Responsible Gaming: The Proactive Approach

Integrating Responsible Gaming into Casino Environments

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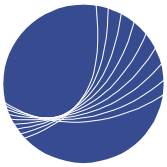

iVIEWSYSTEMS

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Introduction

In the past, gambling's greatest opponents were those who were opposed to it on moral grounds. The new opponents of gaming are not those who oppose it on strictly moral grounds; they are the family and friends of problem gamblers who have had their lives affected by problem gambling.

In response to increasing public pressure, some jurisdictions have retracted the number and availability of gaming devices and opportunities. Some insurance companies, recognizing that problem gambling is such a high risk, have chosen to drop legal liability insurance for problem gambling.

There have been lawsuits in a number of countries, whether individual or class action suits, that have been launched against operators by problem gamblers due to gambling addictions. To date, none of these lawsuits have been decided against the industry, however many out of court settlements have occurred.

To protect players and manage corporate risk, the industry must demonstrate that they are making all reasonable efforts to protect their guests and that they are fulfilling their duty of care. The Duty of Care definition states: "**duty of care** is a legal obligation imposed on an individual requiring that they exercise a reasonable standard of care while performing any acts that could predictably harm others"

Responsible Gaming is the policies and procedures used by the gaming industry to deal with players at risk and those who may be problem gamblers.

iCare provides an integrated tool set for casino's to deliver responsible gaming practices as well as to improve overall customer service and reduce legal liability from a problem gambling stance.

Section 2

Overview

Background

Traditional industry responses to problem gambling have tended to be passive and reactive. They have been passive in the sense that the industry provides information materials such as pamphlets, posters, decals, 1-800 numbers and other static messaging systems such as responsible gaming messaging on ATM Receipts. And reactive in the sense that the industry waits for visible problems: people exhibiting “red flag behaviours”; people self excluding, or referrals to treatment programs or counselling. The establishment of responsible gaming centers with on site health professionals hired to inform, educate and refer players is an important step towards a more proactive approach.

Responsible gaming has been partially integrated even into the responsible gaming centres. The Saskatchewan Gaming Commission (SGC) realized that they could be proactive and preventative in their approach to responsible gaming and address problem gambling issues. This approach needed to be integrated into the daily operations of the casino.

The New Approach

When exploring a new approach the following elements were identified:

1) The program should identify high risk patterns and provide the opportunity to start a dialogue with players about their gambling. The approach should provide operators with a system to document and record player interactions.

2) The approach should be proactive; people who are identified as being at risk should be educated to avoid problems. It is established that certain kinds of gambling behaviours or myths, that lead to problem gambling issues, arise from lack of understanding of how gambling works. Casino floor staff should play a significant role in that educational process, as part of good customer service. This approach encourages people to make informed choices about their gambling and is consistent with the entertainment industry’s ideology. This gives an approach that is preventative in nature, not treatment focused.

3) To accomplish theses objectives, Casino staff must to be trained with standardized policies and procedures on how to appropriately interact with players. The ability to identify and execute appropriate interaction processes also ensures a consistent approach with all players. Staff learn that recording and tracking all interactions and player responses are an essential part of a risk management program. The uniform interaction policies and procedures, as well as their tracking, also establishes employee’s confidence in their ability to handle all situations. Knowing that the casino recognizes its social responsibility enhances employee morale. Ultimately, the system provides the casinos with enough information to act accordingly.

iCare - Intelligent Player Care System

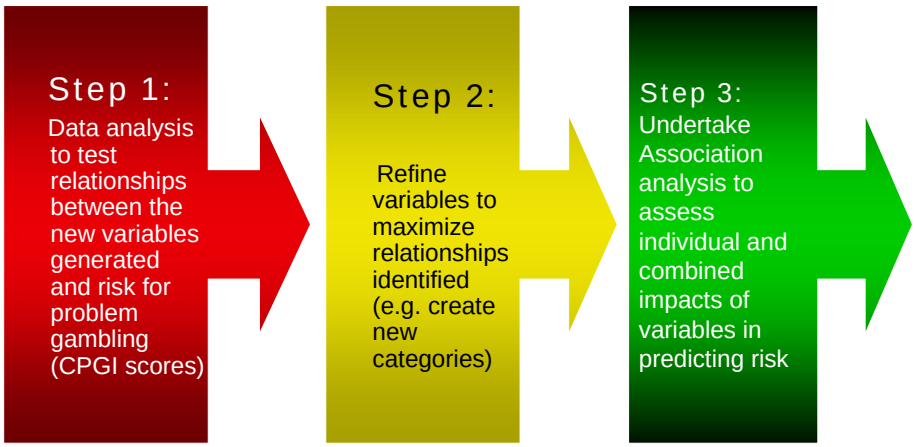
The **iCare - Intelligent Player Care System** is about dealing with the responsible gaming issue in a proactive, rather than reactive, manner. The **iGap – Intelligent Gaming Analysis Platform** software analyzes player club card data from slot machines to identify patterns of play. While player club card data has been seen as a marketing tool, it is also a valuable source of information about patterns of play that can be used to assist players demonstrating gambling behaviours.

The analysis identifies high risk indicators and allows for an appropriate planned interaction particularly for those players who are demonstrating high risk patterns of play. Research analysis indicates problems develop over months or years, not days. This gives the opportunity to deal with players over time and identify when a player is moving up a risk level, providing staff with the right information at the right time. The SGC's iCare system identifies best practices that staff can use to interact with these players and enables staff to track these interactions. This provides a powerful tool to assist the casino's in meeting their duty of care.

The iGap platform is able to use the patron interaction and slot analysis to provide detailed information about players. Responsible gaming and casino staff are able to learn how many players at various risk levels are playing at any given time, the percentage of players at various risk levels over time, and what interactions are appropriate to these risk levels.

Over time, this information will enable tracking of interactions with patrons and ensure it is effective. iCare is a proactive way to address the issue of problem gambling. Its focus is education and prevention; allowing identification of patrons with potential problems, providing staff with a constant message for patrons, while allowing for consistent tracking, documenting and recording of patron interactions to ensure the approach is working.

Having the ability to track these interactions gives the opportunity to do empirical research on the program to prove the effectiveness of player interactions. This interactive approach has been used over the past 18 months to continuously improve iCare.



How Does it Work?

The basis of the **iGMind – Intelligent Gaming Measurement Index** consists of an algorithm researched and developed by Focal Research.

Focal Research is an independent Canadian research firm located in Halifax, Nova Scotia, Canada.

They have a proven expertise in measurement of gambling behaviours and impacts, responsible gaming and machine gambling from a regulatory, social policy, public/community health, and commercial (operators and manufacturers) perspective since 1987.

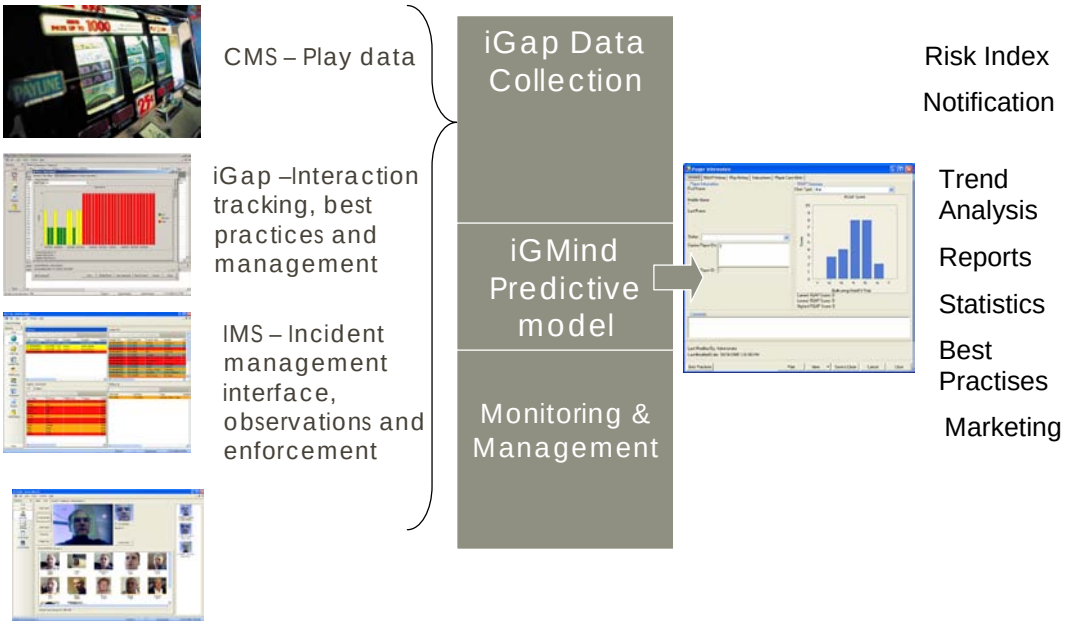
They have produced 9 major government studies (peer reviewed), including the 1998 Nova Scotia Regular VLT Players Study and 2000 Follow-up Study, self-exclusion, responsible gaming features analysis, Nova Scotia and New Brunswick Prevalence Studies and on-site identification of problem gamblers. They are currently evaluating low-risk drinking guidelines, outcome monitoring and loyalty and consumer database analysis.

The algorithm was developed by using quantitative player data to identify risk levels and patterns of play. These patterns are reasonable predictors of problem gambling and risk for problem gambling thereby allowing gaming operators to proactively undertake appropriate on-site prevention and intervention activity.

The identification and accuracy rates produced by behavioural models are enhanced by other methods or systems currently available for identifying problem gamblers or gamblers at risk on-site at gambling venues, such as staff observations of red flag gambling behaviours.

By selecting specific behaviour combinations, it is possible to set different thresholds for identification rates to target specific player segments (e.g. problem gamblers versus at-risk gamblers or patrons engaging in high risk behaviours).

Certain variables within the algorithm can be adjusted to reflect local market conditions.

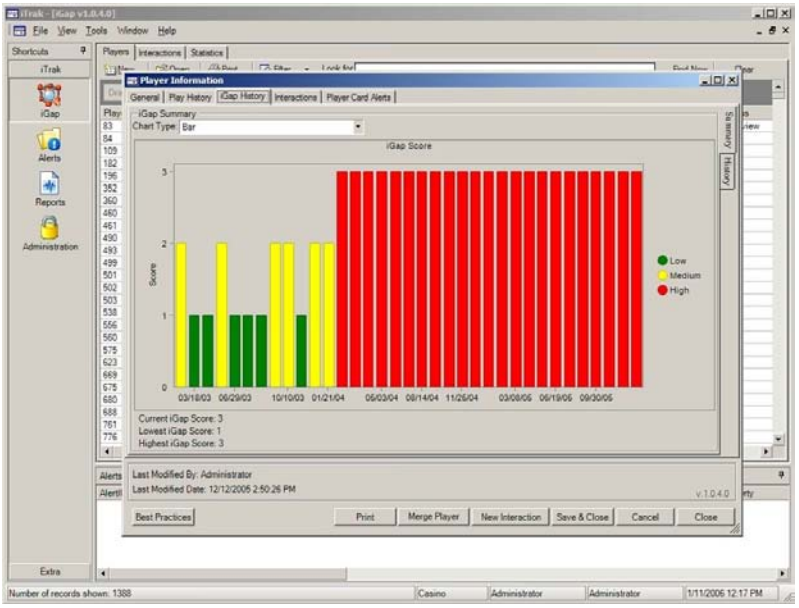


"*Casino loyalty data can be used effectively to identify playing patterns that are reasonable predictors of problem gambling and risk for problem gambling, thereby allowing gambling operators to proactively undertake appropriate on-site prevention and interaction activity*."

Quote by Focal Research

The Intelligent Gaming Measurement Index powers the iGap Platform by performing in depth analysis on historical slot play data.

The core engine of the Intelligent Gaming Platform (iGap) is derived from the Intelligent Gaming Measurement Index (iGMind) that performs in depth analysis on slot and patron behaviour in the gaming environment, using existing loyalty data to manage risk.



The system provides a normalized platform for interaction data entry and slot play analysis from multiple casino management systems (CMS). The iGap platform holds all required patron data linked from the CMS and other systems with additional forms and fields specific to analysis and scoring.

The results of this analysis are issued as a "risk level" score, ranging from 0, a new patron with no history and/or not at risk, and escalated to a severity based value up to 3. This score is also dynamic in both directions i.e. subject to escalation or reduction based on associated dependencies and actions. These scores are updated on a regular basis as new slot data becomes available, enabling historical score trending analysis to be conducted for any player in the system.

SGC has made this program part of their casino operations to improve customer service, deliver a superior responsible gaming solution and mitigate liability associated with problem gambling.

Combined with this ability to normalize patron interactions by casino staff is the iGap software platform developed in partnership with iView Systems. The iGap Intelligent Gaming Platform links responsible gaming interactions with other casino management systems. The iGap platform has the ability to identify and track high risk play in real time and to notify or alert casino management of this play based on player card insertion while also tracking staff interactions with these identified patrons.

The iGap alert module displays real-time colour coded iGap alerts based on an individual's play and risk level within the casino. Also in the notification to the operator is the ability to track banned or self excluded players who chose to use their card in the casino.

The final component of SGC's iCare environment is staff training which clearly identifies how staff uses both the software system to plan, execute and track the prescribed customer interaction.

Words Into Action

The training component of the iCare program is designed to ensure employees understand that responsible gaming is part of good customer service; stress the message that safety is the first priority of good customer service and; enable employees to actively participate in player care programs, giving them the confidence to provide the right assistance at the right time to the right guest.

There are two levels to the iCare staff training. Level 1 training is provided to all casino staff. It provides awareness of the program and helps staff identify red flag behaviours that may indicate a patron is experiencing a problem. It also provides staff with a clear process to follow should they observe these behaviours.

A training session for executive and senior management, which identifies corporate risks associated with problem gambling and the advantages of using the iCare system, is also available.

The system enables management to give staff a certain number of interaction quotas and gives the ability to manage the number and quality of interactions completed.

Selected floor staff receives Level 2 training where they learn how to talk to guests about their gambling. The objective is to enable players to make informed decisions about their gambling experience while preserving the rights and dignity of the player and managing corporate risk. Level 2 staff utilizes the system to document interactions and track and manage all interactions.

These interactions from staff and documentation gives casinos the evidence to show they are protecting players while protecting themselves.

Section 3

Peer Reviews

Dr. Garry Smith

Gambling Research Specialist

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Using casino loyalty data to designate problem slot machine gamblers for possible interventions is a progressive initiative, which, if put into practice, will make Saskatchewan an international leader in providing a state-of-the-art responsible gambling program. Players' actual gambling behaviour is the purest form of data possible and therefore a significant advancement over a player having to recollect his/her gambling experiences. The behavioural indicators of problem gambling used in the model will allow gambling studies researchers to approximate the level of data used in alcohol and drug research (i.e., actual dosages to determine safe use, dangerous use, etc.).

The model is a valuable tool purely on compassionate grounds, in that those in the throes of a gambling addiction are being targeted and presumably helped to modify their gambling behaviours. Employing the model to intervene with problem gamblers is a bold move by the SGC because slot machine revenue will undoubtedly decline; nevertheless, the SGC is showing it has a social conscience by putting the welfare of its citizens ahead of revenues. While of secondary importance, this exercise has public relations value; by assertively responding to its duty of care mandate, the SGC will be recognized as a good corporate citizen.

The Focal Research Consultant group was a worthy choice to develop the model, given the company's work on the efficacy of EGM harm reduction features, its in-depth knowledge of the Canadian gambling industry and its percipient understanding of the research process.

The attention to detail shown in various facets of the study is impressive; in particular, (1) involvement of the SGC in steering the research, (2) appropriate safety precautions taken with data handling and storage, (3) demanding ethical considerations applied, (4) detailed data collection procedures, (5) comprehensive staff training and (6) referrals provided to troubled gamblers.

Although scientifically rigorous, the report is clearly written and generally free of scholarly jargon, which should make it comprehensible to stakeholder groups, academics and lay audiences.

In my view the research design was theoretically sound and scientifically valid. The questions asked were feasible, a "gold standard" level of data was collected and the data analysis employed was suitable for answering the research questions with a reasonable degree of precision. The new (combined) variables generated to identify problem gamblers represent an important advancement in the field of gambling studies.

Dr. Smith has been a professor in the Faculty of Physical Education and Recreation at the University of Alberta for the past 25 years. He is now with the Department of Government Studies where he works with the Alberta Gaming Research Institute. Dr. Smith has been researching gambling public policy issues for 20 years, his scholarly contributions include; numerous articles in academic journals, book chapters, and presentations at national and international conferences. Dr. Smith was co-author of several studies that examined the gambling patterns and behaviours of adult and adolescent Albertans and was the principal investigator on studies dealing with gambling-related crime and the impacts of video lottery terminal gambling. Dr. Smith has appeared frequently in the national medical commenting on gambling issues, most notably on CBC's "The National", "Newsday" and the "The Fifth Estate" and on "Score" and TSN documentaries dealing with sports betting.

Dr. Linda Hancock

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This is ground-breaking, interesting and potentially useful research. Loyalty data has been used by the industry in client tracking, promotion and marketing. It has not to date, been put to use in terms of identifying risk/interventions for problem gamblers or those at risk of problems encountered when playing electronic gaming machines.

The conclusions flow well from the research evidence: casino data is a rich source for development of an intervention model; this method is an improvement on reliance on subjective staff observations; the model can be applied relatively easily provided the appropriate player data is collected over sufficient amount of time; specific player segments can be targeted.

The overall three phase design of the research is sound. The researchers have drawn on appropriate problem gambling research in their focus on regular gamblers and binge patterns of gambling in the data. The study has been conducted within a rigorous ethical framework, with appropriate safeguards for respondent confidentiality and anonymity. Data collection has been undertaken with high standards of training and supervision of interviewers and appropriate arrangements for support, information and referral for respondents encountering problems during the research. Differentiation of machine session data and daily player summary data raises appropriate issues for the type of data routinely collected by Player Loyalty Clubs or other player data tracking systems, that would be a precondition for the usefulness of the model for gaming operators to proactively undertake on-site prevention and intervention activities.

PhD Monash University, Australia

Professional Memberships:

-- 2005-07 ISA (International Sociological Association)

-- 2005-07 Institute of Public Administration of Australia (IPAA)

-- Former Chair, Independent Gambling Research Panel, Victoria, Australia

Dr. Hancock is an international expert in gambling research, community impact, consumer protection and responsible gaming regulation. She is also a consultant to the UK government.

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While I am aware of casinos in Europe that use player card data to track play, identify problems and calibrate operator based interventions, this data is typically based on mandatory registration "No card, No play policies". The use of casino loyalty data in Canada for purposes of "social intervention research" is arguably the equivalent of these European casino experiences. However, there are no precise public precedents in either contexts to inform research design or product development. To overcome these twin problems, FRCL has proposed an exploratory three phase "iterative approach": model construction, interventionist action and model calibration. The assumptions are that player card data can be collected over a significant time period and that card data can be managed so as to allow for predictive models to be formulated. The long-term feasibility of these assumptions, it turns out, may require obtaining new information going forward that must be added to existing databases if the model is to achieve its full potential. Nevertheless, currently recorded and stored loyalty data was deemed sufficient to develop a "preliminary model." The Focal Loyalty Data Problem Gambling Index (FLDPGI) was then constructed in order to model gambling conduct, generate hypotheses and guide the long-term design of the research. This approach developed between FRCL and SGC is, in my opinion, sound, and analytically responsible. The research design involving variable creation, data augmentation and organization, predictive capacity, behavioural outcomes and interventions, and model generality is creative and flexible for exploratory analysis and testing.

The rationales provided for the research strategy are logical, the techniques – regression, correlation, and association analyses -- are appropriate to the tasks of risk identification and prediction and most importantly the overall plan is open to reflexive modification, including managing unintended outcomes, setting variable limits of identification and refuting preferred hypotheses when they cannot be proven. The research design evinces sound scholarship and good practical reasoning.

In my opinion, the research ethics in regard to all the data collection have been responsible and honest and is in line with government and professional codes of conduct regulating the researching of human subjects in Canada.

Ph.D, London School of Economics and Political Science; M.A. and B.A. (Honours), Concordia University. Professor at Saint Mary's University since 1985.

John McMullan is professor of Sociology and Criminology and a former Department Chairperson and Criminology Graduate Studies Coordinator at Saint Mary's University. Professor McMullan has held previous positions at the University of British Columbia and at Vanier College. He is the author of seven books, five government reports and over fifty academic articles on business crime, historical criminology, criminal organization, criminological theory, law enforcement, social regulation, media, crime and justice, and gambling and social policy. Dr. McMullan is a multiple research award holder and he has served on many university, academic, professional, and government commissions, councils and boards. At present Dr. McMullan is researching the role of public inquiries and corporate disasters.

Section 4

Summary

The **iCare – Intelligent Player Care System** delivers a comprehensive, proactive responsible gaming approach. iCare offers a cohesive suite of products and services that enable the introduction or augmentation of a prevention based responsible gaming environment.

Firstly, it provides the ability to capture and interpret data from the casino operator's Casino Management Systems, identifying players at risk. Secondly, it provides a management system that can notify operators when high risk players are in the casino providing casino staff with information about player behaviours and the appropriate standardized interactions. In addition, it delivers a tracking solution to document interactions between staff and patrons.

The iCare system enables casino operators to continuously measure, evaluate, monitor and improve their approach to problem gambling through a set of advanced monitoring and measurement tools in addition to managing consistent interactions with gaming patrons while continuously meeting a minimum duty of care for their patrons and casino operations.

It delivers a prevention focused problem gambling solution contributing to social responsibility, risk management, and long term gaming sustainability while potentially preserving gaming revenue streams and industry jobs. It integrates responsible gaming into casino operations and allows casinos to act to protect players and themselves.

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Section 5

Acknowledgements

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