The relationship of perceived service quality and playing intentions in online gambling

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Intro

- Online gambling is growing all the time, but offline gambling still constitutes major part of global gambling industry
- Availability, regulation and consumption of online gambling varies regionally
- Quantity and quality of access to online gambling influence how players consume online gambling sites and services
- In Finland, attitudes towards gambling are positive in general
  - More than 80 % of the population have gambled
- Finland was also one of the first countries in the world to offer online gambling opportunities to its citizens
  - National Lottery Veikkaus Ltd. opened its online site in 1997, PAF 1999, RAY 2010
- Proportion of online gambling is higher in Finland than in many other countries
  - Average 5 % of citizens of EU countries gamble online compared to 27 % of Finns
  - Finns gamble online almost twice as much as people in any other EU country (Eurostats 2013, Karekallas et al. 2014)

Service quality research

- Long history in business studies and research
- Service quality improves key business aspects such as retention of customers, productivity and profitability, corporate image and intentions of customers to share their positive experiences of the company
- One of the most widely employed instrument has been the SERVQUAL-scale (Parasuraman et al. 1988; see also Ladhari 2009) for investigating the perceptions of service quality of consumers
- 5 dimensions that determine customers' perceptions of service quality:
  - Tangibles, reliability, responsiveness, assurance, and empathy

→ We have looked at reliability, responsiveness, assurance, and empathy in the context of online gambling

ASSURANCE

Trust and confidence of the customer toward the service provider and the service

Reputation of the service provider as well as clarity and truthfulness of information provided by it

EMPATHY

Customizability or personalizability of the service

Feelings of loyalty towards the company

RELIABILITY

Technical functionality and accuracy of the service and the promises made regarding of it

RESPONSIVENESS

Reactivity of the service provider and provision of assistance in case of problems or questions

ASSURANCE

I think there are unexpected risks when using money in the online gambling service

I feel safe playing in the online gambling service

I trust the online gambling service to keep my personal information safe

I feel safe about using money in the online gambling service

EMPATHY

The online gambling service provides me a personalized experience

I think I can modify the online gambling service experience to my needs

I am satisfied with the customization options in the online gambling service

It is possible for me to tailor my game experience in the online gambling service

RELIABILITY

The online gambling service is of good quality

The online gambling service is well made

I believe that the online gambling service works reliably

I think that the online gambling service works as I expect it to

RESPONSIVENESS

I believe the company running the online gambling service would be responsive to my needs

In case of any problem, I think the company running the online gambling service would give me prompt service

The customer service will address any concerns that I have

I trust the company behind the online gambling service to offer good customer service

Data and methods

- How perceived service quality affects how much people play on online gambling websites?
- An invitation to participate in the survey was sent via email
  - Customers of RAY
  - Invitation among other news in the newsletter to 50 000 players → 82 respondents
  - Standalone message to 50 000 of those players who had agreed to receive messages about research in general → 340 respondents
  - 372 respondents in merged and cleaned data
- The data was analyzed by structural equation modelling for multilevel path analyses (SEM)

Some background info about the respondents (N=372)

- Age
  - 18-74 years old
  - Average 40, median 38
- Gender
  - Women 117 (31,5 %)
  - Men 254 (68,5 %)
- 90 % at least high school or equivalent, 28 % university degree, 52 % full time job, 68 % lives with someone
- Started to gamble at the age of 15 (median 14)
- On average 48 € per week to all gambling (median 20 €)
- On average 21 € per week to RAY's games (median 5 €)
 - 25 % don't use money on RAY's online service?

Validity and reliability

- The model-testing was conducted via the component-based PLS-SEM in SmartPLS 2.0 M3 (Ringle, Wende, & Will, 2005)
- Convergent validity was assessed with three metrics:
  - Average variance extracted (AVE), composite reliability (CR), and Cronbach's alpha (Alpha)
  - All of the convergent validity metrics were clearly greater than the thresholds cited in relevant literature (AVE should be >0.5, CR >0.7 (Fornell & Larcker, 1981), and Cronbach's alpha >0.8 (Nunnally, 1978)
  - Only well-established measurement items were used. There was no missing data, so no imputation methods were used
- We can therefore conclude that the convergent requirements of validity and reliability for the model were met
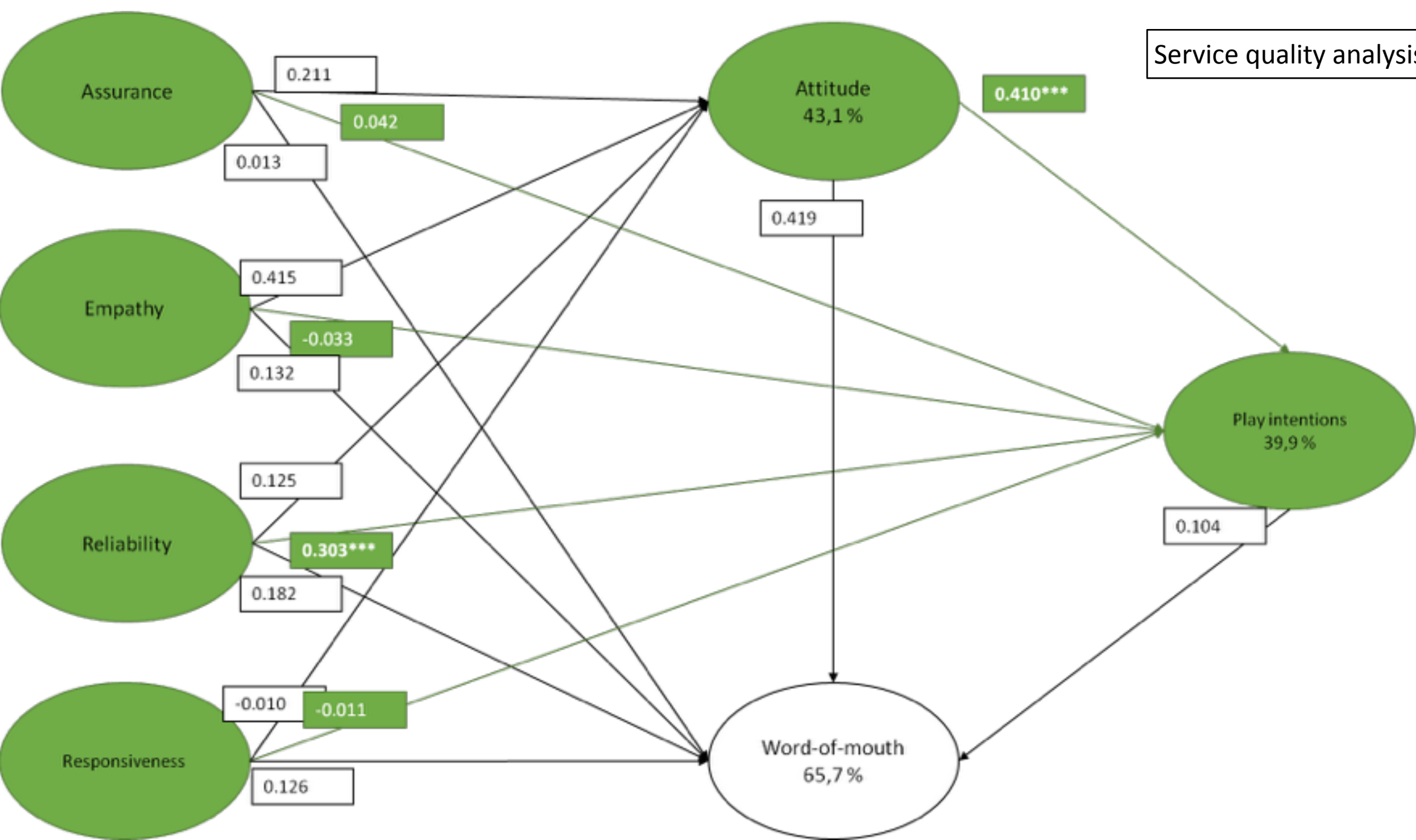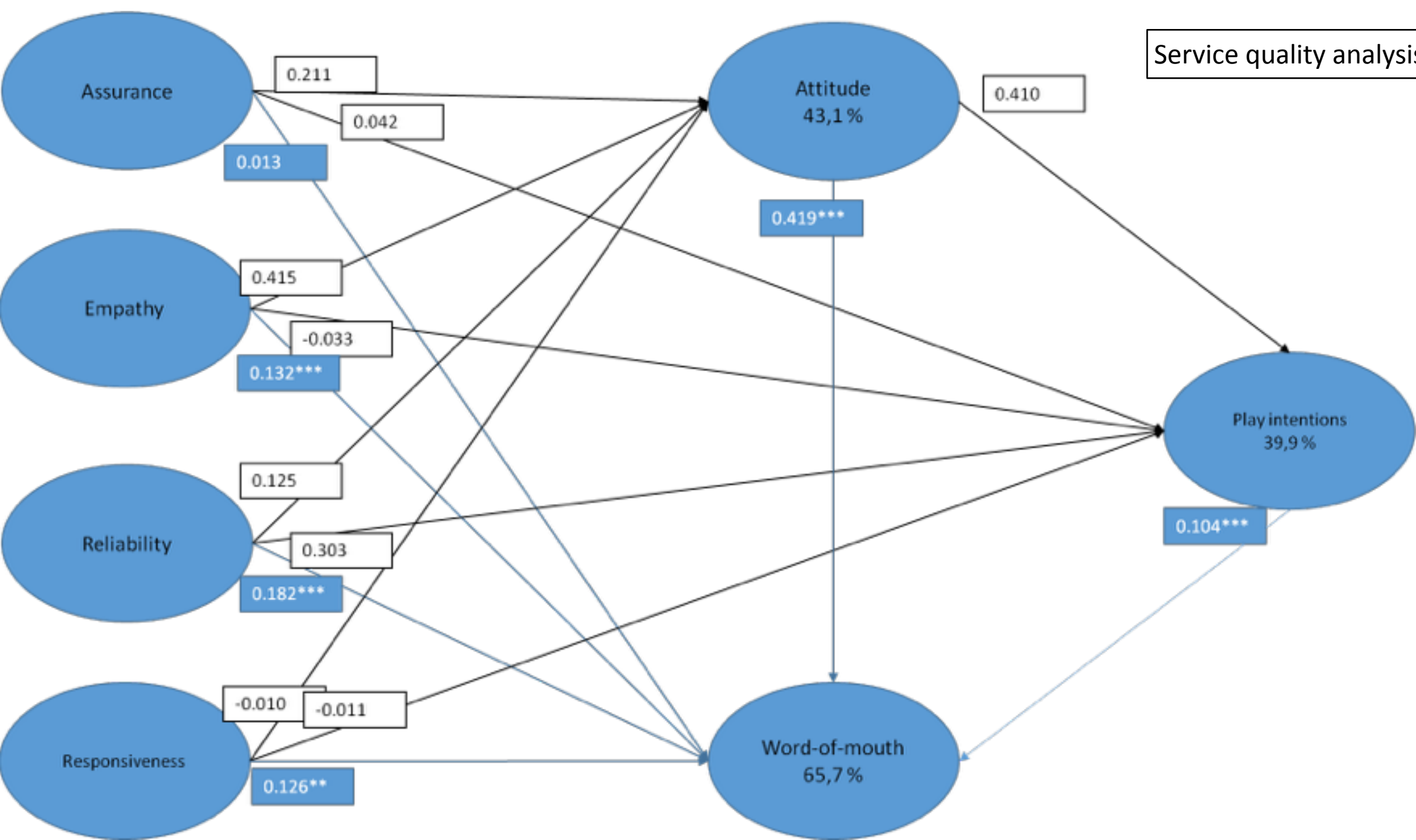
Service quality analysis
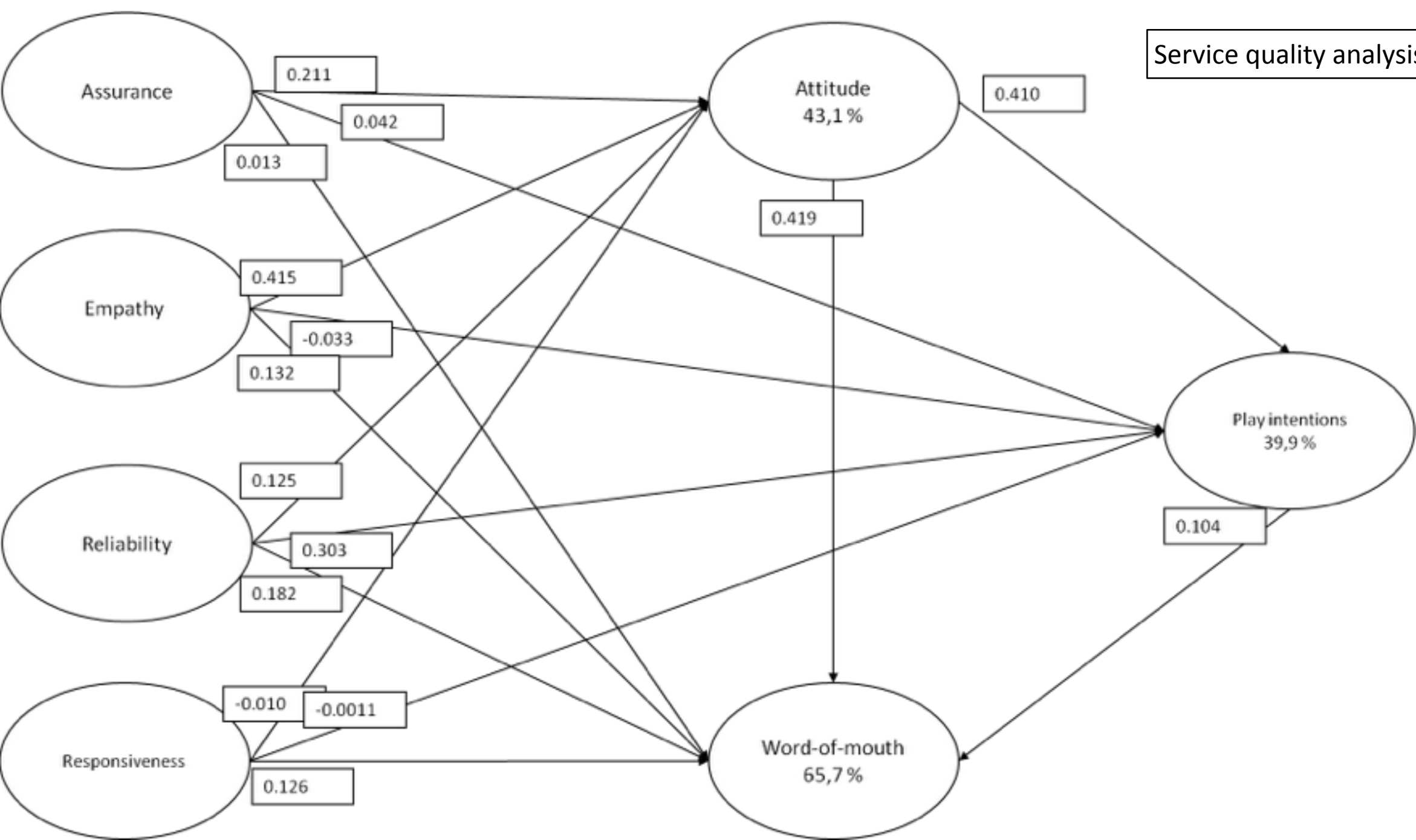
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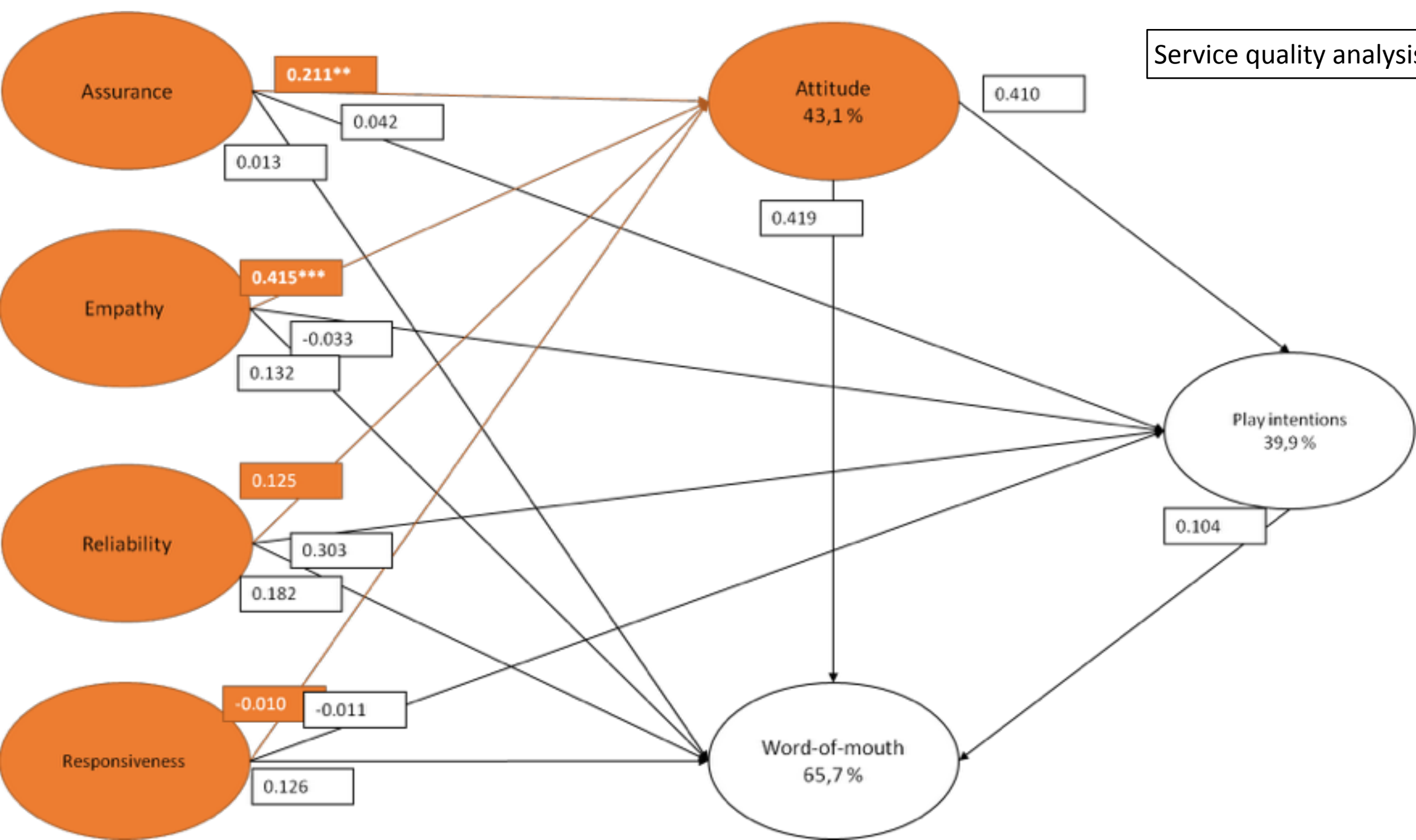
Service quality analysis

Service quality analysis

Summary

- The results indicate that playing intentions for online gambling are increased by
  - Positive attitudes towards the service
  - Service reliability
  - And, mediated by positive attitudes, also assurance, i.e. the trust and confidence in the service provider
- Intentions to recommend online gambling services to other people are driven by
  - Positive attitudes towards the service
  - Perceived personalization possibilities, perceived reliability, responsiveness of service and intentions to continue to play
- Positive attitudes towards online gambling services are driven by
  - Assurance
  - Perceived personalization possibilities