However, this ban does not include sports and race betting. As with other affiliate marketing on social media, affiliates on Twitch and YouTube Live blur the lines between user-generated content and gambling advertising, which may leave their viewers unaware of their commercial arrangements with gambling operators (Hörnle et al., 2019; Miller et al., 2016).

Gambling affiliates may also buy digital advertising space through ad exchanges and engage in direct marketing through email lists they have purchased and through messaging apps, such as Whatsapp and Telegram (González-Vallés et al., 2021; Hornle et al., 2019). One qualitative study ($N = 20$) reported that some people who have been harmed by gambling considered affiliate marketing messages to be 'aggressive' and 'predatory' (Nyemcsok et al., 2022). Affiliates can also collect customer contact details through sign-ups to their newsletters, and through paid subscriptions to their service. Collecting contact details allows affiliates to send direct messages to these customers through emails, texts, notifications and social media. Again, their commercial arrangements with gambling operators may not be disclosed in these marketing communications.

The inability to distinguish between non-affiliated social media users and affiliate marketers may increase customer engagement and trust in affiliates who do not disclose their commercial arrangements. In an experimental study (Houghton & Moss, 2020), experienced football bettors ($N = 145$) were shown 30 posts promoting bets of varying complexity, 15 from a gambling operator and 15 from a gambling affiliate. These imitated their posts typically found on Twitter, with the affiliate posts commonly reflecting their positioning as 'expert tipsters.' Overall, participants were more likely to bet and were more confident in winning when the bet was posted by an affiliate. Account type did not impact bet likelihood or confidence for high or low

complexity bets. However, participants were more likely to bet and be more confident they would win on medium complexity bets promoted by affiliates, compared to wagering operators. The authors argued that, where bettors are certain about their bet (low complexity bets) or where bets are too complicated (high complexity bets), additional information is not valued. However, where bettors are uncertain (moderate complexity bets), they trust gambling affiliates to provide more accurate guidance over gambling operators (Houghton & Moss, 2020).

In summary, gambling affiliate marketing obscures the distinction between genuine user-generated content and commercial gambling advertising. Consumers may be likely to trust that affiliates are expert gambling advisors rather than profiting from the losses of their followers, especially when affiliates do not disclose their affiliate arrangements. In positioning themselves as expert tipsters or betting community facilitators, and while not declaring their links to gambling operators, gambling affiliates encourage consumers to view them as peers, rather than individuals who have a financial relationship with gambling operators (Houghton et al., 2020). For these reasons, Hörnle et al. (2019) recommended in their review of online advertising for gambling that affiliate marketing should be ‘very prominently’ identified so it is clearly distinguishable from user-generated posts that have no commercial interest.

Affiliate marketers or tipsters?

A complicating factor in research into wagering affiliate marketing is that a plethora of potentially affiliated and non-affiliated gambling tipsters market their services in online, social and other media. They mainly provide tips for race betting and sports betting. Some of these tipsters operate independently of wagering operators, but they are indistinguishable from tipsters who are affiliated but do not disclose their affiliation.

Some tipsters provide their predictions to consumers free of charge via a publicly available website or social media account. It is highly likely that these free services have non-disclosed commercial affiliations with one or more wagering operators (González-Vallés et al., 2021; Miller et al., 2016). Otherwise, they would be unlikely to be promoting specific brands and products. Nonetheless, it is possible that some free services are offered by individuals without an affiliation, but with a deep interest in betting – although we expect these to be rare.

Other betting tipsters charge consumers through a paid subscription service, or they offer both a free service and a paid subscription service for ‘premium’ tips and advice. These ‘paid tipsters’ earn income through their subscription fees, but they may or may not earn additional income through affiliate arrangements with wagering operators. Unless disclosed, it is not possible to distinguish whether they have affiliate arrangements or not. However, taking into account the scale of affiliate marketing within the gambling industry (Responsible Affiliates in Gambling, 2019b) and the outsized revenue models in gambling affiliate marketing (ACMA, 2022), it is likely that many or even most tipsters will also be affiliates.

2.2.5. Risk of problem gambling and gambling-related harm from affiliate marketing

There are several reasons why wagering affiliate marketing has the potential to increase problem gambling and gambling-related harm. However, research evidence demonstrating these relationships is limited.

2.2.5.1. Affiliates tips may not improve the chances of winning

Evidence is mixed about whether it is even possible to consistently outperform bookmakers. In sports betting, one study demonstrated that using the probability information implicit in bookmakers' odds to find bets with mispriced odds can be used to consistently beat the bookmaker (Kaunitz et al., 2017). Further, a study of bookmakers' odds across 11 football leagues found three leagues with consistently mispriced odds that tipsters could exploit (Angelini & De Angelis, 2019). In contrast, Browne et al. (2015) found that proof of race betting expertise is likely to be difficult to demonstrate because bettors would have to place over 10,000 bets on individual races with net returns exceeding 9% to provably outperform a random strategy. Thus, if someone could devise a winning strategy, it would be unlikely that they could know for sure if their strategy was effective versus them just being lucky in generating positive returns. Evidence is also inconsistent on the actual performance of tipsters. An analysis of over 1.5 million tips from 3,484 tipsters in an online community found they won 3.3% more on tips than the implied odds set by wagering operators (Gruettner et al., 2021). However, other studies have found that wagering operators' odds outperform both statistical forecasting models (Forrest et al., 2005) and tipsters (Spann & Skiera, 2009). Forrest et al. (2005) speculated that the sheer amount of money at stake for wagering operators when setting odds leads them to utilise a range of hard-to-access data that tipsters may not include. Thus, even if it is technically possible to provide tips that outperform bookmakers' odds, affiliates are unlikely to have access to all available data to inform their tips. Bettors with heightened confidence in these tips might bet more as a result, increasing their financial losses.

2.2.5.2. Affiliate tips may increase the chances of losing

Affiliates present themselves as experts but their betting tips and promoted inducements may lack sincerity, since they are incentivised to advertise the offers of their affiliated gambling operators above others (Houghton et al., 2020). Further, widely used revenue models pay affiliates based on the losses that referred customers incur, presenting a conflict of interest that can motivate affiliates to recommend bets with very long odds (ACMA, 2022) because they have more to gain by promoting bets that are likely to lose. Amongst university students who bet regularly ($N = 613$), González-Vallés et al. (2021) found strong correlations between following tipsters and bets placed due to tips; between bets placed due to tips and more money being wagered after receiving their tips; and between perceptions of their own addiction to online sports betting and the influence that tipsters exert on their bets. While the study could not ascertain causality, the results support the potential risk of gambling problems and harm posed by affiliate and tipster marketing.

2.2.5.3. Lack of affiliate disclosure and disguised intent

Affiliate marketers may fail to disclose their commercial arrangements with wagering operators to appear more objective, and instead disguise their promotions as peer-to-peer, user-generated content (Hornle et al., 2019). Customers may therefore place unwarranted trust in this ‘expert advice’ and be unaware that an affiliate’s aim is to encourage their customers’ gambling losses and, thereby, increase their own revenue. Bettors can misperceive that basing their gambling decisions on affiliates’ recommendations is a safer gambling strategy (Houghton et al., 2020; Lopez-Gonzalez et al., 2020, 2021;). These misperceptions can also arise where affiliates present themselves as part of betting communities that share the goal of beating the bookmaker (Houghton et al., 2020). New customers, and those with illusions over the role of skill in betting success, may particularly rely on affiliate advice and be especially vulnerable to the misperception that all tipsters are independent and want to ‘beat the bookie’.

2.2.5.4. Affiliates and tipsters can heighten illusions of skill and control in betting

Gambling affiliates are more likely than gambling operators to post about gambling wins and near misses, potentially raising unrealistic expectations in inexperienced and vulnerable gamblers about their likelihood of winning (Houghton et al., 2019). Even during and after treatment for gambling problems, sports bettors still view tipsters as providing evidence that successful sports betting requires a high degree of skill (Lopez-Gonzalez et al. 2020). A qualitative study with 28 Spanish gamblers in treatment (Lopez-Gonzalez et al., 2021) found that two-thirds had paid for wagering tips. Many participants also believed that their own knowledge of their chosen sport/s gave them an advantage in betting. The authors argued that this perception that sports betting is a skill is likely to have led many participants to over-value tipsters’ expertise and to feel that, with more practice, they themselves could become professional tipsters. Some participants also used tipsters’ recommendations to chase losses, as winning on these bets were seen as more certain (Lopez-Gonzalez et al., 2021). Whilst it is possible that some percentage of players have indeed acquired the expertise to reliably generate a positive expected return on sports betting, it is almost certain that for the overwhelming majority, this is an incorrect belief that can contribute to excessive gambling losses (Browne, 2015).

2.2.5.5. Affiliates and tipsters may have a gambling problem themselves

Gambling problems may be common amongst affiliates and tipsters due to their high involvement in betting. A qualitative study of 85 sports betting tipsters in Turkey recruited a non-probability sample identified through Twitter (Yüce et al. 2023). Most participants (74%) met criteria for problem gambling specifically associated with their sports betting, 24% were at moderate risk, and the remaining 2% were at low risk on the PGSI (Ferris & Wynne, 2001). Many participants commented that sports and betting were central to their lives and discussed their own addiction to sports betting. Establishing a tipster service may therefore be a way to finance their betting through affiliate commissions and/or subscription fees. Further, illusions of control are common amongst highly involved gamblers (Armstrong et al., 2020; Joukhador et al., 2003), and are also likely to be common amongst tipsters. It is not known whether an

inflated estimation of their own betting expertise and skill shaped participants' decisions to become a tipster or whether they created their business to pay for their own problematic betting. Either way, their advice is likely to be unreliable and may increase financial losses and gambling harm in customers who take up their tips.

2.2.5.6. Deceptive presentations of tipsters' own betting success and income

A paper on sports betting tipsters in Spain also casts doubt on the reliability of their tips (González-Vallés et al., 2021). It describes how tipsters present themselves as living a luxurious celebrity lifestyle and are portrayed by the media as experts who have made their fortune through successful betting. In truth, these tipsters instead earn their income through paid tipping services and affiliate wagering commissions and may not even bet themselves. Further, intermediary companies and apps now exist to help tipsters to hide some of their inaccurate forecasts and to provide seemingly 'official' verification of their tipping success. Despite a high percentage of tipping errors and reports of being scammed, many of these tipsters have large followings who 'blindly trust' their advice and take up their tips in the hope of attaining a similar lifestyle (González-Vallés et al., 2021). This glamorisation of gambling, encouragement to gamble, and the promotion of poor tips are likely to increase financial losses and gambling harm, as well as increase illusions that successful sports betting relies primarily on skill.

2.2.5.7. Affiliates can target vulnerable people

It is difficult to protect people who are vulnerable to gambling harm (e.g., self-excluders, people with a gambling problem, minors, disadvantaged groups) from exposure to gambling affiliate content on social media. In fact, social media algorithms enable affiliates to target users with characteristics indicating they are likely to click on gambling content. These profile features include low socio-economic status, being in debt, and being unemployed (Hörnle et al., 2019). Further, affiliates are incentivised to attract gamblers with high potential losses and can target vulnerable individuals by purchasing email lists based on people's income, credit card debt, and lapsed gambling. They can then target these individuals with gambling inducements (Busby, 2017).

2.2.5.8. Lack of safer gambling messages and age-gating in affiliate marketing

Affiliate marketing lacks safer gambling messages that might help to reduce the risk of gambling problems and harm. Safer gambling messages are noticeably absent in Twitter posts by both affiliates and gambling operators. Houghton et al. (2019) reported that only 0.26% of tweets from gambling affiliates and 1.62% from gambling operators had content about safer gambling during their two-week monitoring period. No affiliates had age screening for their followers. Another Twitter study found that, of the 888,745 tweets collected over nine months from betting-related accounts, including wagering operators, affiliates and tipsters, only 4.1% contained safer gambling messages and 0.1% contained age-related warnings (Rossi et al., 2021).

2.2.6. Regulatory concerns

ACMA (2022) notes several regulatory issues relating to gambling affiliates: 1) some products promoted by affiliates are illegal, 2) affiliates provide variable information to customers about the legality of offers they promote, 3) online platforms such as Twitter, Facebook, YouTube and Twitch have variable restrictions to curb illegal activity, and 4) the dynamic nature and the indirect promotion of gambling within these online spaces challenges regulation and efforts at disrupting affiliate marketing. Regulation is also challenging because barriers to entry are low for affiliates (Hörnle et al., 2019). This has resulted in a plethora of smaller operators (tens of thousands in the UK market alone) who may prioritise short-term profit over compliance (Hörnle et al., 2019; Responsible Affiliates in Gambling, 2019b). The sheer volume of affiliates and tipsters, along with their inconsistent disclosure of any affiliate arrangements with wagering operators, make compliance monitoring difficult. González-Vallés et al. (2021) point out that consumers are unlikely to bother lodging complaints about tipsters, since the amounts they bet are often small and people are reticent to admit they have been scammed. Thus, the calculus of regulatory non-compliance risk, versus the benefit of immediate profits, tends to encourage worse behaviour by small independent operators. As highly numerous 'small targets' with a lower profile, they are much more difficult to catch, and have relatively less to lose if they are caught.

Affiliates may breach advertising codes and regulations through lack of disclosure about their commercial arrangements with gambling operators, lack of age-gating on their social media accounts, and an absence of safer gambling messages (Hörnle et al., 2019; Houghton et al., 2020). As part of the Australian Association of National Advertisers, Ad Standards (2022) raised concerns about the lack of transparency in social media advertising in general and described receiving complaints about advertisements being indistinguishable from other content. This violates the self-regulatory AANA Code of Ethics (AANA, 2021) which states that any commercial arrangement between a company and an individual must be clearly stated so that the content can be distinguished from non-commercial content.

In industries other than gambling, affiliate marketers and influencers are subject to stringent requirements for transparency and accountability. For example, the Australian Therapeutic Goods Advertising Code (Australian Government, 2022) now bans health and beauty influencers from using testimonials to advertise goods, such as sunscreen, medication or medical devices. This ban aims to reduce the risk of causing harm to consumers and promoting views that are counter to public health advice (Australian Government, 2022). Influencers in the fashion and beauty sector have been prosecuted for not making clear declarations that their posts on social media are in exchange for free goods or payment (AiMCO, 2021). In comparison, gambling affiliate marketers appear to have avoided intense scrutiny of their practices, despite their proliferation and arguably greater potential for risk of harm to consumers. Stakeholders have raised concerns that regulation and compliance monitoring are not keeping pace with gambling industry marketing practices, including direct messaging and social media advertising by affiliate marketers (González-Vallés et al., 2021; Hörnle et al., 2019; Houghton et al., 2020; RAIG, 2019b).

In some countries, however, gambling affiliate marketing is attracting increased regulatory attention. Reflecting concerns that operators have used affiliates to outsource their advertising compliance risks, some jurisdictions, such as Romania and some US states, now have a licensing system for affiliate marketers. Other jurisdictions, including the UK and Norway, hold gambling operators responsible for their affiliates' practices, which may encourage these companies to impose stricter conditions and monitoring on their affiliates. Gambling operators in the UK and Germany have recently been fined for the actions of their affiliates, including misleading advertising (Gambling Commission, 2017; Thomas-Akoo, 2023). The UK industry body, Responsible Affiliates in Gambling (RAIG, 2019b), has made several recommendations to the UK Government for how the gambling affiliate sector could better protect consumers. These include that the government raises awareness amongst smaller affiliates of the regulatory requirements in gambling advertising and its social responsibility requirements, including to provide safer gambling messages and links to help services on their sites, and to eliminate contact with people who have self-excluded or opted out of gambling marketing. Further, RAIG recommends stronger monitoring of social media to ensure transparency in affiliate communications to their customers and the inclusion of affiliate marketing in gambling advertising legislation going forward.

Also in the UK, the Industry Group for Responsible Gambling (IGRG, 2023) and Responsible Affiliates in Gambling (RAIG, 2019a) have published codes of conduct that they expect their members to follow. The key requirements are that affiliate marketers must: 1) ensure their marketing does not target or appeal to individuals below 18 years, 2) promote responsible gambling practices and provide resources and information for individuals seeking assistance with problem gambling, 3) adhere to relevant advertising standards, avoiding any content that could mislead or deceive consumers, and 4) transparently disclose their relationship with gambling operators and incentives they receive for promoting their services. However, in June 2023, RAIG listed only 11 members on its website.

In Australia, there is no industry body for gambling affiliates. Responsible Wagering Australia is the peak body for the Australian wagering industry but, to our knowledge, it has not published a specific code or requirements for affiliate marketers and does not mention affiliate marketing in its code of conduct (Responsible Wagering Australia, 2020). The Australian Association of National Advertisers (AANA) has a wagering code of conduct for industry self-regulation, but it does not include gambling affiliate recommendations (Australian Association of National Advertisers, 2019).

2.2.7. Gaps in knowledge and research aims for wagering affiliate marketing

Overall, little is known about the practices of wagering affiliates and tipsters, particularly how their marketing impacts on gambling behaviour, problems and harm. To address this gap, this study aims to examine gambling affiliate marketing business models, practices, marketing materials, and the risk of problem gambling and gambling-related harm for new and existing customers.

2.3. The study's research objectives and questions

2.3.1. Terminology

Both wagering direct marketing and wagering affiliate marketing are explored in parallel in this study to address the following research objectives and questions. These have been devised to reflect a three-way distinction between wagering operators, free betting information services and paid tipsters, since these are the main sources of wagering marketing.

Wagering operators: Provide sports betting and race betting services to customers, including taking bets, calculating odds and paying out winnings.

Free betting information services: Free services that can include affiliate marketers, influencers, tipsters, betting communities, odds comparison sites, expert review sites, and sports/racing news websites. They do not include paid tipsters and wagering operators.

Paid tipsters: Services where people pay a subscription fee to receive tips and other information to inform their betting (both tipsters and tipping websites).

2.3.2. Research objectives

1. Describe the types of affiliate marketing business models and practices being used.
2. Describe the types of direct marketing received by new and existing customers from wagering operators, paid tipsters, and free betting information services and how they are captured by regulatory arrangements in each jurisdiction.
3. Describe the impact of wagering direct marketing from wagering operators, paid tipsters and free betting information services on gambling-related harm and problem gambling.
4. Document the types of direct marketing messages from wagering operators, paid tipsters, and free betting information services, including inducements to bet, that are harmful to bettors.

2.3.3. Research questions

1. How do affiliate marketers operate, particularly with regard to business models and promoting wagering services of Australian and offshore providers to new and existing Australian customers?
2. Do existing customers of wagering operators, paid tipsters and free betting information services understand the content in direct messages and the expected return-to-player, and are there any misperceptions of inducements being a safer betting strategy?

3. In what ways do wagering operators use wagering account data to customise and target direct messaging and what are the effects on gambling-related harm and risk of problem gambling?
4. In what ways do direct messages from wagering operators, paid tipsters, and free betting information services impact on gambling behaviour of new and existing customers, e.g., frequency, gambling intensity and impulsivity, loss of control of gambling?
5. How do wagering operators, paid tipsters and free betting information services use messaging, marketing practices (such as inducements) and media (such as social media and online media e.g., gambling news websites) to promote wagering services to new and existing customers?
6. What is the impact of marketing practices such as volume, direct messaging channels (email, text, phone call), use of online forums (such as news websites), and types of messaging (including inducements to bet) received by existing customers from wagering operators, paid tipsters, and free betting information services? Is this compounded when consumers have more than one betting account?
7. How much gambling-related harm and risk of problem gambling is associated with direct wagering marketing from wagering operators, paid tipsters, and free betting information services and for single and multiple betting account holders? Is there a threshold for gambling-related harm?

Chapter 3. Regulatory requirements and issues for wagering direct and affiliate marketing

Summary

- This chapter analyses how direct and affiliate marketing is captured by regulatory arrangements in Australia. It also reviews relevant hearings and decisions by regulators and submissions to the National Self Exclusion Register draft bills consultation.
- Wagering operators and their affiliates are subject to gambling regulation at a Commonwealth and state and territory level, which governs the content they can include in marketing communications and who they can target.
- Several regulatory bodies contribute to a comprehensive regulatory environment for direct wagering marketing. These include the Australian Communications and Media Authority (ACMA) that is responsible for the Spam Act and the Interactive Gambling Act; the National Consumer Protection Framework for Online Wagering that sets guidelines that are then governed by state and territory regulations as well as by ACMA and AUSTRAC; the Northern Territory Racing Commission (NTRC) that regulates most online wagering operators in Australia; the Australia Association of National Advertisers that provides advertising standards; and the Australian Privacy Principles. These agencies and instruments set out clear guidelines and enforce compliance, with little material difference between states and territories on what direct marketing practices are permitted.
- Regulations for wagering marketing apply to affiliates in their role as an agent of a wagering operator; responsibility for regulatory compliance reverts to the wagering operator as the licensed provider of gambling services.
- Most recent regulatory breaches in relation to wagering direct marketing have involved sending direct marketing without consent including to self-excluded individuals, or without a functional unsubscribe facility. In some cases, affiliates had made these breaches, but the wagering operator was held responsible.
- Many affiliates go beyond direct marketing to also conduct mass advertising, including in online and social media, and may breach regulations – for example, by promoting illegal operators or inducements, or by not disclosing their commercial affiliate relationships as required by advertising standards.
- Affiliates lack the direct regulatory oversight that wagering operators are subjected to. Difficulties with monitoring their activities in an online environment leave gaps that affiliates can exploit.
- ACMA plays a significant role in overseeing the legality of wagering affiliate operations. In contrast, other regulatory bodies, like the NTRC, have limited authority in monitoring and enforcing the compliance of affiliates with gambling regulation except through their regulation of wagering operators.
- A dedicated regulatory focus on affiliate marketing practices and stronger regulatory frameworks and enforcement mechanisms are needed to improve compliance and consumer protection.

3.1. Introduction

Australian regulation for the marketing of wagering products covers both direct marketing activities, undertaken by wagering operators and their affiliates, as well as wagering affiliate marketing more generally. Because much of the regulation is consistent across both wagering direct and affiliate marketing, the two are discussed together in this chapter. The regulatory review informs Research Objective 2 of the overall study to describe how wagering direct marketing is captured by regulatory arrangements in Australia. It also informs the second aim of the study to examine regulatory factors that may impact on wagering affiliate business models, practices, marketing materials, and the risk of problem gambling and gambling-related harm.

3.2. Overview of wagering marketing regulation in Australia

The regulation of the marketing of wagering products (race betting and sports betting) in Australia is complex and is regulated by numerous laws, and federal and state and territory government agencies (Standing Committee on Social Policy and Legal Affairs, 2023). These regulations govern the advertising of gambling products by wagering operators and affiliates, as well as the content of direct marketing.

Table 3.1 lists the primary government agencies that oversee the regulation of wagering marketing.

Table 3.1. Regulatory bodies and their role in direct marketing

Body	Role in the regulation of wagering direct marketing
Federal	
The Australian Communications and Media Authority (ACMA)	Interactive Gambling Act (2001), Spam Act (2003), Broadcasting Services Act (1992).
Advertising Standards Bureau (ASB)	Code of Ethics (AANA, 2021), Wagering Advertising and Marketing Communication Code (AANA, 2018).
Department of Social Services (DSS)	Oversees the National Consumer Protection Framework (NCPF) (DSS, 2022).
Office of the Australian Information Commissioner (OAIC)	Privacy Act (1998), Australian Privacy Principles (OAIC, 2019).
Australian Transaction Reports and Analysis Centre (AUSTRAC)	Anti-Money Laundering and Counter-Terrorism Financing Act (2006).
State and Territory	
Northern Territory Racing Commission (NTRC)	The Racing and Betting Act (1983), Codes of Practice for Responsible Gambling (Northern Territory Government, 2022), Code of Practice for Responsible Online Gambling 2019 (Northern Territory Government, 2019). The NTRC is also the default regulator for the online gaming industry in Australia, as most online wagering operators are licensed through the Northern Territory.
Victorian Gambling and Casino Control Commission (VGCCC) (VIC)	Gambling Regulation Act (2003) and associated Responsible Gambling Code of Conduct guidelines (VGCCC, 2018)*. *Wagering operators licensed in Victoria must provide a responsible gambling code of conduct to the Commission.

Hospitality and Racing – Liquor and Gaming NSW	Betting and Racing Act (1998), Totalizator Act (1997) and gambling advertising guidelines (Liquor and Gaming NSW, 2023).
Gambling and Racing Commission (ACT)	Gambling and Racing Control Act (1999) and associated Code of Practice (2022).
Office of Liquor and Gaming Regulation (QLD)	Interactive Gambling (Player Protection) Act (1998), Wagering Act (1998), QLD Responsible Gambling Code of Practice (Department of Justice and Attorney-General, 2017).
Gaming and Wagering Commission of Western Australia	Gaming and Wagering Commission Act (1987), Betting Control Act (1954), Racing and Wagering Western Australia Act (2003).
Consumer and Business Services (CBS) (SA)	Authorised Betting Operations Act (2000), Gambling Administration Act (2019) and associated Codes of Practice (AGD, 2023).
Liquor and Gaming Commission (Tas)	Gaming Control Act (1993) and associated Code of Practice (Tasmanian Liquor and Gaming Commission, 2023).

In addition to the Interactive Gambling Act (IGA), the National Consumer Protection Framework (NCPF) for Online Wagering, the Northern Territory Racing Commission (NTRC), and the Australian Communications and Media Authority (ACMA) play key roles in the regulation of wagering marketing.

- The National Consumer Protection Framework (NCPF) for Online Wagering was created in 2018 with agreement from the Commonwealth and state and territory governments as a standard minimum protection for online gamblers (DSS, 2022). It sets out 10 consumer protection measures that include the marketing of online gambling offers.
- Most online-only wagering operators are licensed through the Northern Territory, overseen by the Northern Territory Racing Commission (NTRC). The jurisdiction of the NTRC is limited to wagering operators holding licenses within the Northern Territory and does not extend nationwide. Nevertheless, due to its prominent role in the online gambling industry in Australia, the decisions and determinations made by the NTRC can significantly influence the broader regulatory environment, including the extent to which wagering operators are responsible for the activities of their affiliates.
- The Australian Communications and Media Authority (ACMA) is at the forefront of regulatory efforts in Australia, including enforcing the Interactive Gambling Act (IGA) (2001) and the Spam Act (2003), as well as the operations of wagering affiliates. Wagering affiliates operate extensively online, which makes regulation of their activity challenging (ACMA, 2022a).

3.2.1. Coverage of wagering affiliates in the Australian regulatory environment

The regulations and codes of conduct listed in Table 3.1 have been developed specifically for licensed wagering operators, and not all apply directly to wagering affiliate marketers.

Wagering affiliates are not explicitly included under the National Consumer Protection Framework (NCPF) in Australia, as they are not classified as a 'wagering

service provider' in the Interactive Gambling Act (IGA). However, the IGA assigns responsibility for promotions to 'the person [who] sends, or causes to be sent, a regulated direct marketing to an individual' (IGA, 2001), meaning wagering affiliates can be held jointly responsible for related offenses under the IGA (2001).

The Australia Association of National Advertisers (AANA), which oversees the Wagering Advertising Code, states that:

Services ancillary to wagering such as odds compilation or tipping services provided by third parties who are not licensed operators are also excluded [from the code]. Note that the other AANA Codes still apply to advertising and marketing communication featuring these products and services. (AANA, 2018)

Similarly, the NTRC has undertaken investigations into the activities of wagering affiliates and concluded that licensees should be held responsible for the conduct of their affiliates (BetEasy Notice of Conclusions and Proposals, 2021; NTD Pty Ltd (trading as betr) consideration of disciplinary action, 2023). Failing to acknowledge such accountability is viewed unfavourably by the NTRC and may have adverse consequences for the licensee's reputation and standing (BetEasy Notice of Conclusions and Proposals, 2021).

NSW legislation outlines that 'a non-proprietary association or licensed wagering operator or any other person must not publish or communicate, or cause to be published or communicated... any gambling advertisement that may be accessible to a person in NSW that contravenes any requirements [of the Act]' (Betting and Racing Act, 1998, s. 33H). This covers the content of wagering advertising, which is similarly covered by Commonwealth regulation (see next section). However, an affiliate is not found to have committed an offense if the advertisement was provided by or sent on behalf of a wagering operator (Betting and Racing Act, 1998).

Overall, Australian gambling regulations apply to affiliates in their role as an agent of a wagering operator, meaning responsibility for regulatory compliance reverts to the wagering operator as the licensed provider of gambling services. The contractual agreements between wagering operators and wagering affiliates reinforce this, with the marketing activities conducted on behalf of a wagering operator the responsibility of the wagering operator itself. This is discussed further as part of a website analysis in Chapter 4. The result of this obligation is that the activities of wagering affiliates are subject to the full range of regulations that wagering operators are licensed to operate under.

However, there is an increasing focus on the operations of wagering affiliates by regulators and researchers. ACMA identified affiliate gambling services promoting illegal online gambling services in Australia as a priority in 2021-22 and is taking steps to address their compliance (ACMA, 2022a). ACMA recognises that affiliate services play a crucial role in driving traffic to online gambling platforms and may (perhaps unwittingly) promote illegal operators. Therefore, the Authority has launched a coordinated effort to raise awareness among affiliate service providers about their responsibilities under the law and encourage them to comply with regulatory requirements. ACMA has also intensified its monitoring and enforcement efforts to detect and prosecute affiliate services that promote illegal online gambling services in Australia. By prioritising this issue, ACMA aims to protect Australian consumers from the potential harm caused by illegal gambling activity.

3.2.2. Overarching conditions required of wagering direct and affiliate marketing

The conditions wagering operators and affiliates must adhere to in order to deploy marketing to an individual is consistent across advertising and gambling regulations nationwide; and underpin consumer protection measures. These standard requirements are summarised as follows:

- Wagering operators must be licensed in Australia. The Interactive Gambling Act (2001) prohibits any unlicensed wagering operators from advertising gambling in Australia.
- Gambling advertising, including direct marketing, cannot depict minors or young people, the consumption of alcohol, imply a promise of winning, enhanced attractiveness or of relieving financial or personal difficulties, excessive gambling, or peer pressure (AANA, 2018). Further restrictions exist for broadcast advertising, such as during live sports events, but have little relevance to direct and affiliate marketing (Standing Committee on Social Policy and Legal Affairs, 2023).
- All wagering marketing is subject to the advertising code of ethics and similar federal legislation, which prohibits marketing content from being offensive and ensures accuracy and transparency on the offer being made (Northern Territory Government, 2019).
- Australia consumer law (ACCC, 2023a; ACCC 2023b) and AANA Code of Ethics (AANA, 2021) set out guidelines for advertising to not be false, misleading or deceptive. However, AANA codes are not enforceable under legislation (Standing Committee on Social Policy and Legal Affairs, 2023).
- Direct marketing material must comply with the NCPF requirements to display consistent gambling messaging about the risks and potential harm of gambling (both tagline and call to action; DSS, 2022).
- Direct marketing can only be sent to individuals who have provided their express consent to receive such materials (Spam Act, 2003).
- Individuals must be able to easily opt out of receiving gambling promotions, and this must be honoured by the wagering operator and take effect within five business days (Spam Act, 2003).

In NSW, the individual provides ongoing consent, which is considered to be withdrawn if that person has not logged into their account in 12 months (Betting and Racing Act (1998).

Wagering operators also have a duty of care to their patrons in recognising and acting when someone is likely experiencing harm from gambling (DSS, 2022), although there are concerns that current risk indicators employed by wagering operators are not reliable or effective (Standing Committee on Social Policy and Legal Affairs, 2023). In a similar vein, regulations and codes of practice across Australia require that considerations be given to the potential impact of wagering direct marketing on vulnerable individuals (DSS, 2022).

While some states and territories have more extensive guidelines on what can and cannot be advertised with respect to wagering, especially in regard to broadcast advertising, there are few material differences between federal and state and territory legislation for the direct marketing of wagering services.

3.2.3. Consistent gambling messaging in advertising and marketing

The NCPF states that wagering operators will include consistent messaging in all advertising, direct marketing, websites, and other direct communications to their customers about the risks and potential harm of gambling (DSS, 2022). State and territory governments are responsible for enacting consistent gambling message requirements, through existing laws, regulations, and licenses.

In March 2023, the standard ‘gamble responsibly’ message was retired and replaced with seven taglines, to be rotated by wagering operators in marketing and advertising material (DSS, 2022):

- *Chances are you're about to lose.*
- *Think. Is this a bet you really want to place?*
- *What's gambling really costing you?*
- *What are you prepared to lose today? Set a deposit limit.*
- *Imagine what you could be buying instead.*
- *You win some. You lose more.*
- *What are you really gambling with?*

All seven taglines are permitted to be used in direct marketing materials, with the caveat that ‘You win some. You lose more’ is permitted only when spoken. Regulation also requires the font and size of this messaging to be in appropriate scale to the message or website on which it appears and includes specifications for these requirements (DSS, 2022).

A call to action must accompany taglines, such as the standard message: ‘*For free and confidential support call 1800 858 858 or visit gamblinghelponline.org.au*’. Exceptions apply when there is a restricted character count. For certain types of direct marketing messaging, such as SMS where character count is limited, messaging must include a link to a landing page that includes information about responsible gambling. These messages also need to include a reference to the National Self-Exclusion Register, BetStop. In cases where wagering operators send a push notification to customers, a follow-up push notification with ‘set a deposit limit’ and information on BetStop must be sent (DSS, 2022; Interactive Gambling (National Self-exclusion Register) Register Rules, 2022). The NCPF also outlines requirements for wagering operator staff in the responsible service of online gambling. This is expected to occur in a timely manner (DSS, 2022), prior to any staff activities that may be classed as direct marketing, such as phone calls with offers for customers.

The Northern Territory Code of Practice for Responsible Online Gambling, overseen by the NTRC, also specifies rules for licensed wagering operators to enact in

advertising and promotion. This includes specifications on the visibility of the gambling warnings (Northern Territory Government, 2022). With the roll out of the new responsible gambling messaging under the NCPF, there are no material differences in state and territory requirements for consistent gambling messaging in wagering direct marketing.

3.2.4. Illegal products and locations contained in wagering marketing

The Interactive Gambling Act (2001) prohibits wagering operators not licensed in Australia from offering any online gambling services to Australian residents. This extends to a ban on advertising gambling products in Australia and directing people in Australia to illegal online gambling products.

However, wagering affiliates have been known to breach this legislation by linking to unlicensed, offshore gambling sites (ACMA, 2022a). Whether or not the affiliate discloses the legality of such offers varies. These offshore sites tend to be run from jurisdictions in the Caribbean, like Curaçao, and provide limited and variable information to customers about the legality of offers they promote (ACMA, 2022a). However, with the implementation of the NCPF, any marketing material that is sent on behalf of an Australian wagering operator, or to an Australian based consumer, must adhere to the Australian legislation (DSS, 2022). ACMA has recently prioritised blocking gambling affiliate websites that offer illegal, offshore gambling activities (ACMA, 2022a).

Social media is a popular way for wagering affiliates to reach potential customers. Researchers and regulators have called into question the degree to which Meta, Twitter, Twitch, YouTube, and similar social media platforms enforce their terms and conditions for targeted advertising for prohibited topics like gambling. There have been multiple documented cases of illegal gambling advertisements being authorised by Facebook, under policies that specify that advertisers must demonstrate their lawfulness (Briggs, 2023). Gambling content has also been targeted at minors on these platforms, despite legislation clearly prohibiting this (Standing Committee on Social Policy and Legal Affairs, 2023; Reset Australia, 2021).

Some wagering affiliates operate outside the confines of legislation and guide Australian internet users towards illegal gambling offers. In the online environment generally, regulators have few barriers at their disposal to effectively prevent such practices.

3.2.5. Differences in the regulatory environment according to the brand owner or affiliate, and in direct marketing

There are additional regulations that apply to wagering marketing, depending on the host of the content and how the marketing communication is distributed.

Affiliates are third parties that undertake marketing activities based on a commercial agreement with the wagering operator. Accordingly, there is a wider set of consumer marketing laws related to transparency and disclosure of commercial relationships

that they are required to abide with. These additional regulations are outlined later in this chapter.

In Australia, direct marketing (that is personalised and sent directly to customers) and advertising are each considered distinct marketing activities. Wagering advertising legislation sets out what is acceptable content of this direct marketing, and an additional set of regulations apply to the way in which it is distributed. This legislation around the distribution, privacy and consent of direct marketing is also outlined further below.

3.3. Standards for affiliate marketers in Australia

In the context of marketing, an ‘affiliate’ can be used to describe any third-party that has a commercial relationship with the business and promotes their goods or services. ‘Influencers’ are an increasingly common model for affiliate marketing. The increasing popularity of these kinds of commercial relationships in the last several years, especially in an online setting, has resulted in revisions to the Australian Association of National Advertisers (AANA) Code of Ethics (2021). Affiliate marketers are also subject to Australian Consumer Law, the Spam Act (2003) and the Privacy Act (1988). There is not yet a legal definition of a wagering affiliate that appears in Australian legislation.

Australian Consumer Law outlines that advertisements cannot be misleading or deceptive, and this includes transparency over what benefit a content creator receives and what content is commercial in nature (ACCC, 2023a; ACCC, 2023b). Provided the commercial nature of the advertisement or relationship is clear and conspicuous, affiliate marketing is legal in Australia.

Consistent with any advertising, affiliate marketers must comply with Australian Privacy Principles in how they use, store, and disclose personal information (OAIC, 2019). While affiliate marketing is not specifically mentioned in the Spam Act (2003), affiliates are held to the same regulatory standard as any other Australian organisation in contacting individuals only if they have consent to do so.

The AANA introduced Section 2.7 to the Code of Ethics in 2017 to address the growing prevalence of influencer and affiliate marketing, which often appears alongside user-generated content and may not be readily identifiable as advertising (AANA, 2021). This section stipulates that advertising must be clearly and distinctly identifiable as such, to ensure that consumers are not misled or deceived by marketing messages (AANA, 2021).

Affiliates can, but are not required to, use labels like ‘#ad’ to disclose an affiliate relationship. They can also use a combination of content placement, visuals, brand names and other cues to make it apparent that content is commercial in nature (AANA, 2021). However they achieve it, it is mandated that content should be immediately recognisable as commercial in nature, in a way that is ‘easily understood and conspicuous, to avoid any potential confusion or deception’ (AANA, 2021). The Code of Ethics explicitly states that ‘advertising or marketing communication should not be disguised as... news, current affairs, independent

market research, user-generated content, private blogs or independent reviews' (AANA, 2021).

As outlined in the literature review (Chapter 2), wagering affiliates often present as a gambling 'news' website, comparison site, or as a service to provide expert tipping. This practice closely approaches the boundaries of Australian Consumer law and Advertising standards that prohibit the misleading of consumers and mandate the disclosure of any commercial relationship with a wagering operator. The strategies available to wagering affiliates for adhering to these requirements are diverse and subject to interpretation (AANA, 2021).

Ultimately, while third parties can be held responsible for some breaches, the brand owner who 'has control over the relevant material and whose products or services are being promoted' (AANA, 2021) is responsible for developing content that is aligned to AANA codes and broader regulatory requirements, like the IGA (2001). This means wagering operators must ensure that their affiliates' promotions adhere to the advertising standards established by the AANA. As such, it is incumbent on brand owners to recognise their responsibility and collaborate with their affiliates to produce accurate, transparent, and lawful promotional material (AANA, 2021). This extends to the inclusion of consistent gambling harm messaging (DSS, 2022).

Some flexibility is provided for advertisers in good faith, to determine how best to distinguish their material as marketing communication (ACCC, 2023a; AANA, 2021). Affiliates may operate in this grey area, where having branded links or banners on their site may be considered sufficient to disclose a commercial relationship. ACMA (2022a) observed that, in an online environment, especially social media where affiliates may operate, wagering affiliates can be misleading about their commercial motivations; and consumers often remain ignorant of the commercial relationship between the wagering affiliate and a wagering operator.

3.4. Overview of wagering direct marketing regulation in Australia

Direct marketing is defined by the Office of the Australian Information Commissioner as follows:

Direct marketing involves the use or disclosure of personal information to communicate directly with an individual to promote goods or services. It can encompass any communication made by or on behalf of an organisation to an individual, including fundraising communications. The communication may occur through a variety of channels, including telephone, SMS, mail, email, social media, and online advertising (e.g., targeting online advertising at an individual using their personal information). (OAIC, 2019, s. 7.9)

Direct marketing is regulated by Australian Privacy Principles (OAIC, 2019) and the Spam Act (2003). Regulation specifies that direct marketing can only be deployed if:

- The organisation has obtained consent from the individual before sending commercial messages (OAIC, 2019, Spam Act, 2003).

- The organisation provides an easy way to opt out of receiving marketing communications (Spam Act, 2003). Opting out of receiving marketing communications must take effect within five business days (Spam Act, 2003).
- In the case of telephone calls, the individual is not listed on the Do Not Call Register (OAIC, 2019).

With rules from the Spam Act (2003), Australian Privacy Principles (OAIC, 2019) and the NCPF (DSS, 2022), direct marketing legislation has minimal variation by state and territory. In Victoria and South Australia from 30 June 2023, wagering operators must also ensure that new customers can create a betting account without being required to consent to receiving direct marketing, or being required to take additional steps to opt out of receiving direct marketing (CBS, 2023; VGCCC, 2022).

State and territory regulators are responsible for the enforcement of the NCPF, including how it impacts the direct marketing activities of wagering operators and wagering affiliates. Five of the NCPF's protective measures are relevant to the practice of direct marketing, as outlined below.

3.4.1. Consistent gambling harm messaging

As described above, gambling-related marketing communications must be accompanied by one of the prescribed messages about gambling harm (DSS, 2022). This includes direct marketing material.

3.4.2. Self-exclusion

To date, self-exclusion from wagering services in Australia has been recorded by individual wagering operators, by Consumer and Business Services for South Australians (who facilitate barring from venues, online gambling or lottery), or by the Northern Territory Racing Commission (NTRC), who maintain a self-exclusion list for online wagering operators licensed through the Northern Territory.

The National Self-Exclusion Register, known as BetStop, became operational in 2023 is overseen by ACMA (ACMA, 2023a). The Register allows individuals to exclude themselves from all licensed online and phone betting services in a single step, for a period of at least three months (ACMA, 2023a).

The rules for the Register outline the process for gamblers to apply to the Register, what information they must supply, the timeframes and method that the Register operator and licensed wagering operators use to match customer and Register data, what to do in instances where a customer appears on the Register, and how wagering operators are obliged to promote the Register. In short, a licensed interactive wagering service can request access to the register with customer name, contact details, date of birth and residential postcode, receive notice within 15 minutes whether customers are registered with BetStop, and then must fulfil their duty to inform any registered customer that their account with them will be closed and provide information about support services. Information about BetStop must also be included on any website or app run by a wagering operator, as well as in any

electronic marketing messages (Interactive Gambling (National Self-exclusion Register) Register Rules, 2022).

Importantly, wagering operators are not allowed to send direct marketing messages, correspondence, or promotional material to people who appear on the Register (ACMA, 2023a; DSS, 2022; Northern Territory Government, 2019). Wagering operators must have suitable procedures in place to ensure that these rules are adhered to, both in their own operations and also by affiliates sending direct marketing on their behalf.

The Register compliance guidelines encourage wagering operators to consider whether any third-party arrangements need to be reconsidered or amended to ensure that the wagering operator does not market to a self-excluded individual (ACMA, 2023c).

3.4.3. Inducements to bet

The Interactive Gambling Act (2001) restricts the offer of credit, vouchers, or rewards to a person to participate in gambling, or open an account with a wagering operator. The NCPF reinforces these existing restrictions on wagering inducements, specifically noting the prohibition of offering any credit, reward, voucher, or other credit as an incentive to open an account or refer another person to do so (DSS, 2022). The NTRC (Northern Territory Government, 2019) similarly prohibits online wagering operators from urging non-clients to use their gambling services. However, Financial Counselling Australia (FCA) argues that restrictions on sign-up inducements are being circumvented (Standing Committee on Social Policy and Legal Affairs, 2023). Further, although wagering affiliates cannot legally provide or advertise sign-up inducements for new customers, they can nonetheless refer new customers to a wagering operator, such as through a sign-up link without an inducement.

Importantly, current restrictions apply only to inducements that aim to attract new wagering customers, but the direct marketing of wagering inducements to existing customers is not prohibited. However, the recent Inquiry into online gambling has recommended an immediate ban on all online gambling inducements and inducement advertising (Standing Committee on Social Policy and Legal Affairs, 2023), which, if implemented, would impact wagering direct and affiliate marketing practices.

There are some state and territory differences in the regulation of inducements. New South Wales and South Australia prohibit inducements to bet (Liquor and Gaming NSW, 2023; Authorised Betting Operations Gambling Code of Practice 2000). In Western Australia, the Gaming and Wagering Commission mandates that communications, including inducements to bet, must be sent or displayed by the gambling operator, not by a third-party affiliate (Gaming and Wagering Commission of Western Australia, 2023).

3.4.4. Player activity statements

Wagering activity statements are subject to several requirements set out by the NCPF, and state and territory governments. They must include a clear transaction and spend history and be easily accessible to customers. Importantly, wagering operators are prohibited from including direct marketing in activity statements (DSS, 2022; Northern Territory Government, 2022).

3.4.5. Account closure

The NCPF outlines the obligations for wagering operators in ensuring account holders are easily able to close their account, without any significant delay or burden (DSS, 2022). Upon account closure, the account holder ceases to be a customer. The NCPF is clear that an interactive wagering operator must not directly promote or market to a customer following the closure of the customer's account.

3.5. Analysis of issues raised in published regulatory hearings and decisions and the National Self-Exclusion draft bills consultation.

This section analyses the findings and recommendations of published regulatory hearings and decisions, as well as feedback received during the National Self-Exclusion draft bills consultation. Hearings and decisions handed down by the Northern Territory Racing Commission (NTRC) provided the most insight into direct marketing issues. Since they are the default regulator for most online wagering operators, it is not surprising that most direct marketing complaints or disputes are reviewed by the NTRC. Decisions from the last five years were reviewed, and illustrative examples included below. Actions and infringement notices issued by ACMA were also examined to identify violations of direct marketing rules, with examples included below. A review of state regulator hearings and determinations revealed only a handful of wagering advertising breaches, primarily in NSW.

The following examples provide insights into recent regulatory breaches and decisions relating to wagering direct and affiliate marketing in Australia.

3.5.1. Sending direct marketing materials without consent, including to self-excluded individuals

The most common complaint about wagering direct marketing brought to the attention of regulators pertained to materials being sent without the consent of the recipient. Two recent examples of hearing results are as follows:

- In January 2020, PointsBet placed an unsolicited call and email to an individual who had previously opted out of receiving marketing material. PointsBet claimed that the contact was 'transactional' and thus permitted, but the NTRC disagreed. The individual in question went on to place a number of bets and suffer net losses and settled the dispute privately with PointsBet. The NTRC investigated and fined PointsBet \$13,345 (PointsBet Australia Pty Ltd Investigation Concerning Dealings with Gambler Mr L, 2023).

- In December 2019, Tabcorp issued direct marketing to account holders through Instagram. Tabcorp mistakenly included the details of 900 NSW residents who had closed their accounts, and claimed the mistake was due to human error. Tabcorp was penalised under the NSW Betting and Racing Act for the breach in sending direct marketing without consent and promoting an inducement to gamble and was fined \$18,000 (plus legal fees) (Liquor and Gaming NSW, 2020).

The NTRC considers the contacting of self-excluded individuals to be a severe violation of the Code of Practice for Responsible Online Gambling, as it poses a significant risk of harm to those who have acknowledged a gambling problem and have proactively taken measures to prevent themselves from opening or using a betting account (Northern Territory Government, 2019). This includes individuals who have self-excluded through the NTRC's self-exclusion list or from a wagering operator directly.

Contacting self-excluded individuals was a common type of infringement, which the NTRC notes was often 'caused by system error' due to the method many wagering operators use to record a self-excluded person in their system (NTRC, 2023). Two recent examples of hearing results are summarised below:

- In November 2022, Bet Nation emailed 7,173 individuals with an offer related to the Melbourne Cup, of whom 772 were self-excluded. Bet Nation claimed this was a mistake due to human error and that corrective and preventative measures were put in place to prevent this type of error from occurring in the future. No bets were placed or accounts opened as a result of this direct marketing. The NTRC fined Bet Nation \$13,770 (Amused Australia Pty Ltd (Bet Nation) Consideration of Disciplinary Action, 2022).
- In December 2021, Bet Deck emailed and contacted via SMS 256 self-excluded individuals with a welcome message. Bet Deck claimed this was a mistake and was due to a system error. The self-excluded individuals were issued 'dummy' accounts in order to record their exclusion status, and in doing so, were sent automated messages. New processes were implemented to prevent this type of error from occurring in the future. No bets were placed or accounts opened as a result of this direct marketing. The NTRC fined Bet Deck \$13,345 (The Bet Deck Pty Ltd Consideration of Disciplinary Action, 2022).

The NTRC has the power to fine, suspend or cancel a wagering operator's licence (NTRC, 2023). The vast majority of breaches related to direct marketing resulted in fines, and in some cases, the NTRC declared bets made to be unlawful and that the account holder's money be returned.

3.5.2. Sending direct marketing materials without a functional unsubscribe facility

ACMA regulates the distribution of direct marketing without the consent of the recipient, along with the inclusion of unsubscribe facilities, in accordance with the Spam Act (2003).

Two recent examples of infringement notices issued by the ACMA to wagering operators are the following:

- From January 2020 to March 2021, Sportsbet sent 158,675 direct marketing emails and SMS messages without consent, and 3,271 emails and SMS messages without a functional unsubscribe facility. ACMA issued Sportsbet a fine of \$2,508,600, the largest of its kind. Sportsbet additionally had to refund any affected customer who sustained a net loss following the receipt of the direct marketing, increasing Sportsbet's total payable amount to approximately \$3.7 million (ACMA, 2022b)
- Over a period of three months from 2021 to 2022, BetDeluxe sent two direct marketing messages without consent, 822,549 SMS messages that did not contain the sender's contact details, and 104,567 SMS messages without an unsubscribe function. The ACMA issued BetDeluxe a \$50,172 fine (ACMA, 2023b).

In both these instances, ACMA accepted an undertaking from the wagering operators to commit to independent reviews of their practices and additional compliance reporting.

3.5.3. Sending direct marketing materials with an inducement to gamble

In cases where direct marketing is targeted at individuals who have not consented to receive materials, the materials can be considered an inducement to gamble that is prohibited by the NCPF (DSS, 2022). Such breaches are considered serious by regulators, as demonstrated in the example below:

- In June 2018, a Ladbrokes employee contacted an individual with an unsolicited phone call. During that call, the individual was offered bonus bets as an incentive to bet with Ladbrokes, which Ladbrokes claimed could be lawfully provided at that time (according to 2016 Code). The NTRC found that Ladbrokes breached the Code of Practice in contacting the individual to 'urge [them] to buy', and fined Ladbrokes \$26,180 (A v Entain Group Pty Ltd (Ladbrokes), 2023).

3.5.4. Hearings on activities of affiliate wagering marketers

Only a few hearings conducted by the NTRC have focused on wagering affiliates. The two most notable cases occurred in 2019 and 2022.

The NTRC investigated a breach in 2019 (BetEasy Notice of Conclusions and Proposals, 2021), where a self-excluded customer was contacted by an affiliate identifying themselves as 'being from' a wagering operator the customer was excluded from. The affiliate facilitated the customer opening an account in their spouse's name to circumvent the exclusion. In this matter, the NTRC said:

The Commission is concerned where licensees conduct important parts of their business with or through affiliates, but seek to disown responsibility for their actions. There would be a weakness in the system if a licensee enabled the work of an affiliate, but did not accept sufficient responsibility for its actions. (BetEasy Notice of Conclusions and Proposals, 2021, pg. 3)

In this case, BetEasy denied liability for the actions of their affiliate. However, the NTRC noted that the wagering operator benefited from the actions of its affiliate and

did not sufficiently monitor or restrict its affiliates in a way that complied with its legal obligations (BetEasy Notice of Conclusions and Proposals, 2021; NTD Pty Ltd (trading as betr) consideration of disciplinary action, 2023). The NTRC also pointed out that interpretation of the Federal Court's ruling of fraud against a company stands only when the company does not benefit, to demonstrate how the law might interpret their liability. BetEasy was penalised with the maximum fines available, and the matter was referred to AUSTRAC. BetEasy and the customer reached a private resolution.

The Commission regards it as important to send a strong signal that licensees must do their utmost to ensure compliance with the Code of Practice for Responsible Online Gambling, including by ensuring compliance by their affiliates. (BetEasy Notice of Conclusions and Proposals, 2021, pg. 10)

The NTRC provided further clarity in its investigation of an incident in October 2022 where an affiliate of a wagering operator service provider contacted a self-excluded gambler (NTD Pty Ltd (Trading as Betr) Consideration of Disciplinary Action, 2023). In their decision, the NTRC held that:

...licensees should accept responsibility for the activities of their affiliates, and that an unwillingness to do so does not reflect well on a licensee. The Commission understands that this position is accepted by betr, and notes that the contractual arrangements between betr and betr's BDM affiliates require the affiliates to comply with the Code. This decision therefore does not differentiate between the activities of betr employees and BDM affiliates and their contractors. (NTD Pty Ltd (Trading as Betr) Consideration of Disciplinary Action, 2023)

The NTRC, as the regulator overseeing most online wagering operators in Australia, clearly asserts that licensees should take responsibility for the actions of their affiliates. Failure to acknowledge this responsibility would be viewed unfavourably by the NTRC. However, it is important to note that the primary role of the NTRC in this context is to investigate matters related to the Racing and Betting Act (1983) and ensure effective regulation and control of the wagering operators it licenses (NTRC, 2023). Determining the legal liability of wagering affiliates for misconduct is not within their purview, except to hold licensees accountable for actions carried out on their behalf.

3.5.5. Submissions to the National Self-Exclusion Register consultation

The National Self-Exclusion Register was developed and rolled out in August 2023. The Register, known as BetStop, is a nation-wide, single register for individuals to self-exclude from all online and phone wagering operators in Australia (ACMA, 2023a).

From February to March 2022, a consultation process on the draft 'Register Rules' was hosted. The Register rules outline the process by which an individual can sign up to the Register and the expected actions and time frames to be achieved by wagering operators. In this consultation process, seven submissions were received, six of which were non-confidential. Three submissions were received from industry stakeholders, and three submissions from support and research stakeholders. Seven

issues were open for comment by the ACMA, and the responses that relate to direct marketing of wagering services are summarised next.

The rules set out for the Register are for wagering operators (Interactive Gambling (National Self-exclusion Register) Register Rules, 2022), and do not explicitly include wagering affiliates, who do not have access to the Register. However, as pointed out in some submissions, these rules may have implications for third parties utilised by wagering operators.

3.5.5.1. Matching Register data to customer data

Industry stakeholders raised concerns about the consistency of information provided by Register applicants compared to wagering operator customer records. Mistakes, life changes resulting in conflicting information, incomplete data, and deceptive or purposefully misleading information shared by applicants can result in errors in data matching that can have consequential effects on sending direct marketing to self-excluded Register applicants (FCA, 2022; Tabcorp, 2022; VBA, 2022). Support groups, such as Financial Counselling Australia, advocated for every effort to be made to reduce the effort and barriers that may prevent people from applying to the Register with the current rules, especially older people and First Nations people (FCA, 2022).

Overall, industry submissions requested further consultation with ACMA or variations on the rules for data matching, with a view that discrepancies between Register and customer information may exist (Dabble, 2022; Tabcorp, 2022; VBA, 2022). The consequences of poor data matching may result in delays in processing exclusions and therefore direct marketing being received by a self-excluded individual. The legislated Register Rules include a provision for cases where a request for access to the Register returns an error i.e., it is unknown whether a customer is a registered individual with BetStop or not (Interactive Gambling (National Self-exclusion Register) Register Rules, 2022). It is not specified in the Rules how the error is to be resolved.

3.5.5.2. Timeframe for actioning exclusion

The Register rules do not prescribe when operators need to check the Register, however in order to be compliant with the Interactive Gambling Act, operators must check the Register before releasing direct marketing. This was not disputed by any consultation submissions. Draft Register rules outline that an applicant should appear on the Register within minutes of successfully applying or in any event, within 24 hours of applying, and that exclusion should take immediate effect. Consultation submissions between industry and support groups differed the most on this expectation.

Support groups advocated for exclusions to take effect as soon as possible, with no cooling-off period to remove oneself from the Register (FCA, 2022; Synod of Victoria and Tasmania, 2022; University of Sydney Gambling Treatment and Research Clinic, 2022). Support services were mindful of the heightened vulnerability of gamblers immediately following a self-exclusion. In contrast, industry stakeholders highlighted concerns that the proposed turnaround time may not be adequate for direct and affiliate marketing purposes.

Tabcorp (2022) suggested that up to 24 hours may elapse between checking customer records against a database and delivery of the marketing campaign. The Victorian Bookmaker's Association (VBA) questioned whether third-party providers who send out marketing materials are reasonably able to meet this requirement (VBA, 2022). Although a wagering service provider may fulfil the necessary criteria for closing the account of a self-excluded individual, it is possible that removing the individual from all mail marketing lists might require an additional one to two days (VBA, 2022). Tabcorp and VBA asked that additional time (between 12 and 24 hours) be afforded to wagering operators to action self-exclusions from the Register (Tabcorp, 2022; VBA, 2022), consistent with existing state and territory provisions for wagering self-exclusion programs. The legislated Register Rules determine that an individual should be registered on BetStop within an hour of successfully applying (Interactive Gambling (National Self-exclusion Register) Register Rules, 2022).

3.5.5.3. Promotion of the Register

The Register Rules require wagering operators to reference BetStop and link to the register from their websites, and to include information about the register in electronic messages (Interactive Gambling (National Self-exclusion Register) Register Rules, 2022). Where direct marketing is sent via a SMS message, the SMS must contain a hyperlink to a webpage outlining responsible gambling, including information on the Register. Stakeholder submissions did not dispute the rules related to hyperlinks to information about the Register, and were in favour of a communication approach that included detailed and compelling messaging about self-exclusion, and the reasons for self-excluding, on responsible gambling pages of wagering operator websites (Dabble, 2022; Tabcorp, 2022).

While most submissions supported the inclusion of information about the Register in all regulated electronic messaging, one submission raised concerns about over-promotion, arguing that excessive messaging could cause customers to become desensitised to the Register information (VBA, 2022).

3.5.5.4. Roll out of the Register

The current default regulator of interactive wagering services, the Northern Territory Racing Commission (NTRC), has expressed doubt about Betstop being an effective alternative to the NTRC's existing register (NTRC, 2023). However, while multiple self-exclusion lists would be burdensome for applicants, all result in exclusion from direct marketing. Financial Counselling Australia (FCA) also called for ongoing evaluation of the Register's efficacy, including independent auditing that wagering operators are complying (FCA, 2022).

3.5.5.5. Affiliate activities that impact self-excluded people

Concern about the activities of wagering affiliates was raised more broadly by Financial Counselling Australia (FCA) in their submission to the Register draft rules. The FCA called for more clarity in regulating wagering affiliate marketing and more accountability from wagering operators using affiliate marketers. They labelled wagering affiliate marketing a 'wild west' (FCA, 2022) and called for affiliates to be subject to the same rules for processing individuals on the self-exclusion Register before sending direct marketing material to their customers.

3.6. The future of the regulatory environment for wagering marketing

Australia's regulatory framework for gambling has been criticised as 'weak and fragmented' (Standing Committee on Social Policy and Legal Affairs, 2023), as regulatory powers sit with state and territory governments. Oversight of the marketing activities of wagering operators and affiliates varies; for instance, the AANA codes of advertising practice are largely self-regulated (Standing Committee on Social Policy and Legal Affairs, 2023). It is anticipated that compliance with gambling regulations will require the expansion of rules and standards to encompass the role of wagering affiliate marketers (FCA, 2022).

The Australian Government's Inquiry into online gambling and its impacts on those experiencing gambling harm reported in June 2023, following a wide consultation process. The report delivered several strong recommendations for the future of wagering marketing. Recommendations included a comprehensive ban on all forms of advertising for online gambling, introduced in four phases over three years. Much of the proposed ban refers to broadcast advertising (excluding dedicated racing channels and programming), however phase one includes a ban on all gambling inducements and inducement advertising. This ban would significantly impact the permitted content for wagering operators' advertisements and therefore, the content of direct marketing. The recommendation would result, at the end of year three, in a total ban of online gambling advertising (Standing Committee on Social Policy and Legal Affairs, 2023). Another recommendation proposed a prohibition on commissions being paid to any third party involved in the referral of an individual to gamble. A ban on advertising and referrals would have a profound effect on the legality and viability of wagering affiliate marketing.

The Inquiry also put forth a recommendation for a national regulatory body for online gambling to apply a consistent regulatory framework for wagering operators (Standing Committee on Social Policy and Legal Affairs, 2023). There was also industry support for this recommendation, to reduce confusion and create a more even playing field for wagering operators licensed in different states. Further calls for reform and additional enforcement powers also have the potential to shape the operations of affiliate marketers and wagering operators in deploying direct marketing. For instance, ACMA have expressed the need for 'additional administrative enforcement options' (ACMA, 2022c), while a Privacy Act Review report generated by the Attorney-General's Department of the Commonwealth Government (2022), currently under review at time of writing, may result in changes to the collection, use and disclosure of personally identifiable information.

It remains to be seen if and how the outlined recommendations and calls for action will be implemented. However, these recent developments indicate that tighter regulations and stricter oversight of direct and affiliate marketing might be expected.

3.7. Comparisons between direct and affiliate marketing

Wagering operators and wagering affiliates are both subject to gambling regulation at a Commonwealth and state and territory level, which governs what content they can include in marketing communications and who they can target these communications to. However, there are differences in the comprehensiveness and enforcement of these regulations in wagering direct marketing and wagering affiliate marketing.

Wagering direct marketing has a defined and comprehensive regulatory framework. Several key regulatory bodies contribute to a robust regulatory environment for direct marketing. These include the ACMA that is responsible for spam regulations and the Interactive Gambling Act (IGA, 2001); the NTRC that regulates the activities of the online wagering operators they license; the NCPF that sets guidelines for online wagering operators; the AANA that provides advertisement standards, overall (2021) and in wagering (2022); and the Australian Privacy Principles (OAIC, 2019). These agencies and instruments set out clear guidelines and enforce their compliance.

Wagering affiliate marketing is more complex. The diverse range of business models employed by affiliates adds an extra layer of complexity to regulatory compliance. Many affiliates go beyond direct marketing, including mass market advertising and online offers. Accordingly, affiliate marketing activity is subject to a wider range of regulations compared to direct marketing, but affiliates lack the direct regulatory oversight that wagering operators have.

ACMA plays a significant role in overseeing the legality of wagering affiliate operations (ACMA, 2022a). In contrast, other regulatory bodies, like the NTRC, have limited authority in monitoring and enforcing the compliance of affiliates to gambling regulation (NTRC, 2023). Some affiliates operate legally; their contractual agreements with wagering operators entail that liability is shared by the wagering operator and compliance with marketing regulations is enforceable under the wagering operator's license terms. However, there are still gaps in legislation and oversight that can be exploited, particularly in an online environment where monitoring affiliate operations is extremely difficult (ACMA, 2022).

In summary, wagering affiliate marketing is subject to the rules and responsibilities that legislate direct marketing of wagering. However, affiliate activity is expansive and subject to a wide variety of Australian legislation and regulation, with little direct oversight to enforce compliance. A dedicated focus by regulators on affiliate marketing practices may add more transparency to this complex landscape, and result in stronger regulatory frameworks and enforcement mechanisms for affiliate marketing, to improve consumer protection.

Chapter 4. Website analysis for wagering operators and wagering affiliate marketers

Summary

- A review of the public web pages of 10 wagering operators found that adverts that promoted betting, their products and brand were more common than adverts for wagering inducements. However, all inducement adverts on these websites can only be viewed by account holders after login.
- Operator adverts most often promoted multi-bets, sometimes with an inducement. Other non-inducement adverts promoted good odds, betting markets, product features, and general reminders to bet. Promoted inducements included bonus bets, cash-out early options, bet returns, increased winnings, boosted odds, and winnings paid, e.g., in the case of a protest.
- A review of 10 affiliate websites found they hosted more advertising content than operator sites, almost always with a call-to-action to sign up or bet now. Inducements were often displayed on 'offers' pages, ostensibly for comparison or to highlight different bookmakers' offers.
- Affiliate tipping sites had the most sponsored content and inducements. Comparison sites had no inducements but featured multiple operators and sign-up links. News sites had the least marketing content and offered no inducements.
- Affiliate reviews were noticeably biased towards their affiliated operators. Some links from affiliate websites redirected customers from a presumably non-affiliated wagering operator to a likely-affiliated operator.
- Both operators and affiliates retain customer data for direct marketing, and nearly all reserved the right to share this with third-parties. Most affiliates operated on a subscription model that includes collection of customer details.
- Wagering operators and affiliates had a comparable amount of responsible gambling (RG) content on their websites.
- Disclosure of affiliate arrangements was minimal. Some operators' T&Cs noted they pay affiliate commissions but included few details of these arrangements.
- Three wagering operators had publicly available T&Cs for affiliates, outlining their support, reporting tools, and control over marketing. They emphasised risk management, protection of the operator's name, and the requirement for affiliates to adhere to relevant regulations. Under the T&Cs, operators could withhold commissions or terminate the relationship if an affiliate underperformed.
- Affiliate websites lacked transparency about their affiliate relationships. Comparison sites mostly positioned themselves as independent, obscuring their affiliate relationships. News sites were more likely to disclose that they hosted sponsored content for revenue. Affiliate relationships were not disclosed by most tipping sites but may be evident from their adverts. However, customers may misperceive this as paid advertising content and not an affiliate arrangement.
- Affiliate relationships were sometimes indicated in referral links, but some affiliates masked these links. Customers would most likely be unaware of the commercial transactions resulting from their referral.

4.1. Introduction

This chapter analyses the websites of 10 wagering operators and 10 wagering affiliate marketers. The primary purpose is to assess details and disclosure of affiliate arrangements and the website marketing practices of affiliates to inform the second research aim of the overall study to examine affiliate business models, practices and marketing. A secondary purpose is to compare the website marketing of affiliates to that of wagering operators to highlight any relative differences in their nature and extent.

4.2. Audit of wagering operators' websites

The first half of this chapter presents an audit of wagering operators' websites to analyse the content of the publicly available advertisements on their sites. A limitation was that the researchers were unable to open betting accounts with these operators, for ethical reasons, so they could not view marketing in the members' sections of these websites.

4.2.1. Methods

Each of the 10 wagering operators' websites was audited on 15 or 16 June 2023. This was either a Thursday or a Friday when wagering operators tend to renew their advertisements ahead of weekend betting events. All wagering operators were anonymised and assigned a numeric ID for the purpose of the content analysis.

4.2.1.1. Selection of wagering operator sites

Wagering operators were purposefully sampled from a list of Australian-licensed operators published by the Australian Communications and Media Authority (ACMA), based on the amount of inducement advertising accessible to non-account holders. Most wagering operators restrict access to detailed information on their betting promotions, which is available only to logged-in account holders. Only those wagering operators that included advertising content on their homepage or promotions pages were considered eligible for selection.

Of the eligible wagering operator sites, a mix of operators with a larger share of the Australian online wagering market, as well as smaller wagering operators, were shortlisted to obtain diversity in the sample (Table 4.1). Where shortlisted wagering operators were owned by the same company or group, only one wagering operator was selected to ensure the diversity of marketing practices across the industry was best represented. To maximise the information gained from the audit, the final selection was made based on:

- The number of betting inducements displayed and the detail included in marketing their offers. For example, a wagering operator that detailed the benefits of multi-bet offers in their advertising was prioritised over an operator that listed multi-bets but did not highlight the benefits in their advertising.

- The inclusion of an affiliate page or mention of commercial relationships with wagering affiliate marketers.

None of the websites prompted the user with a notice of a necessary birthdate to ensure viewers were over 18. However, access to the full suite of website pages required an account, which requires ID for proof of age.

Wagering operators' terms and conditions, sometimes called user terms, were reviewed during the selection process to verify that they did not prohibit researchers from reviewing their content. No such prohibitions were found. Table 4.1 summarises the characteristics of the selected wagering operators.

Table 4.1. Wagering operator websites audited

ID	Wagering products	Operator size*	Licensed by
WOP1	Sports betting, race betting, esports and novelties	Larger	Northern Territory Racing Commission
WOP2	Sports betting and race betting	Smaller	Victorian Gambling and Casino Control Commission
WOP3	Sports betting, race betting, esports and novelties	Mid	NSW Liquor, Gaming and Racing
WOP4	Sports betting, race betting and esports	Larger	Northern Territory Racing Commission
WOP5	Sports betting, race betting and novelties	Mid	Northern Territory Racing Commission
WOP6	Sports betting, race betting and esports	Larger	Northern Territory Racing Commission
WOP7	Sports betting, race betting and novelties	Mid	Northern Territory Racing Commission
WOP8	Sports betting, race betting, esports and novelties	Larger	Northern Territory Racing Commission
WOP9	Sports betting, race betting	Smaller	Northern Territory Racing Commission
WOP10	Sports betting, race betting and esports	Smaller	NSW Liquor, Gaming and Racing

*Wagering operators were classified as larger, mid or smaller sized based on available information on their Australian and global customer base (either registered or active), market share data, yearly revenue, and employee size. Where wagering operators are subsidiaries of a larger group, the group's revenue was taken into consideration, but the classification was based on the wagering operators' own attributes. Particularly for smaller wagering operators, customer base and revenue information were not always available.

4.2.1.2. Coding framework for wagering operators' advertising

For wagering operators, an advertisement was defined as any banner or image that appeared on the operator's website promoting the operator's service, product features or specific sports or racing code, or otherwise inducing viewers to engage with the operator and/or place a bet with them. A coding framework was developed to capture the characteristics of the advertisements and other marketing content displayed on wagering operators' websites (Table 4.2). The coding frame included

the inducements commonly promoted by wagering operators (Hing et al., 2017). To determine the non-inducement advertising codes, a detailed list of features and benefits advertised on the websites was first captured. A content analysis was then conducted to categorise the content into the types in Table 4.2. The placement, event and bet type were also captured to identify any patterns in the inducements advertised, as well as information about terms and conditions and responsible gambling messaging. All variable code frames were refined as analysis progressed.

Table 4.2. Coding framework for the advertising content on wagering operator websites

Variable	Description
Promotion	A written description or partial transcription of the text included in the advertisement.
Placement	<ul style="list-style-type: none"> • Homepage. • Promotions (also called 'specials' page).
Event	<ul style="list-style-type: none"> • Race betting. • Sports betting. • Combination (where the offer is available across multiple event types).
Bet type	<ul style="list-style-type: none"> • Match outcome. • Place (in the context of race betting). • Multi-bet offer. • Exotic combination. • Micro event. • Protest payout (in the context of race betting). Winnings paid if a horse runs first past the post but is later relegated due to upheld protest. • Other.
Inducement content	<p>If an advert included an inducement, the inducement was coded into one of the following categories (Hing et al., 2017):</p> <ul style="list-style-type: none"> • Multi-bet offer (same game or same race multi). • Bonus bet returns. • Bet returns (unspecified bonus or cashback). • Better/boosted odds. • Better winnings (such as better dividends). • Winnings paid (such as in case of protest or if the bet lost). • Cash out early. • Sign-up. • Match stake or deposit. • Refund or stake-back. • Competitions. • Free bets. • Happy hour. • Reduced commission. • Cash rebate. • Other
Non-inducement content	<p>If an advert did not include an inducement but promoted betting in general, the wagering operator's products and services, or the brand, it was coded into one of the following categories:</p> <ul style="list-style-type: none"> • Product feature: such as social betting, fast and easy betting forms, ability to save favourite teams or horses and features to improve the app's or site's betting experience. • Code / market coverage: promoting a certain sport or race, like 'bet on AFL with us'. • Multi-bet function: ability to place same game or same race multis.

	<ul style="list-style-type: none"> • General reminder to bet: prompting use of the betting service, not only brand awareness. • Better odds: boasting good odds without an inducement or adjusted odds or special offers. • Expertise: including tips and analysis. • Fast withdrawals: fast and regular ability to withdraw winnings. • Live streaming / coverage access: particularly of racing coverage. • App promotions: for the brand's app.
Terms and Conditions	Whether 'T+C's apply' or a similar message was included explicitly in the advertisement, such as being for eligible customers only or a cap on possible winnings.
Total count of this promotion type	Where the same offer was made across different sporting codes (e.g., AFL, NRL, soccer) or race types (e.g., harness, greyhounds), the total count of iterations of this offer is included.
Responsible gambling messaging	Whether responsible gambling messaging was included in the promotion and its prominence on the website.
Data collection, use and disclosure terms and conditions	Direct quotes were collected from the terms and conditions and privacy policy for each website about direct marketing, as well as third-parties and affiliates. Where used in this chapter, they were paraphrased to maintain the anonymity of wagering operators.

4.2.1.3. Analysis of wagering operator websites

One researcher first identified which advertisements contained inducements and then grouped all advertisements as inducement or non-inducement adverts. This was verified by two other researchers, with any disagreement discussed and resolved. For each of these two groups of adverts, the analysis calculated the most common type of advert for each wagering operator site, the most common type of inducement adverts displayed across all wagering operator websites, and the most common type of non-inducement adverts displayed across all wagering operator websites.

The analysis also examined the prevalence of inducement adverts for any patterns (such as by size of the wagering operator), albeit based on the small sample of wagering operators and the single-day of advertisements examined during the audit. For these reasons, statistical comparisons were not conducted.

Researchers reviewed each website's terms and conditions for content related to direct and affiliate marketing. The clauses and specific terms used to describe marketing activities were captured to identify how wagering operators collect, use and disclose customer information for marketing purposes. Responsible gambling messaging was also captured, but not categorised as advertising, and therefore does not appear in any counts of the advertising displayed on websites.

Results

4.2.1.4. Affiliate marketing content on wagering operator websites

It was common for wagering operators' terms and conditions about marketing to cover their authorised third parties, and the provision of customer data to these companies. A range of terms were used to describe these third parties:

- Related bodies corporate
- Suppliers
- Contractors
- Selected third parties
- Partners
- Affiliates and advertisers
- Other companies, organisations, and sites that help us deliver our services

Five wagering operators, larger and mid-sized, included a provision about paying commission to an 'affiliate or agent' in their terms with standardised wording: 'where you have been referred to [operator] by a third party including by a third party operated website and where that third party is an affiliate or agent of [operator], you acknowledge that [operator] may make commission payments to that third party. Payments to agents or affiliates are unrelated to the odds offered to Customers by [operator]'. No further information about the commercial relationship between wagering operators and affiliates was available on the public pages of the wagering operators' websites.

Only one wagering operator had a link to their affiliate program clearly accessible on the navigation pane of their website. This led to a log-in page for affiliates.

However, most wagering operators had an affiliate program site. Access to these sites varied, with some wagering operators having a fully articulated offer and unique selling points (USPs) available on a dedicated affiliate website. In contrast, other wagering operators provided only a portal to log in to an affiliate account. Table 4.3 outlines the degree of information available by wagering operator.

Table 4.3. Affiliate offers and information available on WOP websites

Level of information available on affiliate site	WOPs included in audit
Fully articulated offer and USPs for the affiliate program on a dedicated website	WOP3, WOP8
Minimal offer with only high-level benefits of being an affiliate available without a log-in	WOP6, WOP9
A log-in page for an affiliate portal	WOP1, WOP4, WOP7, WOP10
No dedicated affiliate offer / portal page	WOP2, WOP5

The size of the wagering operator did not appear to be related to how an affiliate program was promoted. Also, although WOP2 and WOP5 did not have a dedicated affiliate page available, the content analysis of wagering affiliate websites (next section) indicated that both actively use affiliates.

4.2.1.5. Unique selling points for affiliate programs

Two wagering operators had a dedicated website for their affiliate programs (WOP3, WO8). These dedicated sites promoted each wagering operator's ongoing affiliate support, as well as their provision of creative content, and revenue management tools and reporting for affiliates. They reported their indicative commission rates, starting at between 25% and 30% under a revenue shared model and from \$50 per customer under a cost per acquisition model. Qualifying criteria were not disclosed.

The only key difference was in how these two wagering operators represented the potential of their own brand; the larger wagering operator cited customer numbers and industry awards, while the mid-size wagering operator cited its rapid growth.

4.2.1.6. Terms for affiliate programs

Three wagering operators had their affiliate terms and guidelines publicly available on their websites. Their terms were largely consistent, and outlined what the affiliate was responsible for under their agreement, what the wagering operator was responsible for, commission terms, and legal requirements.

Affiliates were deemed, foremost, to be responsible for effectively advertising and promoting the wagering operator 'as widely and aggressively' as possible (WOP6 and WOP9). Another prominent theme was for affiliates to act in a way that positively reflected on the wagering operator, and to not bring the wagering operator into disrepute. One wagering operator also included provisions that the affiliate would include responsible gambling messaging as directed by the wagering operator.

Other terms prohibited affiliates from representing themselves as being from or acting on behalf of the wagering operator, publishing unauthorised material about the wagering operator, or otherwise infringing on the wagering operator's intellectual property.

Wagering operators cited themselves as responsible for the provision of content, which was not to be edited, and tracking of referred customers from the affiliate.

Terms from two of the wagering operators outlined minimum referral requirements and defined net revenue. Depending on the payment model, minimum criteria were set for the affiliate to qualify to receive their commission: at least 10 customers placing their first bet, a minimum turnover and deposit requirement for cost-per-acquisition arrangements, and no customer to be responsible for more than 50% of the affiliate's turnover. Net revenue was similarly calculated as gross money from wagering less taxes and fees to regulators, chargebacks, or money attributable to fraud, returned bets, and payment and administrative fees.

The need for affiliates to understand and abide by regulatory requirements was featured in all wagering operators' guidelines. These included privacy laws, Australian consumer law and anti-money laundering requirements, but in particular the Spam Act (2003) and all relevant wagering and gambling regulations.

Wagering operators provided several guidelines related to the Spam Act (2003). These included prohibiting the affiliate from sending unsolicited bulk email or SMS and telephoning people on the Do Not Call Register. One wagering operator refused

affiliates whose primary source of promotion was direct marketing or social media marketing. One wagering operator explicitly noted that an affiliate's violation of the Spam Act (2003) could result in penalties and legal expenses for the wagering operator.

These websites also highlighted wagering regulations that affiliates were required to adhere to. These included the prohibition of marketing to anyone under 18 years or those 'known to be problem gamblers'. They also stipulated that no inducement can be offered to open a betting account or to bet more frequently, that any advertising material on social media must be clearly identifiable as such, and a requirement to abide by jurisdictional requirements in wagering advertising.

Other miscellaneous requirements from wagering operators for their affiliates included that affiliates were responsible for all costs incurred in advertising. Affiliates and their connected parties could bet with the wagering operator but were not eligible to be a referred customer (and thus receive revenue share of their own wagering). Further, affiliates could not place bets on behalf of customers. One wagering operator stipulated that their product/brand was not to be displayed in a less prominent place or size than any other wagering operator brand promoted on an affiliate's website.

4.2.1.7. Types of advertising on wagering operators' websites

The layout of websites was largely consistent across wagering operators, with most advertising hosted on the homepage in an auto-rotating carousel of four to six adverts. Some wagering operators also placed adverts on their 'promotions' or 'specials' page, although these mostly duplicated adverts from the homepage.

Table 4.4 shows the total number and types of advertisements (inducement and non-inducement adverts) captured in the audit for each wagering operator.

Table 4.4. Percentage of inducement and non-inducement advertisements publicly displayed on wagering operator websites

ID	Operator size	Total number of ads*	% inducement ads	% non-inducement ads
WOP1	Larger	30	50%	50%
WOP2	Smaller	3	50%	50%
WOP3	Mid	5	0%	100%
WOP4	Larger	4	0%	100%
WOP5	Mid	5	0%	100%
WOP6	Larger	9	67%	33%
WOP7	Mid	12	33%	67%
WOP8	Larger	14	57%	43%
WOP9	Smaller	3	33%	67%
WOP10	Smaller	4	0%	100%
Total		89	40%	60%

*Total number of ads includes duplicate offers, such as a banner on the homepage and a tile on the promotions page.

4.2.1.8. Wagering operators' inducement advertising

A total of 35 inducement adverts were identified on the wagering operators' websites. Six of the 10 operators displayed content classified as an inducement on their homepage or promotions page.

Generally, the amount of advertising content displayed on a website was proportionate to wagering operator size. WOP1 and WOP8, two of the largest wagering operators audited, had the most advertising overall, and the most inducement offers. However, this was not always the case; large-size WOP4 had a small amount of advertising and no inducements displayed on its site.

Table 4.5 shows the counts of the adverts for the different types of inducements identified in the audit, as a total number of adverts and by the number of wagering operators. Categories are not mutually exclusive.

Table 4.5. Number of each type of inducement advertised on WOP websites

Type of incentive	Total # advs across all WOPs	Total # WOPs
Bonus bet returns	15	2
Cash-out early	8	2
Winnings paid	4	4
Better/boosted odds	3	2
Better winnings/results	3	1
Bet returns (unspecified)	2	1

Only two wagering operators promoted bonus bets in their on-site advertising: WOP1 and WOP6, both larger size. For these wagering operators, bonus bets were advertised multiple times, across race betting and different codes of sport. The offer differed slightly between these wagering operators, where WOP1 offered bonus bets if the pick ran 2nd or 3rd, whereas WOP6 offered bonus bets simply if the bet was unsuccessful. Importantly, bonus bets were offered as 'bet returns' following a loss; there were no other offers for bonus bets or betting credit observed on any of the publicly available pages of the websites.

The ability to cash-out early if a team was a certain number of points or goals ahead was also a common inducement, offered eight times across four different sporting codes and two wagering operators.

Winnings paid in the case of a protest in race betting was the most common form of inducement across wagering operators. Odds boost offers were also relatively common and were notably diverse, including an odds boost product feature, best tote on race betting, and bets upheld into overtime results.

Two of the larger wagering operators also offered unique inducements: WOP1 offered unspecified bet returns for users signing into their account, and WOP8 offered better winnings and bet protections that indicated the higher potential payout of a bet.

All inducements had terms and conditions. These terms varied widely, depending on the inducement and the wagering operator, but paraphrased examples include:

- Same game multi odds cannot exceed \$2 (same game multi)
- Applies to Win bets only, does not include multi bets or exotic bets, or minor protests (e.g.: 2nd vs 3rd) (protest calls)
- [Boost winnings] to an increase of winnings of \$200,000
- Pre-match, up to 12 selections (early pay out)
- Maximum winnings of \$100 (get paid at half-time)
- Only available to eligible customers (multiple inducements)

4.2.1.9. Multi-bet offers

Multi bets were the most common focus of the adverts, appearing in 45 of the 89 adverts captured from wagering operator websites. They were promoted by all except one wagering operator, and their promotion was evenly spread across sports betting and race betting.

Multi-bet offers were only considered an inducement when they offered a return to reduce risk, such as a bonus bet, or if the offer outlined a specific adjustment or boost to odds. Other advertisements for multi-bets, including adverts that suggested that placing a 'same game multi' or 'same race multi' would (more generally) boost odds, were categorised as non-inducement advertising (see the next section).

Table 4.6 outlines the different types of multi-bet offers by the number of adverts and the number of operators. The total number of wagering operators displaying multi-bet offers is not mutually exclusive.

Table 4.6. Multi-bet offers advertised on WOP websites

Type of incentive	Total # advs across all WOPs	Total # WOPs
Multi-bet inducement (e.g., bonus bets if lost)	14	3
Multi-bet ads that explicitly mentioned bigger or better odds (not characterised as an inducement)	11	6
Offer for multi-bets, code specific and general notice (not characterised as an inducement)	20	7

Three of the larger wagering operators shared the most same game or same race multi-bet adverts; WOP1 featured multi-bets on 14 occasions, WOP8 featured multi-bets eight times, and WOP6 featured multi-bets six times. These three wagering operators were also the only ones to display multi-bet offers with betting inducements (bonus bets or specifying a certain percentage figure of additional winnings). Four wagering operators (WOP3, WOP5, WOP9, WOP10) included adverts for multi-bets that promoted the increased odds of this betting style. Two wagering operators (WOP4 and WOP7) promoted multi-bet functions without specifically outlining the benefits, and WOP2 was the only wagering operator to not promote multi-bet functionality.

4.2.1.10. Specific inducement offers

Table A.1 in Appendix A summarises the specific inducement offers displayed on the wagering operators' websites on the day they were audited. Each promotion's wording is paraphrased to protect the anonymity of the wagering operators audited, while still conveying the style of language and calls to action displayed on websites. From Table A.1, it is evident that inducement advertising promoted offers that reduced the perceived risk or cost to the consumer to bet, such as a bonus bet return in case of a loss, or an offer that specifically outlined an adjustment or boost to odds.

4.2.1.11. Wagering operators' non-inducement advertising

A total of 54 individual non-inducement ads were captured from the 10 wagering operator websites (presented in Table A.2). Drawing on the data in Table A.2, Table 4.7 summarises the focus of these advertisements by the number of adverts and the number of operators. Categories are not mutually exclusive.

Table 4.7. Number of each type of non-inducement advert on WOP websites

Type of advertisement	Total # advs across all WOPs	Total # WOPs
Multi-bet function (without inducement offered)	31	9
Better odds (in general)	12	7
Code / market coverage	10	4
Product feature, such as social betting	9	4
Fast withdrawals	4	3
Expertise	3	2
Live streaming / coverage access	3	2
App promotion	2	2
General reminder to bet or join	2	1

After multi-bet functions (discussed above), adverts that focused on better odds, one or more codes or betting markets, and product features were the most common types of non-inducement advertising on websites. Product features that related to social betting, such as the ability to share bets with friends or bet with a group, were displayed on three occasions across two wagering operators. Other product features included easy-fill forms for racing, 'blackbook' settings to mark favourite teams, horses, jockeys or players to prompt notifications when they are running, expert tips, and user interfaces that made it easier to place bets. Fast withdrawals were also commonly advertised. There was no obvious pattern in the focus of non-inducement adverts amongst larger and smaller wagering operators.

4.2.1.12. Specific non-inducement adverts

Table A.2 in Appendix A summarises the specific non-inducement adverts displayed on wagering operators' websites on the day they were audited. The promotion content is paraphrased to protect the anonymity of the wagering operators audited.

4.2.1.13. Responsible gambling messaging

A responsible gambling message was always the final banner in the carousel adverts on wagering operators' homepages. This is in line with legislation under the National Consumer Protection Framework, which obligates wagering operators to display nationally consistent messaging about the risks and potential harm from gambling in a standardised way (including being in the largest possible font and taking up at least a third of the screen, when shown) (DSS, 2022).

There were minor differences in font and colour, but largely these adverts were very similar and typically presented plain text and black-and-white images. Figure 4.1 presents two examples.

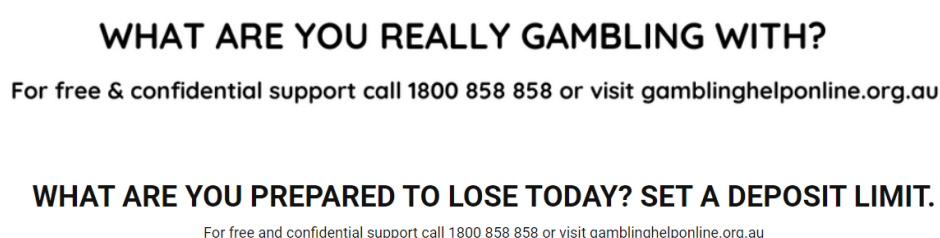


Figure 4.1. Two examples of responsible gambling messaging on wagering operator websites

There was no consistency in what happened when a user clicked on the responsible gambling banner. Click actions included:

- Reloading the homepage.
- Opening a 'sign-up' dialogue box for the wagering operator.
- Opening a terms and conditions dialogue box, where the responsible gambling information page could be accessed with another click.
- Opening an external page (gamblinghelponline.com.au).
- Linking to the responsible gambling information page.
- No hyperlink attached (this was the most common option, adopted by five wagering operators).

Only one wagering operator (WOP10) included a responsible gambling message in the small print within the image of the banner adverts on its website. Further information about responsible gambling, including a notice that websites were intended to be viewed only by people over 18+ years, were consistently featured in the footer of each wagering operator website.

4.2.1.14. Direct marketing terms and conditions

The terms, conditions and privacy policies of the wagering operators were readily available to all site visitors at the bottom of all websites and were largely consistent across operators.

It was typical for wagering operators to outline in their privacy policy that customers are opted-in to direct marketing by signing up for an account. They tended to include standard terms such as: 'you agree that [operator] or authorised third parties may send you marketing and promotional messages that are relevant to you'.

The disclosure of personal information for targeted marketing, by either the wagering operator or a third-party, was similarly standard across wagering operators: 'to provide you with information about promotional offers and our products and services'. The channels by which customers could be contacted were explicitly outlined by all wagering operators: 'email, SMS, push notifications and telephone'.

Most wagering operators outlined that customers could opt out of receiving marketing communications, and most provided instructions on how to do so in account settings or indicated that an opt-out function would be available at the bottom of each piece of marketing communication sent.

4.2.2. Summary

This content analysis of marketing and inducements advertised on the publicly available web pages of 10 wagering operators revealed that only three wagering operators provided publicly available details on their terms and conditions for affiliates. These details indicated that wagering operators provide ongoing support and reporting tools for their affiliate programs, and attempt to exert control over affiliate marketing through the provision of creative assets, adverts and links. Risk management and protection of the wagering operator's name and intellectual property were prominently emphasised in their terms, along with the requirement for affiliates to adhere to advertising, money laundering, and responsible gambling regulations. In expecting affiliates to effectively promote their products, wagering operators exercise strict control over commission arrangements with affiliates, with underperformance or insufficient referrals potentially leading to withholding of commissions or termination of the relationship.

The wagering operators' terms and conditions for direct marketing and opt-outs contained highly similar, almost standardised wording. All wagering operators reserved the right to target marketing communications to customers, and they extended these permissions to third parties, including affiliates. Although some wagering operators acknowledged the existence of affiliates receiving commissions in their terms, further disclosure regarding the commercial agreements between wagering operators and affiliates was lacking. Further, where affiliate pages on wagering operator websites explained commission arrangements with affiliates, these were said to be individually tailored. Customers who take the initiative to find and review affiliate terms, kept separate from the wagering operator's main website, would find little clarification of a wagering operator's commercial arrangements with affiliates and commissions paid.

The analysis also found that non-inducement adverts promoting betting in general, the wagering operator's products and its brand were more common than adverts for inducements. This was despite the sample selection preferencing websites with numerous inducement adverts. However, these publicly available adverts do not reflect all inducement content targeted at customers. In fact, all websites indicated

that a complete list of promotions was available only to account holders upon login. A limitation of the analysis was that the researchers were unable to open betting accounts with these operators, for ethical reasons, so they could not view marketing in the members' sections of these websites.

The content analysis provided insights into the nature of the inducements being offered by wagering operators and aspects of their service offerings promoted in their non-inducement adverts. Although the most prolific advertisers of inducements were the largest wagering operators audited, size was not always a reliable indicator of the prevalence of inducements on a wagering operator's website.

Multi-bet functionality was by far the most common type of promotion, both as an inducement to bet (when accompanied by a bet return offer) and non-inducement promotion (where the ability to place multis was considered part of the core gambling product offering).

Inducements that were most clearly recognisable as incentives to bet, including bonus bets, bet returns, increased winnings, and boosted odds, were displayed by only the three largest wagering operators audited. Promotions to cash out early and for winnings paid, such as in the case of a protest, were more popular across wagering operators of various sizes. All offers were made out to customers, with no mention of a sign-up offer or bonus.

Other non-inducement advertising was most commonly related to offering good odds to customers and coverage of betting markets, such as AFL, NRL and horse races. Product offerings such as social betting, fast withdrawals, expertise, live-streaming, wagering operator apps and general reminders to bet were also featured. All wagering operators displayed responsible gambling messages as prescribed by the National Consumer Protection Framework for Online Wagering (NCPF) (DSS, 2022). Responsible gambling messages were consistently presented in black and white as the last banner in an advertisement carousel, and typically did not include a redirect link to further information or resources for gambling support. Further information on responsible gambling was separated from the advertising and other betting information, and located in the footer of each wagering operator website.

4.3. Audit of wagering affiliate marketers' websites

This section presents an audit of wagering affiliate websites to analyse the nature of the wagering operator content they share, the marketing practices and betting inducements they host, and any terms and conditions related to the use and disclosure of personal information and the nature of their relationships with wagering operators.

4.3.1. Methods

The audit examined the websites of 10 wagering affiliate marketers to analyse their marketing practices and evidence of relationships with wagering operators in June

2023. Each website was audited on a single day, and affiliates were anonymised and assigned a numeric ID for the purpose of the content analysis.

4.3.1.1. Selection of wagering affiliate sites

There is no published list of wagering affiliates, so our selection strategy to identify potential wagering affiliate marketers involved 1) searches on Twitter and Google using numerous search terms, 2) inspection of our Twitter feeds after these searches, and 3) checking wagering direct messages collected in a previous project (Hing et al., 2018). To verify that these potential affiliates were, in fact, affiliated with one or more wagering operators, we checked for affiliate links on their websites. All wagering affiliates that were eligible for selection had websites targeted at an Australian audience.

Sites of the eligible wagering affiliates offered a mixture of sports and race betting content including expert opinions and tips, sport and racing news, reviews and comparisons of wagering operators, and community and social media-type forums. Many wagering affiliates have a subscription model for their sport and racing news or tipping services, which would facilitate their collection and use of personal information for marketing purposes. All affiliate sites considered for analysis hosted adverts or 'call-to-action' content (such as visit / join / bet now links) for wagering operators.

A shortlist of affiliates was created based on a mix of the above features. Preference was given to affiliates that were among the top results on search engines from search terms like 'betting sites' and were therefore considered more likely to be popular websites. Two selected affiliates, AM2 and AM5, were owned by large parent corporations, while the rest tended to be owned and operated by small teams of people. Table 4.8 summarises the characteristics of the selected wagering affiliate sites.

The terms and conditions of wagering affiliates were also reviewed during the selection process to verify that they did not prohibit researchers from reviewing their content. No such prohibitions were found. No wagering affiliate prompted the user with a notice of birthdate to ensure viewers were over 18. However, website footnotes and terms and conditions did typically indicate that the content was not intended for those under 18 years of age.

Appendix B provides more details about our search and selection strategy.

Table 4.8. Wagering affiliate sites audited

ID	Website content	Primary website focus*	Type of betting	Number of featured** wagering operators	Subscription- based model	Responsible Gambling messaging displayed
AM1	Race news; wagering operator reviews and comparison	Tips and betting advice	Race betting	20+ 8 brands highlighted	N	Y
AM2	Race news; expert tips; wagering operator reviews	Tips and betting advice	Race betting	19 8 brands highlighted	Y	Y
AM3	Sports/race news; expert tips; wagering operator reviews	Tips and betting advice	Combination	20+ 9 brands highlighted	Y	Y
AM4	Sports/race news; wagering operator reviews; community features	Sports/racing news coverage	Combination	9	Y	Y
AM5	Sports news; expert tips; comparison site	Sports/racing news coverage	Sports betting	4	Y	Y
AM6	Comparison site; wagering operator reviews	Comparison site	Combination	20+ 10 brands highlighted	N	Y
AM7	Expert tips; comparison site; wagering operator reviews	Tips and betting advice	Combination	16 6 brands highlighted	Y	Y
AM8	Expert tips; community features; comparison site; wagering operator reviews	Tips and betting advice	Combination	12	N	Y
AM9	Comparison site; wagering operator reviews	Comparison site	Combination	20+ 8 brands highlighted	N	Y
AM10	Sports/race news; expert tips; wagering operator reviews	Sports/racing news coverage	Combination	3	Y	Y

* Primary website focus was determined by reviewing 'about us' information provided by the affiliate to identify what they considered to be their lead offering, and verified by reviewing the balance of content included on the affiliate's website

**Some wagering affiliates featured a large number of brands on their websites, but highlighted a smaller set of brands in more prominent positions, such as on a side panel, on top of a list of 'best bookmaker' lists or featured in drop-down lists on navigation panels for 'bookmarker reviews'.

4.3.1.2. Coding framework for wagering affiliates' marketing content

A coding framework was developed to capture the characteristics of the marketing content displayed by affiliates (Table 4.9). This coding frame initially included the inducement types commonly promoted by wagering operators (Hing et al., 2017) and the non-inducement content as previously defined in the wagering operator website analysis.

However, once analysis commenced, a pattern quickly emerged regarding the placement of marketing content on affiliate websites. 'Blocks' were observed consistently across websites where marketing content was clustered together, such as a rotating carousel of wagering operator adverts at the top of a homepage, a group of wagering operator logos listed in a side panel, or a table of wagering operator brands and ratings on a review page. Each block of marketing content contained one to more than twenty adverts or referral links with highly comparable content. The typical layout of blocks is outlined in Figure 4.2. Researchers determined that capturing each marketing content block, along with the number of brands and nature of messages contained within, reduced the repetition in the marketing content table (Table 4.13) while retaining all necessary detail.

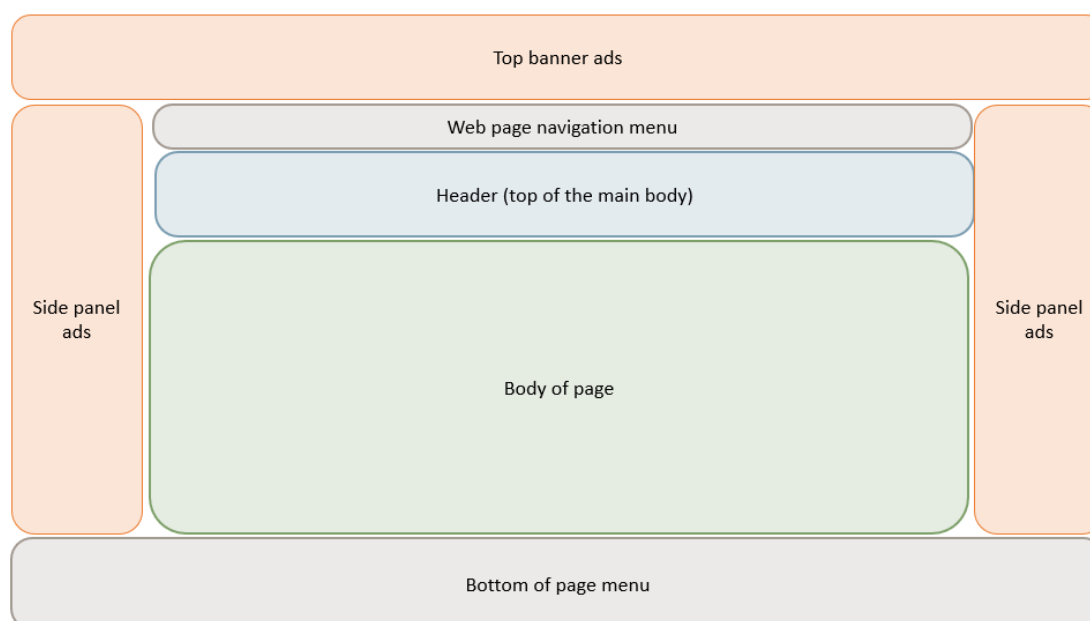


Figure 4.2. Typical layout of the wagering affiliate websites

Categories of content were then derived by reviewing marketing blocks across multiple affiliate websites. The aforementioned inducement and non-inducement coding frame was integrated into the list of categories that define the message of affiliate content. This analysis also captured a description of the message, whether or not the content contained legal disclaimers, and whether the content was identifiable as third-party hosted advertising or had a referral link (therefore indicating it is likely part of a commission or revenue-based affiliate agreement). All variable code frames were refined as analysis progressed.

Table 4.9. Coding Frame for the advertising content on wagering affiliate websites

Variable	Description
Placement	Where the block of marketing content was located on the affiliate webpage: <ul style="list-style-type: none"> • Top banner ads • Side panel ads • Header (top of the main body) • Body of page: typically a page of wagering operator offers or reviews
Category of content	The broad category of each block of marketing content: <ul style="list-style-type: none"> • Brand promotion: depicting a wagering operator name and benefits of betting with them, current service offerings like odds, and product features. Excludes inducements. • Inducement to bet: including any common inducement to bet (Hing et al., 2017) such as bonus bets, odds boost, matched-bets, early payouts and more (below)
Message	The main topic, purpose or call to action of the marketing content: <ul style="list-style-type: none"> • Sign-up: such as a call to join, visit or bet now • Product feature: such as social betting, fast and easy betting forms, and features to improve the app's or site's betting experience • Betting information: such as information on odds, upcoming matches or races. Excludes inducements • Multi-bet offer • Bonus bet returns • Better/boosted odds • Match stake or deposit • Free bets • Other
Message description	A paraphrased or descriptive outline of the main topic, purpose or call to action of the marketing content.
Responsible gambling or legal terms attached	A summary of the responsible gambling or legal terms attached to the marketing content (either as small print text within the image or as a separate responsible gambling banner directly alongside the content): <ul style="list-style-type: none"> • RG message: one of the seven prescribed responsible gambling messages (DSS, 2022) • Offer T+C's: acknowledgement that terms and conditions applied to the offer • State-based restrictions: acknowledgement that take-up was restricted by the Australian state the user resides in
Advert or referral	An assessment* of the redirect links contained in the marketing content block and the wagering operator's landing page they led to: <ul style="list-style-type: none"> • Advert: URL redirects through ad.doubleclick.net or similar third party, suggesting the content may be a pay-per-click mainstream advertising arrangement, not a commission or revenue-based affiliate arrangement • Referral: URL redirects to wagering operator, containing a unique token or identifier for the operator to track, suggesting the content may be part of a commission or revenue-based affiliate arrangement • Mix: of advert and referral URLs within a single marketing content block
Total count of adverts and brands	The number of unique adverts that existed within a marketing content block. For example, if the block was a banner of seven wagering operators' logos listed as 'recommended bookmakers', the block would be represented as '7 adverts; 7 brands'

*The likelihood that a piece of marketing content was an advert or referral was based on researchers following the redirect links and using their best judgement in evaluating the placement of content on a

website. There was no evidence to rule out a commission or revenue-based agreement existing between an affiliate and wagering operator that used a third-party advertising redirect link.

4.3.1.3. Analysis of wagering affiliate websites

A systematic approach was employed to analyse the wagering affiliate websites whereby two researchers independently reviewed all the websites, and then compared findings to ensure accuracy and reliability. The analysis focused on two key aspects: the platform's terms and conditions and the blocks of marketing content.

The researchers first reviewed each website's terms and conditions and various other policies, to identify specific content related to the disclosure of affiliation or commercial relationships with wagering operators, the sharing of personal details with third parties, and direct marketing practices. The researchers conducted a thorough search on the websites and pages, using specific terms such as 'partners', 'sponsors', 'affiliation', and 'direct marketing' to ensure a comprehensive examination of relevant information. Findings were compared between affiliates. To ensure anonymity, all content from the terms and conditions and privacy policies was paraphrased for this report.

The researchers also identified all marketing content on the wagering affiliate sites by 'block' placement and identified each as a brand promotion or inducement. The main topics or purpose of each message were captured (Table 4.13). The researchers reviewed content by website type to identify any patterns in the marketing practices of the audited affiliates. Content was also scrutinised to identify any indications of the relationship between the wagering affiliate and the wagering operator they featured, including through redirect links (Table 4.10 and Table 4.11) and in reviews and ratings. The placement and prevalence of responsible gambling messaging was also reviewed.

4.3.2. Results

4.3.2.1. Disclosure of affiliation and connection to wagering operators

All wagering affiliate websites host marketing content from wagering operators, indicating they have some form of commercial ties to these operators. As noted earlier, the layout of marketing content blocks was similar across affiliate websites, especially between affiliates with the same primary focus, such as tips and betting advice. Table 4.9 (above) identifies the most common zones of marketing content found on affiliate websites. Top and side panels are typically reserved for advertising content. Content in these panels was found to have a mixture of 'third-party advertising host redirects' and redirects to wagering operators that included a referral code (therefore likely to be tracked as part of an affiliate arrangement). Marketing content was also often presented in the body of affiliate pages, particularly reviews and betting offers. This was exclusively the case for the comparison sites audited, which did not contain advert banners anywhere on their websites.

While it was clear that the affiliates had some kind of commercial link to the wagering operators featured on their websites, how and to what extent affiliates disclosed

these commercial arrangements varied. In the audit, disclosure of affiliation was assessed in two ways.

First, websites were searched for statements directly stating or alluding to a commercial partnership with wagering operators. Five affiliates mentioned or alluded to a commercial relationship:

- In user terms and conditions, acknowledgement that the affiliate provided information from 'partners' on betting promotions,
- At the bottom of the website, in the footer, wagering operator 'partners' are listed by name,
- In the 'main body' of the website, acknowledging that a featured wagering operator is owned by the same company that operates the affiliate website,
- At the bottom of the website, in the footer, a disclaimer that the affiliate receives revenue from 'partners' to publish content or refer users on, and
- A dedicated policy that outlines the nature of advertising or sponsored content shared on behalf of 'partners'.

The most direct and detailed disclosure of affiliation were found in AM4 and AM5, two affiliates that primarily positioned themselves as providing news coverage. Table 4.10 outlines how affiliation was disclosed on each website.

The second way affiliation was assessed was by examining the redirect links to wagering operator websites to identify the use of unique tokens or referral codes. A unique code present in the URL demonstrates that the wagering operator was tracking click-throughs from the affiliate website for commercial purposes and either an affiliate arrangement or advertiser arrangement was in place.

Without further information available on the websites, the researchers were unable to conclusively identify the nature of the relationship between the affiliate and the featured wagering operator. However, it was apparent that some redirect links were routed through a third-party advertising service, often 'ad.doubleclick.net': Google's marketing platform. Where this URL appeared on wagering operator content, that content was determined to be an advertisement and not an affiliate link.

Affiliates can also mask URLs they link to on their website, so that when the cursor hovers over a redirect link, the user is not shown the URL they will be directed to. The most popular format for this was to show www.affiliatename.com/go. Of the affiliate websites analysed, six masked URLs in this manner. The motivation for this obfuscation is unclear, but it may arise from wanting their advice or tips to be seen as objective and independent. Table 4.10 identifies whether each affiliate masked wagering operator redirect URLs on their website.

Table 4.10. Disclosure of affiliation

ID	Statement about relationship	Evidence of link tracking in URL (masking)
AM1	Wagering operators listed as 'partners'	URL masked by affiliate
AM2	Yes, mention of shared ownerships with some wagering operators	Unique tracking identifier appears in URL
AM3	Wagering operators listed as 'partners'	URL masked by affiliate
AM4	Wagering operators listed as 'sponsors'	Unique tracking identifier appears in URL
AM5	Yes, mention of advertising revenue and referral bonus	Unique tracking identifier appears in URL, re-routed through external intermediary
AM6	Nil	URL masked by affiliate
AM7	Nil	URL masked by affiliate
AM8	Nil	URL masked by affiliate
AM9	Nil	URL masked by affiliate
AM10	Nil	Unique tracking identifier appears in URL

Wagering operators use various methods to capture customer referrals from their affiliates. After clicking on a link on an affiliate site, the URL of the landing page for the wagering operator was found to reveal more about the nature of the relationship. Table 4.11 outlines 23 wagering operators commonly featured on affiliate websites and what occurs when a user is redirected to their website.

Five of the wagering operators masked the source of the redirect once the landing page was fully loaded, while another two had no visible evidence that they were tracking affiliate referrals via a unique code. For those that did not mask unique identifiers in URLs, i.e., their landing page included information about the source of the redirect, many had a label for the source. This was most commonly 'aff' or 'affiliate', followed closely by 'referrer'. Other labels included 'CLID' and 'c='. Three wagering operators auto-filled a referral code into a sign-up dialog box, like 'AFFVIP'. Overall, there was little evidence to suggest that wagering operators were attempting to conceal the commercial nature of their relationship with the affiliate, but these relationships were typically not explicit or obvious on either the wagering operators' or the affiliates' websites examined.

Table 4.11. Affiliate redirect to wagering operator landing page URL

WOP	Description	Masked identifier*	Label from the redirect
Bet365	Unique identifier appears in URL on landing page	N	Affiliate
Betfair	Redirects to betfair.affiliates.com with a unique identifier in URL	Y	<i>Hidden</i>
Bet Galaxy	Unique identifier appears in URL on landing page	N	Affiliate
BetM	Unique identifier appears in URL on landing page	N	Affiliate
Bet Nation	Unique identifier appears in URL on landing page	N	Other
Betr	No indication of unique identifier in URL on landing page	<i>nil</i>	<i>nil</i>
Bet Right	Unique identifier appears in URL on landing page	N	Affiliate
Bluebet	No indication of unique identifier in URL on landing page	<i>nil</i>	<i>nil</i>
Boombet	Unique identifier appears in URL on landing page	N	Referrer
Colossal	Unique identifier appears in URL on landing page	N	Other
Dabble	Unique identifier appears in URL. 'Promo code' (e.g. ABC123) from affiliate is auto-populated in 'code'	N	Affiliate
Elitebet	Unique identifier appears in URL on landing page	N	Referrer
Get Set Bet	Unique identifier appears in URL on landing page	N	Other
Ladbrokes	Unique identifier appears in URL until page is loaded, then is removed. 'Promo code' (e.g., ABC123) from affiliate is auto-populated in 'code'	Y	<i>Hidden</i>
Neds	Unique identifier appears in URL until page is loaded, then is removed. 'Promo code' (e.g. ,ABC123) from affiliate is auto-populated in 'code'	Y	<i>Hidden</i>
Palmer bet	Unique identifier appears in URL on landing page	N	Affiliate
Picklebet	Unique identifier appears in URL until page is loaded, then is removed	Y	<i>Hidden</i>
Playup	Unique identifier appears in URL on landing page	N	Referrer
Quest Bet	Unique identifier appears in URL on landing page	N	Affiliate
TAB	Unique identifier appears in URL on TAB's landing page	N	Other
Topsport	Unique identifier appears in URL on landing page	N	Referrer
Unibet	Unique identifier appears in URL until page is loaded, then is removed.	Y	<i>Hidden</i>
Winners bet	Unique identifier appears in URL on landing page	N	Referrer

*I.e., unique token or code is hidden after it is loaded.

Overall, the existence of a financial relationship between most wagering affiliate websites and the wagering operators they promote was not clearly defined in the user terms and conditions on the affiliate website. Most affiliates masked the URLs they link to on their website. The affiliate relationship might be observable in the URL on the landing page of the operator after an affiliate link is clicked, but this was not always the case.

4.3.2.2. Reviews and comparisons of wagering operators

Reviews of wagering operators were a common feature of wagering affiliate sites; all but one of the affiliates included in the analysis provided 'bookmaker reviews'.

Affiliates introduced their reviews with a variety of lead-ins. Most mentioned reviewing 'the best' or their 'favourite' wagering operators, and only one cited expert analysts producing recommendations. Websites that positioned themselves primarily as comparison sites, AM6 and AM9, referred to their independence, lack of bias and honesty in compiling wagering operator reviews. Only AM2 explicitly disclosed within reviews that they had a possible conflict of interest in reviewing wagering operators.

Reviews typically included:

- The wagering operator logo.
- An overall rating out of five stars or on a scale out of 10.
- A summary of the wagering operator's offering, including the markets the wagering operator covers, information on minimum deposits and withdrawal methods, and their app.
- A pros and cons list, with pros such as 'fast and easy to use', 'consistently high odds' and 'a lot of promotions', and cons including 'no live streaming' and 'not as many markets'.
- A final recommendation such as 'Is this a good bookmaker' or 'should I bet with [brand]'.
- Instructions on how to bet with the wagering operator, including a link to sign up or a referral code to use.

Wagering operator reviews usually appeared as a featured item in the navigation pane of the affiliate website, or on the homepage of comparison sites.

The number of wagering operators reviewed varied by affiliate. Typically, all featured wagering operators, as identified in Table 4.8, were reviewed. No fewer than nine wagering operators were reviewed on any review website, except AM10. This site, positioned primarily as a news site, presented reviews in the form of a news article, featuring three of their 'favourite' wagering operators.

AM2, AM3, AM4, AM6 and AM7, each featured a list of 'top bookmakers' or 'best betting sites', ranging from 9 to more than 35 wagering operators. They presented a summary of each review, including their rating, a short summary, pros and cons list or by-line of benefits, and a visit / join / bet now link, as well as a link to the full review on their site.

AM1 and AM8 each hosted a comparison table of wagering operators, ranging from 12 to over 25 operators. These tables also included the affiliates' overall rating, an ultra-short by-line of benefits, a link to visit / join / bet now and a link to the full review on their site. AM9, a betting comparison website, featured summary reviews for over 40 operators.

Reviews were typically displayed in descending order, from the highest-rated wagering operator to the lowest. However, for AM1, AM2, AM3, AM7 and AM8 that each had a side or top panel in the main body of their site with 'recommended' or 'featured' wagering operators, the order and rating of the reviews corresponded to

the prominence of the wagering operators' advertising. Wagering operators that appeared in panel advertising or otherwise had more screen 'real estate' on the affiliate website were consistently ranked the top betting sites and received ratings of 4.5 or above out of five. There was a general trend for the rating for each wagering operator to decrease slightly depending on how far down the 'featured' bookmaker list it appeared, though this is based on a small sample size. AM1 and AM2 also included links to their top featured wagering operators in reviews for other operators, such as 'you should consider trying this wagering operator instead'.

AM1, AM2 and AM8 also provided average or negative reviews on their site, with a rating of less than four out of five (or eight out of ten). For AM1 and AM2, the low-rated wagering operators did not appear anywhere else on the website; not as 'featured' brands or as advertisers. This suggests, on face-value, that the affiliate may not have a commercial relationship with that wagering operator.

For the third affiliate that displayed low-rated wagering operators, AM8, two of the low-rated wagering operators were 'featured' brands and/or advertisers. Upon closer inspection, the reviews for these affiliates were positive and resulted in a recommendation to use that wagering operator.

During analysis, researchers noted several errors or counterintuitive information on affiliate websites. For two affiliates, as just mentioned, the final recommendation on whether or not to use a wagering operator did not appear to correspond with the rating or pros and cons offered in the review. Two other affiliates incorrectly applied redirect links, so users ended up on a different wagering operator website than the destination specified by the link.

4.3.2.3. Marketing content on wagering affiliate websites

Overall, there were an estimated 350-400 current promotions published on the affiliate sites audited (Table 4.12). This does not reflect the total number of referral links provided for wagering operators; especially in review sections where affiliates host up to 12 redirect links to wagering operators per marketing block (i.e., a wagering operator featured in a comparison table would be tallied in Table A.3 once, not for each time a redirect links appeared on their full review page). The promotions were displayed for all featured wagering operators on each affiliate site, the total number per affiliate ranging from 3 to 35 wagering operators. As previously mentioned, each affiliate had favoured wagering operator brands that were prominently featured and highly-rated.

Affiliates that primarily focused on news coverage (AM4, AM5 and AM10) had the lowest amount of wagering operator marketing content, at only 25 pieces of sponsored content between them and an average of five wagering operators featured per site. Table 4.12 shows an approximate count of the number of promotions for each style of affiliate site included in the audit. Brand promotions and inducements were not mutually exclusive.

Only affiliates that identified primarily as providing tips and betting advice (AM1, AM2, AM8) offered inducements to bet (Table 4.12), although there were indications that AM9 previously displayed sign-up bonus offers. Inducements were typically displayed on an 'offers' page by affiliates, with a large bank of inducements from a small number of featured wagering operators. However, some inducements were

featured by AM1 and AM2 on side panel ads. In most instances, the inducement to bet promoted by affiliates was not displayed on the wagering operator's public website. For example, WOP3 in the wagering operator website analysis did not include any inducements to bet on their website, while several bonus bet returns with this operator were prominently featured on the promotion pages of its wagering affiliates.

Table 4.12 summarises the number of brand promotions and inducements displayed by affiliate type.

Table 4.12. Approximate number of brand promotions and inducements by affiliate type

Primary website focus	Approximate # of brand promotions	Approximate # of inducements
Tips and betting advice	200+	75+
Comparison site	130	0
Sports/racing news coverage	25	0
Total	355+	75+

A very large number and high proportion (approximately 4 in 5) of marketing content shared by affiliates included an explicit call to action, such as 'visit', 'join', 'sign-up', 'bet now' or 'claim now'. However, this was not always the case for wagering inducements. One affiliate presented a 'login' call to action for inducement content, one listed inducement offers with redirect links but no explicit call to action, and another listed offers that users could click on and be redirected to a landing page, with more information and a sign-up link for the wagering operator.

Table A.3 in Appendix A identifies specific promotions that were present on wagering affiliate websites when audited. Table 4.13 summarises these promotions into their different types and indicates that most marketing content was aimed at encouraging customers to sign-up with the promoted wagering operators, but did not promote a sign-up inducement. Most affiliates (8 out of 10) explicitly outlined that sign-up bonuses were prohibited under Australian law. This was typically mentioned on review pages, under a heading like 'does the wagering operator offer a sign-up bonus?'. AM5 and AM10, the two affiliates who did not offer expert reviews (except for a short article from AM10) did not include any mention of sign-up bonuses.

Bonus bet returns were the most common type of inducement offered on affiliate sites. Other inducements included matched bets and free bets, and multi-bet offers were also included in advertising banners and offer pages. Product features including betting apps, social betting and personalised tips were promoted less often, along with betting information like odds comparisons, which were only provided by affiliates with a news coverage focus. Table 4.13 outlines the approximate count of promotions by the main topics or purpose of the message.

Table 4.13. Main topic, purpose or call to action in the marketing content of affiliates

Content	Approximate number of promotions
Sign-up	300+
Bonus bet returns	75+
Other inducements	50+
Multi-bet functions	25+
Product feature	20
Betting information	10

4.3.2.4. Responsible gambling messaging and links

All wagering affiliate websites audited had responsible gambling messaging. Black and white banners or squares with responsible gambling messaging, most commonly ‘what’s gambling really costing you?’, were attached to most marketing content blocks. Where the marketing content was obviously advertising, such as in top or side banners or headers, a responsible gambling message appeared underneath. As each block of promotions was paired with a responsible gambling message, this often resulted in more than one responsible gambling message being visible on a webpage. Where marketing content took the form of an article or review, responsible gambling messaging was generally located at the bottom of the webpage.

Aside from responsible gambling messaging attached to marketing blocks, affiliates varied in how they addressed responsible gambling. Six of the affiliates included active redirects to a support service somewhere on their website, such as the footer, and two affiliates hosted dedicated responsible gambling and support pages. Three affiliates, all tipping and betting advice services, provided no active redirects to gambling support (i.e., all responsible gambling messaging was included as an image without a hyperlink) and no further information on responsible gambling.

4.3.2.5. Direct marketing and user terms of wagering affiliate websites

All but one of the wagering affiliates audited had some form of subscription model for users to sign up to accounts and receive news, tips and information from the affiliate. These nine affiliates had access to personally identifiable information from subscribers and therefore the capacity to engage in direct marketing. All but one of these affiliates made explicit mention of direct marketing in their user terms or privacy policies. AM7 made no mention of sending direct marketing content in any of their terms.

The length and complexity of user terms, which must outline how personally identifiable information is used and disclosed by the organisation, was variable across affiliates. Two affiliates, AM2 and AM5, had policies that linked to their large parent organisation, which were comprehensive and detailed. Other policies tended to be shorter and only briefly mentioned direct marketing.

Mention of direct marketing was always under ‘use of personal information’ and accompanied by a notice that users can opt out of receiving this marketing. Affiliates

had provisions to target customers with information about 'promotions', 'services' or 'other opportunities' they may be interested in. Most affiliates also included provisions to send customers promotions on behalf of third parties, or allow third parties to market to them, such as 'we may disclose your personal information to our partners that may market products to you'. Terms for these parties included 'associated businesses', 'companies and other advertisers', 'business partners', 'related entities' as well as 'third-parties'. Only one, AM4, provided a guarantee that contact details would never be provided to a third party. Affiliates with community features also included terms that outlined the ownership and rights of affiliates to share the social content created by users. Table 4.14 outlines the affiliates that had subscription models that would facilitate direct marketing, that made mention of direct marketing in their terms, or that outlined provisions to share personally identifiable information with third parties.

There were also some disclaimers about the use of websites or content linked from affiliate sites. Disclaimers outlined that affiliates took no responsibility for the content or policies of these external parties linked from their websites, for example 'use of any linked website is done at the user's own risk'. Outlining the limits of their liability appeared to be common practice across affiliates and wagering operators. On the wagering affiliate websites that included expert tips and recommendations, disclaimers were present within the terms and conditions that stated that the website and related entities were not liable for any losses or damages that occurred as a result of placing bets based on the content of the website.

Table 4.14. Wagering affiliate website focus and terms for data use and disclosure

ID	Website focus	Primary website focus	Subscription-based model (Yes/No)	Mention of direct marketing in T&Cs (Yes/No)	Provisions to share data with 3rd parties (Yes/No)
AM1	Race news; wagering operator reviews and comparison	Tips and betting advice	Yes	Yes	Yes
AM2	Race news; expert tips; wagering operator reviews	Tips and betting advice	Yes^	Yes^	Yes^
AM3	Sports/race news; expert tips; wagering operator reviews	Tips and betting advice	Yes	Yes	No
AM4	Sports/race news; wagering operator reviews; community features	Sports/racing news coverage	Yes	Yes	Yes
AM5	Sports news; expert tips; comparison site	Sports/racing news coverage	Yes^	Yes^	Yes^
AM6	Comparison site; wagering operator reviews	Comparison site	Yes	Yes	Yes
AM7	Expert tips; comparison site; wagering operator reviews	Tips and betting advice	Yes	No	No
AM8	Expert tips; community features; comparison site; wagering operator reviews	Tips and betting advice	Yes	Yes	Yes
AM9	Comparison site; wagering operator reviews	Comparison site	No	No	No
AM10	Sports/race news; expert tips; wagering operator reviews	Sports/racing news coverage	Yes	Yes	Yes

^ Based on the privacy policy and user terms of the affiliate's parent company.

4.3.3. Summary

This review sheds light on the degree of transparency surrounding financial relationships between wagering affiliate websites and the wagering operators they promote. These relationships often involve specific promotions and offers that benefit both parties (ACMA, 2022a). Some affiliates, particularly those positioning themselves primarily as news coverage, directly disclose that they have a commercial relationship with 'partners' or 'sponsors'. For others, particularly those focusing on tips and betting advice, the commercial nature of their relationship is not explicitly stated, but might be assumed based on the placement and content of adverts.

Although there is a reasonable assumption that featured wagering operators derive benefit from advertisements and links on affiliate websites, discerning the nature and existence of these commercial relationships remains challenging. Indicators such as unique identifiers and the presence of the term 'affiliate' in URLs provide hints at the nature of the relationship, but without further information from the affiliate or the

wagering operator, the specific arrangements surrounding a customer's referral cannot be gleaned from affiliate websites.

The influence of wagering operators and those commercial relationships on wagering affiliate content may also be called into question. The reviews provided on affiliate websites show a noticeable bias towards the featured wagering operators. This ranged from high scores that align with the prominence of advertising site-wide, to blatant redirects of customers from one wagering operator to a likely-affiliated wagering operator through the links provided.

The 10 websites audited hosted a significant number of promotions for wagering operators. The majority of content included a call-to-action to sign up to the featured wagering operator, with a referral token included in the URL. Affiliates that focused primarily on news coverage had the least amount of marketing content and offered no inducements to bet. Although based on a small sample, comparison sites were also found to have no inducements to bet, though they featured multiple wagering operators and many referral links to sign up. Tips and betting advice affiliates had the most sponsored content, including inducements to bet (mostly bonus bet returns). These affiliate websites were the only place researchers could find these specific incentivised betting offers, as they were restricted from view for non-account holders on wagering operator's websites. Most affiliates outlined that sign-up bonuses were no longer permitted under Australian legislation (DSS, 2022).

Most wagering affiliate sites audited operate on a user or subscription model that gives the affiliate access to the personal details of customers and the means to market directly to them. Direct marketing provisions were contained in most privacy policies and terms, albeit to vary levels of depth. Legal requirements to outline the collection, use and disclosure of data all appeared to be met by these affiliates (OAIC, 2019), including requirements from the Spam Act (2003) for customers to be able to opt out of marketing communications. While some affiliates included clauses enabling them to share personal information with third parties, there was no indication that data was being abused or used for anything other than 'marketing products or services you might be interested in', which are standard terms for privacy agreements.

4.4. Comparison of wagering operator and wagering affiliate websites

4.4.1. Disclosure of affiliate relationships

It is immediately evident on wagering affiliate websites that there is some form of commercial relationship in place between the affiliate and wagering operators based on the prominent placement of advertising content and call-for-action in the content. However, this varied based on the primary focus of the website; comparison websites were more likely to position themselves as honest and independent, making the commercial relationship with wagering operators less obvious, while sports and racing news coverage sites tended to have a higher degree of transparency in disclosing that they host sponsored content for revenue. Despite mostly making the commercial nature of content conspicuous and therefore identifiable as paid content placement (AANA, 2021; ACCC, 2023b), affiliates did not

acknowledge any commission or revenue-sharing relationships with wagering operators, except for one that mentioned the potential receipt of revenue from customer referrals resulting in a purchase. Customers could therefore perceive that the promotions for wagering operators on affiliate sites constituted only paid advertising, and not realise that the affiliate was acting on commission as an agent of the promoted wagering operator.

In contrast, wagering operators acknowledged affiliate relationships in their user terms, recognising the potential sharing of commissions with the referrer. However, there was no transparency regarding the nature of these commissions, such as whether they were based on revenue-sharing of losses. None of the audited websites provided disclosure in this regard.

4.4.2. Marketing and inducement content

When comparing wagering operator and wagering affiliate websites, there was some similarity in marketing content found, as wagering operators typically design and provide the banner adverts for their marketing affiliates. However, wagering affiliate websites tended to exhibit a greater amount of advertising and marketing content, almost always with a call-to-action to sign up or bet now. This was particularly the case for affiliates whose primary focus was tips and betting advice; these websites featured inducements to bet, such as bonus bet returns and matched stakes. During the analysis, several instances were identified where the inducements displayed by a wagering affiliate were absent on the public website of the corresponding wagering operator.

Affiliates tended to clarify the nature of the inducements offered in the main body of their website content and in user-friendly language, whereas wagering operators included these clarifications in their more legalistic terms and conditions. Most affiliates that hosted wagering operator reviews or 'offers' pages explained that sign-up bonuses or inducements to bet with a new wagering operator are now prohibited. Nevertheless, inducements were still displayed on affiliates' websites, primarily under 'offers' or 'promotions' pages, ostensibly for comparison purposes or to highlight the offerings available to customers by different bookmakers.

Wagering operators and affiliates have a comparable amount of responsible gambling content on their websites. Due to the prevalence of advertising on their platforms and the need to display messaging alongside the adverts (DSS, 2022), affiliates had a more prominent presence of responsible gambling messages on screen. Wagering operators provided users with more comprehensive information about responsible gambling and support through dedicated responsible gambling pages.

4.4.3. Direct marketing

Both wagering operators and wagering affiliates retain customer data for marketing purposes and outline the use of data for direct marketing in their privacy policies or terms and conditions. Certain universal requirements, including outlining the collection, use and disclosure of personally identifiable information and having information about opting out from direct marketing, were present for both wagering operators and affiliates.

Affiliates tended to be much less detailed in their policies, and they also demonstrate less consistency as a group compared to the uniformity of terms across wagering operator websites. Wagering operators consistently conveyed the involvement of 'third parties,' albeit using different terms, while only some affiliates provided detail on partnerships and disclosure of data for marketing purposes.

In summary, affiliates presented a greater number of inducements to bet, while also meeting the requirements of responsible gambling messaging. However, while the terms and conditions for direct marketing were clear, the disclosure of affiliate relationships was lacking from both wagering operators and affiliates. As a result, consumers who were referred or clicked on links would likely not have been able to ascertain the commercial transactions that occurred as a result of their betting.

Chapter 5. Twitter/X analysis for wagering operators and wagering affiliate marketers

Summary

- Twitter (now known as X)¹ accounts of 10 wagering operators and 10 wagering affiliates were monitored for 14 days, focusing on those who were most active on Twitter and had large Twitter followings at the time of data collection.
- During this period, a total of 2,793 tweets were posted by the 10 wagering operators and 1,473 tweets by the 10 wagering affiliate marketers.
- Tweets from wagering operators gained more reach, on average, compared to affiliate tweets. Operators tweeted more, and gained more likes and retweets in total. On a per-tweet basis, they got more retweets but slightly fewer likes. This suggests that people are more willing to share content by wagering operators because their content likely interests a wider audience.
- Unsurprisingly, most content in both operator (86.0%) and affiliate (93.8%) tweets was about sports or racing.
- A small proportion of tweets from wagering operators (6.3%) focused on customer engagement, mostly as a Twitter engagement tactic, and this was even less common amongst affiliates (2.0%).
- A very small proportion of tweets from wagering operators posted an exclusively RG-focused message (2.6%), but 24.9% included an RG message in the context of other tweets. In contrast, affiliates virtually never included any RG messaging.
- Wagering operators were more likely than affiliates to tweet about betting odds and betting tips, promoting them in about 20% of their tweets compared to only about 6% of affiliate tweets. Operators were also more likely than affiliates to include links to place bets (13.2%) and inducements (2.8%), which affiliates rarely included.
- Affiliates were more likely than operators to post tweets with links to tips, and most of their tweets (84.9%) promoted these links. These links direct people to the affiliates' websites to access their tips because they are often 'paid tips' only accessible behind a paywall. These tweets also sometimes promoted the release of tips. However, affiliates rarely tweeted direct links to wagering operator sites.

5.1 Introduction

This chapter presents an audit of marketing and inducements posted from the Twitter (X) accounts of 10 wagering operators and 10 wagering affiliate marketers, focusing on those who were most active on Twitter and had large Twitter followings

¹ Twitter was rebranded as X over a period of time, starting with an announcement of the change on 23 July 2023. The data were collected from Twitter prior to this date. For clarity, we have referred to Twitter/X in the chapter title and the first mention in the summary and text, but have otherwise used the terminology that was in use during data collection, i.e., Twitter, tweets and retweets.

at the time of data collection. The primary purpose of the audit is to inform the second research aim of the overall study by examining the marketing practices of wagering affiliates on Twitter. A secondary purpose is to compare the tweets of affiliates to those of wagering operators to highlight any relative differences in their nature and extent.

5.2 Methods

5.2.1 Data capture

Data were captured from the accounts of 10 wagering operators and 10 wagering affiliates for 14 days from 13th to 26th March 2023. This period coincided with the start of the peak sports betting season on football codes in Australia, as well as the Autumn Racing Carnival. Data were scraped from Twitter using a custom R script and the *rtweet* package (Kearney, 2019).

5.2.2 Selection of wagering operator and wagering affiliate Twitter accounts

5.2.2.1 Wagering operators

The Australian Communications and Media Authority (ACMA) website lists wagering operators who are licensed in Australia, including TABs, corporate bookmakers, betting exchanges and on-course bookmakers. Only those operators who were actively operating, had a Twitter account, and had tweeted in the month prior to 1st March 2023 were considered for selection. To maximise the number of tweets for analysis, the 10 Twitter accounts with the most followers were considered. One of these accounts had tweeted only five times during the observation period. It was therefore replaced with the account with the 11th largest following.

5.2.2.2 Wagering affiliates

There is no published list of wagering affiliates, so a different selection strategy was used to identify potential wagering affiliate marketers. This involved 1) searches on Twitter and Google using numerous search terms, 2) inspection of our Twitter feeds after these searches, and 3) checking wagering direct messages collected in a previous project (Hing et al., 2018). To verify that these potential affiliates were, in fact, affiliated with one or more wagering operators, we checked for affiliate links on their websites. Amongst these verified affiliates, only those with an active Twitter account were considered for selection (tweeting within prior month). The top 10 active affiliate Twitter accounts had between 8,000 and 40,000 followers, and were all selected for the audit. Appendix B provides more details about our search and selection strategy.

5.2.2.3 Final sample of Twitter accounts

Table 5.2 lists the selected wagering operator and affiliate marketer accounts. To adhere to ethical requirements, they are not named and follower counts are shown in numerical ranges. The results also do not link tweets and Twitter bios to individual accounts.

5.2.3 Data coding and analysis

5.2.3.1 Exclusion of a few tweets for privacy

A relatively small number of tweets ($n = 77$) were directed to specific users, e.g., replies to customers' requests for specific betting markets or thanking customers. For privacy reasons, these tweets were removed from the analysis.

5.2.3.2 Coding frame

Using content analysis, each tweet was coded based on the framework in Table 5.1, which extends on methods used by Houghton et al. (2019). One selection was made for each category in the framework. For example, each tweet could only have one value for purpose, one value for RG messages, etc. Two raters independently applied the coding frame to an initial sample of 20 tweets from each operator and affiliate account ($n = 400$), and then negotiated any discrepancies.

Only information included in the actual tweet was coded, including as part of images or videos embedded in the tweet, but not information that was only accessible through a link in the tweet. In some tweets, tips were clearly displayed as tips, but in others they were somewhat implied. For example, some tweets referred to odds for a specific outcome, implying that it would be good to bet on that outcome. These instances were coded as both odds and tips.

Some operators regularly tweeted RG messaging, where the purpose of the tweet was *exclusively* an RG message with no other content. This was captured in the 'Purpose' variable. In contrast, the 'Inclusion of RG messaging' variable captured whether RG messaging was present in tweets that were primarily about other content.

Accounts sometimes retweeted a recent tweet. These were counted as two tweets because the original tweet was presented on the account's timeline twice.

5.2.3.3 Coding and inter-rater reliability

Both raters independently coded the remaining tweets. An inter-rater reliability of .85 was calculated for the 'Purpose' variable using Cohen's Kappa, indicating 'almost perfect agreement' (Cohen, 1960). One rater then compared the coding from both raters to identify any systematic sources of disagreement, referring back to the original tweets and correcting the coding where appropriate. Given the high inter-rater reliability and lack of any systematic sources of disagreement, the coding of the first rater was used for subsequent analysis.

5.2.3.4 Statistical analysis

Inferential statistics compare wagering operators to affiliates using the approach appropriate to each measure. For example, the total number of posts was compared across codings using a chi-square goodness-of-fit test, while comparisons of total likes or retweets used zero-inflated Poisson regression models to account for the many posts with zero likes or retweets. Chi-square tests of proportions were used to compare wagering operators and affiliates in terms of the proportion of tweets that include RG messaging, odds, tips, links and inducements. Comparisons of averages

(e.g., average likes per post) were conducted on a per-account basis, rather than a per-post basis.

Table 5.1. Coding frame for tweets from wagering operators and affiliates

Variable	Levels
Main purpose	<ul style="list-style-type: none"> • Sport – Tweets that refer to upcoming, current or past sporting contests or players. • Racing – Tweets that refer to upcoming, current or past racing events or racing animals, such as horses. • Sport and racing – Tweets that refer to both sports and racing. • Novelty betting – Tweets that refer to betting on novelty events, such as reality television, elections, weather or other markets that do not relate to sports, racing or esports. • Esports – Tweets that refer to upcoming, current or past esports contests or players. • Exclusive RG messaging – Messages that deliver a RG message, but no other content. (A tweet about sports that includes an RG message instead would be coded as 'Sport' and also as 'Inclusion of RG messaging' below.) • Bet or bet status update – A tweet about a large bet or the outcome of a bet (e.g., the outcome of a tip, or if an outcome was paid out despite not occurring). • Humour – A tweet that was humorous but that did not fit into one of the other purpose categories. (For example, a humorous tip about sports would be coded as 'Sport'.) • Promotional – Promoting services by the wagering operator or affiliate, such as a podcast or competition. • Customer engagement – Tweets that include a poll or question, with the aim of engaging with Twitter users. • Other – Anything that does not fit the above categories.
Inclusion of RG messaging	Tweets that include RG messaging but had another purpose, e.g., 'Sport' and RG messaging.
Odds	Whether betting odds are presented.
Tips	Whether tips are presented in the tweet. If tips are given in a link, this was marked as 'no' but included in 'Links' below.
Links	<ul style="list-style-type: none"> • Link to bet slip (either on website or in app). • Link to something else (e.g., tips). • Link to phone number to bet in-play.
Inducement	Whether the tweet included an inducement.
Inducement content	<p>If a tweet included an inducement, the inducement was coded into one of the following categories (Hing et al., 2017):</p> <ul style="list-style-type: none"> • Sign-up. • Refer-a-friend. • Match stake deposit. • Multi-bet. • Better odds or winnings. • Refund stake back. • Cash out early. • Competitions. • Free bets. • Happy hour. • Reduced commission. • Winnings paid if bet lost. • Cash rebate. • Other.

5.3 Results

5.3.1 Potential reach of each account

Table 5.2 shows the potential reach of each Twitter account, based on followers, total posts, average number of posts per day, and average likes and retweets per post during the observation period.

On average, wagering operators posted significantly more posts (2,793) than affiliates (1,473), and received significantly more likes and retweets. Wagering operators also received significantly more retweets per post, but significantly fewer likes per post. A few posts (4) received over 100 retweets. After removing these four posts, the mean number of retweets per post was .55 for wagering operators and .54 for affiliates. Despite this, wagering operators still received significantly more retweets per post, either with or without outliers, as the statistical analysis is non-parametric and therefore robust to these outliers.

Table 5.2. Potential reach of each account including followers, total posts, average posts per day, average likes and retweets per post.

Account	Followers	Total posts	Avg posts per day	Total likes	Avg likes per post	Total retweets	Avg retweets per post
Wagering operators							
WOP1	40,000+	163	11.6	1,817	11.15 (17.25)	121	.74 (1.36)
WOP2	40,000+	560	40.0	2,984	5.33 (13.82)	363	.65 (1.86)
WOP3	20,000–39,999	123	8.8	402	3.27 (10.27)	87	.71 (1.97)
WOP4	20,000–39,999	114	8.1	87	.76 (.70)	9	.08 (.33)
WOP5	15,000–29,999	751	53.6	623	.83 (2.62)	252	.34 (.93)
WOP6	15,000–29,999	45	3.2	125	2.78 (4.30)	2,603	57.84 (386.66)
WOP7	10,000–14,999	355	25.4	695	1.96 (4.49)	468	1.32 (1.90)
WOP8	5,000–9,999	579	41.4	478	.83 (2.00)	1,171	2.02 (32.95)
WOP9	5,000–9,999	61	4.4	97	1.59 (.90)	46	.75 (3.37)
WOP10	5,000–9,999	42	3.0	51	1.21 (2.46)	56	1.33 (1.84)
Total		2,793	199.5	7,359	2.63 (8.56)	5,176	1.85 (51.33)
Affiliate marketers							
AM1	20,000–39,999	449	32.1	1,923	4.28 (14.22)	159	.35 (.88)
AM2	20,000–39,999	85	6.1	62	.73 (.59)	50	.59 (.54)
AM3	20,000–39,999	237	16.9	1,275	5.38 (9.87)	221	.93 (4.07)
AM4	20,000–39,999	58	4.1	47	.81 (2.50)	143	2.47 (2.70)
AM5	15,000–29,999	185	13.2	101	.55 (.94)	13	.07 (.28)
AM6	10,000–14,999	43	3.1	140	3.26 (2.93)	36	.84 (1.76)
AM7	10,000–14,999	36	2.6	259	7.19 (12.84)	33	.92 (1.18)
AM8	10,000–14,999	62	4.4	4	.06 (.25)	0	.00 (.00)
AM9	5,000–9,999	156	11.1	117	.75 (1.17)	119	.76 (1.15)
AM10	5,000–9,999	162	11.6	61	.38 (.79)	286	1.77 (19.79)
Total		1,473	105.2	3,989	2.71 (9.31)	1,060	.72 (6.83)
Inferential statistics –Wagering operators vs Affiliate marketers							
		$\chi^2(1) = 408.44, p < .001$		Count coeff = -.07 (.02), Z = -3.25, $p = .001$; Zero-infl coeff = -.19 (.07), Z = -2.87, $p = .004$	U = 1984899, Z = -2.03, $p = .042$	Count coeff = -1.21 (.04), Z = -31.09, $p < .001$; Zero-infl coeff = -.38 (.08), Z = -4.98, $p < .001$	U = 1991565.5, Z = -2.19, $p = .028$

Note: Number of followers identified on 23rd May 2023. Observation period for the remaining variables was from 13th to 26th March 2023. Inferential statistics are chi-square goodness-of-fit, or zero-inflated Poisson models for per-post data. Mann-Whitney U-tests were conducted on per-account data for average likes and retweets per post.

5.3.2 Main purpose of tweets

Table 5.3 shows the main purpose of tweets for each account. Some categories had very low cell counts and were therefore combined into the 'other' category (e.g., novelty betting, bet status updates, and humour). Inferential statistical tests are not presented for the purpose of tweets because any significant differences likely reflect the specific selection of wagering operators and affiliates, rather than general differences between them, and therefore may be misleading. As noted earlier, tweets are not linked to individual wagering operators and affiliates to reduce identifiability.

5.3.2.1 Sports and racing content

Most tweets were either sports or racing content, with different accounts tending to focus on one or the other. For example, WOP1 tweeted more about sports than racing, while WOP2 and WOP3 tweeted more about racing than sports. However, all wagering operators included at least some racing and some sports content. In contrast, some affiliates had a very specific focus on racing or sports. For example, AM2, AM3 and AM5 never tweeted about sports, while AM4 and AM8 never tweeted about racing. Only a few affiliates tweeted more than a few times about both sports and racing, such as AM7, AM9 and AM10.

Both sports and race tweets varied widely in content. Wagering operators and affiliates often advertised previews, which were essentially tips. For example:

SATURDAY RACING GUIDE Here is your complete guide to all the latest information and our tips (including all the Group 1 action) for Saturday's major race meetings around the country... (Good luck everyone) [link]. (AM)

NRL Round 4 is headlined by a Thursday night grand final rematch and a mouth-watering inaugural southeast Queensland derby between the competition's only 3-0 teams. Check out our full #NRL Round 4 Preview below! (WOP)

Amongst wagering operators, these previews were often videos embedded in the tweet, including odds, and often with multiple tips displayed as a multi-bet. For example, when referring to the NRL Round 4 preview, this was presented as a four-leg multi-bet, including the odds for placing the bet.

Some accounts also used Twitter to provide updates in the lead-up to, during or immediately after a game or race. Examples include:

BREAKING: Red Resistance OUT of the Golden Slipper with a high temperature. (AM)

India has won the toss and elected to bowl! The first ODI of three is underway. #INDvAUS [image of Indian cricket captain]. (WOP)

First-up 2000m and Dubai Honour absolutely belts them in the Group 1 Ranvet Stakes at Rosehill! (WOP)

In addition, some wagering operators used Twitter during contests, particularly sporting contests, for humour, such as when a player was penalised in an NRL game:

Yeah, stay in the scrum, Dylan! #NRLCowboysWarriors. (WOP)

The purpose of some tweets appeared to be about showing enthusiasm for the contest and engaging with others who were following it. The use of common

hashtags in the examples below suggests they may aim to target people who are following the contest but not necessarily betting on it. The last tweet below, from an affiliate, also shows an example of using an update to provide further information on other contests, in this case tips.

Lachlan Ilias is the hero! He kicks the winner in Golden Point. Souths have claimed victory on the night they honour the late John Sattler. #NRLSouthsManly #NRL [link]. (WOP)

It's 3/4 time in the #AFL and it looks like going down to the wire between the Tigers and Blues #AFLTigersBlues. During the break, get ready for tomorrow night's match between the Cats and Pies with our preview below! [link] #AFLCatsPies [link]. (AM)

5.3.2.2 Exclusive RG messaging

Notably, no affiliates tweeted any messages that were exclusively RG content, while half of the wagering operators tweeted at least occasionally with an exclusive RG message. Two wagering operators (WOP1 and WOP8) tweeted an RG message twice a day on average, while the other three operators (WOP5, WOP6 and WOP10) rarely tweeted RG messages. Examples of exclusive RG messages were:

Take a sec before you bet and set a deposit limit. Find out how: [link]. (WOP)

Reality Checks are one of a number of tools available to help you stay in control of your gambling. (WOP)

Most of these RG messages from individual operators were identical and often tweeted at the same time each day, indicating that they were likely automated. However, some examples were more interactive, for example a video of a wagering operator employee discussing responsible gambling:

[User] discusses the importance of self discipline when having a bet. [link]. (WOP)

5.3.2.3 Customer engagement

Customer engagement was more apparent amongst most wagering operators, compared to affiliates. Only three affiliates tweeted any customer engagement tweets, and two did so only three times. In contrast, eight wagering operators used customer engagement, although this was relatively rare for three of them.

Customer engagement often encouraged engagement on Twitter, asking for replies to questions such as:

Should they have paid deliberate on that final kick? #AFLFreoNorth #AFL. (WOP)

Who wins this afternoon? #NRL. (AM)

Shinzo has drawn 1 and will finish _____? [link]. (WOP)

Customer engagement also included requests to share gambling success stories, such as:

Who was your biggest win from yesterday? (AM)

Twitter accounts can also engage customers through tweets that highlight notable events to promote their retweeting (sharing) by other users. The most retweeted tweets tended to include footage, including of the last play in the World Baseball

Classic which was retweeted 2,594 times, or footage of a power failure during an AFL match which was retweeted 252 times.

5.3.2.4 Other purpose

The 'other' category mostly consisted of promotional tweets (e.g., promoting an event sponsored by a wagering operator, $n = 84$), or a bet status tweet (e.g., a large bet or an outcome of a particular bet, $n = 43$). In addition, 28 tweets were about sports AND racing, 15 tweets focused on humour, and 2 were about esports, along with 26 tweets that did not fit into any purpose category.

Promotional tweets varied by account. One wagering operator promoted their podcast, while another promoted a betting tool. A third operator promoted videos from a regular panel discussing the sports and racing action that week, sometimes including tips and odds. Affiliates typically promoted their tips, such as announcing that an email had been sent to those on their mailing lists or promoting membership:

2 x selections for tomorrow's action in Miami have now been sent. (AM)

Get access to Blackbook, Forum, Tips Marketplace & Shortlist with the new Punters Lite membership. Register for free [link]. (AM)

Examples of a bet status update included promoting specific bets:

Some [big bets] on a couple of the favorites in today's big races. \$8k @ \$1.80 ANAMOE #GeorgeRyderStakes, \$3k @ \$2.80 ALLIGATOR BLOOD #AllStarMile. Bet on [WOP]. (WOP)

We've just taken a bet of \$40,000 on Alligator Blood to win tomorrow's All-Star Mile @ \$2.80. (WOP)

While not an example of an actual bet, the following tweet from an affiliate was considered a bet status update because the bet was promoted by the tipster:

Tipster [user] continued his solid run of form today - highlighted by his best bet Libertad triumphing! [link]. (AM)

Tweets that contained humour but otherwise did not fit into other categories included:

Guys, I think I've found the person I want to spend the rest of my life with! [picture of text describing a person's love language being naming obscure footy players from the 90s and 2000s]. (WOP)

It's Friday arvo, time to [link to picture of a horse called 'Get a Beer']. (AM)

Both esports tweets came from the same affiliate and included tips:

[Redacted] is back with his #esports betting predictions for this week. He looks at three #RainbowSixSiege matches in the third round of North America League 2023! TIPS | [links]. (AM)

Our esports betting tipster is back with his betting previews for three League of Legends Championship Series (LCS) 2023 Spring fixtures on Wednesday, March 15! #BestBets #LoL #eSports Tips – [link]. (AM)

Tweets that included both sports and racing content were mostly from WOPs. For example:

Unmissable racing & sport content is coming your way tonight! Dubai World Cup Night - expert preview from [user] Golden Easter Egg Heats - expert preview from [user] Plus footy, NSW Election and more! [link]. (WOP)

Other tweets related to educational videos about different aspects of wagering, such as hedging or using a betting exchange, or referred to a service issue, where one WOP had a website outage:

We apologise for the delay. We will be back online as soon as possible. [link]. (WOP)

Table 5.3. Proportion of posts by each account where the purpose was sports content, racing content, exclusive RG messaging, customer engagement and 'other'.

Account	Total posts	Sports content	Racing content	Exclusive RG messaging	Customer engagement	Other
Wagering operators						
WOP1	163	103 (63.2%)	15 (9.2%)	28 (17.2%)	6 (3.7%)	11 (6.7%)
WOP2	560	152 (27.1%)	326 (58.2%)	0 (0.0%)	33 (5.9%)	49 (8.8%)
WOP3	123	25 (20.3%)	80 (65.0%)	0 (0.0%)	0 (0.0%)	18 (14.6%)
WOP4	114	70 (61.4%)	42 (36.8%)	0 (0.0%)	0 (0.0%)	2 (1.8%)
WOP5	751	121 (16.1%)	569 (75.8%)	8 (1.1%)	22 (2.9%)	31 (4.1%)
WOP6	45	27 (60.0%)	2 (4.4%)	6 (13.3%)	1 (2.2%)	9 (20.0%)
WOP7	355	74 (20.8%)	224 (63.1%)	0 (0.0%)	49 (13.8%)	8 (2.3%)
WOP8	579	322 (55.6%)	177 (30.6%)	28 (4.8%)	46 (7.9%)	6 (1.0%)
WOP9	61	20 (32.8%)	25 (41.0%)	0 (0.0%)	16 (26.2%)	0 (0.0%)
WOP10	42	23 (54.8%)	5 (11.9%)	3 (7.1%)	3 (7.1%)	8 (19.0%)
Total	2,793	937 (33.5%)	1,465 (52.5%)	73 (2.6%)	176 (6.3%)	142 (5.1%)
Affiliate marketers						
AM1	449	2 (0.4%)	435 (96.9%)	0 (0.0%)	3 (0.7%)	9 (2.0%)
AM2	85	0 (0.0%)	85 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
AM3	237	0 (0.0%)	228 (96.2%)	0 (0.0%)	3 (1.3%)	6 (2.5%)
AM4	58	57 (98.3%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (1.7%)
AM5	185	0 (0.0%)	183 (98.9%)	0 (0.0%)	0 (0.0%)	2 (1.1%)
AM6	43	24 (55.8%)	1 (2.3%)	0 (0.0%)	0 (0.0%)	18 (41.9%)
AM7	36	14 (38.9%)	17 (47.2%)	0 (0.0%)	0 (0.0%)	5 (13.9%)
AM8	62	62 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
AM9	156	89 (57.1%)	31 (19.9%)	0 (0.0%)	23 (14.7%)	13 (8.3%)
AM10	162	119 (73.5%)	35 (21.6%)	0 (0.0%)	0 (0.0%)	8 (4.9%)
Total	1,473	367 (24.9%)	1,015 (68.9%)	0 (0.0%)	29 (2.0%)	62 (4.2%)

Notes: Tweets about sports AND racing, novelty betting, esports, bet status updates, humour, promotional and other are combined into the 'other' category, as most cells had zero counts.

5.3.3 Inclusion of RG messaging in other content

While Table 5.3 (above) shows tweets that were *exclusively* RG messaging, some tweets with other content also included RG messaging. Table 5.4 shows this was common amongst at least some wagering operators, notably WOP4 (86.8% of posts)

and WOP3 (60.2% of posts). RG messaging was virtually non-existent amongst affiliates, except AM8 who included RG messaging in seven tweets. Statistical analysis showed that wagering operators were significantly more likely to include RG messaging in tweets about other content (24.9%) compared to affiliates.

When RG messages were not the exclusive content of the tweet, they were very rarely included as text. Amongst wagering operators, RG messages were typically shown in videos where odds or tips were presented, similarly to RG message presentation in television adverts, or they were shown at the bottom of an image where odds or tips were promoted. Displaying these messages varied by operator, with some displaying them quite prominently, while others presented them in very small text on a busy background that may not have been legible on a smartphone screen where Twitter content is often consumed (see Figure 5.1).



Figure 5.1: Two RG messages in tweets about other content. The top image is far more prominent than the bottom one.

The 'Any RG' column in Table 5.4 shows the sum of tweets with an exclusive RG message and tweets that included an RG message along with other content. Any RG messaging was present in a little over one-quarter of WOP tweets (27.5%), and almost absent from affiliate tweets (0.5%). This difference was statistically significant.

Table 5.4. Proportion of posts by each account that included RG messaging amongst other content, and that included any RG content

Account	Total posts	RG in non-RG content	Any RG content
Wagering operators			
WOP1	163	0 (0.0%)	28 (17.2%)
WOP2	560	77 (13.8%)	77 (13.8%)
WOP3	123	74 (60.2%)	74 (60.2%)
WOP4	114	99 (86.8%)	99 (86.8%)
WOP5	751	225 (30.0%)	233 (31.0%)
WOP6	45	10 (22.2%)	16 (35.6%)
WOP7	355	60 (16.9%)	60 (16.9%)
WOP8	579	137 (23.7%)	165 (28.5%)
WOP9	61	8 (13.1%)	8 (13.1%)
WOP10	42	5 (11.9%)	8 (19.0%)
Total	2,793	695 (24.9%)	768 (27.5%)
Affiliate marketers			
AM1	449	0 (0.0%)	0 (0.0%)
AM2	85	0 (0.0%)	0 (0.0%)
AM3	237	0 (0.0%)	0 (0.0%)
AM4	58	0 (0.0%)	0 (0.0%)
AM5	185	0 (0.0%)	0 (0.0%)
AM6	43	0 (0.0%)	0 (0.0%)
AM7	36	0 (0.0%)	0 (0.0%)
AM8	62	7 (11.3%)	7 (11.3%)
AM9	156	0 (0.0%)	0 (0.0%)
AM10	162	0 (0.0%)	0 (0.0%)
Total	1,473	7 (0.5%)	7 (0.5%)
Inferential statistics – Wagering operators vs Affiliate marketers			
		$\chi^2(1) = 417.93$, $p < .001$, $\phi = -.31$	$\chi^2(1) = 473.68$, $p < .001$, $\phi = -.33$

As of 30 May 2023, seven wagering operators and three affiliates included RG messaging in their Twitter bio. The content of these messages varied, and three operators included only the outdated RG message, despite regulatory requirements for operators to update their RG messaging by 30 March 2023. Of the ten RG messages in bios, five included the required new wording. Eight included a call to action, with six of those including helpline details and two referring to deposit limits. Table 5.5 shows the RG messages in Twitter bios.

Table 5.5. RG messages in Twitter bios of WOP and Affiliate accounts

Wagering operators	Affiliate marketers
What's gambling really costing you? For free and confidential support call 1800 858 858 or visit http://gamblinghelponline.org.au	Gamble Responsibly. Gambler's Help 1800 858 858
Gamble responsibly	CHANCES ARE YOU'RE ABOUT TO LOSE. Set a deposit limit
Gamble Responsibly.	Gamble Responsibly. Gambler's Help 1800 858 858
What are you prepared to lose today? For free and confidential support call 1800 858 858 or visit http://gamblinghelponline.org.au	
Gamble responsibly. Call Gambling Help on 1800 858 858	
Chances are you're about to lose. For free and confidential support call 1800 858 858 or visit http://gamblinghelponline.org.au and also in banner image	
What are you really gambling with? Set a deposit limit.	

Note: Messages have not been linked to wagering operator or affiliate accounts, to reduce identifiability.

5.3.4 Odds

Wagering operators were significantly more likely to show betting odds in their tweets (20.6%) than affiliates (6.3%). WOP4 included odds in about two-thirds of their posts, while odds were shown in 16%-31% of the posts by most other operators. Two wagering operators rarely (WOP3) or never (WOP1) posted odds (Table 5.6).

One example of odds in a tweet from a wagering operator was:

The Warriors & Bulldogs have both started the #NRL season 2-1. 2pm
 #NRLWarriorsBulldogs. Warriors \$1.80, Bulldogs \$2.00, Line 1.5, Total 42.5, Bet on [link]
 #LetsGoneWarriors #ProudToBeaBulldog. Josh Addo-Carr is \$1.71 to score a try at any time. [link]. (WOP)

Odds were also often shown in static images, as well as videos where an employee discussed upcoming matches and their suggestions for bets. These videos would typically feature text overlays to show the odds while the person was talking.

One affiliate (AM8) showed odds in 45% of their posts, followed by AM2 with odds in 21% of their posts. Three affiliates did not show odds, and two affiliates only showed odds once. Examples of tweets with odds from affiliates included:

Nothing like a \$1.12 lay bet for your Wednesday afternoon. [tagged a WOP's Twitter account] [link]. (AM)

NBA SAME GAME MULTI. Our #NBA man has picked out a five-leg SGM for the Pelicans vs Hornets game today paying \$29. Stats & reasoning here [link]. (AM)

5.3.5 Tips

Tips were significantly more common amongst posts from wagering operators (20.4%) than from affiliates (5.8%). Wagering operators showed tips in 9%-44% of posts (except WOP1). For affiliates, AM8 showed tips in 56.5% of tips, but the rest rarely showed tips (Table 5.6).

Tips were sometimes shown in the text of the tweet, such as:

[Tipster's] best value bet of the day lands with Opal Ridge ultra impressive in the Dary Munro [link]. (AM)

In the last 30 minutes [user] has tipped Not An Option at \$11 and Bandersnatch at \$8. (WOP)

It was more typical for tips to be given in an image or video, or at another website with a link to the website contained in the tweet, for example:

Form expert [user] looks ahead to Rosehill this weekend, with a fresh horse shaping as ripping value. Powered by [redacted] [link]. (WOP)

5.3.6 Links

The analysis captured information about two kinds of links: links to bet and links to tips or other sites (Table 5.6). Wagering operators included links to bet in 13% of their tweets overall, mostly driven by WOP4 showing betting links in 82% of their tweets, and WOP8 in about 30% of their tweets. For wagering operators, nine of their 368 tweets with links to bet were phone numbers for betting in-play. Only two affiliates showed links to bet, each showing links twice.

However, affiliates were far more likely to show links to lists of tips or other sites. Often, these were links to their own affiliate website. Wagering operators also typically linked to lists of tips. For example, WOP5 linked to tips in two-thirds of their 751 tweets, while WOP3 did so in about 60% of their 123 tweets. However, some wagering operators rarely linked to tips. For example, WOP9 did so once, WOP10 three times and WOP4 four times.

Overall, affiliates showed links to tips in 84.9% of tweets, which was significantly higher than 26.8% of tweets for wagering operators. However, links to place bets were more common amongst wagering operators (13.2% of their tweets), compared to affiliates (0.3%).

Examples of tweets with links were given earlier. The actual links are not provided as they link to branded webpages. However, the above examples with redacted links show the context of the tweet, typically describing that tips are available.

5.3.7 Inducements

Inducements were relatively rarely shown in tweets (Table 5.6). Wagering operators included a mention of an inducement in 77 (2.8%) of their tweets. Some of these were included in tipping messages. For example, WOP2 often showed tips from selected analysts where the tips were delivered in the form of a multi-bet. WOP8 advertised inducements differently: by reporting examples of inducement outcomes. For example, a 'better odds or winnings' inducement was advertised by explaining that many had backed a horse at \$3.20, but that they had been paid out at \$4.60 or

higher. Similarly, WOP8 reported instances of paying out winnings early, despite the game still being in play. While these inducements were not still active when tweeted about (i.e., people could not still bet on that market), this advertising strategy allowed WOP8 to advertise the way the inducement works. Another example of an inducement in a tweet was:

#MarchMadness continues and the traders are back with another suggested SGM! [link].
(SGM refers to a same-game multi, WOP)

In contrast, only one affiliate showed inducements, and did so nine times. This included cash prizes for a tipping competition, as well as a random cash prize draw amongst YouTube subscribers. While these are not inducements to bet, they are inducements to engage in services offered by the affiliate. Wagering operators were significantly more likely to include inducements in tweets (2.8%) than affiliates (0.6%).

Table 5.6. Proportion of posts containing odds, tips, links and inducements.

Account	Total posts	Odds	Tips	Links to tips or other sites	Links to bet	Inducement
Wagering operators						
WOP1	163	0 (0.0%)	0 (0.0%)	36 (22.1%)	0 (0.0%)	1 (0.6%)
WOP2	560	139 (24.8%)	216 (38.6%)	16 (2.9%)	11 (2.0%)	32 (5.7%)
WOP3	123	3 (2.4%)	14 (11.4%)	73 (59.3%)	10 (8.1%)	0 (0.0%)
WOP4	114	75 (65.8%)	48 (42.1%)	4 (3.5%)	94 (82.5%)	0 (0.0%)
WOP5	751	158 (21.0%)	154 (20.5%)	502 (66.8%)	37 (4.9%)	1 (0.1%)
WOP6	45	12 (26.7%)	10 (22.2%)	5 (11.1%)	10 (22.2%)	0 (0.0%)
WOP7	355	61 (17.2%)	38 (10.7%)	82 (23.1%)	29 (8.1%)	8 (2.3%)
WOP8	579	97 (16.8%)	54 (9.3%)	27 (4.7%)	173 (29.9%)	32 (5.5%)
WOP9	61	19 (31.1%)	27 (44.3%)	1 (1.6%)	0 (0.0%)	0 (0.0%)
WOP10	42	12 (28.6%)	10 (23.8%)	3 (7.1%)	4 (9.5%)	3 (7.1%)
Total	2,793	576 (20.6%)	571 (20.4%)	749 (26.8%)	368 (13.2%)	77 (2.8%)
Affiliate marketers						
AM1	449	26 (5.8%)	6 (1.3%)	350 (78.0%)	0 (0.0%)	0 (0.0%)
AM2	85	18 (21.2%)	2 (2.4%)	85 (100.0%)	0 (0.0%)	0 (0.0%)
AM3	237	9 (3.8%)	13 (5.5%)	217 (91.6%)	0 (0.0%)	0 (0.0%)
AM4	58	0 (0.0%)	0 (0.0%)	57 (98.3%)	0 (0.0%)	0 (0.0%)
AM5	185	0 (0.0%)	11 (5.9%)	184 (99.5%)	0 (0.0%)	0 (0.0%)
AM6	43	1 (2.3%)	5 (11.6%)	14 (32.6%)	0 (0.0%)	0 (0.0%)
AM7	36	0 (0.0%)	1 (2.8%)	19 (52.8%)	0 (0.0%)	0 (0.0%)
AM8	62	28 (45.2%)	35 (56.5%)	62 (100.0%)	0 (0.0%)	0 (0.0%)
AM9	156	10 (6.4%)	12 (7.7%)	111 (71.2%)	2 (1.3%)	9 (5.8%)
AM10	162	1 (0.6%)	1 (0.6%)	152 (93.8%)	2 (1.2%)	0 (0.0%)
Total	1,473	93 (6.3%)	86 (5.8%)	1,251 (84.9%)	4 (0.3%)	9 (0.6%)
Inferential statistics – Wagering operators vs Affiliate marketers						
		$\chi^2(1) = 150.94$, $p < .001$, $\phi = -.19$	$\chi^2(1) = 156.74$, $p < .001$, $\phi = -.19$	$\chi^2(1) = 1307.77$, $p < .001$, $\phi = .55$	$\chi^2(1) = 201.75$, $p < .001$, $\phi = -.22$	$\chi^2(1) = 22.48$, $p < .001$, $\phi = -.07$

5.4 Summary

5.4.1 Wagering operators

- During the 2-week observation period, the 10 wagering operators posted a total of 2,793 tweets, which attracted 7,359 likes and 5,176 retweets. There was wide variation amongst these operators in terms of their number of tweets per day, likes and retweets.
- Unsurprisingly, most tweets focused on sports (33.5%) or racing (52.5%) content, with different accounts tending to focus on one or the other. This content included previews for upcoming events, updates before, during or after an event, humorous tweets about an event, and tweets that sought to engage with people watching an event.
- A small proportion of tweets (6.3%) focused on customer engagement, to encourage engagement on Twitter or retweeting.
- A very small proportion of tweets (2.6%) posted an exclusive RG message, and 24.9% of tweets included an RG message with other content. Seven of the 10 operators included RG messaging in their Twitter bio.
- Tweets with other content (5.1%) mainly included promotional tweets, bet status updates on specific bets, and humorous tweets.
- Links to tips or other sites were promoted in 26.8% of tweets, while 20.6% promoted odds, 20.4% promoted tips, 13.2% contained links to place bets, and 2.8% promoted an inducement.

5.4.2 Wagering affiliate marketers

- During the 2-week observation period, the 10 wagering affiliate marketers posted a total of 1,473 tweets, which attracted 3,989 likes and 1,060 retweets. There was wide variation amongst these affiliates in terms of their number of tweets per day, likes and retweets.
- Unsurprisingly, most tweets focused on sports (24.9%) or racing (68.9%) content, with different accounts tending to focus on one or the other. This content included previews for upcoming events, updates before, during or after an event, and tweets that sought to engage with people watching an event.
- A very small proportion of tweets (2.0%) focused on customer engagement, to encourage engagement on Twitter or retweeting.
- No tweets from affiliates posted an exclusive RG message, and only 0.5% of their tweets included an RG message embedded with other content. Three of the 10 affiliates included RG messaging in their Twitter bio.
- Tweets with other content (4.2%) mainly included promotional tweets (especially promoting that their tips were available), bet status updates, humorous tweets, and tweets about esports.
- Links to tips or other sites were promoted in 84.9% of tweets (mainly links to their own affiliate website), while 6.3% promoted odds, 5.8% promoted tips, 0.6% promoted an inducement, and 0.3% contained links to place bets.

5.4.3 Comparisons between wagering operators and affiliate marketers

- Tweets from wagering operators gained more reach on average, compared to those from affiliates. Operators tweeted more and gained more likes and retweets in total. On a per-tweet basis, they got more retweets, but slightly fewer likes. This suggests that people are more willing to share content by wagering operators because their content is likely of interest to a wider audience.
- Unsurprisingly, most content in both operator (86.0%) and affiliate (93.8%) tweets was about sports or racing, with this content very much driven by the specific focus of the account.
- Wagering operators posted some customer engagement tweets, mostly as a Twitter engagement tactic, while this was less common amongst affiliates.
- Wagering operators were more likely than affiliates to tweet exclusive RG messaging, and to include RG messaging in their other tweets. In contrast, affiliates virtually never showed any RG messaging.
- Wagering operators were more likely than affiliates to include betting odds, tips, links to place bets, and inducements in their tweets.
- Affiliates were more likely than operators to post tweets with links to tips, and most of their tweets (84.9%) promoted these links. These links direct people to the affiliates' websites to access their tips because they are often paid tips behind a paywall. These tweets also sometimes promoted the release of tips. However, affiliates rarely tweeted direct links to wagering operator websites.
- Tweets promoting inducements were rare amongst both operators and affiliates.
- Other comparisons between operators and affiliates have not been made because they would mainly reflect the selection of accounts (e.g., whether they focused more on sports or racing).

Chapter 6. Stakeholder interviews

Summary

This chapter analyses interviews with 44 individuals from 27 organisations representing 12 wagering operators, 4 wagering affiliates, 5 gambling regulators and legal advisors, and 6 gambling support providers. The interviews aimed to elicit these stakeholders' views on wagering direct and affiliate marketing practices and their impacts on betting behaviour and harm.

Wagering direct marketing

- Wagering operators and affiliates reported they conduct direct marketing to engage and retain existing customers, mainly through emails, SMS and push notifications. They argued that direct marketing does not increase overall betting, nor target anyone who would not otherwise bet. It instead aims to increase the operators' 'share of wallet'.
- The nature and extent of direct marketing practices that wagering operators reported varied, but it was typically targeted based on a customer's betting activity (e.g., frequent bettors receive more marketing) and risk profile (i.e., operators reported removing individuals with problem gambling behaviour, professional punters and fraudulent accounts).
- Direct marketing often contains inducements (e.g., bonus bets). All stakeholder groups criticised the pervasiveness of wagering inducements, but for different reasons. Wagering operators and affiliates felt these inducements have become an industry norm, are demanded by customers and are required to remain competitive in the market. Regulators and gambling support providers, in contrast, criticised their potential to exploit and harm vulnerable people.
- Regulators reported receiving complaints about direct marketing, and criticised the processes for opting-in and out. Even through providing an unsubscribe option is required in direct messages, regulators suggested that opt-in should better allow genuine informed consent and that unsubscribing can be overly complicated. Regulators also face challenges in monitoring compliance because direct marketing is not visible to them. They advocated for nationally consistent regulations for direct marketing.
- Regulators and gambling support providers highlighted the negative effects of direct marketing, especially inducements, that increase gambling harm, increase the risk of relapse, and target vulnerable people.
- Gambling support providers advocated for legislation with harm-prevention objectives, to place limits on gambling, for wagering operators to be held accountable for gambling outcomes, and for a ban on wagering advertising, direct marketing and inducements.

Wagering affiliate marketing

- Affiliates were broadly grouped as either 1) web-based affiliates, or 2) direct contact affiliates who recruit customers from existing contacts, clubs and social groups. All stakeholders considered direct contact affiliates to have the greatest potential impact on a customer's betting and the greatest potential for harm.

- Affiliate payments are based on the following models or a combination: 1) cost-per-acquisition, where operators pay a fee for each new account created or initial deposit made, 2) revenue-share or trailing commissions based on the losses of each account holder referred by the affiliate, often over the life of the account, 3) flat fees for hosting advertising content, and 4) informal arrangements e.g., operators provide bonus bets to social media influencers.
- Regulators and gambling support providers strongly criticised revenue-share models tied to customer losses because they encourage affiliate practices that contribute to gambling problems and harm.
- Wagering operators typically saw affiliates as a cost-effective way of recruiting new customers and increasing engagement with existing customers. Due to their limited marketing budget, smaller operators reported that affiliate marketing is one of the few ways they can compete with large multinational wagering operators.
- Affiliates also noted that their business arrangement with operators is profitable because starting an affiliate business is easy and low-cost, and it generates ongoing commissions.
- Affiliate arrangements create legal and reputational risks for wagering operators because operators are ultimately held responsible for the activities of their affiliates. Most operators accepted these risks for the benefits of customer acquisition, but reported that they carefully selected and monitored their affiliates. Operators said that affiliate partnerships had decreased because they were now less profitable due to restrictions on sign-up bonuses offered through affiliates and increased tax.
- Most web-based affiliates claimed they provided a valuable customer service for people already looking to gamble; directing them to competitive wagering operators rather than increasing gambling spend. Affiliates also reported that they cannot track a referred customer's betting (as these details are held by the operator), and therefore cannot identify or report problem gambling behaviours.
- Regulators and legal advisors highlighted the conflict of interest that affiliates inevitably have when their financial outcomes are driven by customer losses, especially for direct contact affiliates.
- Gambling support providers observed that wagering affiliates are highly effective at getting customers to spend more than intended, and that this contributes to harmful outcomes. They considered that affiliate marketing perpetuates beliefs that gambling is a way to make money by applying 'expertise' and it therefore encourages more gambling and loss chasing.
- Wagering operators and affiliates reported being aware and compliant with marketing regulation, although they highlighted that the regulatory environment was overly complicated.
- Regulators highlighted that regulating affiliates is not within their powers, and suggested further legislated regulation and oversight of affiliate marketing. All stakeholders favoured nationally consistent regulations.
- Gambling support providers advocated for a complete ban of wagering affiliate marketing.

6.1. Introduction

This chapter summarises and analyses interviews conducted with 44 individuals from 27 organisations representing wagering operators (n = 16), wagering affiliates (n = 4), gambling regulators and legal advisors (n = 16), and gambling support providers (n = 8). As detailed below, some interviews took place individually, while others were conducted in groups. The interviews aimed to elicit these stakeholders' views on wagering direct and affiliate marketing practices and their impacts on betting behaviour and harm, to inform both research aims of the overall study.

6.2. Methods

6.2.1. Participant recruitment

The nature and size of the sample of interviewees was decided in consultation with Gambling Research Australia. The types of stakeholders invited were those considered most likely to provide information and different perspectives of relevance to the research aims and objectives. Wagering operators and wagering affiliates were invited mainly to share information about their marketing practices and affiliate arrangements; regulators were invited in order to identify any regulatory challenges for monitoring, compliance, consumer protection and harm minimisation; and gambling support providers were invited to highlight how wagering direct and affiliate marketing impacts on their clients. As Table 6.1 shows, wagering operators, wagering affiliates and gambling support providers were particularly unresponsive to invitations to participate. We therefore incrementally expanded our list of potential interviewees in these stakeholder groups until we had recruited the desired number of interviewees or until our efforts were exhausted. In agreement with, and as funded by, Gambling Research Australia, we aimed to complete 30 interviews in total across the stakeholder groups. We sent recruitment invitations to a known contact within each organisation or, where this was not possible, through the generic "contact" function on their website. The invitation asked for the most appropriate person in their organisation to participate in an interview. As such, we did not specify particular roles, but left this decision to the discretion of the organisation.

The researchers first developed a list of eligible organisations in each stakeholder group and individual contacts within those organisations based on information provided by Gambling Research Australia, the researchers' professional contacts, the list of wagering operators published by the Australian Communications and Media Authority (ACMA), and the list of wagering affiliates generated for the Twitter and website analyses. The researchers searched publicly available information, including from website contact pages and LinkedIn, to locate contact details for individuals. Direct contact reduces the likelihood that invitations to participate are missed or halted by gatekeepers. Where individual emails or phone numbers were not available, generic contact information was collated (such as 'info@affiliate.com').

Table 6.1 outlines the total number of potential participants contacted, at least once, to invite them to take part in the research, listed by both individuals contacted and by organisation (where one organisation may have had up to five people who were attempted contacts).

Table 6.1. Recruitment outcomes for stakeholder consultation interviews

Stakeholder group	Total number contacted		Total number with no final response*		Total number declined		Total number agreed to interview	
	By individual	By organisation	By individual	By organisation	By individual	By organisation	By individual	By organisation
Wagering operator	136	83	110	62	10	9	16	12
Wagering affiliates	70	66	62	59	3	3	4	4
Gambling support service	36	17	28	10	0	0	8	6
Gambling regulator or legal advisor	20	8	4	3	0	0	16	5
Totals	262	174	204	134	13	12	44	27

* 'Total number with no final response' includes contact attempts that 1) were halted by gatekeepers, 2) considered themselves ineligible, and 3) expressed interest or provided a response but did not follow through with an interview.

Invitations were emailed to eligible stakeholders and, where phone numbers were available, researchers placed semi-scripted calls to secure an interview. Attempts to contact potential participants were limited to three: two emails and one call. All individuals who responded to an invitation were sent a project information sheet and a summary of the interview topics if requested.

Wagering affiliate contacts were particularly unresponsive, likely due in part to a reliance on generic contact information. To incentivise participation, wagering affiliates were therefore offered an AU\$100 gift voucher. Wagering operators were also asked for contact details of their affiliates or to pass on the researchers' details so their affiliates could participate in the research, but this did not result in any further interviews.

In most cases, the individual initially contacted participated in the interview. However, some initial contacts referred researchers to a more appropriate person in their organisation. For wagering operators and affiliates, the roles of participants included owner/operator, CEO, legal, risk or compliance manager (including government liaisons) and research manager. In five cases, multiple representatives from the same organisation participated in the interview. Table 6.2 outlines the number of interviews conducted by organisation and the number of participants.

Table 6.2. Interview participant characteristics

ID	Stakeholder group	No. of participants	Operator focus	Operator size*
WOP1	Wagering operator	1	Sports betting and race betting	Mid
WOP2	Wagering operator	1	Sports betting, race betting, esports and novelties	Mid
WOP3	Wagering operator	1	Sports betting, race betting and esports	Smaller
WOP4	Wagering operator	1	Industry body	Larger
WOP5	Wagering operator	1	Sports betting and race betting	Mid

WOP6	Wagering operator	1	Sports betting, race betting and esports	Smaller
WOP7	Wagering operator	1	Sports betting, race betting, esports and novelties	Smaller
WOP8	Wagering operator	1	Sports betting and race betting	Smaller
WOP9	Wagering operator	1	Sports betting, race betting and novelties	Mid
WOP10	Wagering operator	5	Sports betting, race betting, esports and novelties	Larger
WOP11	Wagering operator	1	Sports betting, race betting, esports and novelties	Smaller
WOP12	Wagering operator	1	Sports betting, race betting and esports	Smaller
ID	Stakeholder group	No. of participants	Affiliate focus	
AM1	Wagering affiliate	1	Comparison site	
AM2	Wagering affiliate	1	Affiliate expert with previous experience with wagering affiliates	
AM3	Wagering affiliate	1	Tips and betting advice	
AM4	Wagering affiliate	1	Tips and betting advice; Industry body representative	
ID	Stakeholder group	No. of participants	Service focus	
GSS1	Gambling support service	1	Culturally-specific support	
GSS2	Gambling support service	1	Women and family support	
GSS3	Gambling support service	2	General psychological support	
GSS4	Gambling support service	1	General psychological support	
GSS5^	Gambling support service	1	Relationship support	
GSS6^	Gambling support service	1	Relationship support	
GSS7	Gambling support service	1	Financial advice	
ID	Stakeholder group	No. of participants	Jurisdiction	
GREG1	Gambling regulator or legal advisor	2	Federal	
GREG2	Gambling regulator or legal advisor	1	State	
GREG3	Gambling regulator or legal advisor	3	State	
GREG4	Gambling regulator or legal advisor	8	State	
GREG5	Gambling regulator or legal advisor	1	Legal advisor	

*Wagering operators were classified as larger, mid or smaller sized based on available information on their Australian and global customer base (either registered or active), market share data, yearly revenue, and employee size through sources including the ASX website, financial news articles from the AFR and similar publications, and gaming industry news sites. Where no other information was publicly available, estimates were based on B2B data contact sites like zoominfo, LinkedIn and information on the wagering operator site that described ownership structure and number of employees. Information about turnover and size shared by stakeholders within their interview was also considered. Where wagering operators are subsidiaries of a larger group, the group's revenue was taken into consideration, but the classification was based on the wagering operators' own attributes. Particularly for smaller wagering operators, customer base and revenue information were not always available.

^ GSS5 and GSS6 were from different areas of the same organisation but completed separate interviews.

6.2.2. Interview process

Interviews were conducted online from April to July 2023 using collaboration tools such as Microsoft Teams. Each interview lasted approximately 55 minutes. Each participant gave informed verbal consent at the beginning of the interview, along with permission to record the session. Semi-structured interview guides were used, with similar question topics across stakeholder groups.

Interview transcripts were generated using automated transcription software and checked for accuracy. The researchers de-identified the transcripts to protect the anonymity of participants. Participants were provided the opportunity to review their transcript and provide additional input or request redactions, but no participants changed their transcripts.

6.2.3. Analysis

All participants were assigned an anonymous participant ID. Taking a pragmatic approach to extract and summarise information most relevant to Gambling Research Australia, the thematic analysis (Braun & Clarke, 2021) identified patterns and themes within stakeholder groups, and highlighted similarities and differences between stakeholder groups. Specifically, after data familiarisation through multiple readings of the interview transcripts, the researchers commenced the analysis with open coding of each transcript to identify initial features of potential relevance, guided by a framework developed from the relevant research questions for the overall study. This iterative coding process of words, phrases, sentences, or paragraphs, as appropriate, involved the constant comparative method to add, modify, and refine codes. Themes were then generated by grouping codes that shared a unifying feature. The analysis captured the overall sentiment and common experience of each stakeholder group relating to direct marketing, affiliate marketing and their potential impacts on gambling-related harm. To enhance trustworthiness of the results (Connelly, 2016), three researchers verified the themes identified from the interviews, and two peer debrief sessions on emerging themes were conducted during analysis to ensure the validity and reliability of findings. Quotes presented in the results are tagged by group (WOP = wagering operator; AM = wagering affiliate marketer; GREG = gambling regulator or legal advisor; and GSS = gambling support service). Appendix C contains the interview topics.

6.3. Results for wagering direct marketing

This section presents the results pertaining to direct marketing by wagering operators and wagering affiliate marketers. It is presented in three main sections: direct marketing practices, perceived impacts of marketing on wagering behaviour and gambling harm, and perspectives on harm minimisation. Each section presents the results by stakeholder group: wagering operators, wagering affiliates, regulators and legal advisors, and gambling support providers. It is important to note that the findings represent the views and opinions of the various stakeholders and these may not be accurate in all instances.

6.3.1. Direct marketing practices

This section focuses on the direct marketing practices that wagering operators use. Wagering operators and some wagering affiliates reported engaging in numerous direct marketing practices, with messaging, frequency, channels and inducements tailored to customers based on their profile and wagering activity. Wagering operators and affiliates explained that they use direct marketing to retain customers and increase their 'share of wallet', rather than to increase betting activity overall. The use of inducements was widely criticised, particularly by smaller wagering operators, who felt they must offer inducements like bonus bets and matched deposits to be competitive with large multinational operators. Regulators raised concerns about the content of direct marketing, including: inducements, the consent process for receiving direct marketing and difficulties with opting out, as well as new ways that some operators and affiliates use to target customers. Regulators also noted their difficulties in obtaining a clear picture of direct marketing activities for regulation. Gambling support providers voiced concerns about the influence of direct marketing on vulnerable clients and described the types of direct marketing that affected their clients' betting.

6.3.1.1. Wagering operators

Communication channels used for direct marketing

Wagering operators described the channels they use for direct marketing, which most commonly include a mix of email, SMS, phone calls, in-app notifications, and push notifications from apps. One larger sized operator had a 'huge personalisation focus' where different communication channels were employed based on what 'makes sense for the individual customer' [WOP10]. This operator had decided to 'move away from that traditional marketing strategy that bigger is better' and detailed their strategy behind utilising different channels:

We use email to drive awareness and anticipation leading up to an event. For instance, Melbourne Cup day, we'll send an email the day before... creating a bit of excitement within the relevant segment... Then we might use SMS to drive more urgency and really heighten offer value during our peak periods. Channel selection is definitely dependent on the campaign objective... we make sure there's relevancy and... timeliness behind channel selection. [WOP 10]

Some wagering operators also employ social media marketing (e.g., Facebook groups, Instagram, Twitter), which allows them to also target non-customers because, under the law, these initiatives are not considered direct marketing.

Targeting the frequency of direct marketing

The frequency of direct marketing messages, and the approaches used to engage and retain customers, varied across wagering operators. Overall, the more a customer engaged with the operator, the more direct marketing they were sent:

If we notice a drop off in engagement, we will cease to send them as regularly to those clients, so as just to not drown them out with constant emails. If they're not opening or not reading them, then there's no point. [WOP 12]

Some smaller operators said they adopted a 'less is more' strategy that entailed emailing all customers around once a month. This approach aimed to keep customers engaged while also trying to avoid alienating them by too many contacts.

One operator mentioned: 'We find that our email viewing rate is quite high, like over 50% of people open our emails... [we] email infrequently because we've got high open rates' [WOP5]. Another operator reported their frequency of marketing messages used a 'conservative approach' where they would 'proceed with caution' [WOP 9] to ensure they were in line with regulation and did not bombard customers with marketing.

Larger wagering operators (like WOP10) employed a segmentation strategy that carefully curated direct marketing (content, channel and frequency) to their customers. Customers in more than one segment (e.g., NRL and racing) received more frequent messages. Operators selectively sent direct marketing based on customers' levels of activity on their platform. This targeted approach considers seasonality, code preferences and betting frequency to make the marketing relevant to the customer based on past habits:

[A] customer that likes betting on feature thoroughbred racing, we don't want to bombard them outside of those times. We won't say, in the middle of winter, when the racing is terrible, come and bet on football or some other thing, because it's not worth our time or theirs. [WOP1]

Typical practice was to send an email on Thursdays or Fridays, since customers are likely to bet on the Saturday races or weekend sports events. Most operators said they increased their direct marketing around 'big ticket' sports events such as the AFL Grand Final and the Melbourne Cup, when customers were more likely to bet.

Some smaller operators felt that larger organisations could contact customers more frequently because they had a large customer base, whereas smaller operators expressed more concern about their customers unsubscribing. Smaller operators also suggested that larger organisations could be less specific in their messaging and potentially appeal to a wider audience. Several operators noted sending quarterly or bi-annual emails to non-active members to try to re-engage them before their account became permanently inactive after 12 months of no engagement. Wagering operators identified a legal obligation in NSW to exclude any customers who had been inactive for 12 months from receiving marketing communications.

While they differed in frequency, the overall goal of direct marketing, reported by all wagering operators, was to keep customers engaged with the platform while minimising the number of people unsubscribing or engaging with competitors:

It's all about share of wallet... a lot of people would bet with [us] and with [our competitor]... But then over time, we want them to spend more of their time over with [us]... to do that we need to have them in touch with us over a long period of time... So if someone hasn't had a bet for two months, we might send them a message once every month. [WOP5]

Inducements included in direct marketing

All wagering operators reported sending direct messages promoting inducements, which they said were designed to incentivise customers to bet with them instead of with their competitors. These inducements, which they call 'generosities', included offers of better odds, matched bets, deposit matches, money back, early payouts, and refunds. Operators suggested they felt obliged to offer inducements to remain competitive. Some operators reported that inducements have become an

expectation or 'rite of passage' for consumers when creating an account. Some new customers contact the platform immediately after signing up to enquire about available offers, which could make it difficult for smaller operators to complete:

We get inundated with customers who are literally thumping the table to ask for bonuses, otherwise, they say they'll close their account... there are a lot of bonus hunters out there... It's because you have the top end of town handing out bonuses religiously, right?... And the only way that we can compete at the small independent level... is to try to offer some type of bonuses. [WOP8]

Several wagering operators saw the normalisation of inducements as a significant issue within the industry. Led by large multinational corporations, marketing had become the primary focus of the online wagering industry:

The market is dominated by a couple of what are colloquially known as the 'super-corporates'. Once these big international conglomerates got involved it really changed the game. It turned bookmaking into a marketing game... we've almost been forced to engage in the offering of generosity. It's almost an expectation now for not just acquiring new business, but existing clients, that generosity will be a part of the deal. [WOP2]

Those bookmakers turning under 100 million or 50, or even 25 million per annum, they would tell you that they would wish the bonuses would go away. Because it's the bane of our life managing it, dealing with it, handing it out, getting harassed by people who literally will swear and be rude and threaten you on emails. [WOP8]

One operator reported that they match inducements to the profile of customers, so as not to incentivise an increase in betting:

If we've got someone that places \$20 bets, they're not going to get a bet match for \$100 or something like that. So, we really try to make sure that we're keeping customers' behaviours consistent. [WOP10].

Monitoring the performance of direct marketing

Wagering operators measured the performance of their direct marketing in several ways. Larger operators tended to analyse what kinds of messages drove opt outs, the open, conversion and click-through rates, investment against return on account turnover, and the relationship between opt-outs and long-term customer value [WOP10]. Smaller companies stated that they only considered simple metrics, such as the number of unsubscribes in response to a specific marketing campaign.

Generally, wagering operators said they did not consider customers who bet only in response to inducements as 'good' customers or 'good for business.' One operator used the analogy of a customer 'only shopping in a store when items go on sale'. The same operator described the ideal customer as one who regularly places consistently-sized bets. Wagering operators reported placing importance on the regularity of betting, rather than encouraging a predefined frequency of betting such as daily, weekly or fortnightly: 'Everyone wants the client who bets \$25 a race on every race next to go, right? That's everyone's ideal client' [WOP12]. Operators defined 'good customers' as those who were gambling at a steady and sustainable rate over a long period of time; 'bad customers' as those who were winning and may be professional gamblers; and 'problem gamblers' as those showing signs such as spikes in betting frequency or intensity, especially after several losses, and other 'red flag' behaviours. Wagering operators explained that 'problem gamblers' were 'bad

customers' because they would typically spend high volumes of money over short periods of time and then leave the platform. Some operators also expressed ethical concerns about engaging with people exhibiting problem gambling behaviours:

We know the type – the problem gamblers – they create an account, and they spend really big, really fast and then they disappear. It's not what we want for ethical reasons but also because of the cost. You want someone who is going to place bets on each race that comes up, spending within their means – those are the good ones. [WOP11]

6.3.1.2. Wagering affiliates

Direct marketing by wagering affiliates to promote wagering operators

Wagering affiliates described their partnerships with wagering operators and detailed that, in some cases, they would promote these operators when sending electronic messages to members who had signed up to their affiliate service. One affiliate expert noted that traditional direct marketing, like emails from affiliates, 'doesn't happen too much' and that most direct marketing is from bookmakers to clients. Another affiliate highlighted that it is now rare for affiliates to send direct marketing on behalf of wagering operators due to requirements to remove self-excluded customers from mailing lists and because affiliates do not have access to these self-exclusion lists [AM4].

Some wagering affiliates hosted groups on social media platforms, such as Facebook, to interact with their consumer base, and they used these forums to promote the wagering operators' websites. Some affiliates interviewed provided direct content to their members through a subscription model, where members paid to receive additional information and wagering tips, including recommendations for specific wagering operators. Affiliates outlined some of the legislation they are subject to, including the illegality of offering incentives to non-customers.

However, not all the affiliates who were interviewed engaged in direct marketing. For example, those with platforms that contain news articles, sports or racing statistics, expert tips, and recommendations on specific wagering operator brands did not collect personal information to engage with their website users [AM3].

Inducements included in direct marketing

An affiliate expert explained how direct marketing by wagering operators was targeted to specific customer-types. 'Good customers' who represented value and a high net gaming revenue for operators were more likely to be sent direct marketing, and this marketing was more likely to include inducements to bet:

If you're a really good customer, you might get a really good boost... the full benefits of everything – there'll probably be one email a day or an offer per week, but they'll get everything. The more you're giving the bookmaker, the more benefits you'll get. [AM2]

Some affiliates also observed that multi-bets, which are often promoted with inducements, can be deceiving since they do not advertise the odds that contribute to the overall success or failure of the bet placed:

The problem with multi-bets is that the punters just can't see what's behind them – the odds are against them on every leg, but that just isn't clear. You will never see a professional doing a multi-bet because they are just too risky. [AM1]

Affiliates also noted that betting inducements are expected by many customers, particularly for signing up to a new wagering operator. Although such inducements are now illegal, this expectation persists. Sign-up bonuses are not advertised, but can be provided after sign-up:

In most countries, you can advertise bonuses. And in Australia, they exist, but you just can't advertise them. After you sign up, you get an email from many operators saying, 'Okay, here's your deposit bonus.' And that's the expectation of many players that they're going to get that. [AM3]

6.3.1.3. Regulators and legal advisors

Complaints about direct marketing

Regulators receive complaints from customers about a range of offenses related to direct marketing, including inducements. These include self-excluded individuals receiving direct marketing, receiving direct marketing after opting out, receiving direct marketing despite not being a customer, and poor conduct by wagering operators or affiliates, such as marketing to customers demonstrating harmful gambling behaviour.

Regulators noted that the ease of opting out of direct marketing is a lawful requirement of direct marketing:

Most importantly, that includes a clear unsubscribe option to opt out of the message... there's other requirements around that, in terms of that being actioned within five days, an unsubscribe request doesn't charge a fee, etc. [GREG1]

Regulators pointed out that some wagering platforms require customers to opt-out of different marketing channels separately: 'they might have to unsubscribe from that text message, but then they might start receiving emails, and then they have to unsubscribe from the emails' [GREG3]. While this practice did not breach legislation, some regulators noted that consumers should be able to opt out of all communications in one action, to avoid confusion and risk of harm. Many regulators stated they would welcome regulatory changes to simplify the opt-out/unsubscribe process to protect vulnerable consumers from unwanted direct marketing received as a result of misunderstanding the opt-out process.

Regulators highlighted that the consent process to receive direct marketing also requires improvement. They reported that consent was 'packaged' within some wagering operators' terms and conditions during the account creation process and should instead be spelled out clearly. One regulator noted that customers automatically agree to receive direct marketing as part of the account opening process, but felt that consent should be more informed and operate separately:

Some betting service providers don't actually offer you a chance to withdraw consent to direct marketing... Under the legislation, they don't have to ask you if you want to receive direct marketing or you don't... so they package it in their general terms and conditions that if you agree to open an account, then you're essentially agreeing to receive direct marketing. [GREG3]

Australian legislation limits wagering operators to sending direct marketing only to customers who have 'opted in' to receive it. Penalties for non-compliance include fines, and suspension or cancellation of the operator's licence. Despite this legal

requirement, one state regulator outlined several complaints they had received from individuals receiving unsolicited marketing material via SMS. The regulator reported that some SMSs included inducement offers such as bonus bets. From their investigations, the regulator noted:

It appears that these bookmakers are getting their details from third parties, unbeknownst to the customer... and then using those details to send offers... They're targeting everybody and anybody, which is a huge concern for us. [GREG4]

In some cases, such as the instance described above, state regulators are not empowered to investigate and pursue legal recourse themselves, as the provision of direct marketing to non-customers is outside their purview and must be referred to another regulatory body.

Another regulator described a complaint where a customer attempted to opt out of direct marketing and close their account, but were told by the wagering operator that this would come at a cost:

We had one complainant that attempted to actually close an account... And that [operator] asked them to pay a fee in order to close the account. And as a result, the complainant didn't want to do that. So, they kept their account open, but to us that was not providing an easy unsubscribe method. [GREG3]

Limited visibility of direct marketing

Monitoring compliance with wagering direct marketing regulations is limited by regulators' restricted visibility because this marketing is sent directly to customers. Both federal and state regulators said that they therefore relied on complaints, which were unlikely to expose most breaches: 'There might be so many instances that we don't know about. The only way we find out about them is if we do get a complaint' [GREG3]. Similarly, another regulator said:

We don't have any visibility of [direct marketing], because nobody's complaining... we have a fairly narrow information source to be aware of what's going on in that space, that it would be reasonable to suspect that there's fairly widespread... unconscionable conduct. [GREG4]

Although regulators also conduct proactive desktop audits including media monitoring, can request information from wagering operators, and liaise with regulators in other jurisdictions, the nature of direct marketing (received exclusively by customers) makes it challenging for regulators to 'discover' the content of marketing offers. One regulator noted that, to properly regulate wagering direct marketing: 'there needs to be a record-keeping obligation about what offers [are] provided to account holders, and those records need to be discoverable' [GREG4].

Another regulator expressed concern over increased consumer complaints about phone calls from wagering operators during the last six months. Upon investigation, it became clear that these calls were from wagering affiliates, not operators. While the regulators acknowledged that the increase in complaints may not necessarily reflect a true spike in this telemarketing (by affiliates), they suggested that the lack of clarity for consumers about the source of this marketing is a point of concern:

So that's a recent trend, as well, that we've been identifying, which is quite a concern. You know, in some instances, it's been third parties affiliated with the BSP [betting

service provider] just cold calling people and offering them inducements to open an account with that particular BSP. [GREG3]

Where a wagering operator or affiliate may have breached regulation during a phone call, investigating the offence is difficult as calls are not recorded. This has led to 'he said, she said' cases where the regulator experiences difficulties in getting the evidence of alleged wrong-doing [GREG3]. Regulators also acknowledged a disparity between state laws that result in phone direct marketing being captured differently by wagering operators licensed and operating in different jurisdictions. One regulator recommended a national requirement for all direct marketing phone calls made by wagering operators and their affiliates to be recorded.

Lack of visibility regarding direct marketing also hinders investigations of complaints about predatory conduct by a wagering operator. This regulator explained:

Persons who have an existing account have been milked dry over a period of time, and eventually get around to making a complaint about the wagering service provider's conduct. So, there's a small number of those where we use our powers to call in records of wagering activity. But I don't know that we've ever succeeded in calling in... the text messages and emails and the in-app messages, and so on, that wagering service providers have bombarded people with, in order to affect their behaviour. [GREG4]

6.3.1.4. Gambling support providers

A later section in this chapter presents the views and experiences of gambling support providers in relation to how the types and frequency of wagering direct marketing, including inducements, impact on gambling harm. The brief subsections here indicate their familiarity with direct marketing as a factor in their clients' betting behaviours.

Types of direct marketing

Gambling support providers described the channels and approaches that wagering operators use for direct marketing. For example, one explained:

I have worked with a number of clients that direct marketing had affected their gambling, had increased it... these clients [are] referred from the mainstream call centre to a VIP house manager, who will engage with them on a weekly basis to see how they're going. 'Anything we can do for you, any offers or bonuses we can give you?', any incentive, you know, to keep them. It's like the bait on the hook... it can come via an email, a text or an SMS. [GSS2]

Frequency of direct marketing

Several support providers believed that wagering operators schedule their marketing messages to be unpredictable, sending them on different days and at different times of the day, so customers are likely to be 'caught off guard'. Gambling support providers described direct marketing as being 'very sophisticated and targeted', 'pervasive' and difficult to unsubscribe from. In line with the interviews with regulators, support providers described how some platforms require customers to opt out of different communication channels separately.

Types of inducements

Gambling support providers were aware of several different types of inducements used by wagering operators. As discussed later, they saw inducements as harmful because their terms and conditions are not always understood by clients and inducements are designed to prompt betting.

6.3.2. Perceived impacts of direct marketing on wagering behaviour and gambling harm

The stakeholder groups had differing opinions about the impact of direct marketing on wagering behaviour and gambling-related harm. Wagering operators and wagering affiliates contended that direct marketing does not significantly impact overall betting behaviour or contribute to gambling harm. In contrast, gambling support providers observed that direct marketing exacerbates harm, especially for people with a gambling problem. Regulators raised specific concerns about the provision of inducements through direct marketing that are likely to be particularly harmful, as well as limitations in current regulations around account closure and complaint timeliness that make it more difficult to address breaches.

6.3.2.1. Wagering operators

Direct marketing is sent only to existing customers

Wagering operators explained that they use direct marketing only to target customers who have 'opted in' to receiving messages, rather than to solicit new customers: 'Once a punter signs up with a bookmaker, they are considered to be fair game for all promotions unless they opt out' [WOP4].

Wagering operators suggested that individuals who already have an interest in betting will bet, regardless of direct marketing. One operator asserted that if marketing did have the capacity to influence people, their organisation would have recruited more women instead of having a predominantly male customer base. Some wagering operators contend that marketing does not increase risk of harm, since it impacts market share instead of increasing overall gambling activity:

We've had a look to see whether these sorts of things do drive particularly poor behaviour from a risk and potential harm perspective. And we haven't seen any evidence of it. What we hope that they do is that they get individuals to choose one bookmaker over another. We call it share of wallet. [WOP1]

Another commonly reported view was that most customers are not harmed by direct marketing. Instead, wagering operators felt that with profiling and targeting, their marketing provides information and offers that align with their customers' existing betting habits, instead of encouraging them to commence new types of betting. One operator described how they target direct marketing to their 'normal' customer base, removing anyone who appears to be experiencing harm from gambling or may be a 'bad' customer who poses no value to the business, such as a 'pro punter' or a customer who has set a low deposit limit:

We don't regard them as sustainable. There's no point marketing to them if they can deposit less than \$2 a week. That's their way of protecting themselves. So, we will stay

clear of going after customers like that... it's just not worth it... If they've got all these protections on, they probably just don't want to hear from us. [WOP6]

This same operator continued:

Everyone will have a profile. You have VIPs, hard customers (pro punters), bonus abusers, unrated (someone we don't really quite know yet). You do have profiles of customers to try and maximise our profitability... The biggest cohort of all is normal, right? That's just pretty much 80% of your customer base... recreational punters. They're not betting on behalf of someone else. They don't have a history of gambling issues, got no issue whatsoever with their source of income and wealth. It's just normal humans. So that's who we go to. It's just easier. Anyone who's a smart punter or... someone who keeps self-excluding... we just don't email them. [WOP6]

Wagering operators report they do not directly market to customers with 'red flag' behaviours

A few operators acknowledged that direct marketing can negatively impact a minority of customers. However, they reported they would not market to anyone who demonstrates 'red flag' behaviours; this was said to be the first and most important step in 'cleaning' a list and targeting a customer subgroup with direct mail. Operators explained that these 'red flags' include a sudden spike in betting activity, differences in betting patterns (e.g., increased spend and/or frequency of bets over time), low deposit limits, or the mention, in interactions on the platform (i.e., via emails, chat functions or similar), of a person's family and children being neglected. Larger-sized WOP10 outlined their adaptive approach to recognising red flags to consider the varied ways in which problem gambling behaviour can present:

We definitely recognise that problem gambling is different for every individual. So, a lot of our systems don't have hard thresholds that apply to everybody... We establish certain baselines for customers and we track changes in their baseline behaviour... if we are seeing changes in behaviours, we are taking action that corresponds to the severity of those indicators, or of those shifts in behaviour... we provide them with a range of different tools... we consider marketing opt-out to be one of those tools... in some of our early intervention campaigns... we make sure that whatever communication we're sending out ... doesn't contradict some of the messaging that we're sending from a direct marketing perspective. So, where a customer receives one of those early harm prevention emails, we will actually suppress them from marketing for 48 hours to make sure that that is the main piece of comms that they received during that time... We have a few different versions of that [intervention] email, depending on the behaviour changes that we see with customers. It's tailored to their 'risk bracket' that they fall into for that month. [WOP10]

Wagering operators admitted that there are no 'hard and fast rules' for detecting or responding to red flag behaviours as these could vary, but that they are committed to monitoring their customers' behaviour. Several operators said they aimed to be proactive, with one mentioning they do not offer bonus bets since they are the most likely inducement to lead to harm. Another stated that they imposed a delay in offering inducements, sending offers 12-24 hours after a successful bet rather than immediately, to encourage regular engagement with the platform and to minimise the harm from betting when in a heightened emotional state:

We like to offer bonuses that people can use after they have had a win – but not immediately after. We want them to come back when they have cooled down, not placing

bets when they might be feeling a bit hot after a win. That's also why we don't offer them for people to use after a loss – we don't want to encourage loss chasing. [WOP11]

Some operators revealed a desire to move away from offering inducements altogether because of their own ethical standpoints:

Do we go down the path of adding bonus bets?... We want to be competitive, and we want to offer more. We want to get more customers and more share of wallet, or do we say 'well, we don't actually think that they're healthy.' That's an internal debate that we have. [WOP5]

6.3.2.2. Wagering affiliates

Affiliates are providing a service to existing bettors

The affiliates tended to state that they do not believe they are contributing to increased wagering or gambling harm because they are providing a service to people in the form of information. They described their business as catering to people who are actively engaged in gambling and already searching for information, such as statistics on sports or racing or the 'best betting websites':

What we do is help someone who's already told us, 'I want to find a betting site. Can you show me a good one?' We help them find one that's responsible and licensed. [AM3]

Inducements impact gambling behaviour

An affiliate's business model is to promote wagering operators to new and existing customers. In doing so, an affiliate expert outlined that any marketing, by design, impacts betting behaviour if successful. Further, a part of the 'new customer' cohort seeks benefits in responding to a call to sign up:

Any sort of advertising is going to sway someone there, and everyone's always looking for a new bookmaker these days because there's deals to be had... every client will get on and ask for 'what can you do if I deposit \$500? What will you get me?' [AM2]

6.3.2.3. Regulators and legal advisors

Direct marketing inducements increase betting and may harm those with a gambling problem

Regulators tended to report that direct marketing impacts betting behaviour by increasing both spend and activity on wagering platforms:

[Direct marketing] has a significant impact because it will end up making people bet more than they were perhaps intending to in the first place, and then continue to bet. So, it certainly does have an impact on people's thinking to the point where they chase these offers. [GREG3]

Further, inducements in direct marketing were seen as common. In the experience of one legal advisor, inducements, especially bonus bets and matched deposits, are 'common feature[s] of the most problematic, responsible gambling-type complaints... certain types of offers are far higher risk for punters in respect of gambling harms' [GREG5].

Numerous regulators suggested that direct marketing, especially of inducements, has greater potential to impact people with pre-existing gambling problems. Several regulators drew attention to the dangers of 'incentive chasing', where customers seek bonuses by creating accounts with numerous operators or directly requesting them from operators they use. Some jurisdictions and industry associations identify this as a 'red flag' behaviour:

Two jurisdictions actually articulate a list of red flag behaviours for potential problem gambling... the Northern Territory under their mandatory code, and the Victorian Bookmakers Association under their voluntary code. They both list persistent requests for bonus bets as potential indicators of problem gambling. [GREG5]

Regulators associated this kind of risky behaviour with direct marketing and cautioned that, as a result, vulnerable people may be encouraged to spend beyond their means. One regulator noted they were currently working on:

... bookmaker thresholds around what constitutes an intervention based on impulsive spend... at what point were any kind of interventions triggered at the bookmaker end... in terms of those red flag components? [GREG4]

Lack of clarity in the legislation around account closure and marketing

Regulators highlighted a lack of clarity in the regulations around account closure and marketing, which can lead to direct marketing being sent to customers who have begun the process of opting out. One regulator spoke about a complaint from a customer who was sent marketing material after they thought they had closed their account:

[We] received a complaint from someone who would say they've received gambling ads after closing their account. But after speaking to the [wagering operator], they'd come back saying... 'they didn't actually close their account, and they were actually on a break'... because account closure isn't defined in the legislation... therefore, they can still technically continue to send those gambling ads unless that person unsubscribes. [GREG3]

Regulators suggested account closure should be more clearly defined in the regulations to avoid customers receiving direct marketing during a temporary account suspension.

Statute of limitations

Another issue raised by regulators was the statute of limitations, which prevents them from actioning complaints if the action underpinning a complaint occurred more than six months ago. They felt that a legislative change may be beneficial for consumers:

Our statute of limitations when we can take action is six months. So, we've had a few complaints come in, where the person would say that they've experienced problem gambling due to direct marketing that occurred, let's say a year ago... that's an ongoing issue. [GREG3]

6.3.2.4. Gambling support providers

Direct marketing increases betting and betting harm

Gambling support providers strongly argued that direct marketing increases their clients' betting and betting expenditure because it is 'certainly triggering for them' [GSS6]. They provided examples of direct marketing prompting clients to spend beyond their means. In one reported instance, the resulting desperation to access further funds led to criminal behaviour, including shoplifting and domestic violence.

Gambling support providers felt that the accessibility, type, targeting and messaging, as well as the difficulties of opting out of receiving direct marketing, acted together to negatively impact people experiencing gambling problems:

The impact is that [direct marketing] works, but it harms people. It all adds to people's consciousness of gambling when they should be having headspace to be engaged in their daily work and life. [GSS7]

Support providers also discussed that some approaches are more likely to cause harm than others. They highlighted that SMS and push notifications offering inducements mean that individuals receive messages anywhere and at any time, as most people always have their phone with them. One support provider explained that direct messages stimulate the same neural pathways in the brain as gambling itself, which could trigger the desire to bet:

If a drug addict carries drugs in their back pocket, they will relapse. It's the same as when people are continually offered things like bonus bets [to their phone] – it's like free money to gamble with. [GSS3]

Direct marketing can also prompt people to intensify their betting so they are eligible for inducements, 'knowing that they might get free bets and opportunities for other rewards' [GSS1]. Direct marketing can also prompt betting outside a person's usual betting times and events.

Getting messages outside your normal days isn't beneficial... because obviously now they're being induced to gamble on numerous days of the week ... and they can even promote other bets that normally people don't bet on... So, they can also increase people's opportunities to gamble more broadly, which again increases what people are gambling on... Direct marketing impacts people moving from gambling once every now and again, to gambling every day. [GSS1]

Direct marketing hinders recovery from a gambling problem

All support providers considered that direct marketing makes it more difficult for people with a gambling problem to stop gambling and that it triggers relapse. The accessibility and pervasiveness of messaging on individuals' personal devices was seen as a major barrier to overcoming a gambling addiction. One support provider described its impact as a kind of 'tug of war' [GSS2] pulling vulnerable people back into their past gambling habits, especially if they were in the early stages of seeking help when 'they just haven't got the skills, the tools or the confidence often to be able to resist that quick win' [GSS3]. Similarly, another support provider described that clients can be triggered and frustrated by direct marketing:

They've reported that it's frustrating... they could be going about their day feeling okay, and feeling like they're managing quite well. And then out of nowhere, they get a reminder

or an offer that they weren't expecting, which really challenges them... triggering and frustrating will be the two descriptive words that people have used. [GSS6]

Another support provider discussed the internal struggles that a client in early stages of treatment faces when being encouraged to gamble by inducements, such as 'we noticed you haven't gambled for a while, here's some money for you' [GSS3]:

Despite really not wanting to gamble, you've got this person that's lost all this money... And you've got this person that's saying, 'hey, guess what, you're going to win it back'... That's one of the reasons I think that people find it hard initially to commit to treatment, because they're badly wanting to win all that money back... And of course, their brain goes crazy. And before you know it, rational thoughts are gone. And they've gone back to gamble. [GSS3]

Similarly, a culturally-specific service provider discussed how direct marketing was a hindrance to recovery and could trigger relapse amongst those who had abstained from gambling:

Those in treatment... it's very easy for them to relapse... they don't need to be forever seeing text messages, and so on, when they're trying to recover from their problems associated with gambling. So, therefore, direct marketing can play a role in influencing them to continue to gamble, even though they may be abstaining from gambling. It's very difficult for them to continue treatment and to avoid relapsing when they're continually receiving marketing. [GSS1]

The following support provider related the experience of one client where receiving wagering inducements caused immense harm because it undermined his recovery attempts:

A man told me that every night he would go to bed saying, 'I am not going to gamble in the morning, I do not want to gamble.' And he said, every morning he'd wake up and there would be another... direct marketing inducement. And he said he just couldn't resist it. It was like he was being given free money... 'Deposit 500, we'll match it', etc. So, it was his undoing... And it did ruin his life. His wife left him, his family broke up. He's living in quite squalid accommodation now. [GSS7]

Support providers also described the experience of some clients who believed they had unsubscribed and yet continued to receive direct marketing, and fell victim to predatory practices when they attempted to close their betting account. For example:

This person had been linked into a VIP case manager, and they had attempted to withdraw from the service quite a few times and then close their account. The account was reopened and closed because of the constant engagement from the service. I did an investigation into the losses for this person and the contact made by the company... they were betting from seven in the morning, till maybe two or three the following morning... It was a lot of money... but towards the end of the investigation, they had reconnected with that relationship and so they didn't want to pursue the case. Which was a real shame because it was a really good indication of how people can be harmed by that... the client reopened the account on the incentives offered by the company to re-engage. [GSS2]

Inducements, particularly bonuses, are the most harmful

Gambling support providers suggested that inducements – particularly bonus bets and deposits – present the highest risk. Bonus bets were described as 'illusory' in that they can feel like 'free money' to customers; thereby reducing the sense of monetary investment and subsequent losses. This could trigger relapse:

It's been described as feeling like it's free money... Why would you turn that down? It's very enticing... It's almost like it's not real, it's Monopoly money... 'I'll just keep using it to play'... the offer of bonus money in their accounts would probably be the biggest relapse trigger. [GSS6]

One support provider reported that clients frequently misunderstand bonuses and other inducements, and that they bet more based on this misperception:

In multi bets, for example, if you do a four leg on the English Premier League and one fails, you get bonus bets... That also can induce gambling behaviour from thinking that, 'well, if I just miss it out, I'll still get my money back'... they're not getting money back. They're getting a bonus bet back... So that's also a big misconception amongst people that I come across with in my clinical work. [GSS4]

Gambling support providers suggested that inducements are particularly harmful to culturally and linguistically diverse (CALD) populations because they may not be recognised as a marketing device. One culturally-specific service provider discussed bonus bets and inducements as detrimental to people's efforts to maintain safe gambling practices, particularly if they are in poor socio-economic circumstances:

When people become desperate, and they receive an inducement or a bonus or text message, so when people are at their lowest or not feeling great... when they're poor and struggling financially, they're looking for an opportunity to make more money... then people are going to increase their intensity... So, they're gambling for desperation. That can happen a lot. But also, problem gamblers will chase losses... And this increases bet size and severity. [GSS1]

While agreeing that bonuses and matched deposits are particularly enticing to consumers, the following support provider cautioned against banning only certain inducements because this would encourage the wagering industry to adapt any allowable inducements in dangerous ways:

It would be a really big mistake to say, 'this form of direct marketing is okay and this form is not okay'. Because the first part would just morph into something more dangerous. That's exactly what we did with advertising. We sort of went 'oh well, it's most dangerous if it's during football games.' And then we saw that we had saturation advertising in the hour before live football or live sport. [GSS7]

Direct marketing can target the needs and insecurities of vulnerable groups

Gambling support providers considered that direct marketing that clearly targets the needs and insecurities of vulnerable groups is particularly harmful. For example, they noted that messaging about social betting features can appeal to subgroups such as international students and CALD populations who may experience isolation after moving to Australia and might see gambling as providing a sense of belonging. Support providers explained how direct messages that depict gambling as a social activity or encourage users to involve their friends in betting are targeted to young men. Because young men represent a large proportion of their clients, support providers felt that this messaging is particularly harmful and specifically aimed at vulnerable populations:

The new push on mates betting, which taps into a lot of Australian iconic... symbolism. Mateship for sports, drink, have a shared bet... it's going to encourage more gambling... Those people are going to introduce people that have never gambled in their lives to gambling as well. [GSS3]

Support providers further suggested that messaging that encourages gambling in friendship groups undermines young men's attempts to stop gambling - because it emphasises the role of betting in socialising and bonding with friends, and reminds people of what they might lose or how they might feel if they refrain from or stop gambling. One support provider likened the peer pressure to 'a cold, that someone sneezes and five people standing around you can catch that cold. It's very similar to that. You can become addicted without realising' [GSS2]. Another support provider explained: 'I have to talk to my young gamblers about their network of friends... they're saying, 'C'mon have a bet with me.' I think that peer pressure is really hard' [GSS3].

One support provider provided a perspective on the vulnerability of some Aboriginal people because of their financial circumstances, beliefs in luck, and because gambling may be normalised in some families and communities:

Indigenous and First Nations people are at risk... because they're looking for that opportunity, not only to make money to change their financial situation, but... they feel that they're lucky that this person's contacted them... Young people think it's great because they're not familiar with how things operate and... feel a bit more bulletproof... So sometimes young people can be targeted. Then you have people from a different cultural background... That's taking advantage of them by promoting as much as you can because... gambling is a pattern and is a part of someone's culture, and it's not frowned upon and so forth. [GSS1]

Gambling support providers also expressed concern that direct marketing tends to reinforce their clients' underlying belief that wagering is a viable means of making money. For example, one support provider described clients in the early stages of help seeking as 'still very much caught up in [wagering] as like a money-making tool, and that they won't have to work and that they can retire early' [GSS6]. Support providers felt that direct marketing that contributes to this perception is misleading and potentially very harmful.

6.3.3. Stakeholder perspectives on harm minimisation

Stakeholders agreed that nationally consistent and clear regulation is needed for wagering marketing and inducements and would benefit operators, affiliates, regulators and consumers. A national framework would be less confusing for all parties and more cost-effective for operators and regulators to manage compliance, which may also help to minimise harm. Gambling support providers also suggested expanded harm minimisation measures. Stakeholders agreed that the responsible gambling messages embedded in wagering marketing are relatively ineffectual.

6.3.3.1. Wagering operators

Responsible gambling

Some wagering operators stated that responsible gambling was a key focus of their business strategy; not just for compliance, but for long-term sustainability and to maintain their business ethos. For instance, WOP10 outlined how customer relationship managers have key performance indicators (KPIs) around responsible gambling rather than turnover: 'What we've recognised is we do not have a

sustainable business if we're attracting problem customers, and nobody wants that.' [WOP10]

There was a widespread view among wagering operators that current responsible gambling messages are ineffective as they are 'too simplistic' and 'insignificant'. Some operators mentioned that they have witnessed customers mocking the taglines and treating them as a joke, for example saying: "imagine what you could be buying instead?" to each other as they gamble.' [WOP5]. Similarly:

People joke about it and you hear people saying, 'oh gamble responsibly' as they give a tip to a mate, like it's all a bit of a fun little joke amongst punters. [WOP6]

In their opinion, this is largely because the messages reportedly fail to recognise customers' perceptions of gambling as a recreational activity that they are willing to pay for, rather than a way to make money in the long term. Wagering operators suggested they consider gambling-related problems as being caused by the individual with the problem, rather than by the gambling industry.

The only part of direct marketing that wagering operators felt could be changed to minimise harm was to remove inducements like bonus bets and matched deposits:

The first thing I would change in the industry, from an RSG [responsible service of gambling] point of view, would be to remove bonus bets.... I think bonus bets... have potential to cause the most harm. [WOP5]

However, wagering operators also emphasised that people who experience gambling harm are a small percentage of all gamblers. While operators reported taking their responsible gambling responsibilities seriously, their marketing activities are part of operating a commercial business in a recreational industry:

People need to understand that gambling is a consumption. The old saying that I use: 'people don't gamble to win, right? People gamble so that they can gamble tomorrow.' So you need to separate out what is problem gambling and what is consumption... People do it to pass time. And that's the vast, vast majority. The number of problem gamblers, it's a very, very small percentage... The way you deal with these people is not through more regulation and more messaging because it doesn't work. [WOP8]

More specific and consistent regulation

Wagering operators felt that regulations governing wagering marketing must be clearer and more specific because they currently leave many areas open to interpretation. They felt that laws that stated precisely what was and was not allowed would make compliance easier: 'The regulations, the bane of our lives because there's so much of it... a much more transparent and simplified national code is where it needs to go to' [WOP8]. They urged for regulations to be national and not state-based to achieve clarity and consistency: 'Interpretation of the rules and the enforcement of those rules consistently' [WOP10].

Smaller wagering operators suggested that national regulation would provide a 'more even playing field' [WOP7] for operators of all sizes because the current cost of marketing across different states would be mitigated. At present, it is primarily the large conglomerates that can market Australia-wide, as they can afford teams dedicated to adhering to differing state regulations. Smaller operators viewed the lack of national regulations as helping larger operators retain the majority of market

share. Smaller operators suggested that, if they were better able to compete with larger operators, they may be less reliant on offering incentives and bonuses to engage customers. This, they said, may result in less problem gambling.

Some wagering operators felt the industry was over-regulated, although not in matters related to advertising or for the protection of children. One operator detailed their desire for regulation to be sensible and well thought-out by people who understand the wagering industry:

Recommendations to ban everything indicate people who don't understand the wagering industry, and haven't thought through the process and the consequences... We're already so heavily regulated... No one is against regulation if it's sensible regulation. They tend to pump out regulation that's nonsensical. [WOP9]

6.3.3.2. Wagering affiliates

Regulation

Affiliates who had engaged in direct marketing reported having a good understanding of its legal requirements, albeit without citing specific legislation. One affiliate expert mentioned the strict regulations about only being able to send direct marketing to existing customers. They provided an example of self-policing when presented with a direct marketing opportunity:

The laws are pretty strict these days. You have to be a member of that company before you can receive any marketing. There's no marketing whatsoever on [a wagering operator] website until you log in... At an event [at a racetrack]... I just wanted to give some free bets out to the people that were there, like literally \$10 free bets... And I'm not allowed to do that because they're not a member of my bookmaking company. [AM2]

Some wagering affiliates did not engage in direct marketing and did not have suggestions for additional regulations to reduce harm. However, they noted that over-regulating the industry could have the unintended consequence of driving potential customers to offshore or illegal sites, stating that 'too much regulation might drive players away from the legal space and into the illegal space' [AM3].

Inducements in direct marketing can cause harm

One affiliate expert noted the impact of inducements on people experiencing problem gambling, but that a general reminder to bet or non-inducement direct marketing was unlikely to have a significant impact on people experiencing harm:

The number one problem in problem gambling... is freebies, boosts, whatever else. Get rid of those. People [are] still gonna lose their money, but probably not be as induced... the worst thing in the industry at the moment is bonus bets or boosts. I don't think direct email promoting what the bookmaker offers is probably going to be too much to do with problem gambling because someone's gonna have a bet anyway. [AM2]

6.3.3.3. Regulators and legal advisors

The need for nationally consistent regulation

Regulators endorsed the need for a unified national approach to the regulation of wagering marketing in Australia, which one noted was recently recommended by the Commonwealth inquiry into online wagering. Currently, much of this regulation is

enforced at a state and territory level, which regulators and legal advisors noted with varying degrees of concern: 'Each state has their own legislation relating to inducements and advertising. There can be some subtle differences' [GREG3] and 'At the moment, we've got an absolute hodgepodge of state and territory laws around inducements' [GREG5].

Regulators generally considered that the wide array of state and territory regulations created confusion for regulators, customers and wagering operators, and a significant expense for regulators and wagering operators to ensure compliance. Many regulators therefore thought that nationally consistent regulation would benefit all parties:

Certainly, it would make life easier for everybody, the customers, the regulators and the betting providers themselves, if the actual laws were uniform across all jurisdictions. That certainly would make it easier to enforce. And for people to understand... there may be some sort of confusion to people making complaints to us as to 'who's the appropriate authority?' [GREG3]

Nationally consistent regulations would also provide opportunities for stricter regulations that apply to all wagering operators licensed in Australia:

When we've sought as a [state] regulator to impose more conditions, more customer protection regulation on [wagering operators]... Mostly they don't object to it, except that they say it should happen in a national way. So, they say, if [state] puts a higher standard on us than all the other jurisdictions, then our competitors who are licensed in other jurisdictions have a competitive edge on us. [GREG2]

A legal advisor suggested that a nationally consistent definition of the most harmful inducements could be easily determined and they could be made unlawful, to the benefit of consumers, the wagering industry and regulators:

Deposit matches and loyalty bonus bets... are directly linked, in a causal way to causing harm such that if you remove them, presumably the risk of harm would reduce. There's also a benefit to wagering operators in that they are the most expensive types of promotions to offer, such that if they were banned in a blanket way across the entire industry... it would reduce that marketing cost for BSPs [and] would certainly reduce the regulatory burden. [GREG5]

Limits to current regulation

Regulators considered that the current regulatory environment limited their effectiveness, particularly their ability to take timely action. One state regulator summarised the limitations of state bodies being able to address online wagering complaints:

When a bookmaker is not licensed in [state], or we can't always demonstrate that their product has been made available in [state], we don't have as much reach as we would otherwise have. And even though nine times out of 10, we do have reach because if it's on the internet, it's available in [state]... there's still that time... before we can go ahead and take enforcement action... between [state legislation], the IGA, the National Consumer Protection framework, you've got a whole bunch of legislative instruments that are designed to collectively capture the conduct. But it's not always the case that everybody is able to push the right button straightaway. [GREG4]

This stakeholder group also acknowledged that regulation inherently tends to lag behind issues. This lag has left gaps in regulation, particularly for inducements, especially given the ‘dynamic space where the technology available to undertake marketing is always evolving’ [GREG4]. One state regulator highlighted the potential vulnerabilities for existing customers receiving inducements via direct marketing:

There aren’t any regulations that address predatory conduct where somebody has already opened an account... It’s contrary to the regulations to induce someone to open an account. But once they’ve opened an account, you can provide inducements to them left and right... We would have much more confidence and scope to investigate and call-in information if the regulations were broader than that. [GREG4]

One regulator noted that limits to their resources meant they had to prioritise their work by potential for harm:

We do prioritise our limited resources against the many complaints that we do receive against where there’s either evidence of harm or likelihood of harm... If someone has made a decision to withdraw their consent and not receive that sort of material, and that material keeps landing in their inbox, the potential for harm is quite significant. [GREG1]

6.3.3.4. Gambling support providers

Gambling support providers advocated for numerous changes to wagering direct marketing, from wide-ranging reforms through to specific suggestions, including the introduction of mandatory betting limits and the banning of all gambling advertising.

Legislation with objectives to prevent harm from gambling

One service provider advocated for multilayered reforms to reduce gambling harm, including from wagering direct marketing. They explained that this should be underpinned by legislation with specific aims to prevent gambling harm and explicit acknowledgement that gambling is a harmful product. As discussed in the sub-themes below, this support provider also advocated for a cap on mandatory losses, a statutory duty of care, and a ban on all gambling advertising, including wagering inducements.

The first thing is... new legislation that is set up for harm prevention. The object of the Act has to be to prevent gambling harm... And the second object... to keep gambling crime-free. Because there’s a lot of fraud in gambling, and also it links in with anti-money laundering obligations, which can have a secondary impact of preventing harm. So those are those two foundational things. Then on top of that, we’ve got to consider gambling... as something that’s inherently harmful... And the regulation has to have that as a starting point... reframing gambling for safety. [GSS7]

Wagering operators to be held accountable for gambling outcomes

One support provider suggested wagering operators should be required to provide a checklist of their actions and accountability in preventing harm in their customer base [GSS4], while another advocated for ‘a statutory duty of care so that gambling operators are responsible for the outcome that people reach on an individual basis.’ [GSS7].

Ban or restrict gambling advertising and inducements

Several gambling support providers considered that gambling advertising, especially inducements, should be banned: 'I think inducements are probably one of the most risky things that needs to be dealt with' [GSS6]. This support provider explained how banning inducements would help to reduce gambling harm:

What that does... [is] two things. One, it stops [the person] from waking up dreading that there's going to be a text on his phone with an inducement when he's trying to get his life in order. But two... it takes away the offerings that these predatory VIP programs have. [GSS7]

In the absence of a ban on wagering direct marketing, support providers raised the need for improved processes and greater restrictions. One was related to opt-in and opt-out processes for receiving direct marketing, including providing adequate information and warnings to allow informed consent, as well as the ability to block messages for certain times and periods:

If there was more knowledge and more information, and more descriptions about the risks and the harms associated, then they can opt out. But if that's not pitched to them, then they're going to think this is a positive, and it's going to improve the way they bet. So... more transparency in the opting in, and it should be easier to opt out without encouragement to come back... and you should be able to block it for a while or block it for certain days or block it for certain weeks. [GSS1]

Another support provider considered that there should be a delay period between betting events and when direct marketing for that event can be sent:

There needs to be a time limit... a minimum delay between the event start time and when a direct marketing can be made for it. So, for example, there must be at least 48 hours between the start time of the Melbourne Cup and when someone can receive a text message offering a bonus bet on the Melbourne Cup. How long that is, I'm not sure, but there needs to be regulations around that. [GSS4]

Support providers generally advocated for more restrictions on direct marketing. In the absence of a complete ban, these restrictions should apply to:

How they operate, what they say, what they're offering... who they're targeting... so people can deal with when they're going to receive them, how they're going to receive them and what they're going to receive. So, while they're sporadic and there's no control, they're able to impact people. [GSS1]

Avoid targeting vulnerable populations

Gambling support providers felt strongly that direct marketing should not target populations who are vulnerable to gambling harm, including young men and people with a gambling problem. Support providers highlighted that wagering operators' VIP case managers, who are responsible for acquiring and retaining high-value customers and oversee tailored promotions, cause harm by encouraging gambling amongst vulnerable cohorts. One support provider related a case where a client in gambling treatment had closed their betting account and was then pursued by the wagering operator to reopen it:

The engagement from the company was fairly fierce, to get them back in again, to reopen that account... we're talking about a week later. There was no cooling down period to allow the person to make any change or to assist with that... It was, 'let's get them back

in again; how can we get them back in the door?'... The support from that company to leave them alone to have their recovery in a safe place needs to occur. [GSS2]

6.4. Results for wagering affiliate marketing

This section presents the results pertaining to wagering affiliate marketing in three main sections: wagering operators' arrangements with affiliates, challenges of affiliate relationships, and perceived impacts of wagering affiliate marketing on betting behaviour and gambling harm. Each section summarises the results by stakeholder group: wagering operators, wagering affiliates, regulators and legal advisors, and gambling support providers.

6.4.1. Wagering operators' arrangements with wagering affiliates

Stakeholders described different types of affiliates, primarily web-based affiliates and direct contact affiliates. Wagering operators and wagering affiliates reported that their contracts were primarily based on a cost-per-acquisition (CPA) or revenue-share model, as well as flat fees for advertising. Wagering operators also mentioned having 'informal' arrangements with affiliates and utilising affiliates' social media presence to access a wider demographic. Wagering operators carefully select affiliates, although the level of support and oversight they have over their activities varies. Operators also track the referred customers' activity, whereas most affiliates do not have direct oversight of the betting by customers they refer. Operators and affiliates reported that the use of affiliates has declined in recent years.

Regulators and gambling support service providers were not always familiar with the nuanced details of affiliate arrangements, but noted the types of arrangements they found troubling, including in under-regulated areas like social media and direct recruitment via phone calls. Regulators expanded on their view of trailing commissions and other affiliate financial arrangements, including how higher taxes have impacted wagering revenues available for affiliate partnerships. Gambling support providers additionally highlighted the conflict of interest that deters affiliates from engaging in responsible practices when their income is tied to gamblers' losses.

6.4.1.1. Wagering operators

Types of affiliate arrangements

Wagering operators described partnering with different types of affiliates. These can be grouped as either web-based affiliates (operating through dedicated websites or social media), or direct contact affiliates, who are individuals who engage in direct face-to-face or telephone contact with customers.

The wagering operators most commonly referred to web-based affiliates featuring reviews and comparison sites. One operator described how the 'independent' review process operates with one of their affiliates:

We are signed up to an independent review site. And if we get clicked and people play, we pay a commission... The independent review site buys our stories, they review our website, they talk to us, and they say 'I will write the following things about you'. And then

they put us up on this independent review site, and people read it and say 'Okay, this, this business looks like it operates fairly and well', and then they click on and they bet and if they lose, then we pay a fee for that. [WOP8]

Another wagering operator described how they use both web-based and direct contact affiliates. Direct contact affiliates often have a history or establish a relationship with certain customers, and accordingly may continue to play a role in managing that customer through the life of their account with the operator:

We have about five or 10 individuals that are affiliates. And they go and find customers... they'll walk around racetracks... some have forums and play poker and stuff, and then just chat to blokes and say 'if you're going to punt, punt with these guys'... And then they get rewarded on the value of the customer... The affiliate's there as a sort of customer service agent, effectively a dedicated account manager. [WOP6]

Affiliate arrangements amongst the operators were varied, and some operators expressed concerns about the lack of distinction between affiliate marketing content and general advertising on online platforms, explaining that this was an example of how the legislation could be open for interpretation. One wagering operator highlighted this 'grey area' and stated, 'You can argue Google is an affiliate because we're spending money for them to capture a review site that is independent' [WOP8].

Payment models

The arrangements between the wagering operators and their affiliates are governed by individual contracts, with details varying across organisations. These arrangements typically involve the operator paying a flat fee to affiliates when referred customers create an account or make their initial deposit with them, or paying a percentage of the customer's losses over a specified period or throughout the entire customer relationship. Wagering operators emphasised that affiliate agreements are tailored to the specific focus of the affiliate, which can include expert tipping, odds comparisons, or a 'news' site, and to the bargaining power of the affiliate regarding the net worth of customers they can bring in. For a popular web-based affiliate, one wagering operator said:

[Affiliate's] standard deal is 15% of gross losses of that customer, we pay to them. And we'll have individual deals with people, which is a bit less. 15% is the highest we go, most of them are around the 10% mark. [WOP6]

Other affiliate deals may be as high as 30%. One wagering operator provided the example of a cost-per-acquisition plus revenue-share model and the kind of trailing commissions they expect to pay:

After we pay all our taxes and fees, roughly for every \$100 someone bets, we make about \$4.50. So, we would pay \$1.75 of that to the affiliate and keep the rest. [WOP3]

One wagering operator noted that arrangements with revenue-share or 'trailing commissions' are less common than they once were:

The most common way to do it is to pay a fee for referral for a customer sign-up... I think 10 or 20 years ago, a lot of places would say that they'll pay a trailing commission. So, if Bob Smith opens an account with us and loses \$1,000 the first year, the affiliate will get X% of those losses. We don't tend towards that model so much anymore. [WOP9]

Some operators reported more recent informal (non-contractual) arrangements with affiliates, particularly influencers on social media platforms such as Instagram. These informal affiliations were thought to increase brand awareness among younger audiences based on the profile of the affiliate's account-followers:

Paid him a \$50 bonus bet for every account that deposited, and he was happy with that arrangement... because he was a gambler himself... It's pretty easy work for him. And he doesn't have to spend his own money, and gets to gamble... a win-win-win really. Like the customers were happy. We're happy. He was happy. It was a very amicable arrangement. [WOP12]

Affiliate payments are tracked by wagering operators, typically through software that affiliates can log into and see anonymous records of their referred customers' turnover for the month. One wagering operator described the platform used:

A tool as part of our betting platform... inbuilt in our system... it's quite standard in the industry. [Affiliates] can't see the customers' details or anything like that. But it can see their performance over a given period. They know that this customer has turned over this amount of money and lost or won this amount of money. And at the end of the month, you're set to collect this amount of money. That's the transparent bit about it. [WOP6]

Other wagering operators reported that they favoured paid advertising on affiliate tipping or comparison sites, utilising a monitoring system based on click-through rates and employing a flat fee payment structure.

Selection of affiliates

Wagering operators highlighted the importance of partnering with reputable affiliates who adhere to the company's values and legal obligations. They emphasised that their selection of affiliates was partly based on brand ethos and ethics, since these affiliates represent their company: 'The biggest challenge is making sure that we're not aligning with someone that might stand for something that our brand doesn't stand for' [WOP3]. Importantly, the wagering operator bears legal responsibility for its affiliates' marketing actions, so for some operators, selection of affiliates was about trust and reducing potential risk: '[Affiliates are] compelling people, but you've just got to make sure that they're compliant as well' [WOP6].

One operator reported that choosing which affiliates to work with was a relatively straightforward process which was based on the number of potential customers the affiliate could refer: 'Comes down to the individual and what their client list and preference list is, how and where they operate, nothing wonderfully scientific about it' [WOP9]. This operator elaborated that their company aimed to 'have a fairly close and strong working relationship with [affiliates]' as this would ensure affiliates acted in alignment with both legislation and the company's brand values. As explained in earlier chapters, wagering operators monitor the performance of their affiliates, and presumably retain only those who meet their contractual performance goals.

Decline in the use of affiliates

Wagering operators reported that their engagement of affiliates has decreased substantially in recent years. They explained that affiliates had become less profitable for them because they could no longer offer sign-up incentives to customers for opening a betting account. Additionally, changes to tax laws have

increased the income tax that wagering operators pay, leaving less money available to pay affiliates.

One of the reasons that [affiliate marketing has] decreased... was to prohibit sign-up inducements. Essentially, the value of having an affiliate website decreased materially when that item came in because you could no longer see a banner that says, sign up to company X and get \$250 in bonus bets. [WOP1]

6.4.1.2. Wagering affiliates

Types of affiliates

A UK-based affiliate who provided services to Australian wagering operators defined an affiliate as:

A non-bookmaker that provides some type of related gambling service to a customer... The affiliate element is that we earn some kind of revenue from it. [AM4]

Notwithstanding this core element, wagering affiliates highlighted the diverse range of arrangements that exist. These include web-based and social media-based affiliates, those in direct face-to-face or telephone contact with customers, individual operators through to large companies, affiliates that host advertising, those that sell lists of bettors to wagering operators, and affiliates that are legitimate and legal services vs those operating on the 'black market' [AM4]. This interviewee described the diversity:

People can be affiliates... [A friend has] 20 or 30... people that work for him...[who] can be affiliates... you bring your mates in from the footy team, you'll get a little bonus for the amount that they lose... There's companies that can be affiliates... there's plenty of websites out there... [some] guys will approach every bookmaking firm and they will say 'I've got a list here of 1000 people. What can you give me for the list, or if I bring them in?'... So it's a way of getting clients. And it's a way of companies not having to pay to get them... they're letting someone else do the work and giving them a profit share of the business. [AM2]

Another affiliate described how their company's comparison sites are established and then developed into affiliate relationships, mainly with sports betting operators, who they then preference in their comparison lists:

We build a website... And we just start creating content that we think users want... like the best betting site, etc... and then for about three, six, 12 months... we don't see any sort of return on that investment. We're slowly climbing rankings... when our pages start coming into the first page [of Google], that's when we have an account management team... making deals with all of our partners... If everything's going well, we continue to get better rankings. Now, people start coming onto our site, clicking on affiliate links, and essentially, it's when they sign up and then become... a first-time deposit. And then we will start making money... we do list some brands higher than they would be otherwise... We do adjust the list based on money... any affiliate who tells you they don't do that is probably lying. [AM3]

The affiliates also reflected on the decline of affiliate businesses, particularly new start-ups. One affiliate expert stated that 'I don't think [affiliate arrangements] are happening as much as they used to' [AM2]. A UK-based affiliate outlined that affiliates now have less opportunity to enter the industry because the wagering industry has matured and more legislation has been introduced, such as restrictions

on wagering operator content on social media and holding wagering operators responsible for their affiliates' marketing:

A lot of the smaller affiliates grew from social media, some built large social media followings, there was no regulation in place around what you could and couldn't do on social media... As soon as the [UK] Gambling Commission started making [wagering operators] responsible for the activity of their affiliates, they purged a lot of the affiliates they were working with. [AM4]

Some affiliates noted that they also offer paid subscriptions to customers to sign up to receive betting information and tips. One interviewee described the subscription service part of their business:

We're a subscription site or membership site. So, we've got a panel of... experts... who cover racing and sports. And so our business model relies on people buying monthly or annual subscriptions... So, we're a little bit different to... bigger affiliates [whose] business model is to refer new players to the bookmakers... just trying to build a big list... and everything they do is free and their revenue comes from the bookmakers. [AM1]

Payment models and monitoring consumer engagement

Consistent with the insights shared by wagering operators, wagering affiliates explained that their contracts with wagering operators entailed flat fee payments per referred customer, a revenue-share model, and/or flat fees for advertising on the affiliate's platform. The most common arrangement was said to be a revenue-share model, also known as trailing commissions: 'Most affiliates work on a percentage of losses... it's a cash for losses deal.' [AM2]. Another explained that affiliates tended to prefer trailing commissions because they offered 'better lifetime value' [AM3]. One affiliate outlined the different arrangements:

There can be a fixed fee... digital advertising... on the affiliate's website or our app. Then there is a CPA model which is just a cost per acquisition. So, if you sign up for a bookmaker account through us, and normally there's some kind of threshold, you have to deposit 10 pounds, you have to bet 10 pounds, it varies... And then the third and probably the most popular model is a revenue-share model. So, you sign up as a customer through us, and we would earn a share of the revenue that the bookmaker makes. [AM4]

An affiliate expert explained that wagering operators pay tax on the income derived from customers: 'With the way the taxes are... [it is] something like 6% to keep a client. So, if you're not losing 6%, you're actually costing the bookmaker money' [AM2]. This helps to explain the wagering operators' use of betting thresholds for CPA arrangements and the common use of revenue-sharing models.

Another affiliate noted that payment models and commissions were typically negotiable, with the affiliate's bargaining power dependent on their size and customer base relative to the wagering operator:

If you're a minnow, you accept [the wagering operator's] T's and C's. And if you're a European multinational mob, will you just rip it up and say, 'well that's not how we operate. Here's our T's and C's', and they pretty much do a role reversal. [AM1]

Another affiliate reported that the payment model could be segmented by type of customer, with certain conditions built into the contract:

If there's a high roller who is betting more than X amount, maybe we don't get a rev-share on all of that, for example. Or maybe, if it's like one who wins a lot, then we can have negative carryover where in the next month that affects that bottom line. Or no negative carryover. So, the new month starts fresh in terms of what our portion of revenue is. [AM3]

Some affiliate arrangements were more informal and entailed the wagering operator giving 'generosities', such as bonus bets, to affiliate employees. For example, wagering affiliates who were reimbursed in this way may receive \$50 in bonus bets for each new referral who registered for an account on the platform: 'if that guy signed up 20 people, you'd get \$1000 worth of bets' [AM2].

Wagering affiliates detailed that they typically collect data about consumer engagement by monitoring clicks and views on digital advertisements on their platforms. This data was an important element in their affiliate arrangements with wagering operators because it provided an indicator of the affiliate's effectiveness in directing customers to the platform. As the advertising partner, wagering operators also monitor consumer engagement with the links and advertisements on their affiliates' platform. This allows for tracking customers who enter the wagering operator platform through the link from an affiliate website, a referral code or similar, and the sign-ups, deposits and revenue generated by that referred customer. Depending on the contract structure and payment model, this data is used to calculate the affiliate's remuneration.

Wagering affiliates explained that the data collection and data sharing protocols in place with wagering operators did not allow affiliates to view the betting behaviour of individually-identifiable customers who had passed through their online platform. Even though affiliates were often paid a percentage of the losses of referred customers, the affiliates had no information about which customers were contributing to their income:

If you click on a bookmaker advert on our website, you then go to the bookmaker's website. And the fact that you came from us is tracked through a cookie. And then that's all tracked on the bookmaker site and they know where the customer has come from. And they're ultimately able to link it to us from a commercial perspective. [AM4]

Relationship management

The number of wagering operators an affiliate works with varies enormously. For example, one UK-based affiliate indicated they worked with seven to 10 wagering operators at any given time, while a comparison site based in Sweden that specialises in search engine optimisation operated in '30 different geographies' including Australia, and with '70 different [mainly sports betting] websites' [AM3].

Affiliates considered that a 'good' affiliate-wagering operator relationship included the wagering operator's provision of clear legal advice and guidance. One affiliate discussed how it was unfair for wagering operators to 'pretend that it was an affiliate acting badly' [AM1] in cases where regulations were breached. They further added that wagering operators are, 'ultimately responsible because we're under the banner of all the T's and C's of their agreement, so they'll definitely keep us informed' [AM1].

Wagering operators sometimes appoint an affiliate manager to lead and coordinate their affiliate relationships. Affiliates reported that one role of the affiliate manager is

to monitor the content presented on the affiliate's platform and provide guidance on implementing new and emerging legal requirements:

They go on our websites... If they notice that we're not compliant with anything, then they'll let us know. They also help keep us informed if any laws have changed and update the content in line with them. It's good because we aren't lawyers – we don't know the laws as well as them. [AM3]

To perform well and maintain a good working relationship with their wagering operators, affiliates need to drive traffic to the operator, which in turn relies on the operator offering good incentives and the affiliate promoting these:

It's a numbers game. So, they need a big traffic source. And [the affiliates] would need benefits, incentives... the strong funnel to get them from their list to someone else's list ... a good relationship with the affiliate managers... where they're trying to achieve the same outcome, which is to get sign-ups for the bookmaker. So just getting a better deal or a unique deal... some of the bigger affiliates I've seen push the extremes. Like they go as far as they can, before getting any heat from authorities. (AM2)

6.4.1.3. Regulators and legal advisors

Purpose and new methods of affiliate marketing

It was clear to regulators and legal advisors that wagering operators use affiliates to attract new and profitable customers to their platform: 'Bookmakers are just trying different avenues to just bring in different new customers... to enhance their ability to get new clients' [GREG4].

The regulators and legal advisors typically grouped affiliates into two categories: web-based affiliates such as tipping and betting information websites that refer customers to wagering operators, and individual contractors operating on a direct customer contact basis. Several regulators expressed concerns about the latter group, referring to them as 'direct contact' affiliates [GREG2], affiliate 'cold callers' [GREG3], and 'super affiliates' [GREG5] that tend to have more profitable relationships with wagering operators and use a range of tactics to recruit customers:

[Customer recruitment] can be anything from hanging out in your local TAB... going to casinos and... looking for people who might be high-value patrons... and then introducing them to a bookmaker. It could be that they've had prior relationships with punters when they were a business development manager or affiliate of another bookmaker... Going to race days... hosting events, hosting lunches, that kind of stuff. [GREG5]

Affiliates that establish direct contact with gamblers might do this through potentially unethical but persuasive means, including using client lists from one wagering operator to cold call customers to sign up with a different operator they have an affiliation with. This stakeholder group also considered that this personal contact, where offers can be tailored to the individual, is more tempting and likely to be persuasive in inducing individuals to join or bet:

We've had instances, again hard to prove, where... a manager, has a list of clients. And they go to a competitor [wagering operator]. And that person would start calling people that he knows are big time spenders and gamblers, from the other betting service provider. We've also had complaints where people would say, 'well, I've had a betting account with [betting service provider] many years ago, and I used to gamble. And then now someone is calling me from here recruiting me to join this BSP. [GREG3]

Someone... sending a text to someone that they've got a relationship with and offering them... tickets to the races or a concert or football game, or bonus bets... those personal approaches are probably quite effective. [There is a] strong correlation between the approach and gambling behaviour. [GREG2]

Some affiliate marketing tactics, such as cold calling to sign up new customers, are outside the guidelines in the National Consumer Protection Framework for Online Gambling. Nevertheless, in the experience of some state regulators, this direct marketing to non-customers still occurs. Overall, however, changing regulation has contributed to wagering affiliates deploying different means to acquire new customers for wagering operators:

This has to be looked at through the prism of changing regulation of the time. So, at certain times, some of [affiliate marketing] has been more legal than it currently is. Affiliates have changed their business models as well over the years. Any way you can think of to connect or market to or find high-value punters is what the super affiliates do. [GREG5]

Regulators also raised concerns about social media targeting by both affiliates and wagering operators. One state regulator spoke at length about the dangers of targeted social media marketing. While this activity does not fit a strict definition of direct marketing, this regulator saw it as highly similar due to the 'deeply tailored algorithm-based targeting' that is 'particularly predatory' [GREG4]:

You could have large companies using significant tech or you could have 'bet-fluencers' with existing markets where it's perhaps less targeted, but perhaps more influential among particular groups. I think the diversity of options that are available through an affiliate create an environment of risk, coupled with... perverse incentives. [GREG4]

Regulators considered that wagering marketing on social media was under-regulated and not well-understood, presenting a gap in national regulation that affiliates may exploit:

You can do [marketing] on YouTube, and Instagram, pretty much without any consequences... it's pretty unregulated. They're making direct representations to entice people to gamble online... there's an enormous black hole in terms of what conduct is going on. If we look at the trend of wagering total player loss in [state], you know, it's going up an enormous percent every year. [GREG4]

Regulators also observed new types of affiliate arrangements outside web-based platforms and cold calling. One regulator noted that wagering operators proactively seek out local clubs, including licensed and social clubs, to attempt to set up an affiliate arrangement whereby the club refers its members to the wagering operator:

Bookmakers are approaching clubs and societies and social groups for the purpose of enticing them to encourage their members to open up betting accounts ... They might provide a business card that's got a promo code: 'Get your members to sign up using this code'... The sporting club receives additional sponsorship for every member that is signed up using that promotional code... not just marketing straight through your Facebook page or marketing through your emails or your phone, they're going down to the local footy club that you might be a member of, and selling their wares down there... signing up their members at trivia nights, for example, with promotional codes. [GREG4]

Affiliate payment models and ongoing financial arrangements

Regulators and legal advisors described the financial arrangements that contracted affiliates have with wagering operators, including cost-per acquisition and revenue-share of losses, 'which you couldn't under employment law offer to an employee, [so] the affiliate is more incentivised to perform' [GREG5]. Regulators had most concerns about trailing commissions from revenue-share models:

It's a significant incentive to get people to gamble, and to keep them gambling, as well... if you address the conditions and the mechanisms that allow for it to be such a perverse incentive... taking that away will go a long way to addressing some of the issues and people's interest in moving into this area. [GREG4]

One legal advisor explained that the financial commissions an affiliate receives from a wagering operator depend on the expected ability of the affiliate to onboard high value gamblers:

I've seen them anywhere from about 10% up to about 50%. It depends on how valuable that particular affiliate is to the corporate bookmaker... I've never seen one above 50%. ... the market value for an affiliate has reduced. I think probably the highest an affiliate would probably be on [now] would be about 30%... You rarely see CPA [a cost per acquisition] model with the super affiliates... it's probably more common with your web-based affiliates. And I've seen the CPAs range between say \$25 and \$1000. It depends on the quality. [GREG5]

This same interviewee drew attention to some affiliates using a proportion of CPA payments to pay people to sign up to the wagering operator, in essence, offering their own sign-up bonus to consumers:

There's a lot of gaming of the system by the affiliates... some affiliates where they've been rewarded, say, \$100 CPA, they have then put out to the world at large: 'if you sign up with bookmaker ABC, we will pay you \$25.' So, they pay that person \$25 to sign up, they get paid by the bookmaker \$100. So that makes \$75. [GREG5]

Changing fee and tax structures for wagering operators have also impacted on wagering affiliate arrangements and their long-term profitability. One legal advisor outlined the impact of increased taxes on the wagering industry, where there is no national consistency and state-taxes can increase with little notice [GREG5]. The legal advisor explained that 'net gaming revenue' is 'lower than you would actually think', after taxes, customer payouts, promotional expenses and similar costs: 'if you have a punter [with] \$100 in bets, probably the net gaming revenue out of that is about \$5.' [GREG5]. This amount represents the profit to be shared under revenue-share arrangements with affiliates.

6.4.1.4. Gambling support providers

Expansion of wagering affiliate marketing

Several gambling support providers noted the expansion of wagering affiliate marketing over time, the plethora of affiliates now operating, and the diversity of marketing practices they use. One support provider also drew attention to the operation of 'sub-affiliates' and affiliate sign-ups through fundraising events:

The next level. So, if I become an affiliate, and then I go and sign up five of my mates to do the same, I can get a percentage of the affiliate business. I read some of the contracts, so they get like 2-3%. [GSS7]

One of the local sports clubs was approached... with junior football and netball out in the suburbs, to say, 'we've got a fundraising opportunity for you. And for every new person that you get to sign up, we'll give you \$100... They don't have to bet'... getting the young 18-year-olds to sign up, and not telling them that it's an affiliate program. And just doing it as a regular fundraiser. [GSS7]

Revenue-share model encourages harmful affiliate practices

Gambling support providers described how affiliate relationships can potentially harm both the wagering affiliate and the consumer. Several support providers saw it as harmful that affiliates chase their customers' net losses to receive remuneration, and felt this model should be altered. They explained that this arrangement puts affiliates in a compromising position because flagging problematic gambling behaviour could disadvantage their revenue stream, while not flagging the behaviour may be in breach of their contract with the wagering operator and could lead to contract termination. A later section expands on the gambling support providers' concerns about the harms caused by affiliate marketing to clients and consumers.

6.4.2. Challenges of affiliate relationships

All stakeholder groups noted the financial benefits that wagering affiliate relationships and marketing have for both wagering operators and affiliates. Smaller wagering operators, in particular, saw affiliates as highly effective at attracting new customers in a cost-effective way, where they can gain brand awareness alongside large wagering operators and only pay if referred customers bet. Wagering affiliates also noted that the arrangement was profitable because the business was relatively easy to establish and had low start-up costs, with the business then generating ongoing commissions.

However, stakeholders also identified several challenges of affiliate relationships, as discussed below. Wagering operators are liable for their affiliates' marketing activities and therefore must exert some oversight and control to reduce the risk to their brand and legal compliance. Wagering operators therefore identified challenges in choosing suitable affiliates. Affiliates noted the challenge of avoiding wagering operators of poor standing, that operate in an unregulated market, or who have poor clarity on what wagering marketing regulations allow. Regulators and legal advisers described difficulties in monitoring affiliate communications, in particular phone calls and marketing without a 'paper trail', and the need for increased ability to scrutinise these activities. Gambling support providers questioned the morality of the trailing commission revenue-share model, indicating that it could be harmful to consumers.

6.4.2.1. Wagering operators

Risks to brand image, legal compliance and the business

Working with affiliates presented several challenges for wagering operators, particularly in relation to brand image, legal compliance, and finding affiliates aligned with the company's values. Wagering operators acknowledged that affiliates posed

substantial risks to how the operator is represented, both in public and in regulatory compliance. Some operators felt that affiliate marketing had the potential to 'dilute' their branding and were aware that an affiliate could 'go rogue'. Potential consequences of affiliate misconduct could include reputational damage, fines or license revocation for the wagering operator:

There's a reputational risk, which is a public risk if something goes wrong and becomes a media issue or a regulatory issue. Then there's a societal social license risk to us. [WOP1]

Wagering operators shared instances where affiliates had engaged in fraudulent and illegal activities, such as deviating from contractual terms and conditions. In the past, some affiliates had promoted inappropriate information or engaged with customers in ways that breached legislation:

The key thing is to make sure that [affiliates] are always positively pushing our brand, but also to make sure... we're comfortable with the message that they're sending to our customers. The only affiliate we've ever had to pull a pin on... was randomly texting people without our knowledge... We basically ended that relationship after two days because he acted outside the contract. [WOP3]

Wagering operators described the liability they adopt in allowing another agent to work on their behalf, and how they take steps to control this to the best of their ability:

When we sign an agreement, we make that pretty clear with them... if they do something bad, it's on us. And that's fair enough... Because of what's happened with certain other companies. You can't say 'oh, he's an affiliate. That wasn't us.' [WOP6]

It's all about control. The regulatory space is such a difficult thing to manage because we operate in all the different states and territories, and they all operate under a different regulatory framework. Plus, throw in the Commonwealth stuff... If there's a mistake, you're still responsible, so we can control that by creating our own contracts for affiliates. [WOP2]

Finding affiliates who share the same company values can be challenging because assessing affiliates' past conduct is difficult for wagering operators. Additionally, once affiliates are connected to a wagering operator, ensuring accurate messaging is an ongoing challenge, such as information related to offers. Handling complaints also requires additional processes and effort by operators. Since affiliates are typically not classified as employees, they do not receive the same induction and training, leading to a higher risk of breaching company guidelines. One operator was reluctant to engage any affiliates, referring to them as 'pests.' This perspective was influenced by incidents shared by colleagues where affiliates had scraped the company's data to create customer lists to sell to other operators:

We know that some of them actually take those databases, aggregate them and then try to sell them in the marketplace... illegally and that's why we turned away from them. Not to be trusted. [WOP8]

6.4.2.2. Wagering affiliates

Market saturation, ethics and reputation

Some affiliates noted the challenge of ‘standing out’ in a saturated market and a sense that there was little ‘loyalty’ between themselves and the wagering operators. One affiliate succinctly stated, ‘It’s a saturated market, I think there’s no loyalty in it’ [AM1].

Another challenge with the business model, for some tipsters and other information services, was the ethical dilemma of profiting from customers’ losses. One participant operated as an information/tipping service to punters and did not have a revenue-share model with any wagering operators:

On my tipping site, I can’t see how that’s moral that I’m going to give people tips and I’m gonna get money if you lose?... I’ve never put any affiliates on my websites that I’m selling tips for because, for me, it’s the opposite of what you’re trying to do. I’m trying to make people win all the time. [AM2]

Further, affiliates highlighted the need to avoid association with wagering operators who had a poor reputation, a ‘questionable moral compass’ in minimising harm for people experiencing a gambling problem, or previous issues with negotiating contracts in bad faith. They reported that such associations could result in reputational damage for affiliates or the risk of not being paid:

We’re interested in working with any licensed bookmaker... the only things that would stop us from working with them are they don’t do affiliation and they don’t want to do affiliation, they don’t want to work with us, or they have a terrible reputation... Or maybe we have worked with them before and they haven’t paid us. [AM3]

No regulatory framework and varying wagering operator advice on affiliate behaviour

A UK-based affiliate and member of a UK affiliate trade body provided insights into the challenges they have faced in a wagering environment that is more mature than Australia’s but also, in their view, under-regulated:

Affiliates are unknown at best, and at worst, kind of judged as some slightly nefarious dark corner of the industry. [Our trade association] came out in support of regulation for affiliates. We pushed for a regulatory framework specifically designed for affiliates... but... there just wasn’t really the desire from either a government or a Gambling Commission perspective to do it, partly because of resourcing and partly because it was just really far down the list of things that they felt that they needed to resolve. [AM4]

Like Australia, wagering operators in the UK are responsible for the marketing activity of their affiliates, although other ‘semi-related laws’ like advertising standards do apply to affiliates. Accordingly, it is up to UK wagering operators to define acceptable conduct for their affiliates, which can vary depending on the operator:

The biggest challenge for us... every bookmaker has to interpret what affiliates can and can’t and shouldn’t do... I’m not saying it varies massively, but we get different guidance from different bookmakers as to what we should and shouldn’t do. [AM4]

In the UK, members of this trade association are subject to voluntary annual audits of their marketing material and internal processes for responsible conduct, as well as

having access to training programs [AM4]. However, these are initiatives created by the trade body, not by wagering operators or legislators.

6.4.2.3. Regulators and legal advisors

Responsibility for affiliate activities

Regulators observed that, in the current regulatory environment, they do not have direct control over wagering affiliates: 'Because we don't have regulatory control over them. They're not licensed with us. They're not required to be licensed' [GREG2]. Instead, the regulators explained that the wagering operator is liable for the actions of their affiliates:

[Legislation] talks about businesses being responsible either for the messages or calls that they make, or messages or calls that they cause to be made. So even if they've engaged a third-party to do that marketing on their behalf, they still ultimately have responsibility for ensuring compliance with [marketing] laws. [GREG1]

However, investigating an issue related to affiliate marketing may not be straightforward. Affiliates are subject to the terms of the contract they hold with a wagering operator, but according to regulators, there is some ambiguity in legislation that can lead to challenges in determining the party at fault for unlawful marketing. Some regulators thought that more regulation of affiliates was needed:

Ninety percent of the time, it always falls back on the [wagering operator] because they're responsible for their brand. There's that 10% where an affiliate might go rogue and provide information or do something that they shouldn't be [doing], that's against their contract, for example... A [wagering operator] needs to have a licence and do certain things in accordance with the legislation. But then essentially, the [wagering operator] is allowed to employ whoever they want, as an affiliate. We may need more regulation around these affiliates. [GREG3]

There are clauses in [the wagering operator's license] related to third-party conduct... that relate to 'reasonableness' so that the [wagering operator] must ensure that any third-party... is of a reasonable understanding that their conduct is appropriate. The inclusion of the term 'reasonableness' obviously provides quite a bit of flexibility that may prove difficult for a regulator to act. [GREG4]

This 'flexibility' can be especially troubling when an affiliate's conduct breaches regulation and the wagering operator contract, but the wagering operator still benefits from the affiliate's actions. Wagering operators may also challenge where the fault for the breach lies:

We've had instances where [wagering operators] sort of try to push the blame onto the affiliate: 'Well, we have a contract that states they shouldn't be doing this. So pretty much we haven't done anything wrong, we provided directions through our contract'. [GREG3]

Challenges for wagering operators in managing their affiliates' compliance

Affiliates are usually engaged as contractors and regulations do not specify the same level of training as required for employees. One regulator signalled the intention in their jurisdiction to extend the requirements for responsible gambling training to wagering affiliates:

Currently, we mandate all staff of licensees to undergo training on red flag behaviours and responsible service of gambling. We are seeking to impose that requirement on licensees to require their affiliates to do the same... it's proposed. [GREG2]

One legal advisor also highlighted the variation in affiliate conduct, which poses a challenge to wagering operators in managing compliance:

I've seen some affiliates be absolute consummate professionals. I've seen some affiliates be absolute consummate cowboys. And I've seen everything in between. There's a whole range of behaviours in the affiliate market. I think it's a challenge for bookmakers... to control their affiliates... [but] it can be done. [GREG5]

Difficulties for regulators in monitoring compliance of affiliates

Regulators expressed concern over the potential for confusion in attributing activities to wagering operators or their affiliates. In one example, a regulator determined it impossible for a customer to know whether they were dealing with an affiliate or a wagering operator when receiving incentive offers. This obscured whether an affiliate or the wagering operator was responsible for these breaches: 'A lot of the time... they'll call, 'So hi, this is [name], I'm representing this BSP,' even though they are an affiliate' [GREG3].

Regulators also outlined a lack of access to affiliate arrangements that results in opaque marketing practices and difficulty in executing regulatory oversight. This was not the case for all states; for instance, wagering affiliate arrangements are reviewed by the Northern Territory regulator. In other states, however, the confidentiality of these agreements was said to impact the ability to regulate their activities:

The engagement of third parties, fourth parties, complex arrangements where knowing who is participating or who's been engaged to participate in conducting the activity can create issues for line of sight. [GREG4]

Regulators emphasised the importance of record-keeping to their ability to properly monitor and investigate complaints in direct and affiliate marketing. The lack of traceability and evidence available in certain types of direct affiliate contact, such as cold calling, is a major concern for regulators. This regulator considered this practice to be a deliberate attempt by wagering operators and affiliates to circumvent monitoring and compliance:

Those cold calling ones are certainly becoming a bit more of a trend, pretty much an attempt to muddy the waters about who's responsible for the advertising or the contact ... The caller themselves... they're representing a [wagering operator] and they've got an offer that they can make, but you also find the [wagering operator's] first instinct is to deny that the person is actually representing [them]. [But] the offer that was made is honoured by the [wagering operator]. So, again, because there's no paper trail, it can be difficult... it's a challenge for [us] to peel back the layers and get to the bottom of these. But it's a definite attempt to muddy the waters... one contract between a [wagering operator] and affiliate actually stated... 'when you're direct marketing and pushing our brand, please do so only by phone call.' So that's pretty much them saying 'don't send any emails, don't leave a paper trail'. [GREG3]

Future regulation of affiliates in Australia

Regulators and legal advisors outlined that wagering affiliate regulation is in its infancy in Australia. One state regulator reported that, in their attempts to establish

parameters for wagering marketing and activities that encompass affiliates, they turned to other countries for insights, such as Scandinavia, Malta and the UK. Another regulator considered that:

Maybe there's further work that needs to be done around this space, whether there's more requirements put on the [BSP], to provide us with information about... who are their affiliates so that we can more closely monitor who they're in business with... a BSP needs to have a license and do certain things in accordance with the legislation. But then... the BSP is allowed to employ whoever they want as an affiliate... we may need more regulation around these, particularly affiliates, because at the moment... it is one of our challenges. We're just not seeing it. [GREG3]

Regulators also drew comparisons with other industries, where an unlicensed and unsanctioned body would not be permitted to operate:

In terms of the stock market that for anyone to promote the use of a wagering product, that party should have to pass a suitability test and be regulated and be able to be sanctioned. At the moment, it's the wild west with third and fourth parties who are not necessarily breaching anything [due to lack of regulations] and whose conduct is unacceptable. [GREG4]

Some regulators saw opportunities for more nationally consistent regulation, such as installing a legal requirement for all marketing calls to be recorded: 'Northern Territory record their phone calls, so I think that's something for example, nationally, we can look to implement' [GREG3]. One legal advisor also raised the need for nationally consistent regulations that apply to wagering marketing by both wagering operators and their affiliates:

If the laws were crafted so that they apply to wagering advertising, regardless of whether that's conducted by a wagering provider or someone else undertaking wagering advertising, it would lead to more consistent outcomes, especially if we have a nationally consistent law. [GREG5]

One regulator explained that the current regulations in their state ban sending direct marketing to betting account holders who are not opted-in to receive this marketing, but did not include sending messages to non-account holders, including by affiliates. They therefore considered a solution would be to 'ban sending advertisements or direct marketing to non-members that will allow us to investigate and collect evidence for some of these cold calling matters we've been receiving' (GREG3).

Another regulator flagged targeted social media as 'a massive, regulatory gap nationally' [GREG4]. While social media marketing by affiliated influencers may not strictly be considered direct marketing, it nonetheless makes direct appeals to targeted people:

People streaming themselves... directly enticing and encouraging people to get around geo blocks and how to gamble online with VPNs [to access illegal offshore gambling sites]... you can do that on YouTube and Instagram pretty much without any consequences... they're making direct representations to entice people to gamble online... And deeply tailored algorithm-based targeting, I would say, is particularly predatory. [GREG4]

Importantly, in advocating for more regulation of wagering affiliates and for affiliates to be held responsible for their actions, regulators also emphasised the importance

of wagering operators still being liable for the wagering marketing conducted on their behalf:

Anyone who holds a license to provide gambling products and services needs to be able to be held accountable for their conduct. They should be required to disclose any agreement they have with any party... And there needs to be a regulatory regime for who can do what kind of promotion... a limited field of persons and that anyone who holds a license to provide wagering services has to disclose all of those arrangements. [GREG4]

6.4.2.4. Gambling support providers

Affiliate arrangements can encourage harmful practices

Gambling support providers felt that reciprocal relationships such as revenue-sharing could encourage harmful practices by affiliates and create an environment which does not prioritise safer gambling practices. For example, affiliates who rely on customer's losses to receive payment may be likely to prioritise profit over responsible gambling. They also expressed concern that the pressure for wagering affiliates to perform may influence them not to act in the best interest of the customer:

It's always a danger with any kind of reciprocal relationship – if this is their job and how they earn money to survive, then they are probably under a lot of pressure to perform. That kind of pressure might influence them to act differently. [GSS2]

Another support provider drew attention to the changing nature of the gambling industry, believing it had become too focused on marketing tactics. They contended that the extensive lengths taken by wagering operators to recruit customers, such as by employing affiliates, is a key indicator that wagering is definitely 'not just for fun'[GSS5]. Affiliate marketing therefore adds to the volume of wagering marketing that people are exposed to. The gambling support providers' views on how it impacts on clients and consumers is discussed later.

6.4.3. Perceived impacts of affiliate marketing on wagering behaviour and gambling harm

Wagering operators contended that, like direct marketing, affiliate marketing redirects customer spending and does not increase its overall amount. Both wagering operators and affiliates reported that they adhere to the requirements for responsible gambling messaging. Both groups said that people experiencing harm from gambling were not 'desirable' or sustainable customers and were easy to identify if you have visibility of their wagering behaviour or are in contact with the customer. Web-based affiliates reported being unable to oversee wagering behaviour and identify red flags. However, both wagering operators and affiliates acknowledged that customers must lose in order to be profitable, and that they used profiling to attract and target these 'valuable' customers. They said they made ongoing efforts to exclude 'problem gamblers' and 'pro punters' from being sent marketing or to otherwise encourage them to wager.

In contrast, regulators and gambling support providers reiterated the potential of revenue-share models to increase gambling harm. Regulators saw a clear potential for wagering affiliate marketing to lead to gambling harm, as a result of targeted

marketing and the financial disadvantage for affiliates in reporting problem gambling behaviour. Support providers also considered that affiliate marketing contributes to gambling problems because affiliates tend to target people with a history of gambling. Affiliate marketing also perpetuates beliefs that gambling is a way to make money through applying 'expertise' and it therefore encourages increased gambling and loss chasing.

6.4.3.1. Wagering operators

Affiliate marketing only redirects spending, and affiliates are trained in responsible gambling

Wagering operators claimed that their marketing practices, including affiliate marketing, do not influence people to bet more; in the words of one operator: 'everyone's got one vice, and it's generally not driven by marketing. It's driven by something else. I would say inherent' [WOP6]. In the expressed view of most wagering operators, affiliate marketing only directs interested parties to sites they are already looking for, and directs customers' expenditure to their platform rather than to their competitors' platforms.

Operators reported they had safety measures to prevent affiliates from contacting at-risk individuals. Some operators detailed how their affiliates were required to understand their company's responsible gambling policies and know which red flags to be alert for. 'We provide [affiliates] with every bit of training required for them to do their job responsibly and remain compliant... that involves extensive responsible gambling training' [WOP2].

6.4.3.2. Wagering affiliates

Affiliates vary in information available to identify problem gambling behaviours

Web-based wagering affiliates reported that they typically do not have oversight of the betting behaviour of customers they refer to wagering operators. As a result, they said they are not in a position to identify any problem gambling behaviours, leaving responsibility for 'red flag' identification and interventions to wagering operators:

Once they leave our site, we have no data on what they do. We don't even know who signed up because we don't collect data on who's looking at our site. We just get the payment from the contracts and that's it. [AM4]

However, affiliates who have direct contact with customers, such as telephone or in-person contact to encourage sign-ups and offer betting incentives, have more opportunity to detect these cues. One affiliate expert noted, from their experience working for wagering operators, that problem gambling indicators tend to be easy to pick up on:

There's a lot of different ways of picking it [up]. You can notice that this person is a problem gambler. They'll start off with \$5 bets or start losing, maxing out the 20. Next thing you know, it's 150 to 200... 'if I deposit \$10, can you give me a \$10 free bet'. Then they'll come back and ask 'please, and please...can you just give me a free bet. I can't afford it till Thursday'... If you see anything off, anything that sticks out. [AM2]

Some affiliates described how wagering operators analyse their affiliates' platforms to ensure they adhere to regulation and contain the necessary responsible gambling taglines. As one affiliate recounted: 'This new regulation with the responsible gambling messaging somewhere on the website, [wagering operator] got in touch with us and helped explain what was required [AM3].

Attracting and targeting losing customers

The wagering affiliate business model is to sign up new customers and/or increase the betting losses of their referrals to wagering operators. As discussed earlier, affiliates use various marketing practices to target and attract high-value customers who are likely to yield the best loss-based or acquisition-based commissions. One affiliate discussed how affiliates can contribute to gambling harm by the types of bets and bet sizes they promote:

[They] promote high margin products like multis... they're promoting the most profitable product for the bookmaker, which happens to be the worst product for the punter... the fastest way for a punter to blow up their bank is to do multis and long shots and copy bets... as a percentage of [the customer's] bank size it is way out of whack. So, I think a lot of affiliates don't want to educate people on that because they're incentivised by players losing bigger and faster. [AM1]

These types of marketing efforts may be reflected in the types of customers that affiliates tend to attract. For example, one affiliate expert noted that customers clicking through to wagering operators from affiliate websites may not be purposeful in how they engage in wagering:

Anyone that joins a bookmaker through an affiliate is probably going to be a winning customer for the bookmaker. Smart punters aren't actually going to be joining websites through affiliates, so it'll be 99.9% of the time losing customers, and losing customers will bet on anything anyway. [AM2]

This affiliate expert expanded on the use of profiling that affiliates and wagering operators can use to identify 'good' customers who will generate high gambling losses. In contrast, a 'bad' customer, for commercial purposes, is one who bets strategically and has minimal losses. In assessing betting patterns to find this profitable group of 'good' customers, wagering operators and affiliates are likely to attract people experiencing gambling harm:

If you're betting on everything that's running, chances are you're going to be a very good client to me... Doesn't matter if [wagering operator] loses 10 bets in a row. The bookmaker, they know this customer is going to be a good customer. Eventually, they'll get their money... And when you find good clients, you'll find problem gamblers as well. [AM2]

In contrast, some wagering affiliates expressed the view that, while money could be made from people with a gambling problem, they are not desirable customers because they do not bet in a sustainable manner.

6.4.3.3. Regulators and legal advisors

Conflicts of interest for affiliates

All regulators and legal advisors acknowledged the potential for affiliate marketing to impact on gambling behaviour and noted that people with a gambling problem would

be more likely to experience harm as a result. They drew attention to links between affiliate marketing and complaints about irresponsible practices, and how the affiliate business model conflicts with harm minimisation objectives: 'There tends to be a correlation between whether someone's introduced and managed by an affiliate as to whether there's a subsequent responsible gambling type allegation' [GREG5]:

I struggle to see how any kind of affiliate marketing is consistent with minimising harm... the whole point of affiliate marketing is to encourage people who wouldn't be gambling to gamble, or people who gamble some to gamble more. So, the right answer would be none whatsoever. And if there has to be any, then the affiliates should be subject to the same sanctions on conduct as the gambling service provider who's making the money. [GREG4]

A legal advisor suggested that bookmakers and affiliates who profess to wanting to avoid customers with a gambling problem are espousing 'the sanitised PR version' of what they actually do [GREG5]. Similarly, one regulator voiced concern that some affiliates deliberately target individuals with a gambling problem who spend a lot of money on betting:

It's not just some person [they're contacting], it's a person that has a history of gambling. And most cases spend a lot of money, with a problem usually with another betting service provider. Those are the people that are being targeted. [GREG3]

Having procedures to observe and action 'red flag' behaviours, such as increases in gambling spend, requesting bonus bets or discussing significant losses, is a legal requirement in some states and territories. Regulators questioned the degree to which affiliates, particularly affiliates in direct contact with customers through phone calls or in-person recruitment, can be relied upon to action these procedures if their own income is impacted. Nonetheless, one regulator explained that they had previously applied penalties in this area, where if wagering affiliates 'don't recognise or don't act on a red flag behaviour... we've disciplined the licensee for that as though they were their actions, rather than the affiliate' [GREG2].

Despite the legal requirements for acting on problem gambling behaviour, a legal advisor cautioned that the commercial value of a bettor experiencing gambling problems should not be overlooked, and that higher taxes on wagering operators' profit margins can 'drive wagering operators to take more risks around engaging with more vulnerable punters... that have higher profit margins' [GREG5]:

Because they're losing that rationality around their bets, they're placing lower quality bets from the perspective of less likely to win. So that means that their betting is more lucrative for the bookmaker. And the margins are quite extreme... On average, across an entire bookmaker, the margins [are] 10% of stakes [that] stay with the bookmaker as their gross revenue, and 90% goes back as payout. For a particularly poor punter, a punter who's particularly weak at picking winners, that margin might be 30 or 40 or 50%. [GREG5]

6.4.3.4. Gambling support providers

Affiliate marketing increases gambling

Gambling support providers argued strongly that wagering affiliate marketing increased gambling, as well as gambling problems and harm, and should be banned:

Their role is to increase people's bet size and frequency. By doing that, you're obviously creating more harm in someone's life. So, it's not like they're doing it for some sort of

good. And the downside to all of this is that they're creating more problem gamblers. [GSS1]

One support worker considered that wagering operators and affiliates were preying on people's sense of 'reciprocal obligation':

People feel very, very special when someone reaches out to them and gives them things that they wouldn't ordinarily imagine. Heard one man recently who went out on [a wagering operator's] yacht... and he was told to bring a friend and they had hospitality... all day....there's a sense of reciprocal obligation... 'he looked after me, so I felt that I had to have a good bet'... it's grooming that leads to reciprocal obligation. [GSS7]

Grooming could also extend to affiliates first providing informed tips to customers, and then promoting losing tips once they had built up the customers' trust:

There's some evidence from overseas... about tipsters building up confidence. So, having some informed tips for a while and then once they'd built up confidence... they'd get people to lose... tipsters deliberately recommend losing bets to punters... [by] grooming of building up trust first. [GSS7]

Affiliate marketing contributes to gambling harm and relapse

Several support providers noted how affiliate marketing can target vulnerable groups and can lead to relapse amongst their clients. One example was the escalation of offers that affiliates and wagering operators might use to re-engage a customer after they take a break from betting:

It's a strategy that the firms have, that when someone stops betting, that then goes to another level. 'How do we get them back in? And what do we offer them to make it worth their while to come back in?'... I've seen it in the file notes where it's documented... 'I'm going to offer them this to get them to re-engage'. It's just predatory. [GSS7]

This same support provider noted that The Netherlands has stipulated that 'gambling companies are not allowed to market to someone who's vulnerable, or young people under the age of 25, or minors' [GSS7]. They also pointed to the difficulties of ensuring that affiliates do not market to people who are self-excluded, including those on the National Self-Exclusion Register (BetStop). Therefore, 'the best way is actually banning affiliates' [GSS7].

Gambling support providers also drew attention to the data sharing that can occur between wagering operators and affiliates. They shared experiences of clients who reported that their data had been given to wagering affiliates and that subsequent actions by affiliates had contributed to relapses in problem gambling behaviour:

I've had many patients that have been called [by affiliates], who were encouraging them to bet more, offering them bonuses. [My clients] didn't even know how they had gotten their numbers.' [GSS2]

Affiliate marketing is deceptive and contributes to erroneous gambling beliefs

Gambling support providers reported that affiliate marketing practices, especially in the form of 'expert advice', contribute to harmful gambling behaviour because clients place riskier bets under the impression that they are more likely to win. One support provider felt that affiliates instil a belief that it is possible to become a gambling expert, which many of their clients perceived themselves to be. Consequently,

affiliate marketing can perpetuate the myth that gambling is a viable means of making money and can therefore influence the intensity and frequency of betting, as well as loss chasing:

It's pitched to them... where it's a sure thing, and it's a great opportunity and great art, and you should win money. So, people with those erroneous beliefs around thinking that they're skilful, thinking that they're gonna win back this time... They fall into these opportunities to gamble outside of their means... It's just another way to take money off people that they didn't originally plan. [GSS1]

In addition, one support worker noted the deception involved in affiliate marketing practices, where 'if I was a novice gambler, I could think that I had a tip, and then you spark the dopamine and irrational thinking' [GSS3]. Another support provider noted that their clients were usually completely unaware that these 'experts' were being paid based on their losses:

I've never come across a gambler who knew someone was getting a trailing commission on their losses. They're always astounded... If someone is part of a tipping community, they just think these people are their mates and have no idea they're being lured to gamble. They see it as discussing sports or racing. They're totally in the dark about the ulterior motive... These affiliate businesses' only source of revenue is from losing gamblers. They wouldn't be in business if it wasn't working. It's a very lucrative model. [GSS7]

Another support provider discussed their younger male clients as being more susceptible to influencer-type affiliates and being often enticed by the lavish lifestyles and expensive cars affiliates had seemingly acquired through gambling:

I've heard people talk about watching people on YouTube or TikTok... bought fancy cars. Those kinds of things that... attract more male interest. They make it sound really easy... people who are marketing themselves as experts or who are being paid by somebody else to promote it... it seems quite a dangerous form of enticement. [GSS6]

Affiliate marketing should be banned

Gambling support providers argued strongly that wagering affiliate marketing should be banned:

I don't think there should be affiliate marketers, full stop... people should be able to find what they're looking for, in their own way, in their own time and in their own strategies. They don't need to be influenced by others if they want to look for good odds or whatever. [GSS1]

The [online gambling] inquiry is on the mark and they have recommended prohibiting third-party referral payments... the banking [Royal Commission]... was scathing about the trailing commissions in mortgage broking and insurance broking... because they lead to all sorts of corrupted outcomes... Each time they signed someone up to something new, the agent got a commission. So instead of acting in the person's best interests, they would sign them onto something where they got the biggest trailing commission... [wagering affiliate arrangements are] just the same. It's just distasteful that people are being manipulated for the benefit of someone else's revenue stream. It's kind of a form of corruption. [GSS7]

Having witnessed the harmful effects on clients, this support provider also advocated for a complete ban of affiliate marketing because 'it's very dangerous. And particularly for younger people... who are more likely to be using platforms such as

social media... as well as being more easily influenced' [GSS6]. However, they thought that, if affiliate marketing was not banned straightaway, an interim step would be to ensure that affiliates disclose the details of their commission arrangements to consumers. Another support provider expressed outrage over the impact affiliate marketing has on their clients, describing their practices as 'sickening and disgusting' [GSS4].

Accompanying a ban on affiliate marketing in Australia is the need to prevent migration to using offshore services instead. A support provider [GSS7] explained the strategies that some countries have introduced to effectively tackle this issue. Norway has made it illegal for banks to send or receive money from unlicensed operators. Further, Ireland has mandated that all gambling advertising must be tagged as such, including online and social media advertising, which then allows people to block all gambling advertising. Belgium has also banned wagering advertising in ways that also include affiliate advertising, including a ban on personalised advertising by email, messaging services and SMS.

A few gambling support providers noted that wagering affiliates were trying to avoid accountability for their role in increasing problem gambling in the same way that tobacco companies had historically rationalised their marketing practices: 'It is like what smoking companies did when they said that they weren't liable because they weren't telling people to smoke, just encouraging them to smoke their brand' [GSS3]. These support providers thought affiliates should acknowledge and be accountable for how their actions contribute to gambling addiction and harm. One advocated:

... for these affiliate marketers is to have a relationship with our industry. So, they should not be on the outside, working in isolation, away from services and seeing the harms and problem gamblers on a daily basis. If they're in the industry, they're in the industry, and I think they need to ensure that no one is experiencing harm from gambling. And that's why they need to know who we are and what we do. [GSS1]

Overall, the gambling support providers strongly advocated for a complete ban of wagering affiliates.

Chapter 7. Ecological momentary assessment study

Summary

This chapter reports three sets of analyses from the ecological momentary assessment (EMA) component of this study. The EMA recruited 1,015 at-least fortnightly online sports and/or race bettors to a baseline survey, followed by 7 short surveys every 48 hours, each completed by 538-593 of these participants. Participants were also asked to forward the wagering direct messages they received during the EMA period to the research team for a content analysis.

Cross-sectional baseline survey

- The cross-sectional baseline survey gathered self-report data about direct messages received from wagering operators, free betting information services and paid tipsters in the previous 12 months.
- While all participants had accounts with wagering operators (an inclusion criteria), a little over one-third used free betting information services and about one-in-ten used paid tipsters. Of these three types of services, participants most often received direct messages from wagering operators, including messages with betting inducements.
- The most frequently reported influences from wagering direct messages were to place an unplanned bet, place more bets, place impulsive bets, take up an inducement, and be reminded or triggered to bet.
- Participants reported that direct messages from paid tipsters and free betting info services were more likely to prompt them to bet, compared to messages from wagering operators. Those who used paid tipsters reported 'most' to 'almost all' their bets were influenced by the information they provided, particularly betting tips. Participants also reported more frequently clicking on links from paid tipsters that took them to wagering operator sites, compared to doing so from free betting info services.
- Participants were not confident they could trust paid tipsters and free betting info services to disclose any affiliate arrangements they might have with wagering operators, and only slightly agreed that they could tell if an affiliation exists.
- Younger participants, those in the moderate risk/problem gambling group, and those with multiple betting accounts more frequently reported potentially harmful betting behaviours. These included taking up inducements, misunderstanding some aspects of inducements, greater use of paid tipsters and free betting info services, more exposure to digital wagering advertising, more frequently receiving direct messages, and being more frequently influenced by these messages.

Content analysis

- The content analysis of 678 wagering direct messages forwarded by 125 participants found that most messages were from wagering operators (82.9%), followed by free betting info services (14.3%) and paid tipsters (2.8%). A little over half the messages were emails, one-quarter were texts, and one-fifth were app notifications.
- Half the messages contained a betting inducement, most commonly refund/stake back offers, multi-bet offers and bonus/better odds. Nearly all inducements were incentivised with bonus bets (95.1%). Most messages contained a responsible gambling message, information about terms and conditions, and an opt-out feature.

Longitudinal analysis of the short EMA surveys

- The longitudinal analysis of the short EMA surveys drew on 4,020 observations, each relating to a 48-hour assessment period (7 waves x an average of 574 participants per wave). It assessed the effects of exposure to wagering direct messages.
- For each additional direct message received from wagering operators, there were significant increases in: 1) the number of bets placed, 2) betting expenditure, and 3) betting-related harm.
- The number of direct emails, texts and app notifications received (but not phone calls) were each associated with increased betting, expenditure and/or harm.
- Direct messages from wagering operators were particularly linked to increased expenditure and harm amongst participants in the moderate risk/problem gambling group.
- Betting, expenditure and harm also significantly increased with the take-up of inducements, notably match your stake/deposit, multi-bet, bonus odds/winnings, and refund offers.
- Betting and betting-related harm also significantly increased in line with the number of customised messages received.

7.1. Introduction

This chapter reports the methods and results for three aspects of the ecological momentary assessment (EMA) survey conducted for this study: 1) the baseline survey, 2) a content analysis of wagering direct messages, and 3) the longitudinal analysis of the seven short EMA surveys we administered. Chapter 8 reports on a further element of the EMA study, the experimental component. These analyses inform both of the research aims of the overall study.

7.2. Methods

7.2.1. Overall design

This stage of the study utilised a longitudinal ecological momentary assessment (EMA) methodology that administers several short surveys to collect repeated measurements in real, or close to real, time. Administering frequent surveys at short time intervals minimises recall bias, while the approach optimises ecological validity and enables dynamic influences on behaviour to be assessed in real-world contexts (Shiffman et al., 2008).

Participants first completed a 15-minute baseline survey. Its purpose was to: recruit suitable participants into the subsequent EMA survey waves; collect baseline data on demographics, problem gambling severity, and betting behaviour; and collect descriptive data on exposure and responses to wagering direct messages and other marketing over the last 12 months.

During the EMA waves, participants were sent a 5-minute survey every second day over a 14-day period (seven EMA surveys in total). Each EMA survey was identical and focused on a 48-hour period. Each survey focused on wagering direct messages and other marketing that participants saw, their actual betting activity, and any short-term betting-related harm in the previous 48 hours, as well as their betting intentions for the next 48 hours. The main purpose was to track betting behaviour and short-term betting harm in the 48 hours immediately after exposure to this wagering marketing.

In addition, participants were asked to forward all wagering direct messages they received during the EMA period to the research team via SMS and/or email. We conducted a content analysis of these messages to gain insights into features of the messages that participants actually received (in contrast to those recalled and self-reported during the surveys).

Finally, an experimental study was embedded in the EMA study, which we report on in Chapter 8.

Appendix D contains the baseline and short EMA surveys.

7.2.2. Wagering operators vs paid tipsters vs free betting info services

The preceding stages of this study revealed several potential challenges in surveying consumers in a meaningful and accurate way about wagering affiliate marketing.

One challenge is that consumers usually do not know if a betting service they use has a commercial affiliation or not with a wagering operator. These services can present as tipsters, betting communities, expert comparison/review/odds comparison sites, and gambling/sports/racing news sites. In conducting the environmental scan, our initial inspection of the websites of ~120 of these services revealed that any commercial arrangements with wagering operators (e.g., a commission) are typically not overtly disclosed. Further, referral links between the affiliate and wagering operator are sometimes obscured through redirecting links through third-party websites. In addition, bettors may not be able to distinguish whether wagering marketing on a service's website is affiliate marketing material or simply an

advertisement paid for by the wagering operator. Therefore, bettors cannot reliably know whether these services are affiliated with a wagering operator.

A second challenge for this study's focus on wagering direct messages is that customers can receive these messages from different sources, and do not know if the source is affiliated with a wagering operator or not. Three main types of services send wagering direct messages to consumers:

1. Wagering operators send direct messages to their customers (texts, emails, app notifications, phone calls).
2. 'Free betting info services' may allow customers to sign up for free newsletters with tips – which customers may receive as a direct message. These 'free betting info services' may present as tipping websites, betting communities, comparison sites, or news sites. These services very probably receive commissions from the wagering operators for promoting their products.
3. 'Paid tipsters' charge customers to subscribe to a list to receive betting tips. These 'paid tipsters' also send direct messages to customers on their list. Paid tipsters may or may not receive commissions from wagering operators.

Consumers cannot be certain whether the direct messages they receive from 2) and 3) above are from services with a commercial affiliate arrangement or not.

The original scope of the research was to capture information about wagering affiliate marketers. However, for the reasons outlined above, it became clear that asking about 'wagering affiliate marketers' in the surveys would be confusing for participants and yield inaccurate data. Instead, the surveys distinguished between 'free betting info services' and 'paid tipsters', as well as wagering operators. Of note is that free betting info services are very probably affiliates, while paid tipsters may or may not have a commercial affiliate arrangement with wagering operators.

Distinguishing between wagering operators, free betting info services and paid tipsters captures the three main sources of wagering direct marketing, and enabled the EMA to examine the role of each source on betting behaviour, gambling problems and gambling-related harm. This change from the original scope was discussed with and approved by Gambling Research Australia.

The survey instructions included the following definitions:

- **Wagering operator:** Provides sports betting and race betting services to customers, including taking bets, calculating odds and paying out winnings (e.g., Sportsbet, Bet365, Ladbrokes, etc).
- **Paid tipster:** Services where you pay a subscription fee to receive tips and other information to inform your betting (both tipsters and tipping websites).
- **Free betting info service:** These include affiliate marketers, influencers, tipsters, betting communities, odds comparison sites, expert review sites, and sports/racing news websites that do not charge a fee for betting info. They do NOT include the paid tipsters you identified above or information you get directly from wagering operators.

7.2.3. Survey participants

Participants were recruited to the baseline survey through Qualtrics, a panel aggregator that works with existing market research panels. Inclusion criteria were providing informed consent, living in Australia, being aged 18+, having an active account with an Australian-licensed wagering operator, betting on sports or races at least fortnightly, having not already opted out of receiving marketing from most of their wagering accounts, and being willing to answer up to seven short surveys over subsequent weeks. After exclusions for ineligibility or failing standard data quality tests, 1,015 (85.4%) out of 1,189 eligible respondents completed the survey. Appendix E details these exclusions, as well as participant compensation. Participants were compensated for completing the baseline survey according to the usual protocol of their panel provider. Those who proceeded to the short EMA surveys were compensated by their panel with rewards to the value of \$5 for each survey they completed.

7.2.4. Measures for the baseline survey

Measures below that have been previously validated are cited with references. Measures pertaining to betting behaviour, wagering direct messages and wagering inducements were adapted from the researchers' previous studies on these topics (Hing et al., 2018a, 2018b, 2018c). All other measures were bespoke for this study.

Screening questions assessed participants against each inclusion criteria and excluded those who were ineligible.

Uptake of betting inducements. All participants were asked how often they had taken up each of nine betting inducements in the last 12 months (eight response options from 'never in the last 12 months' to 'several times a day'). Participants could also indicate and specify any 'other' inducements they had used.

Perceived usefulness and understanding of betting inducements. All participants were asked to rate on a 4-point scale how much they agreed or disagreed with eight statements about inducements that assessed their perceived usefulness (e.g., 'inducements help me decide which wagering operators to bet with') and their understanding of inducements (e.g., 'after using an inducement, I sometimes realise I misunderstood its expected pay-out').

Use of wagering operators, paid tipsters and free betting info services. All participants were asked which (if any) wagering operators, paid tipsters and free betting info services they currently use.

Frequency of seeing advertisements or promotions for wagering operators, paid tipsters and free betting info services, by channel. All participants were asked how often during the last 12 months they had seen advertising or promotions for each type of service (eight response options from 'never in the last 12 months' to 'several times a day'). This information was captured separately for each of four channels: social media, streaming services used by online influencers, other online media, and traditional forms of media.

Direct messages from wagering operators, paid tipsters and free betting information services. A series of questions asked participants about direct messages from these

services. All participants had one or more accounts with wagering operators (an inclusion criteria), so all participants were asked questions about direct marketing from wagering operators. Participants who used paid tipsters and/or free betting info services were asked questions about direct messages from each of these services:

- *Frequency of receiving direct messages from each service, by channel.* Participants were asked how often during the last 12 months they had received direct messages via text message, emails, app notifications or phone calls from each of the three types of services (eight response options from 'never in the last 12 months' to 'several times a day').
- *Features of direct messages received from each service.* Participants who had received direct messages from each type of service were asked whether, in the last 12 months, 'none', 'some' or 'most' of these messages were: 'relevant to sports or sports betting'; 'relevant to racing or race betting'; 'promoted an inducement to bet (e.g., offers with bonus bets, money-back offers, improved odds, cash rebates, matched-bets or rewards points)'; and were 'customised, i.e., based on personalised knowledge about you or your betting history' (with some examples given).
- *How many direct messages affected their betting, by channel.* Participants who reported receiving direct messages from each service were asked how many of these messages in the last 12 months had directly resulted in them placing a bet on sports or races. This information was collected by channel (emails, texts, app notifications and phone calls). The five response options ranged from 'none of them' to 'almost all of them'.
- *Effects of direct messages from each service on betting.* Participants who reported receiving direct messages from each service were asked how often in the last 12 months these messages had influenced their betting, such as 'to bet larger amounts', 'to bet smaller amounts', 'to place more bets', and 'to place fewer bets'. The four response options ranged from 'never' to 'almost always'.

Additional questions about paid tipsters and free betting info services. The following questions were asked only about paid tipsters and free betting info services, but not wagering operators:

- *Volume of bets influenced by information from paid tipsters or free betting info services.* Participants who used these services were asked how many of their bets in the last 12 months were influenced by different types of information, such as betting tips, race day review, odds comparisons, and racing or sports news items. The five response options ranged from 'none of them' to 'almost all of them'.
- *Frequency of clicking on a link provided by paid tipsters or free betting info services to access a wagering operator.* Participants who used these services were asked how often in the last 12 months they had clicked on a link provided by the service to access a wagering operator. Responses were captured for links associated with specific bets, a specific wagering operator, a betting inducement, or a sign-up link for a wagering operator. The eight response options ranged from 'never in the last 12 months' to 'several times a day'.
- *Frequency of going directly to a wagering operator's service based on information from a paid tipster or free betting info service.* Participants who used these services were asked how often in the last 12 months they had gone directly to a

wagering operator's service based on information received from a paid tipster or free betting info service. Responses were captured in relation to information about a specific bet, a betting inducement, or a sign-up offer for a wagering operator. The eight response options ranged from 'never in the last 12 months' to 'several times a day'.

- *Opinions about paid tipsters and free betting info services.* All participants, including those who did not use these services, were asked their level of agreement or disagreement to 12 statements, such as 'I am aware that [paid tipsters/free betting info services] for sports and/or race betting exist' and 'I am confident I could tell whether a [paid tipster/free betting info] service is paid by a wagering operator to promote the operator's products'. Participants who used these services were also asked to respond to the following statement: 'I usually check whether a free betting info service I use discloses if they are paid by a wagering operator to promote the operator's products'. The response options for all these opinion items were 'strongly agree', 'agree', 'disagree', 'strongly disagree' and 'don't know'.

Problem Gambling Severity Index. All participants completed the Problem Gambling Severity Index (PGSI; Ferris & Wynne, 2001). The PGSI consists of nine items relating to the last 12 months, such as 'How often have you needed to gamble with larger amounts of money to get the same feeling of excitement?'. Responses are scored from never (0) to almost always (3), and summed for a total out of 27. Based on their score, participants were classified into the following groups: non-problem (0), low-risk (1-2), moderate-risk (3-7) and problem (8+) gambling. Cronbach's alpha in this sample was 0.94.

Demographics. Participants were asked how old they were when they first placed a bet on sports or races with a wagering operator, their gender (male/female/other), age, country of birth, language they mainly speak at home, whether they are of Aboriginal and/or Torres Strait Islander origin, the state or territory in which they live, marital status, highest level of education, current employment status, and personal annual pre-tax income.

7.2.5. Measures for the short EMA surveys

Measures below that have been previously validated are cited with references. Measures pertaining to betting behaviour, wagering direct messages and wagering inducements were adapted from the researchers' previous studies on these topics (Hing et al., 2018a, 2018b, 2018c). All other measures were bespoke for this study.

Betting in the last 48 hours. Participants were first asked how many bets on sports and races they had placed, and how much money they had placed on these bets. They were also asked what percentage of these bets were 'planned in advance' or 'placed on the spur of the moment'. All responses were numeric.

Uptake of betting inducements in the last 48 hours. Participants were asked how many of each of nine types of inducements they had taken up, with the opportunity to note any other inducement types they had used. All responses were numeric.

Exposure to wagering marketing in the last 48 hours and influence on their betting. A series of questions asked about exposure to marketing from wagering operators,

paid tipsters and free betting info services, and their influence on the participants' betting. All participants had one or more accounts with wagering operators (an inclusion criteria), so all participants were asked questions about this marketing from wagering operators. Only participants who indicated in the baseline survey that they used paid tipsters and free betting info services were asked questions about these services. To assist recall and reduce potential confusion, the names of the wagering operators, paid tipsters and free betting info services they reported using in the baseline survey were piped through to the question text.

- *Exposure to wagering advertisements or promotions in the last 48 hours.* These questions asked how often participants had seen advertisements or promotions for each type of service in each of four channels (social media, streaming services, other online media, traditional forms of media). Response options were 'never', 'a few times' and 'often'.
- *Number of direct messages received from each service in the last 48 hours, by channel.* Participants were asked how many emails, text messages, app notifications, and phone calls they received from each type of service they use. All responses were numeric.
- *Features of direct messages received from each service in the last 48 hours.* Participants who had received direct messages from each type of service were asked whether 'none', 'some' or 'most' of these messages were: 'relevant to sports or sports betting'; 'relevant to racing or race betting'; 'promoted an inducement to bet; and were 'customised'.
- *Influence of betting tips, information or messages on betting in the last 48 hours.* These questions asked how much different aspects of the participant's betting was influenced by tips, information or messages from the services they use. These included how much they bet, their betting selections, inducements used, and which wagering operators they bet with. Response options were 'not at all', 'a little' and 'a lot'.

Short-term betting harm in the last 48 hours. The Gambling Harms Scale – 10 (GHS-10; Browne et al., 2023) was adapted to ask participants about 10 potential harms experienced as a direct result of their betting in the last 48 hours, with 'no' or 'yes' responses required for each item. Items include 'increased credit card debt' and 'spent less time with people you care about'. (The GHS-10 was previously known as the SGHS: Short Gambling Harms Screen; Browne et al., 2018).

Betting intentions in the next 48 hours. Participants were asked how many bets and how much money they intend to place on sports and race bets in the next 48 hours. Responses were numeric.

Instructions for forwarding direct messages to the researchers. Participants were provided with detailed instructions on how to forward any emails, text messages and app notifications they received in the last 48 hours from wagering operators, paid tipsters and free betting info services. They could send these messages to the research team via email or text message. These messages comprised the data for a content analysis of these messages.

7.2.6. Cognitive testing

Cognitive testing was conducted for the draft baseline and short EMA survey instruments. It involved 1-hour interviews using the 'think-aloud' method with 10 participants who met the inclusion criteria. The draft survey was well received, as were the definitions for paid tipsters and free betting info services, although these definitions were further clarified based on the participants' suggestions, with the final definitions reported above. Participants agreed that commercial arrangements between these services and wagering operators were not obvious, but they were able to clearly differentiate whether or not they pay for tips and betting information. The testing informed additional improvements to enhance comprehension, including providing the definitions of the three types of services as hover text for relevant questions, and minor improvements to some question wording. The cognitive testing report is available on request.

7.2.7. Survey administration

After the baseline survey, participants were sent a 5-minute survey every second day over a 14-day period (seven EMA surveys in total), administered at 4pm each day. Each EMA closed when the next EMA opened. All participants were sent reminders from their recruitment panel, as well as by SMS for those who opted to provide their mobile phone number.

Table 7.1 shows the dates, the number of responses, and retention rate for each wave. While the attrition was quite large between the baseline survey and the first short EMA survey (42.1%), nearly all participants were retained for each short survey from EMA1 through to EMA7. The EMA surveys took place during major winter sporting competitions (National Rugby League and Australian Football League [i.e., Australian Rules football]) as well as major racing carnivals, such as parts of the Spring Racing Carnival.

Table 7.1. Dates, number of responses and retention rate for each wave of the EMA

Wave	Start date 2023	End date 2023	No. of responses	Retention rate % compared to baseline
Baseline	Tue 18-Jul	Sat 5-Aug	1015	-
EMA1	Tue 15-Aug	Thu 17-Aug	588	57.9
EMA2	Thu 17-Aug	Sat 19-Aug	573	56.5
EMA3	Sat 19-Aug	Mon 21-Aug	538	53.0
EMA4	Mon 21-Aug	Wed 23-Aug	589	58.0
EMA5	Wed 23-Aug	Fri 25-Aug	589	58.0
EMA6	Fri 25-Aug	Sun 27-Aug	550	54.2
EMA7	Sun 27-Aug	Tue 29-Aug	593	58.4

7.3. Cross-sectional analysis and results for the EMA baseline survey

7.3.1. Approach to the EMA baseline survey analysis

Descriptive statistics are reported for each question, both for the overall sample and based on four splits: age (18-39 vs 40+), gender (male vs female), PGSI group (non-problem/low-risk gambling vs moderate-risk/problem gambling) and how many different betting accounts they had (1 vs 2+). One participant identified as 'other' for gender and was randomly allocated to a gender (male) for the purposes of gender splits only, so as not to be excluded from these analyses.

Response options for many questions were ordinal. However, we have not reported the frequencies for each response option in total and for each split, due to the difficulty of interpreting very large tables. Instead, means and standard deviations are reported to provide insight into which items were more strongly endorsed or more frequently experienced. Medians were also considered, but medians often did not differ between groups despite there being statistically significant differences between groups. We therefore opted against medians as they were not particularly informative.

In addition, conducting inferential statistics for comparisons for each split for each item for each type of betting service would yield hundreds of test results, leading to concerns over hyperinflated Type I errors. Instead, cells in the tables are colour-coded cells to show the overall patterns of results. Colour coding ranges from green to red, with the lowest possible score coded as green (e.g., 1 = 'not at all in the last 12 months' or 'strongly disagree' or 'none of them', depending on the question) and the highest possible score as red (e.g., 8 = 'several times a day' or 4 = 'strongly agree' or 5 = 'almost all of them'). Middle values are yellow, and intermediate shades are used to indicate degrees. Note that colours are not comparable across questions that use different response options, but are comparable for similar questions across services (e.g., comparing wagering operators, paid tipsters and free betting info services). Colours also provide an indication of where the mean falls within the response scale, e.g., green colours indicate more towards the lower end, yellow towards the middle and red towards the higher end. Note that the results should be interpreted for the overall trends they reveal, rather than examining every individual comparison between groups.

While the above analytical approaches may seem simplistic, it is important to remember that the baseline survey aimed to provide descriptive and contextual data, and not to test relationships between variables. Instead, statistical comparisons between groups are drawn from the EMA data (explained below) and the experimental data (Chapter 8).

Missing data were by design. For example, participants who did not receive direct messages from a service were not asked about the content of direct messages received from that service. While all participants were asked their opinions of paid tipsters and free betting information services, a 'don't know' option was also available for each statement. Any 'don't know' responses were treated as missing for the purpose of calculating means and standard deviations, and the number of 'don't know' responses is reported for each line. Otherwise, there were no missing data.

Appendix F presents the results tables for the baseline survey. The findings are summarised below. All results pertain to the last 12 months.

7.3.2. Participant characteristics

The baseline sample included slightly more men than women, with an approximately even split between those aged 18-39 and 40+ years (Table F.1 in Appendix F). Almost two-thirds were married or living with a partner, and approximately 70% had completed post-secondary education. Three-quarters were working full-time, part-time or casual. There was an approximately representative proportion from each state or territory, and income distribution was similar to the Australian population. Most participants (86.9%) were born in Australia, almost all (97.3%) spoke English as their main language at home, and 2.8% identified as Aboriginal or Torres Strait Islander.

One survey inclusion criterion was betting at-least fortnightly, and most participants bet at-least weekly on sports (62.1%) or races (67.6%). Given the high frequency of betting, it is not surprising that a large proportion of participants were in higher PGSI risk groups. More than half were classified in the problem gambling (28.0%) or moderate-risk (26.9%) groups, while smaller proportions were low-risk (19.7%) or non-problem (25.4%) gamblers. Almost 60% of participants had multiple accounts with online wagering operators (Table F.2). In total, participants reported accounts across 67 Australian-licensed operators (although 6 major brands predominated), and a few participants reported having an account with an overseas operator ($n = 3$) or an on-course bookmaker ($n = 1$).

7.3.3. Frequency of taking up betting inducements

Table F.3 describes the frequency that participants reported using wagering inducements in the last 12 months. Across the total sample, the most often used inducements, in order of highest mean frequency, were bonus or better odds/winnings (used on average about once a fortnight), multi-bet offers, refund/stake-back offers, and match your stake/deposit (used on average about once a month). Respondents reported less than monthly use of the other inducements (cash-out early, happy hour, rewards program, sign-up offer, refer-a friend offer, and 'other'). When considered by split (age, gender, PGSI group, number of accounts), the pattern of most and least used inducements was very similar. On average however, respondents in the younger age group, the moderate-risk/problem gambling (MR/PG) group, and those with multiple betting accounts (but not males vs females), reported using each type of inducement more frequently.

7.3.4. Perceived usefulness and understanding of betting inducements

On average, participants were neutral or slightly agreed with the statements about perceived usefulness and understanding of betting inducements (Table F.4). Statements with slight agreement across the total sample were: 'Inducements help me decide which wagering operators to bet with', 'Inducements help me decide which bets to place', and 'Inducements help me decide how much money to place on

a bet'. Participants who were younger, in the MR/PG group, and who had multiple accounts with wagering operators indicated slightly stronger agreement with these three statements. Participants who were younger, in the MR/PG group, or who had multiple betting accounts also tended to indicate slight agreement to most of the remaining statements, in contrast to the total sample who were neutral on average ('Inducements make my betting safer'; 'After using an inducement, I sometimes realise I misunderstood whether I was eligible to receive the bonus/reward'; 'After using an inducement, I sometimes realise I misunderstood its expected pay-out'; 'After using an inducement, I realise I have sometimes misunderstood its turnover requirements'). The total sample, and all groups, neither agreed nor disagreed on average that 'I always read inducement terms and conditions'.

7.3.5. Use of paid tipsters and free betting info services

Overall, 10.8% of the sample reported using paid tipsters (Table F.5). This proportion was higher in the younger age group (14.3% vs 7.5% for 40+), those in the MR/PG group (16.2% vs 4.4% for NP/LR), and participants with multiple betting accounts (15.8% vs 3.4% for one betting account). It was also slightly higher for women (12.9% vs 9.4% for male).

Free betting info services were more popular, used by 37.3% of the sample (Table F.6). This proportion was slightly higher for those in the MR/PG group (40.0% vs 34.1% for NP/LR), and much higher for those with multiple betting accounts (44.6% vs 26.5% for one betting account). There were minimal differences based on age and gender splits.

7.3.6. Frequency of seeing advertisements or promotions for wagering operators, paid tipsters and free betting info services, by channel.

On average, participants reported seeing advertising or promotions for wagering operators in traditional media approximately once a week, and in each of social media, other online platforms, and streaming services approximately once a fortnight (Table F.7). For traditional media, there were few differences between groups, except that men reported seeing this advertising more often than women. However, for social media, other online advertising, and streaming services, younger people, the MR/PG group, and people with multiple betting accounts reported seeing advertising for wagering operators more frequently.

Participants reported seeing advertising for wagering operators more frequently than they saw advertising for paid tipsters (Table F.8) and free betting info services (Table F.9). For example, the mean frequency of seeing advertising for paid tipsters and free betting info services was between 'less than once a month' to 'about once a month', compared to between 'about once a fortnight' and 'about once a week' for wagering operators. Participants in the younger age group, the MR/PG group, and those with multiple betting accounts tended to report seeing advertising more often for paid tipsters and free betting info services.

7.3.7. Frequency of receiving direct messages from wagering operators, paid tipsters and free betting info services, by channel

Participants reported receiving direct messages from wagering operators at about the same rate they saw advertising by these operators on social media or other online platforms – approximately once a fortnight to once a week – except phone calls which were relatively rare (Table F.10). The younger age group, the MR/PG group, and participants with multiple betting accounts tended to report more frequently receiving emails, text messages and app notifications from wagering operators.

The frequency of direct messages from wagering operators was similar to that from the paid tipsters that participants used, although participants reported more frequent telephone calls from paid tipsters (Table F.11). The older age group and participants with only one betting account reported more frequent emails from paid tipsters, while the younger group and the MR/PG group reported more frequent text messages, app notifications and phone calls from paid tipsters.

Direct messages from free betting info services were reported to be less frequent than messages from wagering operators and paid tipsters, approximately once a month for emails, app notifications and text messages (Table F.12). Younger participants, women, the MR/PG group, and multiple accounts holders tended to more frequently receive emails, texts, app notifications, and phone calls from the free betting info services they used.

7.3.8. Features of direct messages from wagering operators, paid tipsters and free betting info services

Participants reported that ‘some’ to ‘most’ messages they received from wagering operators promoted an inducement to bet, and included sports/sports betting and racing/race betting content, whereas ‘some’ messages included customised content (Table F.13). Few differences were noted based on the participants’ age, gender, PGSI group, or number of betting accounts.

Similar patterns were reported for direct messages from paid tipsters (Table F.14) and free betting info services (Table F.15), although these messages were slightly less likely to promote inducements. Participants were slightly more likely to report that direct marketing content from paid tipsters was customised, compared to that from wagering operators and free betting info services.

7.3.9. Frequency of direct messages from wagering operators, paid tipsters and free betting info services resulting in participants placing bets

Participants reported that between ‘a few’ and ‘about half’ of direct messages from wagering operators resulted in them placing bets (Table F.16). This was more common amongst younger participants, the MR/PG group, and participants with multiple betting accounts for all message channels except phone calls. In contrast, ‘none’ to only ‘a few’ phone calls were said to result in participants placing a bet.

Direct messages from wagering operators were less likely to prompt betting than direct messages from paid tipsters (Table F.17) and free betting info services (Table F.18). Emails from paid tipsters and free betting info services, in particular, were said to prompt betting. Participants reported that ‘about half’ of these emails resulted in them placing bets. They reported slightly less influence from the text messages and app notifications received from these services. For both these types of services, participants in the older age group were more likely to be prompted to bet by emails, whereas the younger age group was more responsive to text messages, app notifications and phone calls. Messages in all channels were also more likely to prompt betting in the MR/PG group.

7.3.10. Effects of direct messages from wagering operators, paid tipsters and free info services on betting

Participants reported that direct messages from wagering operators ‘sometimes’ influenced their betting in various ways. The most frequent influences were to take up an inducement, and to remind or trigger them to bet. This was followed by betting with that specific operator, placing more bets, placing more spur-of-the-moment bets, and placing a bet that the participant otherwise would not have placed (Table F.19). Less frequent influences were placing fewer or smaller bets, or bets with shorter odds. Participants in the younger group, the MR/PG group, and those with multiple betting accounts tended to report that these direct messages more frequently influenced their betting.

Participants reported that direct messages from paid tipsters (Table F.20) more often influenced their betting, compared to messages from wagering operators and free betting info services. The main influences were placing a bet that they otherwise would not have placed, and placing more bets, larger bets, more spur-of-the-moment bets, and bets with longer odds, taking up an inducement and being reminded or triggered to bet. These influences were reported to occur, on average, between ‘sometimes’ and ‘most of the time’. Differences based on PGSI group were particularly pronounced, with the MR/PG group being more frequently influenced by the direct messages they received from paid tipsters. The younger age group and participants with multiple betting accounts also reported that these direct messages more frequently influenced their betting.

Messages from free betting info services (Table F.21) had a similar reported level of influence to those from wagering operators, but less influence than paid tipsters’ messages. The most frequent reported influences from messages from free betting info services were being reminded or triggered to bet, and the messages resulting in placing more bets and more spur-of-the-moment bets, placing bets they otherwise would not have placed, and taking up an inducement. Free betting info services displayed more of a split in terms of age and gender compared to wagering operators; the younger group and women reported more frequent influence from messages from free betting info services. Like the other two types of services, those in the MR/PG group and participants with multiple betting accounts reported being influenced more frequently by messages from free betting info services.

7.3.11. Volume of bets influenced by different types of information from paid tipsters and free betting info services

Participants who used paid tipsters reported that ‘most’ to ‘almost all’ of their bets were influenced by information from these services, particularly betting tips (Table F.22). After tips, the most influential content was race day reviews, betting promotions and bonuses, odds comparisons, and sports/match reviews, as well as reviews/recommendations to use particular betting sites and apps, and racing news items. The least influential, although still an influence on ‘most’ of their bets on average, were sports news items and discussions in online betting communities.

The overall pattern was similar for free betting info services (Table F.23), but the level of influence was lower (although still relatively high). While different content from paid tipsters tended to influence between ‘most’ and ‘almost all’ bets, content from free betting info services tended to influence between ‘about half’ and ‘most’ bets.

For both paid tipsters and free betting info services, the same general pattern was observed in terms of influence on different groups. Specifically, younger participants, women, the MR/PG group, and those with multiple accounts were generally more likely to report being influenced more often by information from these services.

7.3.12. Frequency of clicking on a link provided by paid tipsters or free betting info services to access a wagering operator

Some paid tipsters and free betting info services direct people to wagering operators through links that contain referral information, so that the service can claim commission from these operators. Participants reported clicking on these links between ‘about once a month’ and ‘about once a fortnight’ for paid tipsters (Table F.24), and between ‘less than once a month’ and ‘about once a month’ for free betting info services (Table F.25). Younger participants, women, the MR/PG group, and multiple betting account holders reported clicking on these links more often. For paid tipsters, the most common links clicked on were links related to betting inducements, a specific bet, or a specific wagering operators, with sign-up links for wagering operators being clicked on less often. A similar pattern was observed for free betting info services, although the most common link clicked on related to specific bets.

7.3.13. Frequency of going directly to a wagering operator’s service based on information from a paid tipster or free betting info service

People may use information from a paid tipster or free betting info service when betting, without necessarily clicking on any links to a wagering operator; or in the absence of links, by going directly to a wagering operator’s website (e.g., by typing the wagering operator’s URL in a browser or opening the relevant app). Participants reported doing this slightly more frequently rather than clicking on links. Going directly to a wagering operator’s website was said to more often happen when information was related to a specific bet or betting inducement, and less frequently for sign-up offers for wagering operators. This was also more common when the

information was provided by a paid tipster (Table F.26) than a free betting info service (Table F.27). Younger participants, the MR/PG group and multiple account holders were more likely to directly access a wagering operator based on information from these services, while women were also slightly more likely to do so.

7.3.14. Opinions about paid tipsters and free betting info services

All participants were asked their opinions about paid tipsters (Table F.28) and free betting info services (Table F.29), even if they did not use them. A 'don't know' response option was provided for all statements, and around 100-200 participants selected this option for each statement. The results below pertain to participants who did not select a 'don't know' response to each statement.

Participants were generally aware that both services existed. Participants also felt generally knowledgeable about how these services operate, slightly more so for free betting info services than paid tipsters.

Participants generally 'agreed' these services help people to decide which bets to place, and to a lesser extent which operator to bet with or to make good betting selections. There was slightly less agreement that these services help people decide how much money to bet and that they make betting easier.

Generally, participants slightly disagreed that paid tipsters and free betting info services made betting safer (i.e., less likely to lose). In addition, participants were neutral or slightly agreed that they trusted the information coming from these services as truthful or accurate, which was one of the lower rated statements.

Participants who used paid tipsters generally agreed that they check whether the tipster discloses if they are paid by a wagering operator to promote the operator's products, while those who used free betting info services only slightly agreed that they check for a disclosure. Nevertheless, all participants were neutral or slightly disagreed that they trust paid tipsters and free betting info services to disclose any commercial arrangements with wagering operators, and only slightly agreed that they could tell whether the services have a commercial arrangement.

Generally, agreement for these statements was slightly higher for those in the MR/PG group and those with multiple betting accounts, although this depended on the specific statement. Differences between age groups and genders were mostly very minor, although men were more likely to know that paid tipsters exist and to feel they understand how they work. Younger, MR/PG, and multiple account participants were more likely to agree that these services make betting safer.

7.4. Content analysis of direct wagering messages collected during the short EMA surveys

7.4.1. Approach to the content analysis

We conducted a systematic content analysis of the direct messages from wagering operators, paid tipsters, and free betting info services that were received and forwarded to us by participants during the EMA. The purpose was to gain some insights into the wagering direct messages actually received by participants (in contrast to those they recalled receiving and self-reported in the short EMA surveys).

Based on similar research (Hing et al., 2018b), we developed a framework to guide the coding of each message against several criteria (Table G.1 in Appendix G). One researcher initially coded the messages and a second researcher verified their coding to ensure the consistency of coding decisions, with minor refinements made to the coding frame during this process.

In total, 678 messages were received from 125 participants. Not all participants who received messages forwarded them to us and participants may not have forwarded all the messages they received. Accordingly, the sample of messages analysed may not be representative of the messages actually sent to participants during the EMA, but still provide important information that would otherwise not be available due to the private nature of these advertisements.

7.4.2. Results

Appendix G presents the detailed results of the content analysis. The key findings are summarised below.

- Most messages were from wagering operators (82.9%), followed by free betting info services (14.3%) and a small proportion from paid tipsters (2.8%).
- A little over half the messages were emails (55.0%), one quarter were texts (24.9%) and one-fifth were app notifications (20.1%).
- Half the messages were for specific betting inducements (50.3%). Most other content comprised announcements about the BetStop self-exclusion register that was being rolled out during the EMA period, as well as engagement polls, betting tips, and customised reminders (e.g., a team/player/animal/etc the customer had previously bet on is competing).
- Most messages (59.6%) related to race betting, followed by sports betting (17.4%) or both race and sports betting (9.9%).
- The top three inducements offered were refund/stake back offers (59.8%), multi-bet offers (47.4%) and bonus/better odds (20.8%). Matching stake/deposit and bonus/better winnings each comprised around 11% of the inducements offered.²

² Wagering inducements are promotional offers that 1) offer one or more incentives to bet that are additional to what is normally received as part of the core wagering product, 2) the incentive to bet is offered in conjunction with a specified betting-related activity and/or redeemed in a form that encourages betting, and 3) the offer aims to recruit, register or retain customers, prompt brand

- The most common incentives offered with inducements were bonus bets (95.1%), better odds/winning (30.1%) and bonus cash (15.0%). Some inducements offered multiple incentives.
- Most messages contained a responsible gambling message (85.5%), information about terms and conditions (64.7%) and an opt-out feature (90.3%). Just over one-third (35.8%) contained a link to the BetStop self-exclusion register.

7.5. Longitudinal analysis and results for the short EMA surveys

7.5.1. Approach to the short EMA survey analysis

In this observational component, our focus was to assess the longitudinal associations between exposure to various forms of direct messaging and gambling outcome variables. Because direct messaging could be parameterised in multiple ways, with differing levels of resolution, we conducted a series of models to address different facets of the research questions. Furthermore, certain variables were only asked of those who either (a) had an account (subscription) with paid tipsters (PT), (b) had an account (subscription) with a free betting information service (FI) or (c) had actually taken up an inducement. For those with a PT or FI account, we included a binary variable to capture this information. This allowed us to code missing data as zero for questions only applicable to PT and FI: answers to these questions can be thought of as ‘nested contrasts’ within these indicator variables.

7.5.1.1. Repeated measurements

Data from all waves were organised into ‘long’ format for analysis of repeated measures. For all analyses, a random factor ‘UniqueID’ was used to identify repeated measures on participants over each wave. We employed linear mixed effects (LME) regression models for analysis, using the *lme* package in the R statistical programming environment. For all models, we employed a random intercept by participant, which partials out variance attributable to individual differences.

7.5.1.2. Dependent variables

Our key outcome variables were 1) number of bets made, 2) amount of money spent, and 3) short-term harms over the last 48 hours (GHS-10). Correlations between these outcomes across the whole dataset (including both between- and within-subject effects) were relatively low: between $r = 0.01$ and $.24$. Thus, these three variables represented mostly independent outcomes of interest. Positive responses on the GHS-10 items were summed to create a score from 0 to 10.

All three of these outcome variables were highly non-normal, characterised by zero-inflation (i.e., more zeroes than expected by standard error distributions) and

switching, accelerate buying, intensify purchasing, or encourage betting on specific events, through particular channels and during nominated time periods (Hing et al., 2015, 2017). See Hing et al. (2017) for 15 types of wagering inducements being offered at the time of that research. The incentive that accompanies a wagering inducement is the ‘hook’ — what the bettor actually gets for taking up the inducement (e.g., a bonus bet or matching deposit) (Hing et al., 2018).

overdispersion (i.e., a long positive tail, or positive skew). Methods for custom error distributions are limited within an LME framework. Accordingly, we opted to transform the outcome variables so as to stabilise the residuals, as indicated by standard regression assumption checking; principally via inspecting the Q-Q plots of fitted models. Specifically, we employed the Yeo-Johnson extension to the Box-Cox power transformation, which has a tuneable parameter λ . We were able to achieve residuals that conformed strongly with a normal assumption, using $\lambda = -1$ for number of bets, and $\lambda = -0.1$ for spend and GHS-10 scores. The transformation yields significant advantages in ensuring that hypothesis testing is robust, and inference is not affected by violations of the assumption of normally distributed residuals. The principal disadvantage of transformation of the dependent variable is that beta coefficients can no longer be interpreted on the original scale of measurement.

We had originally planned to include another two outcome variables – betting more than intended and impulsive betting. However, the experimental study (Chapter 8) found a very low correlation between these two measures and that neither was correlated with problem gambling status – which we would expect to be positively associated with excessive or impulse betting. Accordingly, we concluded that these constructed variables were unreliable, and did not analyse them further, either in this stage or in the experimental study.

7.5.1.3. Covariates

We incorporated several key variables assessing individual differences: prior problem gambling status, whether the individual had multiple (>1) wagering accounts, gender and age. In keeping with the coding scheme for the baseline survey, we created binary classifications for analysis: ‘MR/PG’ moderate risk or problem gambling (vs non-problem and low-risk gambling), multiple accounts (two or more, vs one account only), female (vs male), and age being 40 plus (vs 18-39). Each model reported below includes all covariates as controls.

7.5.1.4. Interpretation of intercepts

Each of the tables report unstandardised beta coefficients, which capture the change in each of the outcomes from baseline, based on a unit change in the predictors. As each predictor is coded as a binary variable, this simplifies interpretation. For example, in Table 7.3, the intercept for Number of Bets gives the baseline average number of bets made (0.34) when all predictors are false (e.g., no MR/PG, male, etc). Thus, all else held constant, MR/PGs made an average of 0.05 more bets than NP/LR participants. The intercept can therefore be treated as a baseline for a particular group, and baselines for other groups can be determined by taking the intercept and adding coefficients for relevant control variables (e.g., gender, PGSI risk).

7.5.2. Attrition

Our dataset included 4,020 observations for analysis, from 814 participants. Overall, 312 (38%) participants completed surveys from all seven waves, 115 (14%) completed six, and the remainder were approximately equally distributed between

completing between 1 and 5 waves: each category comprising 71-88 individuals (9-11%). The highest number of responses was for wave 7 (593), and the least number of responses was for wave 3 (538). Table 7.2 presents a regression model of missingness based on between subjects covariates. Younger and female participants tended to complete slightly fewer momentary assessments than others. No effect was found for gambling risk status or number of accounts. Overall, the effects are small, indicating that there is little concern about differential attrition on overall results.

Table 7.2. Predictors of missingness

<i>Predictors</i>	Missing		
	<i>Estimates</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.33	0.28 – 0.39	<0.001
Age 40+	-0.11	-0.15 – -0.06	<0.001
Female	0.08	0.03 – 0.12	<0.001
MR/PG	0.01	-0.03 – 0.05	0.619
Mult. Act.	-0.02	-0.06 – 0.03	0.413
Have PT Acct.	0.05	-0.03 – 0.12	0.206
Have FI Acct.	-0.03	-0.07 – 0.02	0.255
Random Effects			
σ^2	0.13	0.13	0.13
T00	0.07 UniqueID	0.07 UniqueID	0.07 UniqueID
ICC	0.35	0.35	0.35
N	814 UniqueID	814 UniqueID	814 UniqueID
Observations	5698*	5698*	5698*
Marginal R ² / Conditional R ²	0.026 / 0.367	0.026 / 0.367	0.026 / 0.367

Note: Coefficients are unstandardised, * N includes synthetic case representing missing observations

7.5.3. Receipt of direct messages and inducements per wave by PGSI group and message source

Appendix H presents tables that show the number in each PGSI group who took part in each wave (Table H.1), who bet in each wave (between 35.7% and 68.4% for NP/LR and between 56.1% and 78.7% for MR/PG; Table H.2), who received direct messages from wagering operators, paid tipsters and free betting info services (Tables H.3 to H.5), and who received inducements from wagering operators (Table H6). These figures highlight the relative volume of direct messages from the different sources, highest amongst wagering operators, and lower for free betting information services and particularly for paid tipsters. In addition, Appendix H presents tables that show the average (and SD) as well as median number of direct messages from wagering operators, paid tipsters and free betting info services (Tables H6 to H9).

7.5.4. Analysis 1: Effect of the number of direct messages from wagering operators, free betting info services and paid tipsters

Our first model focused on the impact of the number of wagering direct messages (DMs) received. We aggregated contacts received across multiple channels—including email, texts, app notifications, and phone calls—into a single variable for each source: Number of Wagering Operator / Paid Tipster / Free Betting Information Service Direct Messages Received (i.e., three variables: Num. WO/PT/FI DMs Rec.).

As shown in Table 7.3, total WO messages was significantly associated with both the number of bets placed and the amount spent on gambling, indicating a positive relationship ($B = 0.03$, CI [0.03, 0.04], $p < 0.001$ for number of bets; $B = 0.14$, CI [0.11, 0.16], $p < 0.001$ for amount spent). For every additional DM received, there was a small but consistent increase in both betting frequency and expenditure. However, there was no detectable effect for aggregate FI or PT messages.

The results for the short-term harms associated with gambling (GHS-10) showed a significant positive relationship with the number of WO DMs received ($B = 0.03$, CI [0.02, 0.04], $p < 0.001$) and also for FI DMs ($B = 0.03$, CI [0.01, 0.04], $p < 0.001$), suggesting that increased contact from wagering operators and free betting information services is related to an increase in harms experienced over the last 48 hours.

Examining the other predictors, moderate risk/problem gambling status (MR/PG) was a significant predictor across all three outcome variables, showing a robust association with increased betting behaviour, higher expenditure, and greater short-term harms ($p < 0.001$ for amount spent and short-term harms and $p = .007$ for number of bets). Gender (Female) was associated with a decrease in the number of bets and amount spent, which may reflect gender differences in gambling behaviour and responsiveness to direct marketing ($p < 0.001$ for both). Age (40+) showed a significant relationship only with short-term harms (GHS-10), where being 40 or older was associated with slightly lower reported harms ($B = -0.08$, $p = 0.030$). Having an account with a paid tipster (Have PT Accnt.) was associated with spending, as well as with an increase in reported harms ($p = 0.020$ for amount spent and $p = 0.018$ for short-term harms). Finally, having multiple betting accounts was also positively associated with number of bets ($p = 0.038$) and amount spent ($p = 0.004$), but not significantly, in the case of harms ($p = 0.104$).

The random effects indicate a significant amount of variation attributable to individual differences not explained by the fixed effects in the model. The intraclass correlation coefficient (ICC) suggests that 39% of the variance in the number of bets, 36% in the amount spent, and 59% in short-term harms can be accounted for by differences between participants.

In sum, the number of direct messages received from wagering operators is significantly associated with increased betting and related harms. Overall, for each additional DM received, the number of bets placed, betting expenditure, and betting-related harm in the last 48 hours increases. Harms also increased with additional messages received from free betting info services.

Moderate risk/problem gambling status (MR/PG), male gender, having an account with a paid tipster, and having multiple betting accounts were also positive predictors of these outcome variables, although the effects of male gender and multiple

accounts were not significant in the case of harms. Being younger (<40) predicted somewhat more harm.

Table 7.3. Effect of number of direct messages received on betting, expenditure and short-term harms

<i>Predictors</i>	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.34	0.29 – 0.39	<0.001	1.30	1.11 – 1.50	<0.001	0.06	-0.02 – 0.15	0.157
MR/PG	0.05	0.01 – 0.09	0.007	0.50	0.34 – 0.65	<0.001	0.43	0.36 – 0.50	<0.001
Mult. Act.	0.04	0.00 – 0.08	0.038	0.23	0.07 – 0.39	0.004	0.06	-0.01 – 0.13	0.104
Female	-0.09	-0.12 – -0.05	<0.001	-0.36	-0.51 – -0.20	<0.001	0.10	0.03 – 0.17	0.006
Age 40+	0.03	-0.01 – 0.07	0.111	0.03	-0.13 – 0.19	0.723	-0.08	-0.15 – -0.01	0.030
Have PT Acct.	0.07	-0.01 – 0.14	0.093	0.39	0.06 – 0.71	0.020	0.17	0.03 – 0.31	0.018
Have FI Acct.	0.01	-0.03 – 0.05	0.516	0.06	-0.11 – 0.22	0.490	-0.02	-0.09 – 0.06	0.653
Num. WO DMs Rec.	0.03	0.03 – 0.04	<0.001	0.14	0.11 – 0.16	<0.001	0.03	0.02 – 0.04	<0.001
Num. PT DMs Rec.	0.00	-0.01 – 0.02	0.670	0.02	-0.05 – 0.09	0.544	0.01	-0.01 – 0.03	0.400
Num. FI DMs Rec.	0.01	-0.00 – 0.02	0.116	0.03	-0.02 – 0.07	0.228	0.03	0.01 – 0.04	<0.001
Random Effects									
σ^2	0.07			1.38			0.14		
T ₀₀	0.05 UniqueID			0.78 UniqueID			0.19 UniqueID		
ICC	0.39			0.36			0.59		
N	814 UniqueID			814 UniqueID			814 UniqueID		
Observations	4020			4020			4020		
Marginal R ² / Conditional R ²	0.095 / 0.448			0.130 / 0.444			0.217 / 0.676		

Note: Coefficients are unstandardised.

7.5.5. Analysis 2: Effect of direct messages by channel

In this analysis, we differentiated between the channels through which direct messages were received, namely email, texts, app notifications, and phone calls. The number of messages received across these channels was aggregated from three distinct sources: wagering operators (WO), paid tipsters (PT), and free betting information services (FI), as shown in Table 7.4.

Our findings reveal distinct patterns in the impact of different communication channels on gambling behaviours. Notably, the number of emails ($B = 0.02$, $CI [0.01, 0.03]$, $p < 0.001$), texts ($B = 0.03$, $CI [0.01, 0.04]$, $p < 0.001$), and app notifications received ($B = 0.03$, $CI [0.02, 0.03]$, $p < 0.001$) were all positively associated with an increase in the number of bets placed and the amount spent on betting. This suggests that digital forms of communication are particularly effective in influencing betting frequency and expenditure. Interestingly, the receipt of phone calls was

associated with a decrease in the number of bets placed ($B = -0.03$, CI $[-0.04, -0.01]$, $p < 0.001$) and betting expenditure ($B = -0.14$, CI $[-0.20, -0.07]$, $p < 0.001$) but not with a significant change in short-term harms, indicating a more complex relationship between this communication mode and gambling behaviours.

The volume of emails was also significantly associated with an increase in reported short-term harms ($B = 0.02$, CI $[0.01, 0.03]$, $p < 0.001$), and similar significant associations were observed for texts and app notifications.

To summarise, the number of emails, texts and app notifications received (but not phone calls) is each significantly associated with increased betting and betting-related harm. For each additional email, text and app notification received, there is an increase in the number of bets placed, betting expenditure, and betting-related harm in the last 48 hours.

In terms of individual differences, consistent with our previous analysis, moderate risk/problem gambling status (MR/PG), being male, and having multiple accounts remained positive predictors, although the effects of male gender and multiple accounts was not significant in the case of harms. Again, being aged < 40 predicted slightly more harm.

Table 7.4. Effect of number of direct messages by channel received on betting, expenditure and short-term harms

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.35	0.30 – 0.39	<0.001	1.33	1.13 – 1.53	<0.001	0.07	-0.02 – 0.16	0.133
MR/PG	0.06	0.02 – 0.10	0.003	0.53	0.37 – 0.68	<0.001	0.44	0.37 – 0.51	<0.001
Mult. Act.	0.04	0.01 – 0.08	0.025	0.25	0.09 – 0.41	0.002	0.06	-0.01 – 0.13	0.093
Female	-0.09	-0.12 – -0.05	<0.001	-0.35	-0.51 – -0.20	<0.001	0.10	0.03 – 0.17	0.005
Age 40+	0.03	-0.01 – 0.07	0.102	0.03	-0.12 – 0.19	0.669	-0.08	-0.15 – -0.01	0.024
Num. Emails Rec.	0.02	0.01 – 0.03	<0.001	0.09	0.06 – 0.13	<0.001	0.02	0.01 – 0.03	<0.001
Num. Texts Rec.	0.03	0.01 – 0.04	<0.001	0.09	0.04 – 0.13	<0.001	0.04	0.03 – 0.06	<0.001
Num. Notifs Rec.	0.03	0.02 – 0.03	<0.001	0.11	0.07 – 0.15	<0.001	0.02	0.00 – 0.03	0.013
Num. Calls Rec.	-0.03	-0.04 – -0.01	<0.001	-0.14	-0.20 – -0.07	<0.001	-0.01	-0.03 – 0.02	0.600
Have PT Acct.	0.03	-0.04 – 0.09	0.435	0.24	-0.04 – 0.52	0.093	0.14	0.01 – 0.26	0.030
Have FI Acct.	0.00	-0.03 – 0.04	0.844	0.01	-0.15 – 0.17	0.882	-0.01	-0.08 – 0.06	0.796
Random Effects									
σ^2	0.07			1.38			0.14		
T00	0.05 UniqueID			0.81 UniqueID			0.20 UniqueID		
ICC	0.40			0.37			0.59		
N	814 UniqueID			814 UniqueID			814 UniqueID		
Observations	4020			4020			4020		
Marginal R ² / Conditional R ²	0.092 / 0.455			0.126 / 0.451			0.213 / 0.678		

Note: Coefficients are unstandardised.

7.5.6. Analysis 3: Interactions between problem gambling status and direct messages

In the third analysis, we investigated potential interactions between problem gambling status and the receipt of direct messages (DMs) from wagering operators (WO), paid tipsters (PT), and free information services (FI). This analysis aimed to examine whether individuals with moderate risk/problem gambling (MR/PG) status are more responsive to wagering direct messages than other gamblers.

Table 7.5 presents the results of this interaction analysis. The receipt of any WO DMs was significantly associated with an increase in both the number of bets placed ($B = 0.15$, $CI [0.12, 0.19]$, $p < 0.001$), the amount spent on gambling ($B = 0.61$, $CI [0.47, 0.75]$, $p < 0.001$), and short-term harms ($B = 0.05$, $CI [0.00, 0.10]$, $p = 0.043$). Moreover, this interaction had a significant effect on the amount spent when

considering the MR/PG status ($B = 0.22$, CI [0.02, 0.42], $p = 0.034$), suggesting that MR/PG individuals exhibit heightened spending in response to WO DMs. This interaction also had a significant effect on short-term harms when considering MR/PG status ($B = 0.17$, CI [0.11, 0.24], $p < 0.001$).

For FI DMs, a significant main effect was observed on the number of bets placed ($B = 0.09$, CI [0.03, 0.15], $p = 0.005$) and the amount spent ($B = 0.47$, CI [0.21, 0.74], $p < 0.001$), indicating that these messages contribute to increased gambling activity and expenditure overall. However, no significant effects or interaction effects with MR/PG status were found for PT and FI DMs in relation to any of the outcome variables.

The MR/PG status was a significant predictor of increased betting behaviour and expenditure (gender and age also included but not shown for brevity), and it also had a significant main effect on short-term harms ($B = 0.34$, CI [0.26, 0.42], $p < 0.001$), underscoring its strong relationship with all three gambling outcomes.

These results demonstrate significant main effects of receiving *any* DMs from WOs and FIs but not PTs on gambling behaviours, with certain interactions indicating that MR/PG individuals may respond differently to messages, particularly from wagering operators, in terms of expenditure and short-term harms.

Table 7.5. Interactions between problem gambling status and receiving direct messages on betting, expenditure and short-term harms

<i>Predictors</i>	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.30	0.26 – 0.35	<0.001	1.15	0.96 – 1.35	<0.001	0.06	-0.03 – 0.15	0.158
MR/PG	0.04	0.00 – 0.09	0.044	0.43	0.25 – 0.61	<0.001	0.34	0.26 – 0.42	<0.001
Have PT Acct.	0.04	-0.05 – 0.13	0.361	0.20	-0.17 – 0.58	0.287	0.07	-0.08 – 0.22	0.383
Have FI Acct.	0.01	-0.04 – 0.05	0.807	0.01	-0.15 – 0.18	0.881	-0.02	-0.10 – 0.05	0.566
Any WO DMs Rec.	0.15	0.12 – 0.19	<0.001	0.61	0.47 – 0.75	<0.001	0.05	0.00 – 0.10	0.043
Any PT DMs Rec.	0.11	-0.05 – 0.27	0.171	0.58	-0.10 – 1.26	0.094	0.08	-0.18 – 0.34	0.550
Any FI DMs Rec.	0.09	0.03 – 0.15	0.005	0.47	0.21 – 0.74	<0.001	0.08	-0.01 – 0.17	0.087
MR/PG × Any WO DMs Rec	0.03	-0.02 – 0.07	0.267	0.22	0.02 – 0.42	0.034	0.17	0.11 – 0.24	<0.001
MR/PG × Any PT DMs Rec.	-0.08	-0.24 – 0.09	0.355	-0.31	-1.00 – 0.37	0.371	0.13	-0.14 – 0.40	0.337
MR/PG × Any FI DMs Rec.	-0.03	-0.11 – 0.05	0.488	-0.25	-0.59 – 0.09	0.146	0.10	-0.02 – 0.21	0.107
Random Effects									
σ^2	0.07			1.35			0.14		
T ₀₀	0.05 UniqueID			0.76 UniqueID			0.19 UniqueID		
ICC	0.39			0.36			0.59		
N	814 UniqueID			814 UniqueID			814 UniqueID		
Observations	4020			4020			4020		
Marginal R ² / Conditional R ²	0.115 / 0.462			0.155 / 0.460			0.224 / 0.680		

Note: Covariates Age and Gender included in model but not reported for brevity. Coefficients are unstandardised.

7.5.7. Analysis 4: Effect of specific types of messages within each source

Analysis 4 considers the specific types of messages received (email, texts, app notifications, phone calls) from each different source of DMs: wagering operators (WO), paid tipsters (PT), and free information services (FI). The analysis is structured into three parts, each evaluating a different source of DMs.

1. **Wagering Operator (WO) Messages:** The first set of models assesses the effect of DMs received from WO on all participants across the entire dataset. This approach considers all available data since all participants had accounts with WOs.
2. **Paid Tipster (PT) Messages:** The second set of models focuses on participants who have accounts with paid tipsters. This subset analysis allows for a more targeted examination of the impact of PT messages on individuals who directly engage with these services.
3. **Free Information (FI) Services Messages:** The final set of models evaluates the effect of DMs from FI services on participants who interact with these services. Like the PT message analysis, analysis was specific to the recipients of FI messages.

Table 7.6 displays the results from the first segment of Analysis 4, which examines the effects of the number of specific types of direct messages from wagering operators (WO) on betting behaviour, expenditure, and short-term harms. The number of text messages and app notifications received from WO showed a significant positive association with the number of bets placed (Texts: $B = 0.03$, CI [0.02, 0.04], $p < 0.001$; Notifications: $B = 0.03$, CI [0.02, 0.04], $p < 0.001$) and with the amount spent on gambling (Texts: $B = 0.13$, CI [0.08, 0.17], $p < 0.001$; Notifications: $B = 0.13$, CI [0.09, 0.17], $p < 0.001$). Conversely, the number of phone calls received was negatively associated with the number of bets ($B = -0.04$, CI [-0.06, -0.03], $p < 0.001$) and the amount spent ($B = -0.18$, CI [-0.25, -0.12], $p < 0.001$). For short-term harms measured by the GHS-10, texts, e-mails, and app notifications were all significantly associated (E-mails: $B = 0.01$, CI [0.00, 0.01], $p = 0.004$; Texts: $B = 0.03$, CI [0.01, 0.05], $p < 0.001$; Notifications: $B = 0.02$, CI [0.01, 0.04], $p = 0.001$).

These findings suggest that all types of direct messages received from wagering operators have generally positive (i.e., stimulating) effects on consumption and harm, except for phone calls received.

Table 7.6. Effect of number of specific types of direct messages from wagering operators (WO) on betting, expenditure and short-term harms

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.35	0.30 – 0.40	<0.001	1.35	1.15 – 1.55	<0.001	0.07	-0.02 – 0.16	0.141
MR/PG	0.07	0.03 – 0.11	<0.001	0.59	0.44 – 0.75	<0.001	0.47	0.40 – 0.54	<0.001
Mult. Act.	0.06	0.02 – 0.10	0.002	0.32	0.16 – 0.48	<0.001	0.09	0.01 – 0.16	0.018
Female	-0.08	-0.12 – -0.04	<0.001	-0.32	-0.48 – -0.16	<0.001	0.11	0.04 – 0.19	0.002
Age 40+	0.03	-0.01 – 0.07	0.149	0.02	-0.14 – 0.18	0.835	-0.09	-0.16 – -0.01	0.023
Num. WO Emails Rec.	0.00	-0.00 – 0.01	0.248	0.01	-0.00 – 0.03	0.147	0.01	0.00 – 0.01	0.004
Num. WO Texts Rec.	0.03	0.02 – 0.04	<0.001	0.13	0.08 – 0.17	<0.001	0.03	0.01 – 0.05	<0.001
Num. WO Notifs Rec.	0.03	0.02 – 0.04	<0.001	0.13	0.09 – 0.17	<0.001	0.02	0.01 – 0.04	0.001
Num. WO Calls Rec.	-0.04	-0.06 – -0.03	<0.001	-0.18	-0.25 – -0.12	<0.001	-0.02	-0.04 – 0.00	0.076
Random Effects									
σ^2	0.07			1.38			0.14		
T00	0.05 UniqueID			0.86 UniqueID			0.21 UniqueID		
ICC	0.41			0.38			0.61		
N	814 UniqueID			814 UniqueID			814 UniqueID		
Observations	4020			4020			4020		
Marginal R ² / Conditional R ²	0.069 / 0.447			0.102 / 0.446			0.193 / 0.681		

Note: Coefficients are unstandardised.

Table 7.7 presents the effects of the number of specific types of direct messages from paid tipsters (PT) on gambling behaviours, with a focus on a subset of participants who have accounts with PT. For the number of bets placed, the receipt of PT emails was significantly associated with an increase ($B = 0.03$, CI [0.01, 0.06], $p = 0.009$). Similarly, app notifications received from PT showed a positive relationship with the number of bets ($B = 0.02$, CI [0.00, 0.03], $p = 0.047$). Looking at the amount spent on gambling, PT emails again were significantly associated with increased spending ($B = 0.18$, CI [0.06, 0.29], $p = 0.004$). However, no significant associations were found with the other types of PT messages (emails, texts, app notifications and phone calls). In terms of short-term harms as measured by GHS-10, there were no significant associations with any specific type of PT message received.

A total of 330 observations from 73 participants with PT accounts were included in this analysis, which is substantially smaller than the full dataset, which reduced the power to detect effects.

Table 7.7. Effect of number of specific types of direct messages from paid tipsters (PT) on betting, expenditure and short-term harms

<i>Predictors</i>	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.54	0.34 – 0.74	<0.001	2.05	1.12 – 2.99	<0.001	-0.03	-0.61 – 0.55	0.920
MR/PG	0.03	-0.11 – 0.17	0.709	0.14	-0.50 – 0.78	0.668	0.66	0.26 – 1.07	0.001
Mult. Act.	0.08	-0.05 – 0.21	0.239	0.67	0.06 – 1.27	0.030	0.31	-0.08 – 0.69	0.115
Female	-0.15	-0.25 – -0.05	0.003	-0.46	-0.92 – -0.00	0.050	0.14	-0.15 – 0.43	0.343
Age 40+	-0.06	-0.17 – 0.04	0.233	-0.19	-0.66 – 0.29	0.443	-0.26	-0.56 – 0.04	0.086
Num. PT Emails Rec.	0.03	0.01 – 0.06	0.009	0.18	0.06 – 0.29	0.004	0.04	-0.01 – 0.08	0.154
Num. PT Texts Rec.	0.00	-0.02 – 0.03	0.759	0.04	-0.10 – 0.18	0.584	0.02	-0.03 – 0.08	0.438
Num. PT Notifs Rec.	0.02	0.00 – 0.03	0.047	0.03	-0.04 – 0.11	0.370	0.01	-0.02 – 0.05	0.486
Num. PT Calls Rec.	-0.01	-0.07 – 0.04	0.636	-0.06	-0.36 – 0.24	0.714	0.05	-0.07 – 0.17	0.442
Random Effects									
σ^2	0.06			1.71			0.22		
T00	0.03 UniqueID			0.46 UniqueID			0.30 UniqueID		
ICC	0.30			0.21			0.57		
N	73 UniqueID			73 UniqueID			73 UniqueID		
Observations	330			330			330		
Marginal R ² / Conditional R ²	0.118 / 0.381			0.097 / 0.288			0.205 / 0.661		

Note: Coefficients are unstandardised.

Table 7.8 illustrates the impact of the number of specific types of direct messages from free information providers (FI) on betting behaviours.

Regarding the number of bets, the findings were not significant for all FI message types, indicating no strong association with the frequency of betting. For short-term harms, only FI text messages showed a significant association, with an increase in reported harms associated with receiving more texts ($B = 0.03$, $CI [0.01, 0.06]$, $p = 0.015$).

The subset was substantially smaller than the full dataset (1,393 observations from 274 participants) being limited to players with FI accounts, which limited the power of the analysis to detect effects.

Table 7.8. Effect of number of specific types of direct messages from free betting info services (FI) on betting, expenditure and short-term harms

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.44	0.35 – 0.53	<0.001	1.67	1.30 – 2.04	<0.001	0.11	-0.06 – 0.28	0.188
MR/PG	0.08	0.01 – 0.14	0.018	0.57	0.30 – 0.85	<0.001	0.61	0.48 – 0.73	<0.001
Mult. Act.	0.05	-0.02 – 0.12	0.161	0.31	0.02 – 0.61	0.036	0.01	-0.13 – 0.15	0.884
Female	-0.07	-0.13 – -0.00	0.038	-0.26	-0.54 – 0.02	0.068	0.13	0.00 – 0.26	0.049
Age 40+	-0.03	-0.10 – 0.03	0.305	-0.16	-0.45 – 0.12	0.263	-0.11	-0.24 – 0.02	0.093
Num. FI Emails Rec.	0.01	-0.01 – 0.03	0.484	0.06	-0.03 – 0.14	0.197	0.00	-0.02 – 0.03	0.795
Num. FI Texts Rec.	-0.00	-0.02 – 0.02	0.994	-0.04	-0.12 – 0.05	0.372	0.03	0.01 – 0.06	0.015
Num. FI Notifs Rec.	0.02	-0.00 – 0.04	0.053	0.08	-0.00 – 0.15	0.059	-0.01	-0.04 – 0.02	0.457
Num. FI Calls Rec.	-0.01	-0.03 – 0.01	0.163	-0.05	-0.13 – 0.04	0.254	-0.01	-0.04 – 0.02	0.532
Random Effects									
σ^2	0.08			1.54			0.16		
T00	0.05 UniqueID			0.85 UniqueID			0.22 UniqueID		
ICC	0.36			0.36			0.58		
N	274 UniqueID			274 UniqueID			274 UniqueID		
Observations	1393			1393			1393		
Marginal R ² / Conditional R ²	0.037 / 0.381			0.067 / 0.399			0.234 / 0.680		

Note: Coefficients are unstandardised.

7.5.8. Analysis 5: Effect of type of inducement on gambling behaviours among individuals who have taken up an inducement to bet

Table 7.9 assesses the effects of specific inducements on gambling behaviours among individuals who have taken up an inducement to bet (regardless of whether they saw the inducement advertised through a wagering operator, paid tipster or free betting info service). This analysis also involved a subset of the data, based on 2,475 time periods where inducements were taken up by 712 individuals.

The analysis indicates significant relationships between certain types of inducements and increases in the number of bets and the amount spent. Matched stake inducements, which match the stake of the bettor, show a positive association with both the number of bets ($B = 0.04$, CI [0.03, 0.05], $p < 0.001$) and the amount spent ($B = 0.19$, CI [0.12, 0.25], $p < 0.001$). Similarly, multi-bet inducements are related to increases in betting activity ($B = 0.04$, CI [0.03, 0.05], $p < 0.001$) and expenditure ($B = 0.14$, CI [0.07, 0.20], $p < 0.001$). Other inducements, such as bonus odds and

refunds, are also positively associated with spending (Bonus Odds: $B = 0.17$, CI [0.11, 0.23], $p < 0.001$; Refund: $B = 0.10$, CI [0.02, 0.18], $p = 0.012$), and number of bets (Bonus Odds: $B = 0.04$, CI [0.03, 0.05], $p < 0.001$; Refund: $B = 0.04$, CI [0.03, 0.06], $p < 0.001$).

In terms of short-term harms, multi-bet inducements show a significant relationship with an increase in reported harms ($B = 0.08$, CI [0.04, 0.13], $p < 0.001$), as do match stake inducements ($B = 0.13$, CI [0.08, 0.18], $p < 0.001$). A significant association with harm was also observed for the Happy Hour inducement ($B = 0.10$, CI [0.03, 0.17], $p = 0.008$).

Overall, matched stake and multi-bet inducements showed the most consistent effects across all outcomes.

Table 7.9. Effect of specific inducements on betting, expenditure and short-term harms among those who took up an inducement to bet

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.64	0.61 – 0.66	<0.001	2.42	2.28 – 2.56	<0.001	0.04	-0.07 – 0.15	0.462
MR/PG	-0.01	-0.03 – 0.01	0.217	0.39	0.28 – 0.50	<0.001	0.55	0.46 – 0.63	<0.001
Mult. Act.	0.01	-0.01 – 0.03	0.441	0.23	0.12 – 0.34	<0.001	0.09	0.01 – 0.18	0.028
Female	-0.03	-0.05 – -0.01	0.011	-0.11	-0.23 – -0.00	0.044	0.22	0.13 – 0.30	<0.001
Age 40+	0.05	0.03 – 0.08	<0.001	0.09	-0.02 – 0.20	0.122	-0.06	-0.15 – 0.02	0.165
<i>Inducements</i>									
Sign Up	0.00	-0.02 – 0.02	0.912	0.08	-0.03 – 0.19	0.162	0.07	-0.01 – 0.15	0.092
Refer Friend	-0.01	-0.04 – 0.01	0.294	-0.08	-0.20 – 0.05	0.235	0.08	-0.02 – 0.17	0.104
Match Stake	0.04	0.03 – 0.05	<0.001	0.19	0.12 – 0.25	<0.001	0.13	0.08 – 0.18	<0.001
MultiBet	0.04	0.03 – 0.05	<0.001	0.14	0.07 – 0.20	<0.001	0.08	0.04 – 0.13	<0.001
Bonus Odds	0.04	0.03 – 0.05	<0.001	0.17	0.11 – 0.23	<0.001	0.03	-0.01 – 0.08	0.152
Refund	0.04	0.03 – 0.06	<0.001	0.10	0.02 – 0.18	0.012	0.02	-0.03 – 0.08	0.433
Cash Out	0.00	-0.01 – 0.02	0.815	-0.02	-0.11 – 0.07	0.661	-0.06	-0.13 – 0.00	0.052
Happy Hour	0.01	-0.01 – 0.02	0.483	0.09	-0.01 – 0.19	0.067	0.10	0.03 – 0.17	0.008
Rewards	-0.01	-0.03 – 0.01	0.417	-0.10	-0.22 – 0.02	0.091	0.01	-0.07 – 0.09	0.830
Other	-0.01	-0.04 – 0.01	0.317	-0.25	-0.41 – -0.10	0.002	-0.05	-0.16 – 0.06	0.384
Random Effects									
σ^2	0.01			0.25			0.13		
T ₀₀	0.01 UniqueID			0.41 UniqueID			0.24 UniqueID		
ICC	0.64			0.62			0.64		
N	712 UniqueID			712 UniqueID			712 UniqueID		
Observations	2475			2475			2475		
Marginal R ² / Conditional R ²	0.105 / 0.674			0.128 / 0.670			0.258 / 0.735		

Note: Coefficients are unstandardised.

7.5.9. Analysis 6: Effect of message customisation

Participants who received messages in each period were asked about the degree to which the direct messages they received were customised to themselves personally ‘based on personalised knowledge about you or your betting history’. Responses were made on a three-point scale: ‘none of them’, ‘some of them’ and ‘most of them’. In order to assess whether message customisation had an effect on the gambling

outcome variances, we decided to treat this as a simple numeric (0,1,2) index. Thus, one assumption, and limitation, of this model is that ‘some of them’ would have approximately half the effect of ‘most of them’.

It is important to note that this question was only asked of individuals who received messages at a given time point. Further, only subscribers to FI services or PTs were asked, since only they were eligible to receive messages from these sources. Therefore, our models were concerned with the effect of message customisation among those who received messages from a given source. We incorporated random between subjects effects and controlled for individual differences covariates similar to previous analyses.

Table 7.10 summarises the effect of WO message customisation on betting, expenditure and short-term harms among 615 participants who received messages on 1917 occasions. We observed a significant effect on all outcome variables, being associated with increasing number of bets, amount spent, and short-term harms at the .05 level. The effect was strongest in terms of variance explained on harms, with a marginal R^2 of 19.7% and conditional R^2 of 67.8%.

Table 7.10. Effect of wagering operator message customisation on betting, expenditure and short-term harms

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.43	0.37 – 0.49	<0.001	1.64	1.36 – 1.92	<0.001	0.06	-0.08 – 0.20	0.381
MR/PG	0.06	0.02 – 0.10	0.005	0.57	0.39 – 0.75	<0.001	0.54	0.44 – 0.63	<0.001
Mult. Act.	0.08	0.04 – 0.13	<0.001	0.41	0.23 – 0.60	<0.001	0.14	0.04 – 0.23	0.005
Female	-0.07	-0.11 – -0.03	0.001	-0.31	-0.49 – -0.13	0.001	0.14	0.04 – 0.23	0.005
Age 40+	0.01	-0.03 – 0.06	0.506	-0.08	-0.26 – 0.11	0.422	-0.14	-0.23 – -0.04	0.006
WO message customisation	0.02	0.00 – 0.04	0.021	0.14	0.05 – 0.22	0.002	0.05	0.02 – 0.09	0.003
Random Effects									
σ^2	0.07			1.31			0.17		
T00	0.04 UniqueID			0.67 UniqueID			0.25 UniqueID		
ICC	0.36			0.34			0.60		
N	615 UniqueID			615 UniqueID			615 UniqueID		
Observations	1917			1917			1917		
Marginal R^2 / Conditional R^2	0.041 / 0.384			0.082 / 0.394			0.197 / 0.678		

Note: Coefficients are unstandardised.

Table 7.11 summarises the effect of PT message customisation among the 64 participants who received messages on 225 time points in the study. We observed a significant effect only on number of bets and harms, being associated with increased

number of bets and increased harm among these participants. The effect was strongest in terms of variance explained on harms, with a marginal R^2 of 21.2% and conditional R^2 of 62.8%.

Table 7.11. Effect of paid tipster message customisation on betting, expenditure and short-term harms among those who received direct messages from paid tipsters

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.55	0.32 – 0.79	<0.001	1.93	0.84 – 3.01	0.001	-0.22	-0.87 – 0.44	0.510
MR/PG	0.01	-0.13 – 0.15	0.903	0.29	-0.33 – 0.92	0.355	0.74	0.33 – 1.14	<0.001
Mult. Act.	0.02	-0.12 – 0.15	0.800	0.50	-0.10 – 1.11	0.100	0.28	-0.11 – 0.68	0.158
Female	-0.12	-0.22 – -0.01	0.032	-0.34	-0.82 – 0.15	0.170	0.11	-0.20 – 0.42	0.483
Age 40+	-0.02	-0.13 – 0.09	0.740	0.01	-0.51 – 0.53	0.965	-0.14	-0.46 – 0.19	0.406
PT message customisation	0.06	0.01 – 0.12	0.031	0.26	-0.02 – 0.54	0.070	0.16	0.03 – 0.29	0.014
Random Effects									
σ^2	0.05			1.60			0.24		
T ₀₀	0.02 UniqueID			0.33 UniqueID			0.27 UniqueID		
ICC	0.30			0.17			0.53		
N	64 UniqueID			64 UniqueID			64 UniqueID		
Observations	225			225			225		
Marginal R^2 / Conditional R^2	0.063 / 0.345			0.052 / 0.214			0.212 / 0.628		

Note: Coefficients are unstandardised.

Finally, Table 7.12 summarises the effect of FI message customisation among 172 participants who received messages on 491 occasions. We observed a significant effect only on spend and harms, being associated with increased spend and increased harm among these participants. The effect was strongest in terms of variance explained on harms, with a marginal R^2 of 23.0% and conditional R^2 of 71.5%.

Table 7.12. Effect of free information service message customisation on betting, expenditure and short-term harms among those who received direct messages from free information services

	Number of Bets			Amount Spent			Short-term Harms (GHS-10)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.53	0.40 – 0.67	<0.001	1.96	1.38 – 2.54	<0.001	0.02	-0.30 – 0.34	0.915
MR/PG	0.05	-0.03 – 0.13	0.232	0.34	-0.01 – 0.69	0.057	0.67	0.47 – 0.88	<0.001
Mult. Act.	0.05	-0.03 – 0.14	0.207	0.32	-0.04 – 0.69	0.085	0.07	-0.15 – 0.28	0.542
Female	-0.05	-0.13 – 0.03	0.208	-0.13	-0.48 – 0.21	0.451	0.21	0.01 – 0.41	0.040
Age 40+	-0.04	-0.12 – 0.04	0.309	-0.21	-0.57 – 0.14	0.243	-0.08	-0.29 – 0.13	0.462
FI message customisation	0.02	-0.02 – 0.06	0.255	0.21	0.05 – 0.37	0.012	0.09	0.01 – 0.16	0.019
Random Effects									
σ^2	0.06			1.09			0.18		
T00	0.04 UniqueID			0.67 UniqueID			0.31 UniqueID		
ICC	0.39			0.38			0.63		
N	172 UniqueID			172 UniqueID			172 UniqueID		
Observations	491			491			491		
Marginal R ² / Conditional R ²	0.030 / 0.405			0.061 / 0.419			0.230 / 0.715		

Note: Coefficients are unstandardised.

7.6. Chapter summary

This chapter has reported on 3 sets of analyses from the ecological momentary assessment (EMA) component of this study.

7.6.1. Cross-sectional results from the baseline survey

The baseline survey captured self-report data about the last 12 months from 1,015 at-least fortnightly online sports and/or race bettors.

Amongst the overall sample:

- Bonus or better odds/winnings, multi-bet offers, refund/stake-back offers, and match your stake/deposit offers were the most used inducements.
- All participants used wagering operators (WOs), 37.7% used free betting info services (FIs), and 10.8% used paid tipsters (PTs).
- Participants more often saw advertising for WOs than for PTs and FIs.
- Participants received DMs from WOs and PTs about weekly or fortnightly, and from FIs about monthly.

- ‘Some’ to ‘most’ DMs received from WOs promoted an inducement. PTs and FIs were slightly less likely to promote inducements.
- DMs from PTs were slightly more likely to be customised, compared to those from WOs and FIs.
- DMs from PTs and FIs were more likely to prompt betting than DMs from WOs. ‘About half’ of emails from PTs and FIs prompted participants to place bets, especially amongst participants in the moderate risk/problem gambling group (MR/PGs).
- The most frequent influences from DMs were to place an unplanned bet, place more bets, place impulsive bets, take up an inducement, and be reminded or triggered to bet.
- Participants who used PTs reported ‘most’ to ‘almost all’ their bets were influenced by PT information, particularly betting tips. Race day reviews, betting promotions, odds comparisons, sports reviews, recommended wagering operators, racing and sports news items, and discussions in online betting communities influenced at least ‘most’ of their bets.
- Participants clicked on links from PTs to WO sites fortnightly or monthly, and less frequently from FIs. Information from a PT or FI could also prompt them to directly access WO sites.
- Participants generally agreed they check whether a PT or FI they use discloses if they are paid by a WO. However, they were neutral or slightly disagreed that they trust these services to disclose their commercial affiliations, and only slightly agreed they could tell if an affiliation exists.

Younger participants, MR/PGs, and those with multiple betting accounts reported:

- more frequent use of inducements
- more agreement that inducements are useful
- greater misunderstanding of some aspects of inducements
- more use of PTs and FIs
- more exposure to advertising for PTs and FIs
- more exposure to digital wagering advertising
- more frequently receiving DMs from all three types of services
- being more frequently influenced by DMs
- being more frequently influenced by information from PTs and FIs
- more frequently clicking on links from PTs and FIs to WO sites and directly accessing a WO based on information from these services
- more agreement that PTs and FIs make betting safer.

7.6.2. Content analysis of direct messages

In total, 678 DMs were received from 125 participants. Not all participants who received DMs forwarded them to us and participants may not have forwarded all DMs they received. Accordingly, the sample of DMs analysed may not be

representative of those actually sent to participants during the EMA, but still provide an insight into marketing that is otherwise only visible to the recipient.

- Most DMs were from wagering operators (82.9%), followed by free betting info services (14.3%) and a small proportion from paid tipsters (2.8%).
- A little over half the DMs were emails (55.0%), 24.9% were texts, and 20.1% were app notifications.
- Half the DMs contained an inducement (50.3%). Most other content comprised announcements about BetStop, engagement polls, betting tips, and customised reminders.
- The main inducements offered were refund/stake back offers (59.8%), multi-bet offers (47.4%) and bonus/better odds (20.8%). Matching stake/deposit and bonus/better winnings each comprised around 11% of the inducements offered.
- Inducements were most often incentivised with bonus bets (95.1%), better odds/winning (30.1%) and bonus cash (15.0%) (some inducements offered multiple incentives).
- Most DMs contained a responsible gambling message (85.5%), information about terms and conditions (64.7%) and an opt-out feature (90.3%). Just over one-third (35.8%) contained a link to the BetStop self-exclusion register which was being rolled out during the EMA period.

7.6.3. Longitudinal analysis of the 7 short EMA surveys

The longitudinal analysis of the short EMA surveys drew on 4,020 observations, each relating to a 48-hour assessment period (7 waves x an average of 574 participants per wave). We assessed associations between exposure to various aspects of direct messages (DMs) and the gambling outcome variables of 1) number of bets placed, 2) betting expenditure and 3) short-term betting-related harm. The dataset related to DMs received from wagering operators (WOs), paid tipsters (PTs) and free betting info services (FIs). While all participants had accounts with WOs, only a minority used PT and FI services which reduced the power to detect effects for DMs from PTs and FIs.

Individual differences:

- Moderate risk/problem gambling status (MR/PG), male gender, having a PT account, having multiple betting accounts, and being younger (<40) each independently predicted one or more of the 3 gambling outcomes.

Effect of number of direct messages (DMs) received from WOs, PTs and FIs:

- For each additional DM received from WOs, the number of bets placed, betting expenditure, and betting-related harm significantly increased. Harm also increased in line with DMs from FIs. No associations were found for DMs received from PTs, but there was limited power to detect effects.

Interactions between problem gambling status and direct messages:

- DMs from WOs were particularly associated with increased betting expenditure and increased betting-related harm amongst MRs/PGs.

Effect of wagering direct messages from any source by channel:

- For each additional email, text and app notification (but not phone call) received from *any* source (WOs, PTs, FIs), the number of bets placed, betting expenditure, and betting-related harm significantly increased.

Effect of types of direct messages by source:

- Most types of DMs received from WOs, whether through emails, texts or app notifications (but not phone calls), had stimulating effects on betting consumption and harm.
- Number of bets and betting expenditure increased with the number of emails from PTs. Number of bets increased with the number of app notifications from PTs.
- Betting-related harm increased with the number of texts received from FIs.

Effect of taking up inducements:

- Taking up match your stake/deposit offers and multi-bet inducements was associated with placing more bets, higher betting expenditure and more betting-related harm. Taking up bonus odds/winning and refund offers were associated with placing more bets and higher betting expenditure.

Effect of message customisation:

- Customisation of WO messages was associated with placing more bets, higher betting, and more betting-related harm.
- Customisation of PT and FI messages were associated with 2 of the 3 gambling outcomes, including increased betting-related harm.

Chapter 8. Experimental study

Summary

- An experimental study was conducted as part of the ecological momentary assessment (EMA) study.
- The experiment involved only participants who indicated they were willing to opt-out of receiving direct messages from wagering operators for the two-week EMA period.
- Only the test group (n = 99), but not the control group (n = 150), was asked to actually opt-out and they provided proof of having done so.
- On average over the two-week EMA period, participants who had opted-out of receiving direct messages from wagering operators placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who had not opted out.

8.1. Introduction

This chapter reports on the methods and results for an experimental study that was conducted as part of the ecological momentary assessment (EMA) study. It informs the first research aim of the study, to identify any causal relationships between receiving wagering direct messages, experiences of gambling-related harm.

8.2. Methods

8.2.1. Experimental design

The baseline survey invited up to 400 participants to take part in an experimental component of the EMA study. Please see Chapter 7 for details about recruitment, survey measures and survey administration for the EMA study.

The baseline EMA survey informed participants that the experiment involved possibly being asked to opt out of direct marketing from all the wagering operators they had an account with for the two-week EMA period. Participants who indicated they were willing to opt-out were offered additional compensation (Table E.2). Participants who were willing to opt-out were randomly allocated to either the test or control group, using stratified randomisation incorporating PGSI (non-problem and low-risk vs moderate-risk and problem gambling), age (18 to 35 vs 36+) and gender (male vs female vs other) to ensure that the test and control groups were approximately similar on these variables. Sixty percent were randomly allocated to the test group and 40% to the control group, to allow for expected attrition from the test group by those who did not proceed to opt out of direct marketing when asked to do so (see below).

At the end of the baseline survey, the test group was then asked to opt-out and to send proof that they had done so to either the project email address or the project mobile telephone number. Follow-up requests for proof were sent prior to the launch of the first EMA, and at the start of the first EMA.

Our agreed target with Gambling Research Australia for the experiment was $N = 200$, although the survey allowed for up to $N = 400$ in case recruitment proved to be easier than expected. In total, we recruited $n = 99$ in the test group who opted out of receiving wagering direct messages and sent proof to us. The remainder of participants who were assigned to the test group did not send this proof and were removed from the experiment. We recruited $n = 150$ in the control group. These were participants who indicated they were willing to opt out but were not asked to actually do so.

Accordingly, the experiment involved only participants who indicated they were willing to opt-out of receiving direct messages from wagering operators, but only the test group was asked to opt-out and provided proof of having done so.

It is important to note that we did not require the experimental group to opt out of direct messaging from affiliate marketing services because this was not an aim or objective of the study. While this might be considered a limitation of the design, it was not necessary for people to receive zero direct messages, but rather to make a distinction between “high” and “low” receipt of direct messages in order to observe an effect of direct messages on betting.

8.2.2. Analysis

8.2.2.1. Repeated measurements

Data from all waves was organised into ‘long’ format for analysis of repeated measures. For all analyses, a random factor ‘UniqueID’ was used to identify repeated measures on participants over each wave. We employed linear mixed effects (LME) regression models for analysis, using the *lme* package in the R statistical programming environment. For all models, we employed a random intercept by participant, which partials out variance attributable to individual differences. We also attempted to employ a random slope for instrumental variables by wave, which accounts for heterogeneity in effect size over time. However, numerical issues led to non-convergence of many models. However, in cases where models with random slopes did converge, there was strong consistency between the estimated regression coefficients of the fixed effects, which were our primary interest. Accordingly for consistency, for the observational analyses, we reported models incorporating only a random intercept. However, for the key experimental analysis, we also report the model with a random slope for wave.

8.2.2.2. Dependent variables

Positive responses on the GHS-10 were added to create a sum score from 0 to 10. We originally tentatively planned to calculate and analyse ‘excessive spend’, based on two approaches. First, at time $t-1$, we asked participants to estimate how much they planned to spend or bet in the subsequent period. We then calculated the difference with actual spend/bet, as reported at time t . Second, we asked participants at the next survey, time t , directly what percentage of their spend was made on impulse and multiplied this proportion by their total spend. In preliminary analyses we calculated the correlation between these two approaches, finding a correlation of -0.12. This lack of consistency between the two measures was also apparent in finding that neither was correlated with problem gambling status, which

we would expect to be positively associated with excessive or impulse betting. Accordingly, we concluded that these constructed variables were unreliable, and did not analyse them further.

Our key outcome variables were 1) number of bets made, 2) amount of money spent, and 3) short-term harms over the last 48 hours (GHS-10). All three of these variables were highly non-normal, characterised by zero-inflation (i.e., more zeroes than expected by standard error distributions) and overdispersion (i.e., a long positive tail, or positive skew). Methods for custom error distributions are limited within an LME framework. Accordingly, we opted to transform the outcome variables so as to stabilise the residuals, as indicated by standard regression assumption checking; principally via inspecting the Q-Q plots of fitted models. Specifically, we employed the Yeo-Johnson extension to the Box-Cox power transformation, which has a tuneable parameter λ . We were able to achieve residuals that conformed strongly with a normal assumption, using $\lambda = -1$ for number of bets, and $\lambda = -0.1$ for spend and GHS-10 scores. The transformation yields significant advantages in ensuring that hypothesis testing is robust, and inference is not affected by violations of the assumption of normally distributed residuals. The principal disadvantage of transformation of the dependent variable is that beta coefficients can no longer be interpreted on the original scale of measurement. Accordingly, we calculate 90% trimmed means (i.e., excluding extreme outliers) for key variables of interest.

8.3. Results

8.3.1. Experimental intervention

Initial model testing confirmed that the key dependent variables, e.g., number of bets made, were both zero-inflated and over-dispersed. To check the robustness of our results, for each dependent variable, we report three linear mixed effects (LME) models, in increasing order of complexity:

1. $DV \sim \text{Experiment} + (1 \mid \text{UniqueID})$
2. $DV \sim \text{Experiment} * \text{Wave} + (1 \mid \text{UniqueID})$
3. $DV \sim \text{Experiment} * \text{Wave} + (\text{Wave} \mid \text{UniqueID})$.

In simpler terms, these models involved:

1. A main effect for experimental condition and a random intercept for participants
2. The above (1), plus a main effect and interaction for wave
3. The above (2), plus a random slope for wave which could be correlated with the random intercept.

Thus, the first model fits only a mean difference between experimental and control conditions and mean individual differences; the second model additionally allows for a linear time effect that could be different for each group; and the third model additionally allows for random variability in the gradient of the time effect across participants. Note that wave is classified as a continuous variable.

8.3.2. Number of bets

The (trimmed) mean number of bets in the control condition was 1.78 and the mean number of bets in the test condition was 1.37, a decrease of 23%. That is, on average those who had opted-out of direct messages from wagering operators placed 23% fewer bets than those who had not opted out.

Table 8.1 summarises the LME models, which showed a consistent significant and robust effect on the experimental treatment (opting-out) in reducing the number of reported bets. The treatment effect was statistically significant in all model specifications. Figure 8.1 illustrates the change in mean number of bets for each group over time. The number of bets placed also reflects the timing of each EMA, with both the test and control groups betting more in the lead-up to and during the weekends (see Table 7.1 for EMA days and dates).

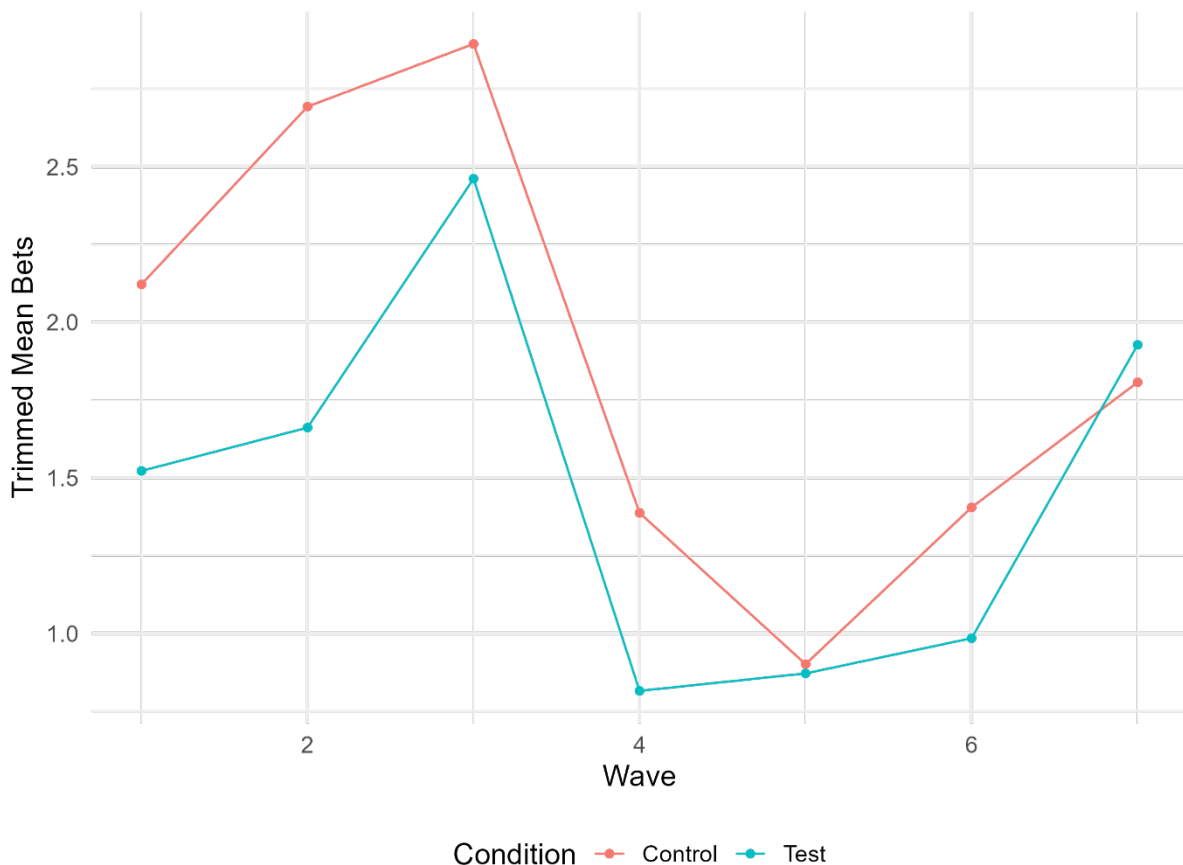


Figure 8.1. Mean number of bets for the control and test groups over time.

Table 8.1. Models investigating the effect of experimental intervention on number of bets (Yeo-Johnson transformed with lambda = -1)

	Model (1)			Model (2)			Model (3)		
Predictors	B	CI	p	B	CI	p	B	CI	p
(Intercept)	0.56	0.50 – 0.62	<0.001	0.67	0.59 – 0.75	<0.001	0.67	0.59 – 0.76	<0.001
Exp. [Test]	-0.11	-0.20 – -0.03	0.011	-0.20	-0.31 – -0.08	0.001	-0.19	-0.32 – -0.07	0.002
Wave				-0.03	-0.04 – -0.02	<0.001	-0.03	-0.04 – -0.01	<0.001
Exp. [Test] × Wave				0.02	0.00 – 0.04	0.035	0.02	-0.00 – 0.04	0.060
Random Effects									
σ^2	0.12			0.12			0.11		
T ₀₀	0.09 UniqueID			0.09 UniqueID			0.11 UniqueID		
T ₁₁							0.00 UniqueID.Wave		
ρ_{01}							-0.48 UniqueID		
ICC	0.42			0.43			0.46		
N	227 UniqueID			227 UniqueID			227 UniqueID		
Obs.	1282			1282			1282		
Marg.R ² / Cond.R ²	0.016 / 0.433			0.024 / 0.440			0.024 / 0.468		

Note: Coefficients are unstandardised.

8.3.3. Spend

The mean spend amount in the control condition was \$26.50 and the mean spend in the test condition was \$16.20, a decrease of 39%. That is, on average those who had opted-out of direct messages from wagering operators spent 39% less on betting than those who had not opted out.

Table 8.2 summarises the LME models, which showed a consistent significant and robust effect on the experimental treatment in reducing the amount spent in each 48-hour window. The treatment effect was statistically significant in all model specifications. Figure 8.2 illustrates the change in mean spend for each group over time. Betting expenditure also reflects the timing of each EMA, with both the test and control groups spending more in the lead-up to and during the weekends (see Table 7.1 for EMA days and dates).

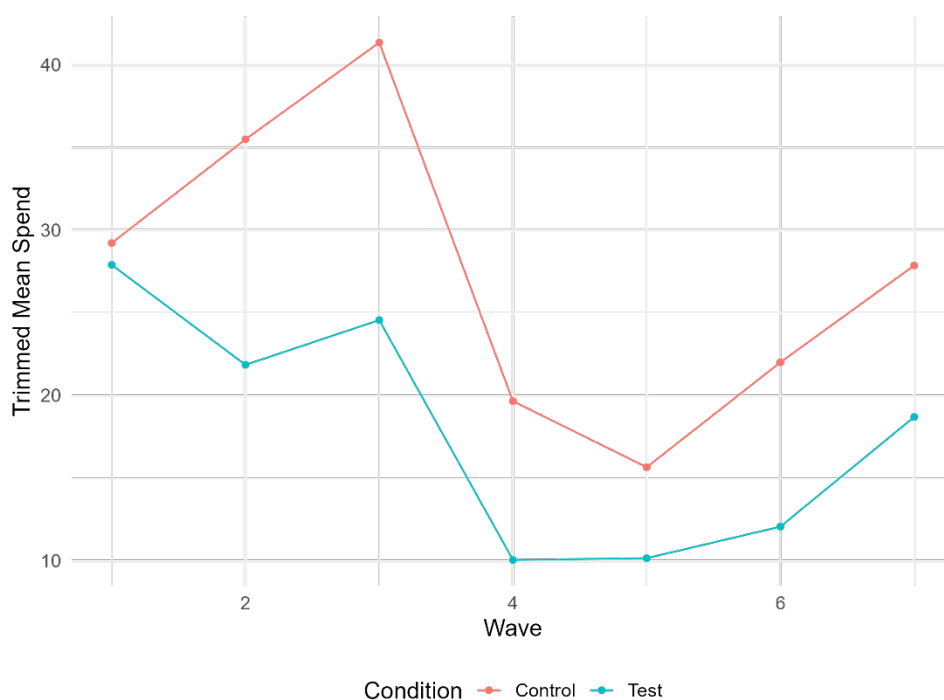


Figure 8.2. Mean spend for the control and test groups over time.

Table 8.2. Models investigating the effect of experimental intervention on spend (Yeo-Johnson transformed with lambda = -.1)

	Model (1)			Model (2)			Model (3)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	2.02	1.81 – 2.22	<0.001	2.38	2.11 – 2.65	<0.001	2.38	2.10 – 2.66	<0.001
Exp. [Test]	-0.53	-0.84 – -0.21	0.001	-0.74	-1.15 – -0.33	<0.001	-0.73	-1.16 – -0.31	0.001
Wave				-0.09	-0.14 – -0.05	<0.001	-0.09	-0.14 – -0.04	<0.001
Exp. [Test] × Wave				0.05	-0.01 – 0.12	0.109	0.05	-0.02 – 0.12	0.151
Random Effects									
σ^2	1.40			1.38			1.32		
τ_{00}	1.11 UniqueID			1.10 UniqueID			1.29 UniqueID		
τ_{11}							0.01 UniqueID.Wave		
ρ_{01}							-0.38 UniqueID		
ICC	0.44			0.45			0.47		
N	227 UniqueID			227 UniqueID			227 UniqueID		
Obs.	1262			1262			1262		
Marg. R^2 / Cond. R^2	0.027 / 0.458			0.035 / 0.465			0.035 / 0.487		

Note: Coefficients are unstandardised.

8.3.4. Harms

The mean number of short-term harms reported in the control condition was 0.77 and the mean number in the test condition was 0.254, a decrease of 67%. That is, on average those who had opted-out of direct messages from wagering operators reported 67% fewer harms from their betting than those who had not opted out.

Table 8.3 summarises the LME models, which showed a consistent significant and robust effect on the experimental treatment in reducing the number of reported harms in each 48-hour window. The treatment effect was statistically significant in all model specifications. Figure 8.3 illustrates the change in the mean number of reported harms for each group over time.

Note that the intervention had already occurred prior to Wave 1. At baseline, gambling harm was not captured, but PGSI is typically highly correlated with harm, and PGSI did not differ significantly between test and control groups (test 48.2% MR/PG vs control 55.9% MR/PG, $\chi^2(1) = .80$, $p = .372$ with Yates correction).

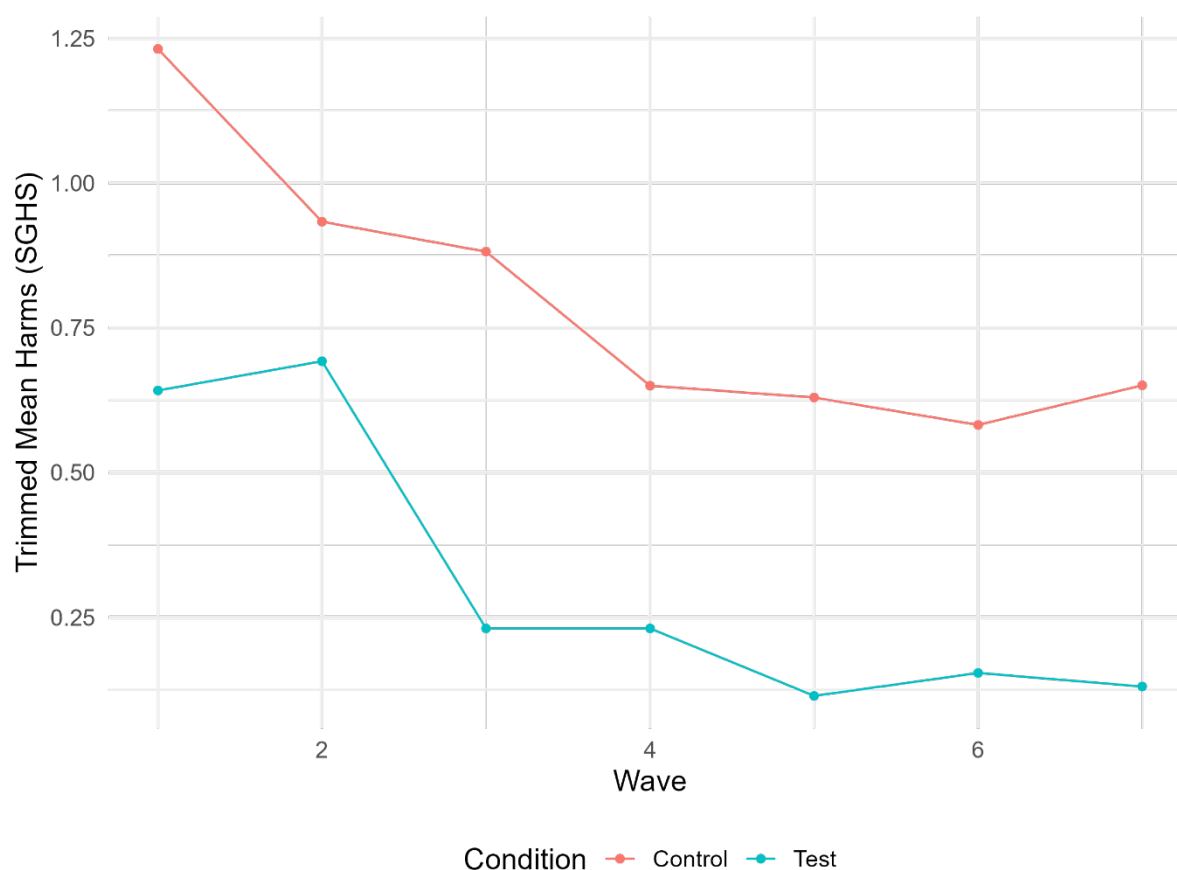


Figure 8.3. Mean number of harms for the control and test groups over time.

Table 8.3. Models investigating the effect of experimental intervention on harm (Yeo-Johnson transformed with lambda = -1)

	Model (1)			Model (2)			Model (3)		
<i>Predictors</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>	<i>B</i>	<i>CI</i>	<i>p</i>
(Intercept)	0.50	0.41 – 0.60	<0.001	0.64	0.53 – 0.75	<0.001	0.65	0.52 – 0.77	<0.001
Exp. [Test]	-0.22	-0.36 – -0.07	0.004	-0.23	-0.40 – -0.06	0.007	-0.24	-0.43 – -0.04	0.017
Wave				-0.03	-0.05 – -0.02	<0.001	-0.04	-0.05 – -0.02	<0.001
Exp. [Test] × Wave				0.00	-0.02 – 0.03	0.699	0.01	-0.02 – 0.03	0.701
Random Effects									
σ^2	0.15			0.15			0.13		
τ_{00}	0.27 UniqueID			0.27 UniqueID			0.40 UniqueID		
τ_{11}							0.00 UniqueID.Wave		
ρ_{01}							-0.61 UniqueID		
ICC	0.64			0.65			0.69		
N	227 UniqueID			227 UniqueID			227 UniqueID		
Obs.	1262			1262			1262		
Marg. R^2 / Cond. R^2	0.027 / 0.652			0.036 / 0.662			0.037 / 0.700		

Note: Coefficients are unstandardised.

8.4. Chapter summary

This chapter has reported on an experimental study involving at-least fortnightly race and/or sports bettors who indicated their willingness to opt out of receiving direct messages from the wagering operators they have an account with for the two-week EMA period. Only the test group (n = 99), but not the control group (n = 150), was asked to actually opt-out and they provided proof of having done so.

On average over the two-week EMA period, participants who had opted-out of receiving direct messages from wagering operators placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who had not opted out. These findings are discussed in Chapter 9.

Chapter 9. Discussion, conclusions and implications

Key findings

Wagering direct marketing

- The study's most important contribution is providing, for the first time, real-world experimental evidence that supports a causal relationship between exposure to wagering direct marketing and increased betting, betting expenditure and betting-related harm.
- Participants who opted-out of receiving direct messages from wagering operators during the experimental period placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who did not opt-out.
- A longitudinal analysis of 4,020 observations found that, for each additional direct message received from wagering operators, there were significant increases in: 1) the number of bets placed, 2) betting expenditure, and 3) betting-related harm.
- The study concludes that exposure to wagering direct messages and the inducements they promote directly increases betting, betting expenditure and betting-related harm.
- Banning wagering direct marketing and the inducements they routinely promote will therefore reduce betting-related harm in the Australian population.

Wagering affiliate marketing

- Numerous features of affiliate marketing increase the risk of gambling harm. Affiliate marketing: 1) is incentivised to attract new customers and maximise the losses of existing customers, 2) is very often deceptive in not disclosing affiliate links with wagering operators, 3) targets people with moderate or severe gambling problems, 4) encourages erroneous cognitions that betting success is enhanced by using 'expert' tips, 5) is reported by bettors to be particularly influential on their betting, and 6) occurs in a regulatory environment with limited capacity to monitor and sanction breaches and prevent harmful practices.
- The ease with which affiliates can establish a business, the low cost involved, the generous commissions paid, and the lack of licensing and due diligence requirements have enabled wagering affiliates to proliferate.
- To reduce gambling harm Australia, greatly improved regulation of wagering affiliate marketing – or a complete ban – is needed.

9.1. Introduction

This chapter draws on the multiple data sources analysed in this study to integrate its key findings to address the research objectives and research questions. These data sources comprise: 1) the literature review, 2) regulatory review, 3) website analysis, 4) Twitter analysis, 5) stakeholder interviews, 6) content analysis of direct messages forwarded to us by the EMA participants, 7) the EMA baseline results, 8) EMA longitudinal results, and 9) results of the experimental study.

Under each research objective and research question below, the key findings are presented in bold, followed by a summary of the supporting evidence. The chapter then presents the study's limitations, conclusions and implications.

9.2. Key findings to address the research objectives

Below, we address the research objectives articulated in the project specifications.

Research Objective 1. Describe the types of affiliate marketing business models and practices being used.

Affiliate marketing is a major marketing tool for wagering operators. It entails a performance-based marketing system where wagering operators pay third-party affiliates to direct customers to their platforms and products. Wagering affiliate marketing has grown substantially over the past decade to become a key method that wagering operators use to recruit new customers and encourage their continued betting.

Web-based and direct contact wagering affiliates employ a diversity of business models. The literature review and stakeholder interviews explained that 'web-based affiliates' operate mainly through dedicated websites and social media. They market themselves as betting experts through comparison sites, news sites, tipster services, expert reviews, and betting communities. Web-based affiliates also host advertising content for wagering operators and may sell them lists of potential customers. Some affiliates also offer paid subscriptions to customers to receive 'premium' betting information and tips. Web-based affiliates vary greatly in scale, from independent social media influencers to multinational companies offering a 'one-stop shop' for wagering schedules, results, tips, statistics and betting offers.

In contrast, 'direct contact affiliates' use face-to-face and telephone communication to leverage their existing personal contacts and to recruit new customers in sports and social settings, such as TAB outlets, racetracks, live sports matches, sports clubs and teams. Direct contact affiliates often have a history or establish a relationship with these customers, and may play a role in managing them through the life of their account with the operator.

Wagering affiliates are heavily incentivised to recruit bettors and encourage betting losses. The literature review and stakeholder interviews found that, compared to other sectors, wagering operators offer remarkably high affiliate commission rates. Using the most popular payment model, Revenue Share (RevShare) or 'trailing commissions', operators typically pay affiliates 25%-40% of the lifetime losses of each referred customer. Alternative payment models, Cost per Lead (CPL) and Cost per Acquisition (CPA), pay affiliates when the referral registers

on the betting site or makes their first deposit, respectively. Hybrid arrangements of RevShare + CPL increase the commission percentage as referrals increase.

These models incentivise affiliates to continually source new customers for wagering operators, while the RevShare model also incentivises betting losses since the more a referred customer loses, the more the affiliate earns. Additional affiliate payment models include flat fees for hosting wagering operator advertising and payment for lists of bettors. The interviews identified another payment method that may be used that is an informal agreement whereby operators extend bonus bets to social media influencers and affiliate employees for each customer they recruit. This payment in bonus bets, rather than cash, to affiliates who are gamblers themselves potentially increases the risk of gambling harm by providing inducements for affiliates to bet. Because these bonus bets can be used only with the operator that issues them, this payment model serves the dual purpose for the operator of both recruiting new customers through the affiliates and recruiting the affiliates themselves.

Wagering affiliates are not licensed to provide betting services but contract individually with wagering operators. The stakeholder interviews clarified that individual contracts govern the arrangements between wagering operators and their affiliates who essentially act as agents for the operator. Contract details and payment models vary across organisations, with the affiliate's bargaining power dependent on their size and customer base relative to the operator. Wagering operators monitor their affiliates' performance and presumably retain only those who meet their contractual performance goals.

Wagering affiliate marketing is attractive for wagering operators. In interviews, wagering operators reported they typically view affiliate marketing as a cost-effective method to attract new customers and boost engagement with existing customers. Smaller operators with limited marketing budgets consider affiliate marketing as one of their few strategies to compete with multinational betting companies. However, affiliate partnerships can bring legal and reputational risks because wagering operators are ultimately responsible for their affiliates' actions. Nevertheless, operators reported accepting these risks for the advantages in customer acquisition, but that they are selective and vigilant in monitoring their affiliates' actions for legal compliance.

Wagering affiliate partnerships are attractive for affiliates. Wagering affiliates reported that affiliate partnerships are generally appealing and profitable due to the low business start-up costs and ongoing commissions. Affiliates considered that a 'good' relationship included the wagering operator's provision of clear legal advice and guidance to help them avoid regulatory breaches which would risk their affiliate partnership, as well as attractive betting incentives that affiliates can promote to help drive traffic to the operator that, in turn, increase the affiliates' commissions. Wagering affiliate partnerships have reportedly declined since sign-up bonuses were banned. However, some interviewees advised that operators may routinely provide new sign-ups from affiliate leads with deposit bonuses, even though this may not be explicitly advertised. Where this occurs, this practice circumvents the legislation that bans sign-up bonuses for new customers.

Wagering affiliates engage in prolific and aggressive marketing through a range of online channels. Gambling affiliates heavily market their services on platforms including Twitter (now X), Facebook, Twitch, and other web-based services. The literature review found that Twitter advertising by gambling affiliates is dominated by betting tipsters whose marketing is more aggressive compared to gambling operators, and focuses on inducements and betting tips with links to their affiliated operators. These accounts can attract large followings, forming online betting communities. Gambling affiliates also infiltrate Facebook groups, posing as expert tipsters to build trust and then promote gambling links, often without disclosing that they benefit from customers' losses. Gambling affiliates may also be online influencers, or employ them, to promote their services on platforms including Twitch and YouTube Live. They may use email lists and messaging apps for direct marketing. Some of these methods have been described as predatory and deceptive.

The interviews also revealed that direct contact affiliates may use face-to-face and telephone communication with their personal contacts to recruit new customers and to encourage further betting by individuals they have recruited; for example, by providing free tickets to events, gifts and hospitality. They may also provide direct payments or sponsorships to organisations such as sports clubs for new sign-ups that are facilitated by the organisation; for example, by distributing the affiliate's promotional materials or business cards to their members in return for a fee or commission.

During our two-week observation of 10 wagering affiliate marketers on Twitter, they posted 1,473 tweets, garnering 3,989 likes and 1,060 retweets. Most tweets focused on racing and sport and included links to betting tips that directed followers to the affiliate's website. Other content in the tweets promoted odds, tips, customer engagement, inducements, links to place bets, messages that their betting tips were available, bet status updates, humorous content, and content about esports. Only 0.5% of the tweets incorporated a responsible gambling message.

Our review of 10 wagering affiliate websites found they had more wagering advertising than the 10 wagering operator sites reviewed, with a strong emphasis on inducements and calls-to-action, urging customers to sign up or 'bet now' with the promoted operators. Inducements were commonly found on 'offers' pages that compared or showcased different bookmakers' offers.

Wagering affiliates do not often disclose their commercial arrangements and thereby attract unwarranted trust from consumers. The literature review found that affiliates typically present their advertisements and inducements as 'expert advice', without clear disclaimers of their profit motives. This can garner unwarranted trust and engagement from consumers.

Consistently, most of the 10 affiliate websites we reviewed lacked transparency about their affiliate relationships. Where relationships were apparent, affiliate reviews showed a noticeable bias towards promoting betting with their partnered operators. Comparison sites often presented themselves as independent, obscuring their affiliate ties. Most tipping sites did not disclose their affiliate relationships, and their promotion of various operators could be misunderstood by customers as paid advertising. Affiliates presenting as wagering news sites were more likely to disclose sponsored content.

Some affiliate relationships were apparent through the presence of referral codes in URLs used to redirect customers to wagering operators' websites. URLs are often not readily visible and consumers would have to actively look for these referral codes to identify the affiliation. Often, affiliates masked referral codes in URLs, making it impossible for consumers to determine the affiliate relationship. Customers would most likely be unaware of the commercial transactions resulting from their affiliate engagement and referrals to wagering operators.

Research Objective 2. Describe the types of direct marketing received by new and existing customers from wagering operators, paid tipsters, and free betting information services and how they are captured by regulatory arrangements in each jurisdiction.

Direct wagering marketing is sent by wagering operators, free betting info services and paid tipsters. The sampling process for the website and Twitter analyses revealed it is very often impossible to know whether an individual tipster service, comparison site, review site, news site or betting community has a commercial affiliation with one or more wagering operators. Affiliate relationships are typically not disclosed, not apparent in referral links, and not otherwise discernible on the platform. It became clear that asking participants about 'wagering affiliate marketers' in the EMA study would be confusing and yield inaccurate data. In consultation with Gambling Research Australia, we therefore categorised betting-related services as follows to enable the EMA to capture the three main sources of wagering direct marketing:

- Wagering operators send direct messages to their customers (texts, emails, app notifications, phone calls).
- 'Free betting info services' may allow customers to sign up for free newsletters with tips – which customers may receive as a direct message. These services very probably receive commissions from wagering operators for promoting their products.
- 'Paid tipsters' charge customers to subscribe to a list to receive betting tips. These 'paid tipsters' also send direct messages to these customers. Paid tipsters may or may not receive commissions from wagering operators.

The findings are summarised below for each of these types of services.

Direct wagering marketing is prolific and is mainly received from wagering operators but also from free betting info services and paid tipsters. The literature review found that wagering operators heavily utilise emails, text messages, app notifications and phone calls to directly message their account holders. Emails, text messages and app notifications in particular are easy and cost-effective to distribute as betting prompts and are often read immediately.

In the baseline study for the EMA, participants reported frequently receiving direct messages from wagering operators – about weekly or fortnightly *each* for emails, texts and app notifications. Amongst these participants, 37.7% reported they also used free betting info services and received, about monthly, *each* of direct emails, texts and app notifications from them. In the baseline sample, 10.8% reported using paid tipsters and estimated they received *each* of direct emails, texts and app notifications from them about weekly or fortnightly, and phone calls slightly more

often than once a month. The content analysis of direct messages forwarded by the EMA participants found that 82.9% were from wagering operators.

More involved bettors receive more wagering direct marketing. The literature review found that frequent bettors, those experiencing a gambling problem, and bettors holding multiple wagering accounts receive more frequent wagering direct messages, sometimes almost daily around major betting events. The stakeholder interviews supported this finding. Wagering operators reported increasing their direct marketing towards the weekend and in the lead up to major betting events, and tailoring their messaging, frequency, channels and inducements based on each customer's profile and betting activity. Overall, the more a customer engages with the operator, the more direct marketing they are sent. The EMA baseline survey found that the younger age group, the moderate risk/problem gambling group, and participants with multiple betting accounts reported more frequently receiving direct messages from wagering operators, free betting info services and paid tipsters.

To further inform their direct marketing strategies, wagering operators reported they analyse its performance, including the kinds of messages that drive unsubscribes; open, conversion and click-through rates; investment against return on account turnover; and the relationship between opt-outs and long-term customer value.

Direct marketing from wagering operators mainly promotes inducements. The literature review found that most direct messages from wagering operators in Australia promote inducements to bet, and this finding was confirmed in the stakeholder interviews. The content analysis of direct messages found that about half promoted an inducement, predominantly refunds or stake-back deals, followed by multi-bet offers, bonuses or improved odds. Other inducements related to matched stakes/deposits and enhanced winnings. Nearly all these inducements (95%) were incentivised with bonus bets. The remaining message content primarily consisted of updates about the BetStop self-exclusion scheme that was launched during the study, interactive polls, betting advice, and tailored reminders to bet. Most messages included a gamble responsibly message, an unsubscribe option, and how to access information about an inducement's terms and conditions. In the EMA baseline study, participants estimated that 'some' to 'most' of the messages they received from wagering operators promoted an inducement, as well as 'some' messages they received from free betting info services and paid tipsters.

A complexity of Commonwealth and state/territory regulations govern wagering direct marketing and apply to affiliates as agents of the wagering operator. The regulatory review highlighted the range of regulations that govern wagering operators and their affiliates in Australia, including their direct marketing. These principally include the Interactive Gambling Act and the Spam Act (overseen by ACMA); the National Consumer Protection Framework for Online Wagering (enforced by state and territory regulations, as well as by ACMA and AUSTRAC); the Northern Territory Racing Commission (NTRC) which regulates most online wagering operators; advertising standards set by the Australia Association of National Advertisers; and the Australian Privacy Principles that govern the use of personal data. Despite this complex regulatory framework, there is little material difference between states and territories on what wagering direct marketing practices are permitted.

Importantly, regulations for wagering direct marketing apply to affiliates in their role as an agent of a wagering operator. When affiliates are acting on a wagering operator's behalf, responsibility for regulatory compliance reverts to the operator as the licensed provider of gambling services.

Key regulatory breaches and concerns include sending direct marketing without a customer's consent, lack of functional unsubscribe options, and messaging to customers experiencing gambling harm. The regulatory review and stakeholder interviews noted that operators and affiliates sometimes send direct messages without a customer's consent, including to self-excluded individuals, customers who have opted-out of messages, and non-account holders. Compounding these issues, affiliates may not have access to lists of self-excluded customers. Regulators and gambling support providers were also highly critical that wagering direct messages are sent to customers experiencing gambling harm who are likely to be displaying behavioural indicators of problem gambling. Consistent with this finding, the EMA baseline study found that the moderate risk/problem gambling group reported receiving more messages, compared to those in the low risk/non-problem gambling group. Another concern raised was an increase in cold calls from affiliates offering inducements to non-account holders to bet with a particular operator. In addition, affiliates advertise in online and social media, sometimes violating regulations by promoting illegal operators or inducements, or failing to disclose their commercial relationships with the wagering operators they promote.

Another regulatory breach identified in the regulatory review and stakeholder interviews was a lack of functional unsubscribe options in some messages. Further, even where unsubscribe options are provided, regulators were critical that opting-in to receive direct marketing was integrated into the account sign-up process and therefore lacked genuine informed consent. They also considered that unsubscribing from direct marketing can be unnecessarily complicated – sometimes requiring the customer to separately opt-out from each of a wagering operator's channels (texts, emails, etc.).

Challenges to regulation arise from the limited ability to monitor both direct messages and wagering affiliate marketing. In the stakeholder interviews, regulators noted that one regulatory challenge is that they do not have visibility over direct marketing messages because they are sent exclusively to customers. Regulators therefore rely on customer complaints, which are unlikely to identify most breaches and may be difficult for regulators to verify. Some regulators therefore suggested that wagering operators should be required to keep records of their direct marketing activity, which can then be reviewed, and for all direct marketing phone calls made by wagering operators and their affiliates to be recorded. Regulators, wagering operators and affiliates considered that the regulatory environment for direct marketing was overly complicated and advocated for nationally consistent regulations.

Stakeholders also noted challenges to regulating wagering affiliates. The ACMA plays a key role in overseeing the legality of wagering affiliate operations. Other regulatory bodies, like the NTRC, have limited authority over affiliate compliance, except through their regulation of wagering operators. Because affiliates are not licensed, they do not receive the direct regulatory oversight applied to wagering

operators. Further, both the literature review and stakeholder interviews highlighted the difficulties of monitoring affiliate activities because of their sheer volume, inconsistent disclosure of their affiliate arrangements, and the dynamic and obscured nature of their advertising in direct, online and social media. In essence, both the affiliate sector and its marketing are largely hidden from regulators, who must rely on complaints to identify breaches. This leaves gaps that affiliates can exploit. Gambling regulators highlighted that current regulations give them no authority over affiliates and identified the need for further regulations and oversight of affiliate marketing.

Research Objective 3. Describe the impact of wagering direct marketing from wagering operators, paid tipsters and free betting information services on gambling-related harm and problem gambling.

The longitudinal and experimental studies provide evidence for a causal relationship between exposure to wagering direct marketing and increased betting and betting-related harm. The longitudinal analysis of the seven EMA survey waves drew on 4,020 observations, each relating to a 48-hour assessment period – to assess the effects of exposure to wagering direct messages. It found that, for each additional direct message received from wagering operators, there were significant increases in: 1) the number of bets placed, 2) betting expenditure, and 3) betting-related harm.

Stronger evidence to support causality was provided by the experimental study. The experiment involved only participants who indicated they were willing to opt-out of receiving direct messages from wagering operators for the two-week EMA period. Based on random assignment, only the test group (n = 99), but not the control group (n = 150), was asked to actually opt-out and they provided proof of having done so. On average over the two-week EMA period, participants who had opted-out of receiving direct messages from wagering operators placed 23% fewer bets, spent 39% less on betting, and reported 67% fewer short-term harms from their betting, compared to those who had not opted-out. This provides evidence for a causal relationship between receiving wagering direct marketing and betting-related harm. Banning this direct marketing is therefore highly likely to reduce gambling harm.

Wagering direct marketing encourages more betting and harmful betting, particularly amongst more involved bettors. The literature review found that direct messages, especially those promoting inducements, encourage more betting and harmful betting behaviours, more so than other types of wagering advertising. It highlighted consistent research findings that wagering direct marketing increases betting, betting expenditure, impulse betting and riskier long-shot bets amongst some gamblers. Bettors with a gambling problem are particularly responsive to wagering direct messages and inducements. This is likely because they receive them more frequently, tend to have higher impulsivity, and because addictive drivers of a gambling problem increase the salience, arousal and desire to bet elicited by these messages. Wagering direct marketing can therefore both create gambling-related harm and exacerbate existing gambling problems among bettors. In Australia, young men are the group most negatively affected by wagering direct messages and inducements.

The above concerns generally align with those raised in the interviews with regulators and gambling support providers. They highlighted the negative effects of

wagering direct marketing, especially inducements, that increase gambling harm, increase the risk of relapse, and target and exploit vulnerable people. Gambling support providers advocated for a ban on wagering advertising, including direct marketing and inducements.

In the EMA baseline survey, participants estimated that between ‘a few’ and ‘about half’ of the direct messages they received from wagering operators, free betting info services, and paid tipsters resulted in them placing bets. The most frequently reported influences were to remind or trigger participants to bet, place more bets, place more spur-of-the-moment bets, place an unplanned bet, and take up an inducement. Messages from paid tipsters were said to also influence bettors to place larger bets and bets with longer odds. These responses increase the risk of harm by increasing betting and betting expenditure, including spending more than planned. Compared to other participants, the younger age group, the moderate risk/problem gambling group, and participants with multiple betting accounts reported that their betting was more frequently influenced by direct messages received from each of these sources.

Direct and other marketing from wagering affiliates has additional features that can negatively impact on gambling problems and harm. The literature review highlighted that revenue-share commission arrangements incentivise affiliates to promote long-shot bets and inducements to encourage more betting, and to seek customers with high loss-potential. Further, because affiliates may not disclose these commercial arrangements, bettors can perceive affiliates as experts who are motivated to help them win, rather than their true interest in maximising customer losses. This lack of disclosure also means that affiliate advertising is often indistinguishable from spontaneously-generated user content on social media, making it more persuasive than traditional advertising. In addition, some wagering affiliates use computer algorithms and email lists to target vulnerable populations in their advertising. Affiliate marketing reinforces the message that skill and expertise increase betting success, which is a common misperception amongst people with a gambling problem – and who may therefore be more influenced by affiliate tips and advice. Affiliate marketing can therefore arouse false confidence in the likelihood of winning, leading to increased betting and subsequent harm. Perversely, affiliate tips are likely to increase financial losses instead. In essence, wagering affiliate marketing disproportionately targets vulnerable people and blurs the distinction between genuine advice and commercial advertising, potentially misleading consumers and amplifying the risk of gambling harm.

In interviews, the regulators and gambling support providers echoed many of these concerns. They strongly criticised revenue-share models because they encourage affiliate practices that contribute to gambling problems and harm, and therefore conflict with harm minimisation objectives. Affiliates also reported that they cannot individually track their referred customers’ betting (as these details are held by the operator), and therefore cannot identify or respond to problem gambling behaviours. Gambling support providers observed that wagering affiliates are highly effective at getting customers to spend more than intended, thereby contributing to harmful outcomes. Further, affiliate marketing perpetuates the myth that gambling is a way to make money by applying ‘expertise’, therefore encouraging more betting and loss-chasing. For these reasons, gambling support providers advocated for a complete ban of wagering affiliate marketing.

Findings from the EMA baseline survey indicate that the above concerns are well-founded. Participants reported that direct messages from paid tipsters and free betting info services were more likely to prompt them to bet, compared to messages from wagering operators. Participants who used paid tipsters reported 'most' to 'almost all' their bets were influenced by the information they provided, particularly betting tips. In addition, participants reported more frequently clicking on links from paid tipsters that took them to wagering operator sites, compared to doing so from free betting info services. Nonetheless, participants were not confident they could trust paid tipsters or free betting info services to disclose any wagering affiliate arrangements they might have.

Research Objective 4. Document the types of direct marketing messages from wagering operators, paid tipsters, and free betting information services, including inducements to bet, that are harmful to bettors.

Direct messages with wagering inducements particularly increase the risk of harm to bettors. The literature review found that most wagering direct messages promote inducements, and that messages with inducements are linked to several potentially harmful behaviours, including increased betting expenditure, riskier betting and impulse betting. Further, bettors experiencing a gambling problem report greater take-up of inducements. As noted earlier, this may be because they more frequently receive messages with inducements, they may respond more impulsively, and they may find inducements hard to resist because their addiction increases their salience and temptation. Further, bettors can misunderstand the terms and conditions of wagering inducements because these can be difficult to access and comprehend. In addition, bettors tend to overestimate the probability of winning complex bets that are frequently incentivised, and many bettors do not read the terms and conditions or consider the relative value of inducements. Perversely, while inducements often incentivise and foster harmful betting behaviours, bettors tend to perceive use of inducements as part of a safer betting strategy to minimise their losses.

The stakeholder interviews also highlighted concerns about wagering inducements. All stakeholder groups criticised their proliferation, but for different reasons. Wagering operators and affiliates felt that inducements have become an industry norm, are demanded by customers, and are required to remain competitive. In contrast, regulators and gambling support providers criticised the potential of inducements to exploit and harm vulnerable people. As noted earlier, gambling support providers advocated for a ban on wagering inducements.

In the EMA baseline survey, younger participants, the moderate risk/problem gambling group, and those with multiple betting accounts more frequently reported taking up inducements and misunderstanding some aspects of inducements. The longitudinal EMA analysis found that betting, betting expenditure and betting-related harm significantly increased with the take-up of inducements. Overall, the findings from our multiple research stages support the conclusion that direct messages with wagering inducements increase the risk of harm to bettors.

Inducements incentivised with bonus bets and matched deposits present a greater risk of harm. The literature review found that refund/stake-back offers, multi-bet offers, bonus odds/winnings, and matched stake/deposit offers are the

most frequently promoted inducements in wagering direct messages. These four types of inducements have also been implicated most often in potentially harmful betting outcomes, including placing more bets, larger bets, and increased betting expenditure. A common feature of these inducements is that they are incentivised with bonus bets or matched deposits. Further betting is required to use these incentives, encouraging persistence and loss-chasing.

In the interviews, gambling support providers considered all types of wagering inducements to increase the risk of harm. However, they drew particular attention to inducements incentivised with bonus bets as presenting a high risk for clients in treatment because bonuses create the illusion of ‘free money’, which is very enticing and a major trigger for relapse. Some gambling regulators and wagering operators also thought that bonus bets cause the most harm, and have created a customer culture of ‘bonus-hunting’. Smaller wagering operators in particular saw bonus bets as a necessary but undesirable requirement to remain competitive, with customers now expecting and demanding bonuses to keep their account open.

Consistent with the literature review, the content analysis found that the main inducements offered in direct messages were refund and multi-bet offers, followed by bonus/better odds and matched stake/deposit. Nearly all these inducements (95%) were incentivised with bonus bets. These four inducement types were also the most used inducements reported by the EMA baseline participants. Further, the younger age group, moderate-risk/problem gambling (MR/PG) group, and those with multiple betting accounts, reported using each of these inducements more frequently, compared to other gamblers. The longitudinal EMA analysis found that the number of bets and betting expenditure significantly increased with the use of matched stake/deposit, multi-bet, bonus odds/winnings, and refund offers. Betting-related harm also significantly increased with the use of matched stake/deposit and multi-bet inducements.

Overall, these results indicate that bonus odds/winnings, multi-bet, refund, and matched stake/deposit inducements are the most frequently promoted inducements, the most frequently used, and present the highest risk of harm – probably because they are incentivised with bonus bets or matched deposits. Importantly, it is likely to be this incentive of ‘free money’ that provides credit for further betting, rather than the structure of the inducement itself, that drives harmful betting. Banning bonus bets and bonus deposits, as advocated by many stakeholders in interviews, would be highly likely to reduce gambling harm.

Direct messages, whether sent through emails, texts or app notifications, are linked to significant increases in harmful betting behaviours and actual harm.

The literature review found minimal research examining any differential effects of the different channels used for wagering direct marketing – emails, texts, app notifications and phone calls. However, estimates in general indicate that texts have the highest open rates (nearly 100%), compared to app notifications (50%) and emails (20%); while texts (8%) and app notifications (10%) have similar click-through rates, compared to only 1% for emails (Buck, 2024). However, other factors such as trust, deliverability, the amount of information, and personalisation also impact the effectiveness of marketing through these channels.

In the interviews, several gambling support providers noted the heightened immediacy of text messages and notifications that can instantly divert a person’s attention to betting, and continuously undermine their attempts to control their

gambling – although emails can have similar effects. In recognition of the different effects of these channels, some wagering operators described how they timed their distribution differently – using emails to create awareness and anticipation about an upcoming betting event, and then text messages to drive urgency and offer inducements in the immediate lead-up to the event.

In the EMA baseline survey, participants reported few differences between the separate influences of emails, texts and notifications on their betting, although phone calls were reported as less influential. This finding is consistent with the longitudinal EMA findings that, for each additional email, text and app notification participants received (but not phone calls), there was an increase in the number of bets placed, betting expenditure, and betting-related harm; as measured in the last 48 hours.

Overall, these results indicate that wagering direct messages sent through any of these digital channels are linked to significant increases in potentially harmful betting behaviours and consequent harm.

Harmful betting behaviours and actual harm significantly increase with the number of customised direct messages received. The literature review noted that the behavioural betting data that wagering operators collect provides opportunities for them to customise their direct messages to account holders. In prior research, bettors have reported receiving customised direct messages such as: messages with inducements to encourage their return after a break from betting; reminders to bet on their favourite team or horse or that promote inducements they have previously used; being banned from inducements if they win too much; and conversely being inundated with inducements if they are less successful. These examples reflect the customisation of direct messages based on an account holder's prior betting behaviour. Further, highly involved bettors report that customised direct messages make them feel special, can be very persuasive, and undermine their attempts to control their gambling. Overall, however, little research exists on how and how much wagering operators and affiliates use message customisation.

In the stakeholder interviews, several wagering operators described their use of behavioural betting data to segment their customer base and tailor their direct marketing accordingly. Larger wagering operators employed a segmentation strategy to carefully curate their direct marketing (content, channel and frequency) to their customers. Operators selectively sent direct marketing based on a customer's activity on their platform. This tailored approach considers seasonality, code preferences and betting frequency to make the marketing relevant to the customer. Several operators discussed direct marketing to bring customers back to betting, sending quarterly or bi-annual emails to non-active customers to try to re-engage them before their account became permanently inactive after 12 months of no engagement. Some operators segmented 'good customers' (who bet at a steady rate over a long period of time); 'bad customers' (who bet only in response to inducements, or who were winning and may be professional gamblers); and 'problem gamblers' (who showed red flag behaviours). However, it was unclear exactly how the operators tailored their direct marketing to these different segments.

The content analysis found that 12.4% of the 678 messages that participants forwarded to us reminded the customer that a contestant they had previously bet on was competing (e.g., a specific team, player or horse). In the EMA baseline survey, participants reported that 'some' wagering direct messages they received included

customised content that was based on personalised knowledge about them or their betting history. Analysis of the longitudinal EMA data indicated that the number of bets placed, betting expenditure and betting-related harm all significantly increased with the number of customised messages that participants received.

Overall, these results indicate that operators draw on a range of behavioural data to customise their direct messages, that customised messages are somewhat common, and that they are linked to significant increases in potentially harmful betting behaviours and actual consequent harm amongst customers.

9.3. Key findings to address the research questions

Below, we address the research questions articulated in the project specifications. Where they overlap with the research objectives addressed above, we have referred readers to the earlier discussion of findings instead of duplicating material here.

Research Question 1. How do affiliate marketers operate, particularly with regard to business models and promoting wagering services of Australian and offshore providers to new and existing Australian customers?

The findings for Research Objective 1 described how wagering affiliate marketers operate, their business models and how they promote the services of wagering operators. Some additional findings are included here in relation to 1) advertising by affiliates to new vs existing customers, and 2) their promotion of offshore wagering providers.

Wagering affiliates use a wide range of media to market to new and existing customers. The literature review, website analysis, Twitter (X) analysis, and stakeholder interviews highlighted several channels used by affiliate marketers to recruit new customers and to market to their existing customers who already use the affiliate's services. As discussed earlier, 'web-based affiliates' may operate a dedicated website, use social media, infiltrate online groups, promote their services through online influencers, engage in direct marketing, and buy digital advertising space and email lists. Participants in the EMA baseline survey, including those who did and did not use paid tipsters and free betting info services (i.e., both existing and potential new customers), reported seeing advertisements for each of these services nearly once-a-month in *each* of traditional media, social media, streaming services, and other online media such as websites. Compared to other participants, younger participants, the moderate risk/problem gambling group, and bettors with multiple betting accounts reported seeing advertising more often for paid tipsters and free betting info services.

In contrast, 'direct contact' affiliates use face-to-face and telephone communications to recruit new customers from their networks, as well as from gambling venues, sporting clubs and social groups. They may then provide inducements and gratuities, such as hospitality and free tickets to events, to retain these existing customers and receive commissions over the life of their wagering account.

All affiliates focus their marketing on recruiting new customers, but RevShare and subscription models incentivise affiliates to also market to their existing customers. All affiliate business models pay commissions for attracting new

customers, but only RevShare also provides trailing commissions on subsequent betting by referred (existing) customers. The specific business model will therefore influence whether an affiliate's marketing targets only new customers or both new and existing customers.

For example, the stakeholder interviews indicated that many affiliates focus on building a big list of new customers to sell to wagering operators, or to earn commissions when these customers click on the affiliate's links to sign up with the operator. In contrast, some direct contact affiliates operate as ongoing account managers for existing customers they have recruited, with commissions based on the customer's continuing betting expenditure. Direct contact affiliates and web-based affiliates who are paid trailing commissions therefore also conduct marketing to encourage continued expenditure by customers they have recruited.

Presumably, most direct marketing by affiliates is to their existing customers who have provided their contact details to receive tips and other betting information. An exception is a recent trend noted by some regulators where affiliates cold-call people, perhaps using lists of customers from a previous employer. As noted above, some affiliates also use purchased email lists to cold-contact potential new customers. Nevertheless, we expect that most direct marketing is to people who have volunteered their contact details and can therefore be considered existing customers of the affiliate.

Affiliates may also use a subscription model whereby customers pay to receive betting tips and advice. These affiliates are likely to market to their existing customers to retain their paying subscribers, as well as marketing to potential new customers to attract additional subscriptions.

Little is known about affiliate promotion of offshore wagering providers. The literature review and regulatory scan highlighted concerns about the promotion of illegal gambling providers by affiliate marketers. For example, the ACMA (2022) identified affiliate gambling services that promote and facilitate access to illegal online gambling services in Australia as a compliance priority for 2021-22. However, the focus has largely been on illegal online casinos, rather than illegal offshore wagering operators.

While wagering operators are responsible for any marketing breaches of their affiliates in promoting the operator's services, regulators have few tools available to detect and sanction affiliates who promote illegal offshore wagering sites. Affiliates tend to promote their services on social media, including Meta, Twitter (or X), Twitch and YouTube, that may not respond effectively to the promotion of illegal products on their platforms. Further, customers may be unaware of the illegality of particular wagering sites, reducing the likelihood they will lodge a complaint. The current study did not find any conclusive evidence about whether and how often affiliates promote illegal offshore wagering sites because this activity largely occurs 'under the radar' of the study participants' awareness.

Research Question 2. Do existing customers of wagering operators, paid tipsters and free betting information services understand the content in direct messages and the expected return-to-player, and are there any misperceptions of inducements being a safer betting strategy?

Customers can misunderstand certain elements of wagering inducements that are promoted in direct messages. The literature review found that bettors can misunderstand various elements of inducements, such as the outlay required, conditions for retrieving bonuses and wins, and ultimately, their true value. The terms and conditions of wagering inducements can be inconvenient to locate and difficult to understand, and some bettors do not read them or consider the relative value of the inducement. Further, inducements often promote complex bets with combined contingencies. Bettors tend to overestimate the probability of winning complex bets, which nearly always have long odds and poor returns, and therefore make misguided decisions that increase their betting losses. Perversely, while inducements often incentivise and foster harmful betting behaviours, some bettors mistakenly perceive inducements as a safer betting strategy that minimises their losses.

As discussed earlier, regulators and gambling support providers raised concerns in the interviews that bettors can misunderstand the value of inducements, particularly bonus bets and deposits. Customers may perceive these bonuses to constitute ‘free money’, when in fact they merely provide credit for further betting and have no value if the bet loses. Instead, they cost the customer more if they are required to match the bonus bet or deposit in order to use it.

The EMA baseline survey found substantial misperceptions about inducements. About half of respondents agreed that ‘inducements make my betting safer’; ‘after using an inducement, I sometimes realise I misunderstood whether I was eligible to receive the bonus/reward’; ‘after using an inducement, I sometimes realise I misunderstood its expected pay-out’; and ‘after using an inducement, I realise I have sometimes misunderstood its turnover requirements’. Participants who were younger, in the moderate risk/problem gambling group, or had multiple betting accounts were more likely to agree to these statements. About one-half of respondents also disagreed that they always read inducement terms and conditions.

Research Question 3. In what ways do wagering operators use wagering account data to customise and target direct messaging and what are the effects on gambling-related harm and risk of problem gambling?

Please see the findings for Research Objective 4 that concluded 1) operators draw on a range of behavioural data to customise their direct messages, 2) customised messages are somewhat common, and 3) they are linked to significant increases in potentially harmful betting behaviours and actual consequent harm amongst customers.

Research Question 4. In what ways do direct messages from wagering operators, paid tipsters, and free betting information services impact on gambling behaviour of new and existing customers, e.g., frequency, gambling intensity and impulsivity, loss of control of gambling?

Please see our findings for Research Objective 3 that concluded 1) the longitudinal and experimental studies provide evidence for a causal relationship between exposure to wagering direct marketing and increased betting and betting-related harm, 2) wagering direct marketing encourages betting and harmful betting behaviours, particularly amongst more involved bettors, and 3) direct and other marketing from wagering affiliates has additional features that can negatively impact on gambling-related harm and problem gambling.

Comparing these effects of direct marketing between new and existing customers is not possible. Wagering operators, paid tipsters and free betting info services can only send direct messages to people they have contact details for, collected when they sign up to an account or subscription. Predominantly, although with some exceptions (e.g., cold calling from obtained lists), people who receive direct messages are all existing customers of these services.

Research Question 5. How do wagering operators, paid tipsters and free betting information services use messaging, marketing practices (such as inducements) and media (such as social media and online media e.g., gambling news websites) to promote wagering services to new and existing customers?

Please see our findings for Research Objectives 1 and 2 that concluded: 1) wagering affiliates engage in prolific and aggressive marketing through a range of online channels, 2) direct wagering marketing is prolific and is mainly received from wagering operators but also from free betting info services and paid tipsters, 3) more involved bettors receive more wagering direct marketing, and 4) direct marketing from wagering operators mainly promotes inducements.

In addition, the findings to support Research Question 1 discussed affiliate marketing to new and existing customers. It found that 1) wagering affiliates use a wide range of media to market to new and existing customers, and 2) all affiliates focus their marketing on recruiting new customers, but the RevShare model and affiliates' subscription services incentivise them to also market to existing customers.

Research Question 6. What is the impact of marketing practices such as volume, direct messaging channels (email, text, phone call), use of online forums (such as news websites), and types of messaging (including inducements to bet) received by existing customers from wagering operators, paid tipsters, and free betting information services? Is this compounded when consumers have more than one betting account?

Research Question 7. How much gambling-related harm and risk of problem gambling is associated with direct wagering marketing from wagering operators, paid tipsters, and free betting information services and for single and multiple betting account holders? Is there a threshold for gambling-related harm?

Please see our findings for Research Objective 3 and 4 that concluded 1) the longitudinal and experimental studies provide evidence for a causal relationship between wagering direct marketing, increased betting and betting-related harm, 2) wagering direct marketing encourages betting and harmful betting behaviours, particularly amongst more involved bettors, 3) direct and other marketing from wagering affiliates has additional features that can negatively impact on gambling-related harm and problem gambling, 4) direct messages with wagering inducements particularly increase the risk of harm to bettors, 5) inducements incentivised with bonus bets and matched deposits present a greater risk of harm, 6) direct messages, whether sent through emails, texts or app notifications, are linked to significant increases in harmful betting behaviours and actual harm, and 7) harmful betting behaviours and actual harm significantly increase with the number of customised direct messages received.

Having multiple betting accounts is associated with more betting, but not necessarily more harmful betting. The literature review noted that heightened rates of gambling problems are apparent amongst bettors with multiple betting accounts and that they tend to receive more direct messages than do single account holders. Further, bettors report that they open accounts with multiple wagering operators specifically to shop around for inducements, which are frequently communicated through direct messages. Stakeholders in interviews also discussed the ‘incentive-chasing’ that has become normalised amongst wagering customers.

In the EMA baseline survey, almost 60% of participants had accounts with more than one online wagering operator. These bettors with multiple accounts more frequently reported a range of potentially exacerbating influences on their betting. These include taking up inducements, misunderstanding some aspects of inducements, greater use of paid tipsters and free betting info services, more exposure to digital wagering advertising, more frequently receiving direct messages, and being more frequently influenced by these messages. The longitudinal EMA analysis found that having multiple betting accounts was positively associated with the number of bets placed and betting expenditure, but not significantly with greater short-term betting harm. These findings indicate that bettors with multiple betting accounts tend to bet more but do not necessarily experience more harm. Factors other than multiple accounts may have a greater impact on short-term betting-related harm.

9.4. Limitations of the study

Like all research, this study has some limitations. The samples of website and Twitter marketing, stakeholders and bettors may not be representative of their broader populations. Some data sources were based on self-report, which may be subject to social desirability, selection and other biases. The EMA survey may also be subject to recall bias, but the 48-hour timeframe of the short surveys reduced this risk. The relatively small number of direct messages received from paid tipsters (n = 225) and free betting info services (n = 491) may have limited power for relevant analyses in the EMA.

In addition, we recruited only a few wagering affiliates for interviews, despite our best efforts. The fact that many, or possibly most, wagering affiliates do not disclose their commercial affiliate arrangements with wagering operators precluded us from asking bettors directly about their exposure to marketing from wagering affiliates. We instead asked bettors about this exposure in relation to free betting information services and paid tipsters. While free betting info services are nearly certainly affiliated with wagering operators, some paid tipsters may not be affiliated and instead earn their revenue through subscriptions. These ancillary services are nonetheless important sources of wagering marketing to understand, even if some operate outside of affiliate business models.

9.5. Conclusions and implications

9.5.1. Wagering direct marketing

The study's most important contribution to new knowledge is providing, for the first time, real-world experimental evidence that supports a causal relationship between exposure to wagering direct marketing and increased betting, increased betting expenditure, and increased betting-related harm.

Further, the literature review, stakeholder interviews, EMA baseline study, EMA longitudinal analysis, and the experimental study yielded remarkably consistent findings. This provides confidence in the main conclusion that **exposure to wagering direct messages and the inducements they promote directly increases betting, betting expenditure and betting-related harm.**

This study has also analysed data collected from multiple sources that confirm previous findings about the harmful effects of wagering direct marketing. These findings include that wagering direct marketing is prolific and most often promotes inducements to bet; these inducements create and exacerbate gambling harm; and inducements incentivised with bonus bets and matched deposits present particular risk of gambling harm. The study also confirms previous findings that wagering direct messages and inducements target more involved gamblers, notably those with a moderate or severe gambling problem. In addition, the study indicates that customers receive wagering direct marketing not only from wagering operators, but also from paid tipsters and free betting information services they have signed up to – most of whom are wagering affiliates who receive commissions from wagering operators.

The study's findings imply that banning wagering direct marketing and the inducements they routinely promote (especially bonus bets and deposits) would reduce betting-related harm in the Australian population. This assertion is consistent with the recommendation of the *Inquiry into online gambling and its impacts on those experiencing gambling harm* that the Australian Government prohibit all online gambling inducements and inducement advertising, and that it do so without delay (Standing Committee on Social Policy and Legal Affairs, 2023).

We note, however, that wagering direct marketing and inducements are just some of the product risk features of sports and race betting. Other features that impact on product risk include ease of access, the convenience of modern betting apps, use of electronic funds to bet, the frequency of betting opportunities, and other types of advertising.

9.5.2. Wagering affiliate marketing

This study provides new evidence about wagering affiliate marketing, including business models, marketing practices, regulation, and links with gambling problems and harm. This evidence helps to fill a gap in knowledge about a widely used marketing practice that has rarely been examined.

Overall, the evidence gathered in this study, from multiple data sources, points to a strong link between exposure to affiliate marketing and increased betting and betting-related harm. Inherent in affiliate business models is that affiliates are incentivised to attract new customers and maximise the losses of existing customers – which increases the risk of gambling harm in the Australian population. Their marketing practices are very often deceptive in not disclosing their commercial links with wagering operators, are predatory in targeting people with moderate or severe gambling problems, and reinforce the myth that betting success can be increased by using 'expert' tips. Further, participants reported that the direct messages they receive from affiliates are more influential on their betting than those from wagering operators.

Wagering affiliate marketing occurs in a regulatory environment with limited capacity to monitor and sanction breaches – and the regulations themselves provide little authority to limit this marketing and its potential for harm. The ease with which affiliates can establish a business, the low cost involved, the generous commissions paid, and the lack of licensing and due diligence requirements have enabled wagering affiliates to proliferate – ranging from individual online influencers to multinational organisations. This poses a serious regulatory challenge for consumer protection and harm minimisation.

Overall, the data analysed in this study consistently reveals that exposure to affiliate marketing increases the risk of gambling harm. Current evidence points to a high likelihood of continued increases in gambling harm if wagering affiliate marketing remains unchecked. The implication is that, for gambling harm to be contained or reduced in Australia, greatly improved regulation of wagering affiliate marketing – or a complete ban – is needed.

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