



# BGC Scoping Paper: Sponsorship

## CONTEXT

Sponsorship by gambling companies, and in particular sports sponsorship, has been the subject of widespread debate and scrutiny. According to figures compiled by the Responsible Gambling Strategy Board (RGSB), in the 2017/18 UK football season, nine out of 20 Premier League football teams were sponsored by gambling firms (2019/20: 10 out of 20). Rugby League, boxing, darts, basketball, snooker and several English County Cricket Clubs are also sponsored by gambling operators, as is the Electronic Sports League which represents the growing popularity of e-sports.

Gambling logos or branding appeared on between 71 per cent and 89 per cent of the running time of Match of the Day<sup>1</sup> (the BBC's Premier League highlights show) and this branding now extends to computer football games where audiences are potentially younger. Despite a voluntary commitment from gambling operators to implement a 'whistle-to-whistle' ban on advertising around live sport, the industry is aware that it needs to consider further steps on sponsorship.

<sup>1</sup> **Frequency, duration and medium of advertisements for gambling and other risky products in commercial and public service broadcasts of English Premier League football**, Rebecca Cassidy and Niko Ovenden, Goldsmiths, University of London, August 2017

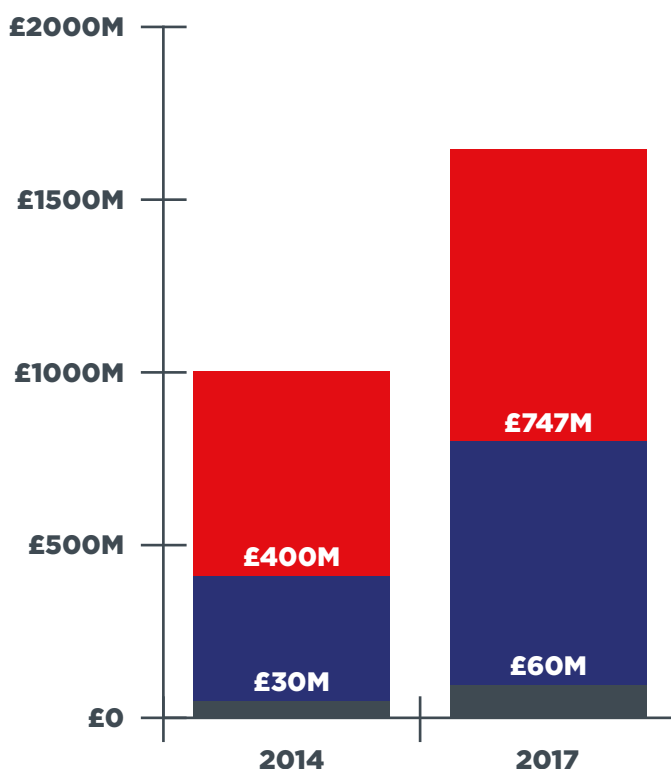
## SPONSORSHIP - SCALE AND VOLUME

While spending on sponsorship (football shirts, horse races, etc.) doubled from 2014 to 2017, it still only accounts for under 4% of all gambling advertising in Great Britain<sup>2</sup>. Online marketing, by contrast, is over ten times larger – roughly comprising half of all marketing spending by the gambling sector.

However, sports sponsorship by gambling companies has intensified in recent years with the exclusion of alcohol brands from sport.

The 2019-20 Premier League gambling sponsorship deals cover over half of teams and amount to £76.1 million, a 25% increase on 2017. In the Championship, 17 out of the 24 teams are sponsored by a gambling firm, meaning that 27 of England's top 44 clubs have a betting sponsor.

- - Sponsorship
- - Online
- - Other



<sup>2</sup> GambleAware / Regulus Partners spending on sponsorships (football shirts, horse races, etc.) doubled from 2014 to 2017

## DEFINITION OF SPONSORSHIP

For the purposes of this review, we propose to adopt the following definition of sponsorship:

**“Any commercial agreement (or part of an agreement) by which a sponsor, for the mutual benefit of the sponsor and the sponsored party (rights holder), supports an event, activity, person or organisation financially or through the provision of products and services, in order to establish an association between the sponsor’s image, brands or products and a sponsorship property, in return for certain agreed direct or indirect benefits.”**

The Gambling Commission does not specifically define sponsorship in the Licence Conditions and Codes of Practice, and the **Gambling Act 2005** has a catch-all definition for advertising that includes sponsorship. **The UK Government (HMRC)** has a sponsorship definition for tax purposes and although the **Advertising Standards Authority** only regulates advertising, it does include advertising that refers to sponsorship arrangements “e.g. press ads, posters or claims on a marketer’s own website... an image of, or reference to, any of these things [e.g. kits of professional sportspeople] appearing in an ad, e.g. a press ad, poster, or on the marketer’s own website or social media.”

## CURRENT LEGISLATION AND REGULATION

The Gambling Commission **stipulates** that:

**“Sponsorship deals must comply with the gambling industry code for socially responsible advertising including with regard to the branding of children’s replica kits: The advertising of adult-only gambling products or product suppliers should never be targeted at children. This applies equally to sponsorship and this code requires that gambling operators will not allow their logos or other promotional material to appear on any commercial merchandising which is designed for use by children.”**

Existing regulation of gambling sponsorship is currently subject to three areas:

KEY ORGANISATIONS	LEGISLATION AND REGULATION	CONTENT
Gambling Commission	<b>License Conditions and Codes of Practice</b> , January 2020	Emphasises importance of ‘socially responsible’ advertising that does not target under-18s or utilise under-25s in advertising for most cases ( <b>pages 66-69</b> )
Advertising Standards Agency	<b>Committee of Advertising Practice Code</b> , September 2010	Rules on what a gambling market segment can and cannot include ( <b>pages 78-80</b> ); only relevant for marketing communications (see definition above and discussion on distinction below)
Industry Group for Responsible Gaming	<b>Gambling Industry Code for Socially Responsible Advertising</b> , January 2019	<ul style="list-style-type: none"><li>• Contains <b>12 key points</b> for gambling firms to follow when advertising their products</li><li>• Has a Board for handling breaches and complaints regarding the Code</li></ul>

## PURPOSE OF THIS REVIEW

The purpose of this review is to provide the evidence base for the development of a formal BGC Sponsorship Code of Conduct, which is capable of adoption under the gambling industry's market codes, specifically the Industry Group for Responsible Gambling (IGRG) Code. This extends the Code beyond BGC members.

The new Code will seek to ensure that gambling sponsorship is conducted in a socially responsible manner, which reduces the risk of gambling messaging to young people and other vulnerable groups.

The code will complement and be consistent with the Broadcast Committee of Advertising Practice UK Code of Broadcast Advertising (BCAP Code) and the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (CAP Code).

## SCOPE OF THE REVIEW AND KEY ISSUES TO ADDRESS

The scope of this review intends to address all forms of sponsorship, and in particular all forms of sports sponsorship. Within that, the review will consider the relevance of the following areas to a new code:

1. Definition of acceptable audience profiles for sponsorships, and the voluntary restrictions that may apply, including requirements for data gathering.
2. Specific restrictions or exemptions on the sponsorship of organisations and entities, be they a team, band or group which may include people under the age of 18.
3. Specific restrictions on the sponsorship of individuals over organisations, both regarding age and sponsored activity where there may be an appeal to those under the age of 18 (e.g. e-sports men and women, celebrities).
4. Restrictions that may apply to events, tournaments or competitions that may differ from organisations or individuals.
5. Placement of brand names, logos or trademarks on merchandise where there may be an appeal or intended use by under-age or vulnerable groups.
6. Tone and content of sponsorship messaging, including the sponsorship and production of content channels (e.g. tournament TV channel, characters)

7. Scale and commitment to include obligatory safer gambling messaging and promotion within sponsorship agreements.
8. Training and support to content-owner's staff, players and fans
9. Treatment of activities and materials whose sole purpose is to educate about the risks of gambling and support available to those experiencing gambling-related harm.
10. Clear definitions on key terms: e.g. sponsorship, gambling, CSR, 'responsible message'
11. Complaints process and adjudication.

## KEY EVIDENCE AND RESEARCH

- **Conceptualising the government, public, sponsored party, and sponsor as separate stakeholders with varying responsibilities and roles** to ensure social benefits have been suggested as one possible framework for any future regulatory move
- A **2019 interim report by Ipsos MORI** on behalf of GambleAware found, amongst other things, that sports sponsorship by gambling was far less prevalent in live broadcasting of rugby, tennis, and Formula 1 events; the report also recommended potential regulators to identify whether negative social impacts are arising from compliance problems with existing rules, lack of guidance on current guidelines, or the need for new codes altogether
- In another study done in Australia, the **inadequacy of empirical research needed to 'support any case for regulatory change'** was highlighted regarding the link between gambling sponsorship of sport and gambling intention