

INTRODUCTION OF TOOLS FOR SOCIAL AND ECONOMIC PROTECTION OF OPERATORS AND CONSUMERS AS A PART OF DESTIGMATISATION OF GAMBLING

Stanislav Mykhailov¹, Nataliia Savina²

Abstract. This paper delves into the critical topic of destigmatising the gambling industry by introducing social and economic protection tools for both operators and consumers. Gambling, especially in the online sphere, creates unique challenges and opportunities in the modern digital age. The *purpose* of this article is to highlight the principles and strategies needed to create a fair, ethical and stigma-free gambling environment. *Methodology.* To achieve this goal, this research takes a comprehensive approach. First, it examines the existing international consensus on recommended practices for businesses that engage in online consumer transactions, including non-monetary transactions. These practices have been condensed into six high-level principles that serve as a basis for creating policies aimed at protecting the interests of digital consumers involved in online gambling. The paper also examines these principles in the context of the gambling industry, with a particular focus on fair business practices, advertising and marketing in the sector. It also addresses issues related to online gambling, such as deceptive practices, lack of transparency and potential risks to consumer privacy and security. *Results.* This research provides valuable insights into the implementation of tools and measures that can effectively protect both gambling operators and consumers, as well as contribute to the destigmatisation of the industry. The six principles outlined in this paper emphasise fairness, transparency, access to information, transaction security, product safety and accessible dispute resolution mechanisms. By adhering to these principles, gambling operators can build trust among consumers and promote responsible gambling practices, which will ultimately contribute to the sustainable development of the digital gambling economy. Consumers, in turn, can confidently engage in online gambling, knowing that their rights are protected and their interests are respected. This document is therefore a valuable resource for policy makers, industry stakeholders and academics seeking to create a fair and ethical digital market in the gambling sector. By implementing the principles and tools outlined above, there is a significant step towards destigmatising gambling and ensuring a more responsible and safe environment for all stakeholders.

Key words: gambling, socio-economic protection, destigmatisation, online gambling industry, consumer rights.

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1. Introduction

The gambling industry, characterised by its diverse nature and substantial economic footprint, has long been the subject of social debate and stigmatisation. Public perceptions of gambling often oscillate between notions of excitement and vice, with the latter often overshadowing its potential as a legitimate and regulated form of entertainment. Against this backdrop, overcoming the stigma surrounding gambling has emerged as

a key challenge for both operators and consumers. This article examines the central role of socio-economic protection measures within the broader framework of destigmatising gambling.

Gambling has a rich history intertwined with cultural, social and economic factors, making it a complex phenomenon to study and regulate. While many people gamble for recreational purposes, others are vulnerable to its potentially negative consequences, such as financial instability,

¹ The National University of Water and Environmental Engineering, Ukraine (*corresponding author*)

E-mail: s.v.mykhailov@nuwm.edu.ua

ORCID: <https://orcid.org/0000-0003-4120-4686>

² The National University of Water and Environmental Engineering, Ukraine

E-mail: n.b.savina@nuwm.edu.ua

ORCID: <https://orcid.org/0000-0001-8339-1219>



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addiction and social exclusion. In response to these challenges, various socio-economic mechanisms and tools have been developed to protect the interests of both operators and consumers of gambling. These tools cover a range of initiatives, including responsible gambling programmes, financial counselling and self-isolation programmes.

The main thesis of this article is that the strategic and effective implementation of these socio-economic protection tools can be a catalyst for destigmatising gambling. By mitigating the negative consequences associated with gambling, these instruments not only increase the overall well-being of consumers, but also contribute to a more favourable perception of the industry. This shift towards destigmatisation not only benefits operators by improving their corporate image, but also assists policymakers in formulating evidence-based regulations that promote responsible gambling.

To comprehensively address this complex issue, this article adopts a multidisciplinary approach that draws on existing literature, empirical evidence and case studies to assess the impact of socio-economic protection instruments on destigmatisation. It critically examines the effectiveness of these instruments and offers insights into their role in changing public opinion on gambling. In addition, this study aims to highlight the policy implications that arise from these findings, with a focus on building a more inclusive and responsible gambling industry.

In essence, this article is a contribution to the ongoing discourse around gambling and aims to shed light on the transformative potential of socio-economic protection instruments in destigmatising an industry that occupies a unique position at the intersection of entertainment, economics and social responsibility. By thoroughly examining their implementation and impact, the goal is to create a basis for informed policymaking and constructive dialogue aimed at creating a more balanced and destigmatised gambling landscape.

Since the advent of the commercial Internet in the 1990s, the commercial landscape has undergone a profound transformation, leading to social and economic change. Rapid digital innovation has reshaped the nature of online commerce and impacted every sector of the economy. This transformation has also changed the dynamics of interaction between consumers and businesses. While online commerce has

given consumers access to a wealth of digital marketplace tools, and the gradual removal of trade barriers has facilitated global supply chains, it has also enabled the creation of a truly global, consumer-driven e-commerce marketplace.

However, despite the obvious advantages and opportunities offered by online commerce, the ease and speed with which consumers can conduct online transactions – anytime, anywhere, including from abroad – can potentially expose them to risky situations.

2. Tools for Social and Economic Protection of Operators and Players

Since gambling is a game that requires players to place bets and the possibility of winning (prize) depends on chance, it is important for players to understand that participation in gambling is a form of entertainment that offers the potential to experience certain emotions. Gambling operators provide an entertainment service, and players, as recipients of this service, make payments by placing bets. Before starting the game, it is necessary to make sure that the gambling organiser has the appropriate licence to operate in Ukraine. In order to ensure the high quality of gambling organisation, transparency of gambling activities and protection of players' rights, the Law of Ukraine No. 768-IX dated 14 July 2020 (The "Law of Ukraine On State Regulation of Activities Related to Organisation and Conduct of Gambling", 2020) sets strict requirements for business entities wishing to operate in this area.

A licence means that a business entity complies with the requirements of the law, has the ability and right to engage in gambling activities, and is obliged to take all necessary measures to protect the rights of players. State regulation of gambling activities in Ukraine is carried out by the Commission for Regulation of Gambling and Lotteries. The following types of activities in the field of organising and conducting gambling are allowed on the territory of Ukraine:

1. Gambling organisation and holding in casino gambling establishments.
2. Organisation and performance of online casino gambling.
3. Arranging and conducting betting activities in betting shops and on the Internet.
4. Gambling organisation and implementation in slot machine halls.

5. Organising and conducting online poker games.

Up-to-date information on gambling organisers that have received a licence and are entitled to engage in activities related to certain types of gambling and lotteries is available on the Commission for Regulation of Gambling and Lotteries website (gc.gov.ua) in the Registers and Lists section. Player registration is a mandatory requirement for participation in gambling, which implies preliminary familiarisation with the rules of participation in gambling and the provision of personal information by the player.

Particular attention should be paid to the rules of participation in gambling, as confirmation of the player's familiarity with these rules is usually evidence of an agreement between the gambling organiser and the player. Gambling rules cover such important aspects as requirements for players, rights and obligations of players, rights and obligations of the gambling organiser, betting process, game rules, conditions for receiving winnings, dispute resolution, etc.

In particular, players are obliged to provide their personal data for registration, including full name and details of documents confirming their identity. Gambling organisers have the right to request additional documents to confirm the player's identity, especially before paying out winnings.

To prevent the negative consequences of gambling, the Commission for Regulation of Gambling and Lotteries has approved the Responsible Gaming Principles, which are mandatory for all gambling organisers. Therefore, players have the right to set personal restrictions before starting the game, including restrictions on the number and amount of bets and the duration of the game. Information about the necessary licensing documents for organising and conducting gambling, requirements for players, player rights, rules of participation, dispute resolution, etc. should be placed in an accessible place.

These principles have been formulated based on the OECD Guidelines for Consumer Protection in the Context of Electronic Commerce and the UN Guidelines for Consumer Protection (OECD Committee on Consumer Policy, 2022). Together, these six principles provide a framework for assessing and developing policies that developed countries can use to protect and empower digital

consumers. The six core principles of the high-level toolkit are as follows:

1. Fair Business and Advertising Practices. E-commerce businesses must conduct themselves in accordance with fair business and advertising practices. They must refrain from making any statements that may be misleading, fraudulent or unfair.

2. Adequate Information Access. E-commerce businesses should provide clear and accurate information about themselves, the goods or services they offer, and the terms and conditions of transactions. This ensures that consumers have enough information to make informed decisions about transactions.

3. Effective Transaction Confirmation and Payment Processes. E-commerce businesses should not process transactions without the express consent of consumers. They should provide user-friendly payment mechanisms with appropriate limits on consumer liability for unauthorised use.

4. Measures for Privacy and Security Risks. E-commerce practices regarding consumer data should be lawful, transparent and fair. They should allow consumers to participate and make choices, while providing reasonable security protections.

5. Product Safety in E-Commerce Supply Chains. E-commerce businesses should not offer or advertise products or services that pose an unreasonable risk to consumer health or safety. They should cooperate with competent authorities to reduce such risks.

6. Significant Access to Effective Dispute Resolution Mechanisms. Consumers should have meaningful access to fair and convenient dispute resolution and compensation mechanisms without undue cost or burden.

Collectively, these principles serve as a framework for ensuring that digital commerce is conducted in a manner that protects consumers and enables them to make informed choices. By adhering to these principles, e-commerce businesses and regulators can help build trust in the digital marketplace, ultimately benefiting both consumers and businesses.

In an environment where the scale of a digital platform is directly proportional to the amount of data it can collect about and use in its interactions with its users, questions of data use, privacy and security also arise. In some respects, these platforms have helped to eliminate traditional

information asymmetries. For example, a search engine or digital intermediary can help consumers compare the prices and reputations of a wide range of potential providers of a product or service in a way and with a level of convenience that would not be possible without these platforms. At the same time, however, platform data collection methods can contribute to what one Silicon Valley analyst has described as "extreme information asymmetry" (Lanier, 2013). In this scenario, consumers become transparent to the platform, while the functionality of the platform remains opaque to the consumer.

In addition, platforms use algorithms that, based on this data, shape consumers' perceptions of their services, including what consumers can and cannot see. Data-driven algorithms can also, at least in theory, determine the prices offered to individual consumers (Mohammed, 2017). The absence of an option to refuse or disable these features leaves consumers with a take-it-or-leave-it choice when using these platforms.

These changes raise important questions about data privacy, consumer rights and transparency in algorithmic decision-making. As digital platforms continue to shape online interactions and experiences, addressing these issues will become increasingly important to ensure a fair and safe digital environment for all users.

Thus, well-developed and contextually appropriate consumer protection and competitive markets are essential to build the trust necessary for the further development of these markets, benefiting both consumers and businesses. Effective enforcement of consumer rights is crucial to unlocking the full potential of e-commerce.

Participating in online gambling can offer players a number of benefits and opportunities, which can be summarised as follows:

1. *Greater Choice.* Online gambling provides players with a much broader range of options. It also makes the global market accessible to players, allowing them to participate in international games much easier than ever before.

2. *Enhanced Convenience.* Online gambling reduces transaction costs and allows players to interact with the market efficiently at a time and place of their choosing, eliminating the restrictions associated with opening hours and location that are inherent in physical gambling venues. Innovative technologies such as voice-activated

virtual personal assistants can further enhance this convenience.

3. *Better Value.* Continuous innovation, economies of scale achieved by successful platforms, reduced overheads for online providers (Wigglesworth, 2017), and in some markets, increased competition due to low innovation costs can lead to cost savings and free services for players.

4. *More Accessible Information.* The Internet offers easy access to vast amounts of information about product quality, prices and supplier reputation. It promotes greater transparency than was possible in the pre-Internet era, facilitating more effective comparison and informed decision-making for players.

5. *Access to Digital Comparison Tools.* The internet has provided consumers with access to a range of digital comparison tools (DCTs) and aggregation platforms that can filter, analyse and manage market information according to consumer preferences and parameters. In markets where they are well established, these services can reduce transaction costs and offer players the best deals, allowing them to compare and select offers from across the market conveniently and efficiently (OFT, 2013).

6. *Empowerment to Be More Active Players.* Social media and review and rating systems have given players a voice, allowing them to communicate directly and publicly with providers and easily share their experiences with products or services, both positive and negative.

However, along with the benefits and opportunities that online gamblers receive, there are certain risks that need to be taken into account. The principles of minimising these risks are the basis for the socio-economic protection of operators and consumers:

1. *Unfair Business and Advertising Practices.* Players may be misled as to the nature of the product or service (or the advert itself) and subjected to aggressive and/or deceptive marketing and pricing tactics. Fraudsters may mimic legitimate websites and manipulate search engine results to exploit consumers.

2. *Disclosure and the Nature of Online Terms and Conditions.* If online terms and conditions are long, complex, or hidden on a website or app, consumers may face lengthy searches or find themselves bound by terms they did not know they were agreeing to. They may also receive

products or services that do not meet their needs, are of a lower quality than expected, or, in the case of certain digital content products, cannot be used in the way intended. If privacy and other terms are misrepresented or unclear to readers, consumers may unwittingly consent to the collection, use and dissemination of their personal data in ways they did not knowingly approve.

3. **Payment and Transaction Verification Issues.** Without adequate payment security, transaction data provided in the context of e-commerce payments can be lost, stolen or misused. If adequate minimum safeguards are not applied and enforced regardless of the payment method, consumers could suffer potentially significant financial losses as a result of cybercriminals.

4. **Data and Confidentiality.** The large-scale collection of data by online platforms can create powerful new forms of information asymmetry. Platforms can use algorithms based on this data to shape and otherwise manipulate consumers' perceptions of their services, including determining what consumers can and cannot see. These same capabilities may also provide platforms with the means to personalise prices, although the extent to which this occurs remains unclear. The growing prevalence of large-scale data breaches underscores the need for effective security measures to adequately protect consumer privacy, financial interests and overall security.

5. **Persistent Availability of Unsafe Products in E-Commerce.** Unsafe products that have been banned from sale or withdrawn from the market may still be available through e-commerce channels in several countries.

These issues highlight the importance of robust consumer protection and regulatory oversight measures to ensure that consumers and operators interact safely and confidently in the online space.

3. Principles of Fair Business Practices for the Gambling Industry

There is now an international consensus on a set of recommended practices that companies should follow when conducting transactions, especially non-cash transactions, with consumers online. These recommended practices have been combined into six high-level principles that provide a framework for assessing and developing policies that advanced countries can use in their

efforts to protect and empower digital consumers in online gambling. These principles include the following:

1. **Fair Business and Advertising Practices.** E-commerce businesses must conduct themselves in accordance with fair business and advertising practices. They must refrain from making any statements that may be misleading, fraudulent or unfair.

2. **Access to Information.** E-commerce companies must provide clear and accurate information about the products or services they offer and the terms and conditions of transactions. Consumers should have enough information to make informed decisions.

3. **Efficient Transaction Confirmation and Payment Processes.** E-commerce businesses should not process transactions without the express consent of consumers. They should provide user-friendly payment mechanisms with appropriate limits on consumer liability for unauthorised use.

4. **Measures for Privacy and Security Risks.** Business practices related to the collection of consumer data should be lawful, transparent and fair, ensuring consumer participation, choice and reasonable security guarantees.

5. **Product Safety in E-Commerce Supply Chains.** E-commerce businesses should not offer or advertise products or services that pose an unreasonable risk to consumer health or safety. They should cooperate with competent authorities to reduce such risks.

6. **Significant Access to Effective Dispute Resolution Mechanisms.** Consumers should have meaningful access to fair and convenient dispute resolution and compensation mechanisms without undue cost or burden.

Going deeper into the provisions on fair business, advertising and marketing, especially in the gambling industry, the following principles can be formulated:

1. Gambling operators should refrain from any activity that may be deceptive, fraudulent or unfair. This includes deceptive practices related to the collection and use of personal data of consumers.

2. Terms and conditions that may affect a player's decision to enter into a transaction should not be misrepresented or concealed. Players must be able to withdraw from a confirmed transaction in appropriate circumstances, even

if this is not mandatory, and the losses that the player may incur for breaching the terms must be proportionate.

3. Operators and players must comply with explicit or implicit statements of compliance with industry codes or self-regulatory programmes, privacy notices, or any other policies or practices.

4. Advertising and marketing should be clearly identified as such, provide accurate information on behalf of whom they are conducted, correspond to the actual characteristics, the conditions of access and use of the relevant goods and services should not be distorted or concealed, and the emphasis should be on responsible gaming. If player recommendations are used in advertising and marketing, they should be truthful and transparent, and any significant links between operators and online support should be clearly stated.

The nature of online transactions can reduce players' attention and create conditions for neglecting risk management. Online gambling is often impersonal and typically does not allow for the evaluation of goods before purchase. As a result, the online arena can be conducive to fraudulent and deceptive commercial practices that can undermine both the well-being of players and their confidence in e-commerce. Players may be misled about the nature of the game or service (or the advertising itself) and aggressive and/or deceptive marketing methods may be used. Operators may create confusion with trade names or trademarks of competitors.

5. Conclusions

Thus, the digital age has ushered in a new era of opportunities and challenges for consumers and businesses alike, especially in the online gambling industry. As businesses navigate this dynamic landscape, it is increasingly important to adhere to the principles of fair and ethical business

practices to ensure consumer welfare and industry sustainability.

The six high-level principles outlined in this article provide a solid foundation for the development of policies aimed at protecting the interests of digital consumers who engage in online gambling. These principles emphasise the importance of fairness, transparency and accountability in business practices, advertising and marketing. They emphasise the need for easy access to relevant information, secure transaction processes, and robust privacy and security measures.

Moreover, the gambling industry, in particular, must diligently adhere to these principles. It should refrain from deceptive practices that could undermine player trust. Clear and accurate information should be readily available to help players make informed decisions, and efficient transaction processes should prioritise user consent and security. The security of products and services offered in the online gambling ecosystem should be guaranteed, and effective dispute resolution mechanisms should be available to consumers.

As humanity moves forward into the digital age, the principles of fair business practices are becoming paramount not only for consumer protection but also for the long-term viability of online gambling. Following these principles, businesses can build trust among consumers, promote responsible gambling practices, and contribute to the prosperity and sustainable development of the digital economy.

Essentially, the path to a fair and ethical digital marketplace, especially in the field of online gambling, requires adherence to these principles. They serve as a compass that leads to a future where consumers can confidently engage in online gambling, knowing that their rights are protected and their interests are respected. This creates a digital landscape in which consumers and businesses can develop harmoniously.

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