

Exploring m-consumers' transitioning between vulnerability and responsibility: An m-gambling consumption study

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Abstract:

Marketing scholarship typically analyses the vulnerable consumer through a lens that constructs them as disadvantaged because of economic and/or social determinant related to age, race and income. This categorisation however is problematic when designing and implementing intervention strategies such as social marketing or legislative change for the emerging m-gambling marketplace. The 'neo' vulnerable consumer defies traditional vulnerability categories because they own a mobile phone, have educational opportunity, technological skills and medium to average incomes. This paper develops a model to define m-consumers' vulnerability to m-gambling, and argues that future strategies need to be guided by an understanding of vulnerable consumers that moves beyond static, categorisation and develops marketplace interventions that embrace a transitional perspective of vulnerability. Resulting from this shift will be less interventionist and paternalistic governance and more social marketing strategies.

M-service Marketplace and Emergent M-Gambling Opportunities

More than 1.5 billion consumers, or approximately 25 percent of the world's population, owned a mobile phone in June 2004, generating in excess of \$1.5 trillion in mobile services (m-services) revenues (Insight, 2005). Significant revenue can be generated as a result of the market penetration of advanced mobile phones and devices that provide a platform for high-quality gambling services (New Media Age, 2005). International experience demonstrates that this market has developed three main styles of m-gambling services: casino style gambling, lotteries and sports betting (Juniper Research, 2005). In view of the ubiquity of mobile devices and opportunities for the involvement of lottery providers, global revenues from m-gambling overall is predicted to reach more than US\$19.3 billion by 2009 (Jupiter Research, 2005). This paper focuses on the m-gambling phenomenon, and develops a conceptual model to define m-consumers' vulnerability to m-gambling. Further, the transition from vulnerability to responsible gambling is discussed.

Casino style gambling, which incorporates colourful graphics, mimics the appearance and user experiences of mobile games, and suggests that mobile users will be familiar and well practised in this form of interactivity. Similarly, lotteries are commonplace in traditional paper form and the amalgamation of the large lottery user market with mobile phone users is expected to be "the real traffic driver" in m-gambling (New Media Age, 2003) which will account for 40% of total m-gambling revenues (Juniper Research, 2005). Additionally, sports betting where gambling relates to the outcome of a sporting event are also predicted to be attractive gambling opportunities. For example, betting as a part of mobile content for World Cup 2006 is being offered by numerous betting agencies (Wireless World Forum, 2005). Not only can m-gambling relate to the outcome of games, but can include dynamic betting through handsets for specific player scores and scores at particular times of the game (Jupiter Research, 2005). Bookmakers, such as Ladbrokes in the UK, have incorporated an entertaining, graphics-rich Java environment that makes it enjoyable and easy to place a bet (New Media Age, 2003). In addition forms of m-gambling allow credit betting with "billing" to a mobile phone account.

Vulnerable Mobile Consumers

Integral to the present research is understanding that mobile devices have evolved to be personal technologies—even *intimate technologies*, that enable users to access ubiquitous, m-services which offer entertainment and content anytime, anywhere. We argue that mobile phone users attach personal and social meaning to their mobile device (Geser 2004; Lacohee, Wakeford and Pearson 2003) and that in the context of the current research that the relationship between the consumer and the technological device potentially leads to vulnerability in a gambling marketplace. Belk's (1988) consumer research explains this understanding of consuming products by suggesting that one's possessions are actually an extension of one's self; that is, mobile phones are tools that allow users to do things they would otherwise be incapable of doing. Additionally we argue that mobile phones also symbolically extend self (Belk 1988, 145). For example, mobile users purchase the latest technology to convince themselves that they are a different person than they would be without that latest upgrade. The mobile device—a possession—contributes to the users capability of “doing” (ubiquitously connected to networks) and “being” (“cool” and “cutting-edge” via consumption of the latest technology).

This research aims to identify consumer vulnerability to m-gambling. These consumers are likely to differ from the traditionally defined “vulnerable consumer”, who has been described as those who have difficulty understanding information and making well reasoned decisions because of cognitive or social deficit associated with age, mental capacity, income or social circumstances. This research thus extends the current marketing scholarship which has typically analysed the vulnerable consumer through a lens that constructs them as disadvantaged because of economic and/or social determinant related to age, race and income. Rather this research turns to an identification of the ‘neo’ vulnerable consumer who owns a mobile phone and has technological skills, medium-average income and educational opportunity. This consumer is vulnerable and likely to experience difficulty resisting marketing incentives and gambling offers and making well reasoned decisions because of the properties of mobile phone marketing which allows seamless integration of m-gambling into everyday environments and established behaviours, such as playing games online.

The potential for transitional vulnerability in individual consumer behaviour may arise because m-gambling does not require entry to special premises such as newsagents or betting shops or casinos, can be undertaken spontaneously while engaging in other activities and is attractively packaged to encourage impulse buying rather than reasoned decision making. With each gambling incentive a potential m-gambler may experience the desire to act: to participate in a game of chance, or special offer. The majority of responsible gamblers will resist gambling offers on their mobile phone because of disinterest, or because the risky act of gambling contradicts and/or prevents the achievement of important current goals they are pursuing: saving money, spending money on other entertaining activities. There is a large body of existing literature that identifies resistant behaviour as being influenced by individual self-control (e.g. Fishbach, Friedman, and Kruglanski, 2003). However, even the same consumer that was able to resist a particular temptation at some time, might fail to do so at other times. It is this transitive role of vulnerability that has not been well addressed in research addressing vulnerability consumers to date. One exception is the current work completed by Baker, Gentry and Rittenburg (2005, 134) who have provided a more useful marketing definition that is consumer-driven, stating that consumer vulnerability is:

a state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products. ... The actual vulnerability arises from the interaction of individual states, individual characteristics, and external conditions within a context where consumption goals may be hindered and the experience affects personal and social perceptions of self.

Baker, Gentry and Rittenbury (2005) point out that no one chooses to experience vulnerability. In fact research (e.g., Bagozzi and Dholakia 2002; Stewart and Pavlou 2002) has documented that technology users typically feel empowered and in control when they use technology in marketing exchanges and relationships. This arises because technology allows the user to choose what information they absorb and when, with reduced barriers and costs (Watson et al 2002). However, an m-consumer may experience vulnerability as a result of their m-technology expertise and access to sophisticated mobile devices that enable them to use m-gambling services. Moreover the cognitive priming from past technology-based gaming experiences accelerates their ability to use casino-style gambling. Past technology-imbued exchanges may also encourage m-consumers to play for longer periods of time because they are focused on accumulating as many points as possible. Figure 1 shows a conceptual model of interpersonal and intrapersonal influences that impact m-gambling consumption; each section of the model will now be discussed.

Responsible gambling

Whilst there is considerably research that has documented the negative impact of over consumption of gambling product on individuals and society (e.g. Productivity Commission, 1999; National Gambling Impact Study Commission, 1999), other commentators have more recently discussed a less a biased construction of gambling as problematic. Messerlian, Derevensky and Gupta (2005) for example argue that gambling is no longer considered a vice accompanied by negative connotations and stigmatisation, but that public perception constructs gambling as a legitimate form of pleasure and entertainment. For some people, certain gambling products (e.g. bingo and lottery) are considered “cheap” entertainment. For other gamblers, products also offer hedonic consumption experiences by engaging the consumer’s senses (e.g. psychologically—dreams; physically—excitement and arousal), fantasies (e.g. escapism), and emotions (e.g. ecstasy) (Holbrook and Hirschman 1982).

Individual as techno-consumer: Consumers’ use of technology and mobile communication devices in particular is increasing rapidly, and devices based on mobile technology are now commonplace in everyday life. Mobile consumption styles relate to how mobile devices and m-services are consumed. Prior research focusing on consumption styles of young people with regard to mobile phones has identified three types of users: thrifty, trendy and ‘addictive’ (Wilska, 2003). We suggest that consumption styles are located along a continuum ranging from minimal to compulsive consumption

Fundamental to mobile consumption styles is individual self-efficacy; that is m-consumers beliefs and sense of efficacy in mastery of mobile technology, which is demonstrated via their technical capabilities in producing commercial and social exchanges using mobile devices. We hypothesise that gambling services will leverage m-consumer self-efficacy to motive exchanges which may range from transient, compulsive, or loyal exchanges depending on consumer involvement in the gambling services offered. The assumption underlying this hypothesised relationship between

gambling services and self-efficacy are the concept of cognitive and affective priming. Priming draws upon the m-consumer's past experiences of mobile interactions acting as a contextual cue in m-gambling, which may result in the experience of consumer vulnerability. In this instance consumer vulnerability occurs when the m-consumer is unable to accomplish his or her goals in the gambling consumption situation (i.e. winning) because of being powerless (i.e. 'unlucky'), out of control, or disoriented (i.e. removed from cash reality) because he or she has no consumer goal in the short run (e.g. gambling limit). Woodruff & Gregory (2005) suggest that time poverty may mediate between demographics and online gambling.

Gambling demographics: Although demographics of gambling via mobile phones are not widely available, it is possible to extrapolate this data from mobile phone user and Internet gambling demographics. The penetration of multimedia phones with advanced functions is 65% for individuals aged 18 and less, followed by 63% for the 19-24 age group. This reduces in the higher age groups down to 2% for those aged above 65 (Kearney, 2005). Thus younger people are more likely to have access to m-gambling opportunities. Woodruff & Gregory (2005) found that unmarried individuals and those with university level of education (Bachelor's level) were more likely to try gambling on the Internet gambling than married, less educated individuals.

Individual states of consumers may influence a consumers experience and behaviour within a consumption context (e.g., selling gambling attempts, gambling retail exchanges, etc.) (Baker, Gentry & Rittenburg, 2005). For example, previous research suggests that individual states can influence tendency towards online gambling. Kwak, Zinkhan & Roushanzamir (2004) suggest that obsessive thoughts, risk-taking propensity and compulsive traits may be associated with compulsive gambling. Other research (Joukhador, Blaszczynski & Maccallum, 2004) indicates that superstition is also likely to be correlated with problem gambling. Taken together, the characteristics of the individual as techno-consumer, gambling demographics and individual states are shown to have a direct impact on vulnerability to m-gambling (Figure 1). Two other factors, market moderators and group moderators, shown (Figure 1) as having the potential to moderate and possibly enhance the influence of the three primary factors on vulnerability to m-gambling, are now presented and conclude the discussion of the conceptual model.

Market Moderators: Market incentives from the gambling industry in Australia has found that the wide acceptance and overall demand for gambling products has meant that many new forms of gambling are mostly well received by consumers. The decline in the popularity of a number of traditional forms of gambling has been accompanied by legalisation of many other forms of gambling. New firms have entered the industry and overall the industry has responded by introducing new products and has continued to grow (Breen, 2005). . M-gambling services Product innovations and product development of m-gambling services has the potential to increase the availability, ease of use and 'fun in use' of m-gambling making it increasingly attractive to consumers. According to Hoffman & Novak's (1996) categorisation, text messages services and contact services represent person-to-person interactive services, whereas gaming services and payment services are machine interactive. Furthermore, text messaging and payment can be characterised as goal-directed services, whereas gaming services and contact services are more experiential (Nysveen, Pedersen &

Thorbjornsen, 2005, p. 330). All of these categories are likely to provide platforms for increasing elaboration of the available services. Both of the market moderators are likely to impact on the development of vulnerability to m-gambling.

Group Moderators: Social networks and Subjective norms In consumer behaviour and information systems research, the influences of social networks, family and other referent groups has been recognised as a significant factor in determining uptake of technology (Childers and Rao, 1992; Moore and Bensarat, 1995). Word of mouth communication from trusted social contacts has the potential to strongly influence behaviour. Generalized subjective norms, the level of importance that individuals place on their perceptions that people, or referents, who are important to them will want them or not want them to perform a behaviour, are likely to influence vulnerability. External conditions contribute to consumer's experience in a consumption context. Whilst mobile devices are individualised, they also link people together. Thus, group moderators —subjective norms and social networks may also influence and structure the consumption experience. Furthermore, the experience of consumer vulnerability will also be influenced by group moderators. Social modelling -the learning that occurs through observation of social models—has been shown to influence the adoption of gambling (Felsher, Derevensky and Gupta, 2003). Mobile phones are readily able to be observed in use and thus m-gambling is also likely to be influenced by social modelling effects. All of these group moderators are likely to impact on the development of vulnerability to m-gambling.

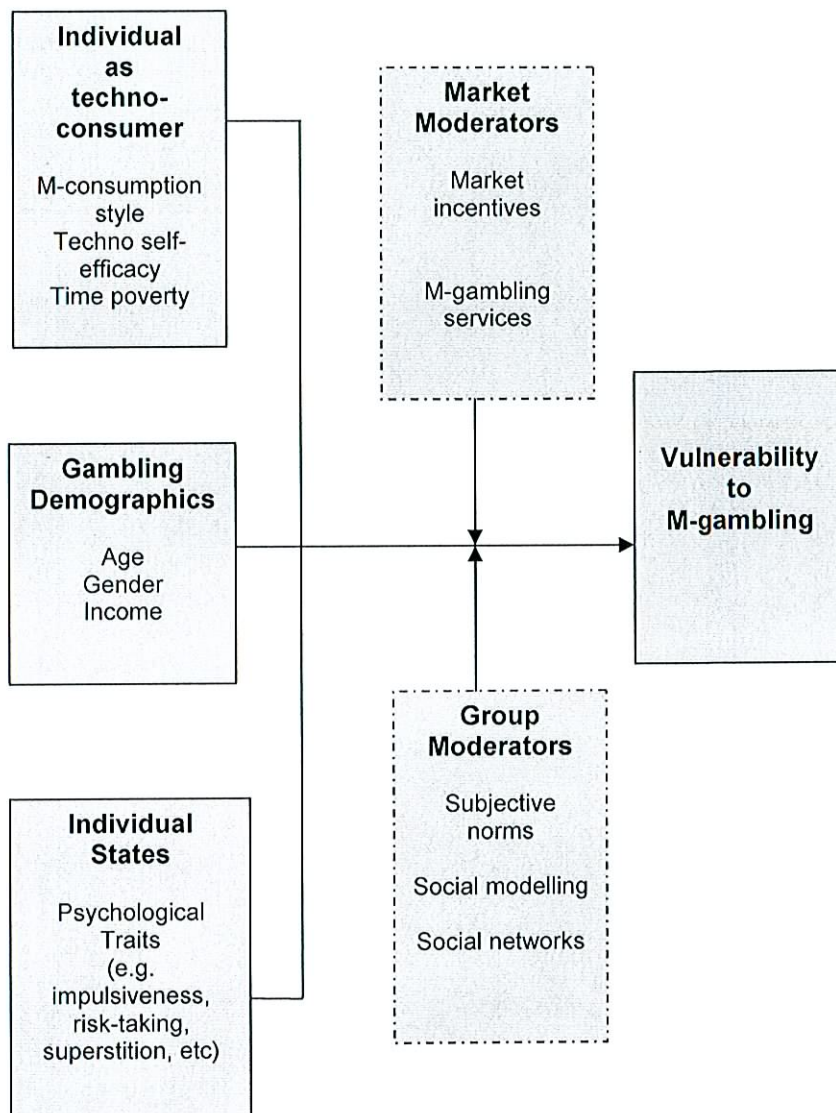
Transitioning Between M-gambling Vulnerability and Responsibility.

Given the propensity for vulnerability in terms of m-gambling, it is crucial that responsible attitudes and behaviours towards this ubiquitous style of gambling are engendered. This encompasses the concept that m-consumers can themselves make the transition from being vulnerable to developing a responsible attitude towards m-gambling. The transitional perspective is one whereby “both exit and entry processes must be handled by the individual” (Baker, Gentry and Rittenburg (2005: 136). Therefore, a regulatory environment that focuses primarily on the entry process may be inappropriate in that it will overregulate the marketplace and assume that no benefits accrue to those who wish to participate in m-gambling. Further, these prevention strategies may be perceived as patronising and paternalistic. Instead, social marketing strategies that persuade m-consumers to engage in responsible gambling behaviours, and provide constructive tactics to achieve this state, will be more likely to be effective in transitioning the vulnerable consumer.

Conclusion and Further Research

This paper has proposed a model for assessing the factors affecting the m-consumers vulnerability to m-gambling, explored the concept of the ‘neo’ vulnerable consumer, and argued that a transitional perspective on the vulnerable consumer is more appropriate than a static one. In view of the potential social, psychological and economic effects of m-gambling, social marketing strategies that aim for responsible attitudes and behaviours are essential. Further research is being undertaken to gather indepth information on m-consumers attitudes and intentions towards m-gambling to improve our understanding of the ‘neo’ vulnerable consumer and their potential responses to social marketing strategies.

Figure 1: Conceptual Model to Define Consumer Vulnerability to M-Gambling



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