

Working paper on the paradigm of gambling

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Disclosure of Potential Conflict of Interest

Working history

- ✓ The Finnish Slot Machine Association RAY 1991-2016
- ✓ The National Lottery Veikkaus 1-8/2017
- ✓ Secretary General at The Finnish Foundation for Gaming Research 2010- (non-paid position of responsibility)

Grants/Research Support

- ✓ Grant for Master's Thesis 2002 from RAY
- ✓ Travel & conference expenses covered by The Finnish Foundation for Gaming Research

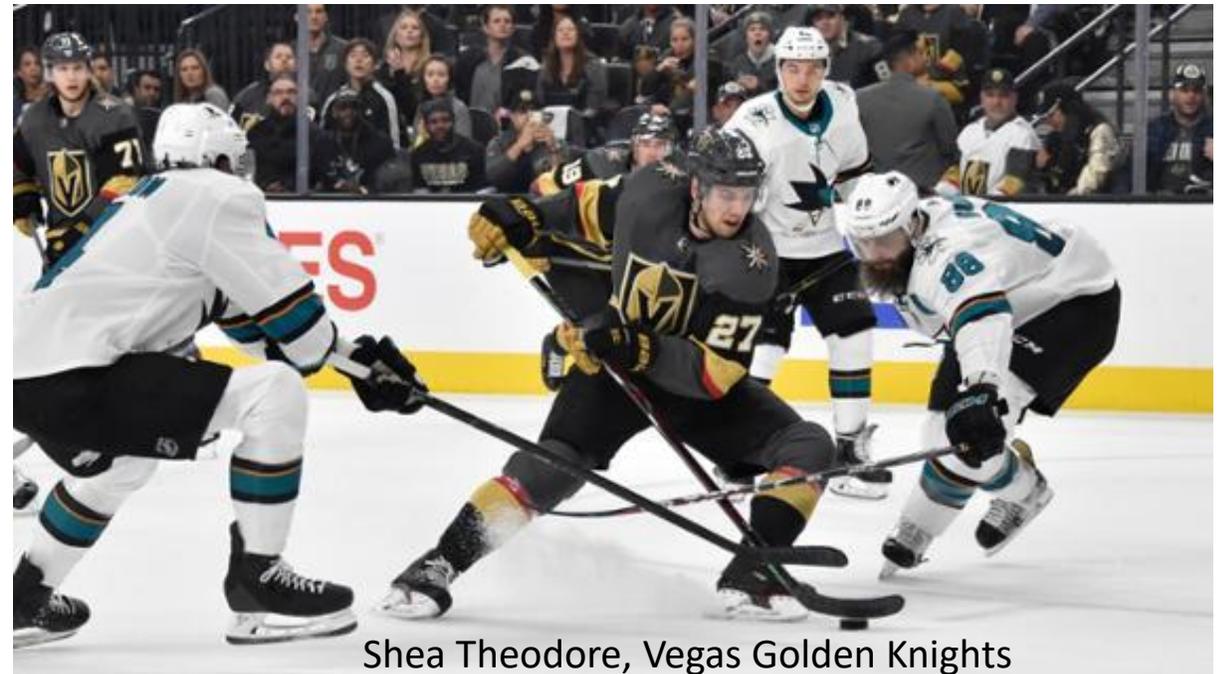
Agenda

- ❑ I Paradigm on the basic elements in a span of a gambling game
- ❑ II Gambling game as a sum of skill/knowledge and chance/luck
- ❑ Discussion
- ❑ References



Goffman on *Interaction Ritual* & *Frame Analysis*

- Gambling is an agreement between the player(s) and the game
 - N.B. Gambling laws often mention gambling to be some sort of an agreement between the player and the operator.
- The gambling session creates a distinct, “artificial” world that embraces both the player, and the game.



Shea Theodore, Vegas Golden Knights

Goffman on *Interaction Ritual*

Page 149:

work outward from there.
Two boys together find a nickel in their path and decide that one will toss and the other call to see who keeps it. They agree, then, to engage in a *play* or, as probabilists call it, a *gamble*—in this case one go at the *game* of coin-tossing.



I

The Goffman & Airas paradigm of the basic elements in a span of a gambling game

Decision to participate

*Determination phase
Draw*

*Squaring off phase
Paying & setting
the bet*

*Disclosive phase
Revelation of
the results*

*Possible picks/choices
by the player*

*Settlement phase
Payout of possible
wins & losses*

Some observations

- There's no fixed linear timeline for the elements to appear in a span of game (e.g. scratch cards).
- "The period of play must be distinguished from the period of playing, namely, the *session*, which is the time between making the first bet and settling up the last one on any one occasion perceived as continuously devoted to play." (EG 1967:155)

II

Gambling game as a sum of skill/knowledge and chance/luck

Skill/Knowledge

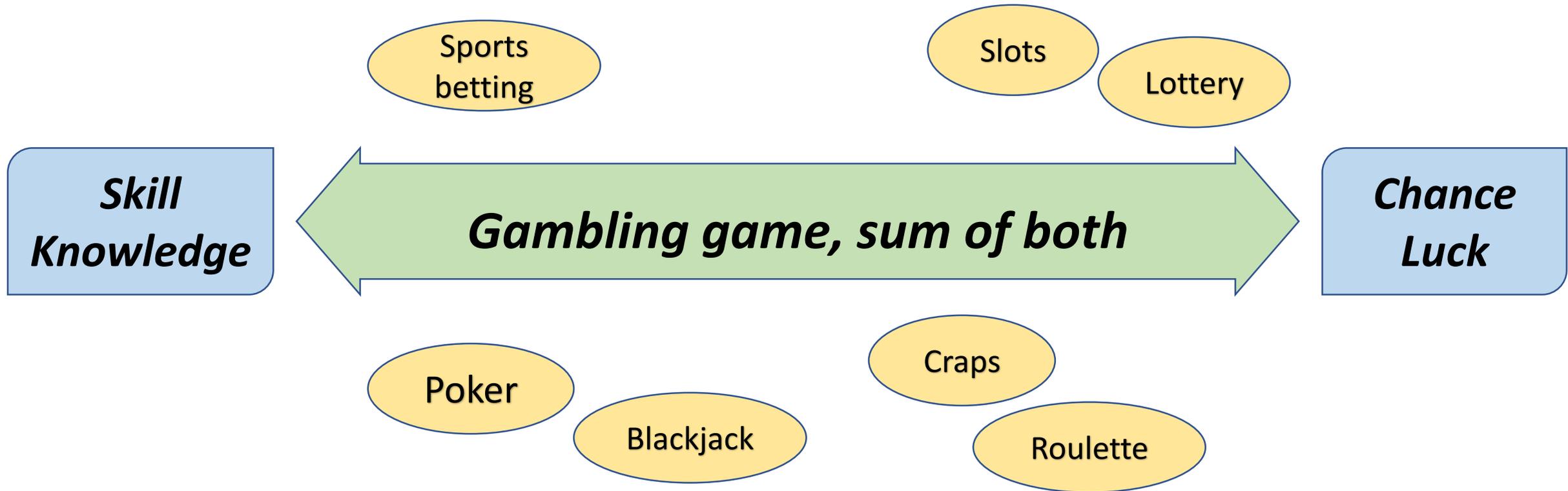
- Tactical skills
- Strategical skills
- Mechanical skills
- Knowledge of rules
- Knowledge of previous games
- Knowledge of the environment
- Skill of reading other players

Chance/Luck

- Distribution and frequency of wins
- Biased randomness
- Natural/Artificial near misses
- Gambler's fallacy
- Information of someone else winning



Gambling game as a sum of skill/knowledge and chance/luck



Some observations

- There is no exact measurement of the amount or percentage of chance or skill.
- The games can be categorized and compared in relation of each other. At least: is chance or skill dominant?
- There are no extreme maximum values, i.e. there are no games of absolute “pure chance” or “pure skill”.
 - Tic tac toe is often mentioned as game of pure skill - but only as an abstraction, from the point of skilled players.
 - Lottery is often called a game of pure chance. Yet there are at least some tactical skills needed.
- The games are, at least partially, defined by the way they are played.

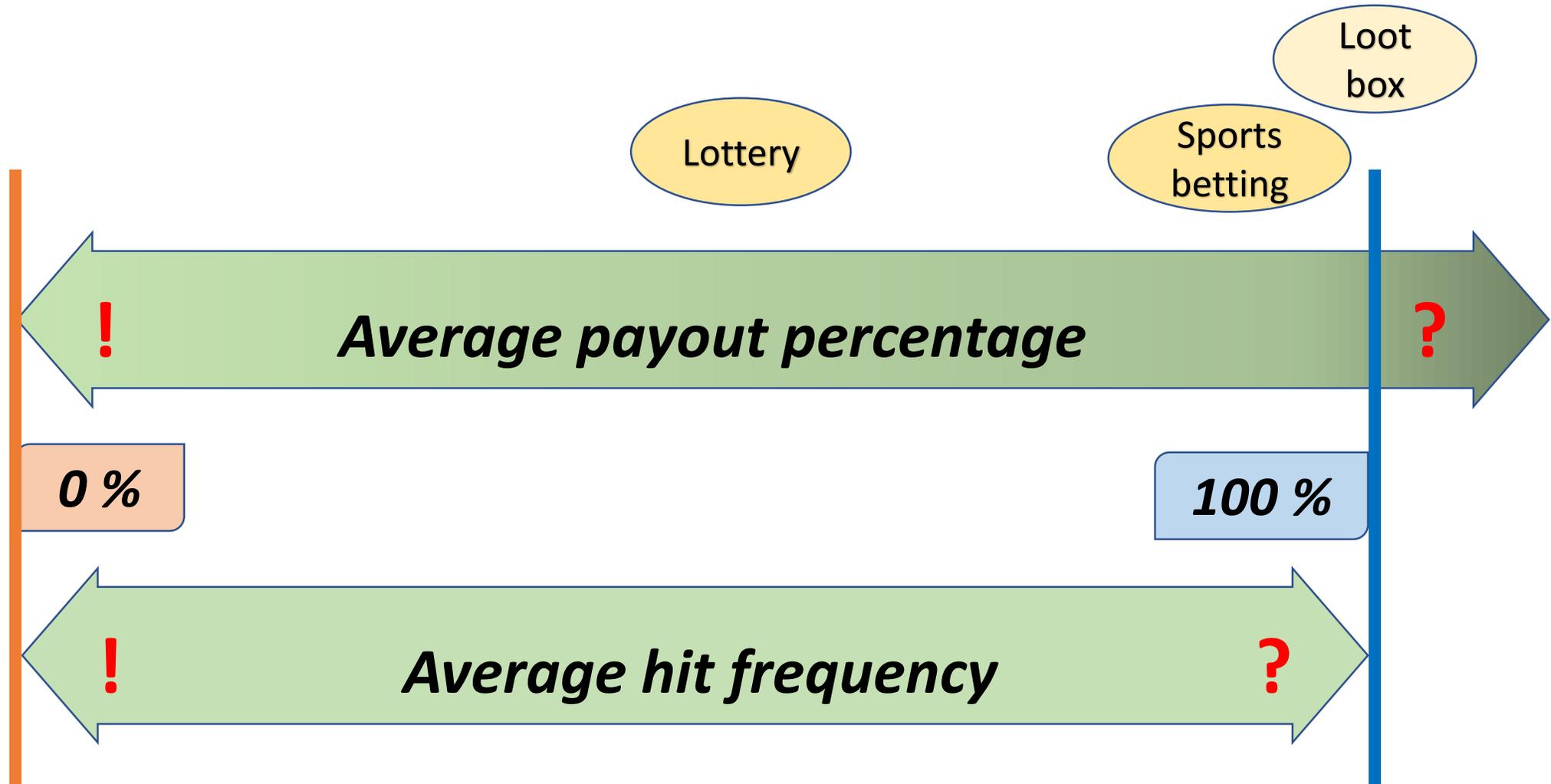
Discussion

- Variation on local interpretations on gambling laws and regulation: some jurisdictions define certain games/features as gambling, and simultaneously other jurisdictions do not (e.g. Poker, loot boxes).
- Understanding different player behaviours.
- Giving credit for the idea of entering a different world with different rationalities, while playing a gambling game.
 - Some strategies can be considered sensible and ‘rational’, although they are not the most profitable ones.
- Comparison to risk theory (Tversky & Kahneman).
- Defining gambling by exclusion: meaning of the possibility of loss & comparison to ‘surprise eggs’





Discussion: Meaning of payout% & hit frequency



References

- ❑ Epstein, Richard A., **The Theory of Gambling and Statistical Logic**, San Diego (California), Academic Press, 1967
- ❑ Goffman, Erving, **Interaction ritual: Essays in face-to-face behaviour**, Doubleday & Company Inc., New York, Anchor Books, 1967
- ❑ Goffman, Erving, **Frame Analysis – An Essay on the Organization of Experience**, Boston, Northeastern University Press, 1974

Thank you for listening!
Questions & discussion?

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