



National Gambling Board  
South Africa

a member of the dti group

# RESEARCH BULLETIN

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During the period 2012/2013 the NGB embarked on a study to determine the social impact of gambling. This study was conducted as a follow-up to a similar study conducted in 2009. A qualitative research methodology was used involving 29 focus groups based on a demographic sample reflecting the diversity of the gambling population in South Africa. The study was supplemented by a 500-person standardised questionnaire survey conducted at or near various gambling outlets, as well as 50 semi-structured interviews with punters and other stakeholders. The board would like to share some of the main findings in this Bulletin.

## Gambling has become "normalised" behaviour in South Africa

- ♠ The social demand for gambling appears to be relatively stable. It appears that gamblers are able to manage their gambling behaviour in a relatively mature fashion. In fact, it would seem that there has been a gradual decline in participation rates.
- ♠ Very few respondents raised serious concerns about gambling, and none called for a comprehensive ban on gambling.
- ♠ The majority of South African gamblers are best described as "recreational gamblers", and are able to manage their expenditure and time in a relatively responsible way. However, it cannot be disputed that there is a comparatively small category of "problem gamblers" in South Africa.
- ♠ Most people were of the opinion that gambling had no particularly discernible impact on their lives, and many felt that the experience of gambling had enriched, or otherwise positively contributed to their social relationships outside the workplace.



## Strong correlation between class, location and gambling preferences

It was found that in the lower income or class status, gamblers are more likely to favour unregulated or informal community-based games such as dice, cards or fahfee (in some areas of the country). By contrast, in the higher income or class status, gamblers are more inclined to favour formal and more expensive gambling destinations.



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## Why do people gamble?

The dominating motivational reason for gambling apparently appears to depend on the type of game played.

The national lottery is associated with the “big win”.

Amongst regular casino goers, the primary motivation factor was simply to have “fun”, followed by the prospect of “getting rich”, to escape problems and to socialise with friends.

Poker and slot machines offer quite different possibilities for intellectual reward.

Other reasons were withdrawal from harsh reality, to escape from life and/or a general fantasy associated with gambling.

The differentiator was found to be related to the gambling games played.

## Interesting associations with different gambling modes

### Casino gambling:

- ♣ The tendency of casinos to offer a complex choice of entertainment of which gambling is only a single component has transformed gaming in many cases into a family activity where the main objective is to derive pleasure rather than to win money.

### Wagering on horses and sport:

- ♣ Although horse racing involves destination gambling, the industry relies increasingly on revenues from off-course betting. This offers a very different gambling experience and an activity that requires a considerable degree of skill rather than pure luck, as a result is seen as intellectual stimulation.

### Limited payout machine (LPM) gambling:

- ♣ LPMs are emerging as a distinct gambling modality in South Africa. Some were attracted by the momentum of the game and its accessibility to other recreational facilities.

### Bingo gambling:

- ♣ The majority of bingo gamblers played on electronic bingo terminals (EBTs). EBTs are beginning to capture a slice of the “impulse” gambling market due to their location in public shopping centres.

### Playing poker:

- ♣ The playing of poker has increased massively across the world since the millennium and South Africa has followed this global phenomenon. Poker was regarded as fundamentally different in that the game depended on skill. Two types of poker are played i.e. cash games and tournaments.

### National Lottery:

- ♣ Convenient location and proximity to most residential areas, together with the low cost of playing makes it possible for even the poorest sectors of the population to purchase a lottery ticket.



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## Do people gamble with grants?

None of the results of the interviews conducted suggested that pensioners or grant recipients were systematically targeted by unscrupulous or illegal operators. Evidence was found of card games being played near one of the grant pay points, however, similar games are played in many communities purely for recreation (in this case Soweto). No evidence was encountered that this particular game targeted pensioners or grant recipients. None of the participants shared stories of grant recipients spending too much money or diverting grant money from necessary domestic expenditures in order to gamble.



### How real is illegal gambling in South Africa?

- ♣ There has been a rapid expansion of unregulated illegal gambling in South Africa. This includes the expansion of illegal online offerings, as well as the proliferation of informal games in many townships.
- ♣ Card playing of every description is clearly discernible and a major source of leisure activity when played with, or without money. Township children play alone, together or sometimes join adult games, which regularly bring together men and women in informal conversation. This practise cuts across income levels and may, on occasion, extend outwards to include friends, family and even nearby communities. This occurs largely on the weekends when card playing becomes a major form of social interaction and mutual bonding.
- ♣ In rural KwaZulu-Natal (KZN), the unemployed, pensioners and disenchanted youth face an unrelenting situation, a mixture of boredom and frustration which results in an ever increasing number of men and women who gamble as a natural facet of their daily existence. In these communities gambling is a way of life which many people regard as “entrepreneurial” in an environment which lacks other opportunities for gainful endeavour. Many older females run private bingo clubs among friends and family as a perfectly normal way to eke out an existence. Disempowered rural youth generally see gambling as an important form of self-expression that “breaks the rules” of society and promotes the formation of adolescent masculine identities. Older men congregate in urban areas to play high-stakes card games such as poker, either privately or in casinos.
- ♣ Underage youth in SA are experimenting with a variety of unregulated and illegal, as well as formal, regulated forms of gambling (i.e. internet-based games and a range of township dice and card games).
- ♣ Participants in focus groups (mainly white and Indian respondents) were unsure as to whether internet gambling was illegal or legal. Although they played a variety of different online games, the majority were attracted to either sports betting or the card-based games in particular poker and blackjack. Internet poker appeals to a growing, affluent, sector of the gaming market. Most had tried their hand at online slots, but did not view this as the main attraction of online gambling. The perception is that internet gamblers spend a considerable amount of time pursuing their hobby.

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## Is problem gambling properly managed in South Africa?

### Important findings:

- ♠ Notwithstanding the very valuable work of the National Responsible Gambling Programme (NRGP) and Gamblers Anonymous (GA), there are large numbers of people in denial of their addiction and as a result without any clear conception as to a means with which to manage the problems their gambling brings upon them. It has been revealed that a commonality appears to be substantial lack of insight and education regarding the severity and dangers of compulsive gambling as an addictive condition. Some respondents had knowledge of media advertisements about the dangers of gambling, but had difficulty in differentiating between responsible and compulsive modes of participation. Most of the aforementioned people have no cognition of the implications of their addiction or of the services offered by the NRGP (or GA). Only a small portion of the compulsive gambling population is willing to acknowledge their problem the reason being an ability to recognise their problem and/or lack of courage to admit the truth and seek corrective assistance.
- ♠ Those who have excluded themselves, found themselves been invited back into casinos without restriction, or at least until they tried to claim their winnings and were then denied payment under the fiction that they were "banned".
- ♠ In rural areas where there is widespread participation in mainly illegal gambling as a means of survival, NRGP slogans (e.g. Winners know when to stop) have minimal impact. Many participants do not see the message as practical and relevant to their own circumstances at the gambling tables. With regard to participants in the rural areas, it was cited that no amount of messaging regarding the dangers of gambling will have any discernible impact as long as there is very little, or no alternative means of entertainment on offer.
- ♠ The NRGP has conducted some informative campaigns in various schools, however, relative to the total number of schools in the country, it appears that the impact of this exercise has been disappointingly minimal.
- ♠ The normal questionnaires used to identify compulsive gambling were dismissed with ridicule by those interviewed. It is suspected that this is due partially as a result of the loose phraseology, and partially because of the tendency of addictive gamblers to refuse to admit the nature of their problems even to their most intimate friends or family.
- ♠ The demand for treatment facilities for the gamblers far exceeds the supply. There are far too few facilities to deal with rehabilitation outside the main urban concentrations. There is virtually no support services for problem gamblers outside major places.
- ♠ Relapse is very frequent among problem gamblers, because of their continued exposure to money and temptation in modern commercial society.
- ♠ The contribution problem gamblers make to gambling revenues is unknown. Studies in Canada and Australia suggest that this contribution is vastly disproportional to the prevalence of such gamblers.

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## Do under-aged South Africans gamble?

Based on this study, under-age gambling is widespread and influenced by class, culture and geographic location. Many under-age gamblers are first exposed to gambling through members of their own family. The national lottery is the most widely played regulated gambling game amongst under 18-year olds. This trend is in line with trends in other developed gambling markets where the national lottery typically constitutes their first pre-adult exposure to gambling.

The single biggest challenge in the gambling industry has been the emergence of new games and new gambling platforms



- ♣ There is a considerable demand for online gambling, particularly for online betting and online poker, and less so for online slots.
- ♣ New forms of online gambling are difficult to understand and their impact as yet, unknown.
- ♣ New forms of land-based gambling, particularly poker, pose significant challenges. Internet gambling, especially poker and blackjack, are preferentially favoured because they transcend time and space. Most people are, however, uncertain whether this type of gambling is legal or illegal.
- ♣ As new gambling modalities emerge, particularly those based on internet and mobile technology platforms, the public will be forced to rethink some of their current views of land-based destination-type gambling operations.

## The way forward:

The board has studied the findings of the report. Strategic recommendations have been crafted and will be discussed at various industry, government and regulatory forums in the continuous effort to address challenges (as highlighted in the research report) and ensure integrity in the South African gambling sector.

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