Prompting Charitable Donations from Winning Customers

Overview

Customers of online gambling operators are given the opportunity to donate a proportion of their winnings to charity when they win.

Background

**Trust in the gambling industry**

Trust in the gambling industry has dropped by 15% over the last 10 years to 33% (Gambling Commission). Gambling companies suffer from a poor image in terms of the social value that their activities produce, with only 15% of the public believing that gambling is ‘good for society’. In contrast to this, The National Lottery is perceived positively by the public with only 17% of the public perceiving it negatively (Yougov). This heightened level of trust may in part be due to the good causes its profits are donated to.

**Gambling Industry - charity partnerships**

One way in which companies gain public trust and drive a higher level of perceived social value is to undertake charitable activity, including corporate partnerships with charities. Unlike other corporates, Gambling companies may struggle to form corporate partnerships with charities beyond those that deal with gambling addiction and treatment.

One reason for this may be that charities do not look to gambling companies to partner with due to distrust of the gambling sector, or a sense that funds from such a source would be unethical.

**Enhancing the ‘win’**

People gamble for entertainment, excitement and the opportunity to win money. Whilst this final driver may be misguided on a long-term basis, winning does also happen. A driver for winning money is the opportunity to provide more for others. For some years, The National Lottery successfully ran an advertising campaign with the tagline ‘who wins if you win’, underlining the motivation to gamble as being one of winning money in order to give it to others.

**Donating**

A well-known by-product of giving money to good causes is the positive feeling that comes along with doing so. In a survey by Charities Aid Foundation 42% of people explain that their primary reason for donating money to good causes is because it makes them feel good (CAF). The feeling broadly known as negative state relief also comes into play here – it might be described as ‘assuagement of guilt’ through donation.

**Responsible Gambling & Positive Play**

There is a recent focus on encouraging ‘positive play’ for customers – i.e. focusing on the benefits of a healthy relationship with gambling. Donating to charity as part of the experience may encourage more responsible activity and positive association with gambling. Winnings may no longer be seen just as money for further gambling – but money with which I can do other, more ‘positive’ things.

**Potential Funds**

Unknown but likely to be significantly more than is currently being donated by customers from their gambling funds.

Proposal

Online gambling operators offer the option for customers to donate a proportion of their winnings to a chosen charity when they win. As a starting point this could be as little as 1, 2 or 5% of winnings.

**Benefits**

To the gambling sector

* Improved public perception and trust
* Enhanced relationship between the gambling sector and charitable works

To the operator

* No cost (beyond possible reinvestment of customer funds into gambling)
* Improved public perception
* Improved relationship with the charity sector
* Improved customer experience

To the charity sector

* Income
* Overcoming ethical issues with gambling operator donations, incongruous with receiving lottery funds and running their own lotteries

To the customer

* Positive feelings associated with donating to good causes
* Means to effect positive social change
* Healthier relationship with gambling (less about acquisition of wealth, more about good causes)

**Risks**

* Customer has slightly less money with which to gamble
* Operators may be resistant as they believe that funds would otherwise be reinvested in gambling
* Benefits to sector, operator and individual are difficult to quantify and measure
* Costs of establishing such a system may be high
* Customers may find the relationship between gambling and donating cumbersome, unusual or off-putting
* Customers justify excessive gambling with the caveat that they are contributing to good works

Other opportunities

* Operators may want to take this one step further and offer to match the customer’s donation or propose that if a customer wins, they donate, but if the customer loses, the operator will donate.
* Partnership with ‘just giving’ or ‘virgin giving’ to facilitate the process smoothly and reach a wider range of charities
* Operators could show customers the amount of money they have donated to good causes through their gambling activity in monthly breakdowns of spend.
* Trial this during certain times of year or for certain events - e.g. donations to RG charities during RG week or joining national initiatives like Comic Relief or Children in Need.
* Land based sector? Simple ways of doing this such as providing donation points for chips / small change / tokens (e.g. such as those used in Waitrose to donate to local charities)

Next steps

* Get feedback from operators / commission / others
* Pilot with customers – how does it make them feel? Interruption or added value?