



# BGC Scoping Paper: Adtech

## CONTEXT

**As part of the Safer Gambling Commitments announced in 2019, members of the Betting and Gaming Council (BGC) will review how their current use of advertising technology (AdTech) could contribute to harm-reduction, and better prevent under-18s and other vulnerable groups from being exposed to gambling advertising online.**

The results of this review will form the basis of a BGC Adtech Plan and measures and will be considered for inclusion in the gambling industry's IGRG Code, which are recognised within the UK Gambling Commission's formal Licence Conditions for regulated businesses.

## GAMBLING ADVERTISING

Although advertising is recognised as a legitimate commercial activity, gambling advertising has come under intense scrutiny in recent years. There is widespread concern that it encourages underage participation, particularly as more and more advertising moves online, and particularly onto social media.

The 2018 World Cup saw a rise in complaints and calls to reconsider the liberalisation of advertising laws under the 2005 Gambling Act. The industry has since voluntarily committed to withdrawing any advertising during pre-watershed live sporting events - the so-called whistle-to-whistle ban, which begins five minutes before a game begins and extends five minutes after it finishes.

Concerns remain however, in particular around digital advertising. In its 2019 Young People and Gambling report<sup>1</sup>, the Gambling Commission found that the majority of 11-16 year olds (69%) have seen or heard gambling adverts or gambling sponsorships, and more than two thirds (68%) have seen or heard gambling adverts (including the national lottery). It also found that a high proportion of young people were exposed to gambling adverts online, with 49% having seen gambling adverts on social media websites and 43% on websites other than social media.

The 2020 GambleAware Ipsos MORI report<sup>2</sup> "The effect of gambling marketing and advertising on children, young people and vulnerable adults" notes that there is clear evidence of children under 16 following and engaging with gambling related accounts on Twitter and that 41,000 UK followers of gambling-related accounts are likely to be under 16. It also notes that exposure to gambling related advertising on social media is particularly prevalent among those aged 18 - 24, more so than on television.

<sup>1</sup> <https://www.gamblingcommission.gov.uk/PDF/Young-People-Gambling-Report-2019.pdf>

<sup>2</sup> <https://www.ipsos.com/ipsos-mori/en-uk/effect-gambling-advertising-children-young-people-and-vulnerable-adults>

## DEFINITION

Advertising Technology (AdTech) refers to different types of analytics and digital tools used by brands and agencies in the context of strategising, setting up, and managing digital advertising activities. It includes the systems used to direct advertising to individuals and specific target audiences<sup>3</sup>.

<sup>3</sup> <https://www.ipsos.com/ipsos-mori/en-uk/effect-gambling-advertising-children-young-people-and-vulnerable-adults>

## CURRENT LEGISLATION AND REGULATION

Advertising regulation in the UK, for both traditional media channels and online, is already amongst the tightest in the world.

Operators are regulated by the Advertising Standards Authority (ASA) and the Committee of Advertising Practice (CAP) who are responsible for enforcing codes for both broadcast and non-broadcast media. These codes are designed to ensure that marketing communications for gambling products are socially responsible, with particular regard to the need to protect children, young persons under 18 and other vulnerable persons from being harmed or exploited by advertising that features or promotes gambling.

The industry self-regulates itself through the Industry Group for Responsible Gambling (IGRG) Code for Socially Responsible Advertising<sup>4</sup> which sets out a number of measures that enhance the social responsibility of gambling advertising, and go above and beyond what is set out in the ASA codes.

The Gambling Commission stipulates that operators should refer to LCCP provision 5 (Marketing) for the full set of code provisions relevant to marketing and advertising, which includes compliance with all the above.

<sup>4</sup> <http://igrg.org.uk/wp/wp-content/uploads/2019/01/Gambling-Industry-Code-for-Socially-Responsible-Advertising-5th-Edition.pdf>

## **PURPOSE OF THIS REVIEW**

The purpose of the review is to assess the current digital marketing landscape and AdTech practices across the gambling industry and social media platforms (some of which may contribute to harm) to reduce the exposure of under 18s and vulnerable groups to online advertising.

It will address this issue in a collaborative manner with relevant partners and stakeholders such as affiliates, advertising bodies, and social media platforms such as Facebook, Google, Twitter and Bing.

Initial work was conducted under the auspices of the Gambling Commission's 'Advertising Technology Challenge', leading up to the Raising Standards Conference in March 2020. Thereafter, the Betting and Gaming Council will lead the project, driving the agenda with a cross-sector working group comprising of subject matter experts from a number of gambling companies.

In making recommendations, the group will be mindful not to bring forward initiatives that either conflict with current regulations or that would be considered by the advertising regulators to be ineffective and/or disproportionate.

## **SCOPE OF THE REVIEW AND KEY ISSUES TO ADDRESS**

The review will cover all parts of the advertising landscape in which AdTech sits, including the channels operators use to advertise, the technology and platforms within those channels, and the customer types targeted. It will also consider a broad range of online channels and methods, which will include the use of affiliates and influencers, as well as Customer Relationship Management (CRM) tools and direct marketing.

This will include collaborating with the social media platforms to identify screening and age gating measures to prevent underage individuals being exposed to gambling content and marketing online.

## **During the assessment, the working group will consider the following for each issue:**

- The range of factual evidence and research available. This may include published reports by the regulator, research bodies and academics, as well as work conducted internally at operators.
- Current practices across operators. This may include how operators use AdTech in relation to reaching potential customers, the cost of this, and how they use it in relation to content.
- The potential range of future developments planned by operators.
- The current landscape of advertising platforms including technological capability and how these may need to change to support any initiatives.

There are certain aspects of how operators advertise, however, which we do not consider to be in scope at this stage.

Specifically, these include offline media, e.g. television, radio and print: as the scope for this work is limited to AdTech online, this is not likely to be relevant.

## **KEY EVIDENCE AND RESEARCH**

1. Ipsos MORI (2020) "The effect of gambling marketing and advertising on children, young people and vulnerable adults" – a GambleAware report examining the impact of gambling advertising and marketing on children, young people and vulnerable adults (March 2020).
2. Ipsos MORI (2019) Young People and Gambling Report 2018 – a Gambling Commission research study into 11- 16 year olds in Great Britain
3. Binde P (2014) Gambling Advertising: A critical research review for the Responsible Gambling Trust