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# The role of affiliate services in promoting illegal online gambling in Australia

## Desktop research

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**Canberra**

Red Building  
Benjamin Offices  
Chan Street  
Belconnen ACT

PO Box 78  
Belconnen ACT 2616

T +61 2 6219 5555  
F +61 2 6219 5353

**Melbourne**

Level 32  
Melbourne Central Tower  
360 Elizabeth Street  
Melbourne VIC

PO Box 13112  
Law Courts  
Melbourne VIC 8010

T +61 3 9963 6800  
F +61 3 9963 6899

**Sydney**

Level 5  
The Bay Centre  
65 Pirrama Road  
Pyrmont NSW

PO Box Q500  
Queen Victoria Building  
NSW 1230

T +61 2 9334 7700 or 1800 226 667  
F +61 2 9334 7799

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Manager, Editorial Services  
PO Box 13112  
Law Courts  
Melbourne VIC 8010  
Email: [info@acma.gov.au](mailto:info@acma.gov.au)

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# Executive summary

Affiliate marketing is the process by which an affiliate earns a commission for marketing another person's or company's products. Affiliates typically place ads and links online to direct consumers to the website of a company.

The Australian Communications and Media Authority (ACMA) has identified affiliate gambling services that promote and facilitate access to illegal online gambling services in Australia as a compliance priority for 2021–22. This follows on from our work disrupting illegal offshore gambling activity.

This desktop research provides:

- > an examination of how domestic gambling affiliates operate across a range of online platforms and jurisdictions
- > a targeted review of recent research into affiliate services for online gambling.

Affiliate marketing is typically performance-based, with the affiliate usually receiving a pre-agreed percentage of sales from a business for each new customer attracted by the affiliate's marketing efforts.

Affiliate gambling marketers differ from other forms of affiliate marketers because:

- > their revenue is typically significantly higher, for example, 30% compared to market averages of 1% or 2%
- > they can, and often do, derive their earnings directly from the losses made by the gambler they attract to the gambling provider's site
- > their information and the legality of the offer they are promoting is often not transparent.

The internet has expanded the way that gambling providers and affiliates can reach potential customers. There is limited research into how affiliates are operating in Australia or their sign-up rates, in part due to the illegal status of some of the products they are promoting. The 4 key platforms being used by gambling affiliates are web-based sites, Twitter, Facebook and streaming services. The information provided to gamblers by these platforms about the legality of the offers being made is variable; and the range of restrictions that are purportedly being put in place by these platforms to restrict illegal activity varies greatly.

The regulation and disruption of affiliate marketing through social media platforms remains challenging, given the dynamic nature of and the indirect promotion of gambling within these online spaces.

# About the research

Following on from work to disrupt illegal offshore gambling activity, the ACMA has set a [2021–22 compliance priority](#) focusing on affiliate services promoting online gambling. We investigate whether these services are promoting or advertising illegal gambling services in Australia in contravention of Australia's online gambling laws or facilitating access to these services.

This desktop research supports our understanding of market developments regarding affiliate services that promote illegal online gambling. It provides:

- > an examination of how gambling affiliates operate across a range of online platforms
- > a targeted review of recent literature concerning affiliate services for online gambling.

This report looks at affiliate business models and activities including affiliate services that provide links to offshore gambling providers not captured under Australian law, as this is an ACMA compliance priority.

This report helps inform areas of further research about the knowledge, awareness and usage of affiliate services by online gamblers in Australia.

## Research at the ACMA

Our [research program](#) underpins our work and decisions as an evidence-informed regulator. It helps us to better understand communications and media markets and the issues that matter to Australians.

This research contributes to enhancing consumer safeguards, education and information through raising awareness of the regulatory challenges concerning affiliate services for online gambling. More details can be found in the [ACMA research program](#).

# Introduction

## Online gambling in Australia

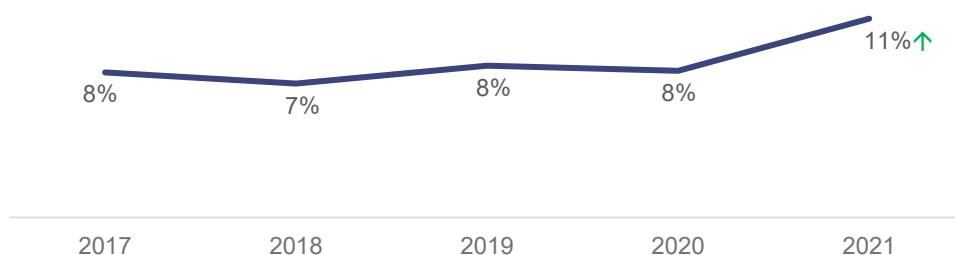
In 2018–19, Australians were estimated to have lost approximately A\$25 billion on legal forms of gambling<sup>1</sup>, with the gambling industry contributing around A\$590 million in gross value to the economy.<sup>2</sup> In 2019, 39% of adult Australians – 6.8 million people – self-identified as regular gamblers.<sup>3</sup>

Interactive gambling is any gambling carried out on online.<sup>4</sup> With ever-increasing access to online platforms, interactive gambling is a fast-growing segment of the gambling market.

The types of interactive gambling services that can be provided in Australia are set out in the [Interactive Gambling Act 2001](#) (the IGA) and include sports wagering and lottery services. Interactive gambling providers that provide services to Australian residents must hold a state or territory gambling licence to operate. Providing certain forms of interactive gambling services – including games of chance such as online casinos and online ‘scratchies’, along with in-play sports betting – is strictly prohibited.<sup>5</sup>

According to separate research conducted by the ACMA and the Australian Institute of Family Studies (AIFS), Australians bet more than ever during the COVID-19 pandemic, despite limited access to physical gambling venues.<sup>6</sup> ACMA survey data reveals that after years of relative stability, the prevalence of online gambling (excluding lotteries) increased in 2021. In the 6 months to June 2021, more than one in 10 Australian adults reported they had gambled online, up from one in 8 in 2020. Furthermore, 7% reported a higher frequency than before the pandemic.<sup>7</sup>

**Figure 1: Australians participating in online gambling, excluding lotteries (%)**



↑ Significantly different to previous period at the 95% confidence level.

*D8. Please indicate whether or not you have done any of the following in the past 6 months at home or elsewhere. k. Online gambling (e.g. using a website or app to bet on racing, sports matches or to play pokies/slots or casino style games).*

<sup>1</sup> QGSO (Queensland Government Statistician’s Office), Queensland Treasury 2021. [Australian gambling statistics, 36th edition, 1993–94 to 2018–19](#). Brisbane: Queensland Treasury.

<sup>2</sup> W Jolly, [How much do Australians lose on gambling?](#), [www.savings.com.au](#), 23 January 2021.

<sup>3</sup> T Hitchin, [Gambling in Australia - statistics & facts](#), *Statista*, 12 March 2021, accessed 19 October 2021.

<sup>4</sup> This could include using the following to get online: broadcasting, telecommunications carriage services, datacasting and online platforms.

<sup>5</sup> [Interactive Gambling Act 2001](#), Federal Register of Legislation (2020); [Online gambling – make sure you use a legal operator](#), Victorian Responsible Gambling Foundation (2020).

<sup>6</sup> The ACMA, *Online gambling in Australia (2021)* op. cit.; .R Jenkinson, K Sakata, T Khokhar, R Tajin and U Jatkar, [Gambling in Australia during COVID-19](#), Australian Gambling Research Centre, October 2020, Australian Government Australian Institute of Family Studies accessed 19 October 2021.

<sup>7</sup> The ACMA, *Online gambling in Australia (2021)* op. cit.

Within the interactive gambling segment, illegal interactive gambling (such as online casinos) has a significant presence.<sup>8</sup> Research suggests the value of illegal interactive market may be A\$0.3 billion, with a profit margin of around 20% and turnover of A\$1.5 billion. Despite making up just 6% of the overall market, the profit margin for this sector is almost double that of the legal gambling sector in Australia.<sup>9</sup>

## Affiliate marketing

Affiliate marketers are third-party companies or individuals paid to direct consumers towards a specific product, service or brand. Affiliate marketing is commonplace across a range of industries.<sup>10</sup> The Advertising Standards Authority (UK) defines affiliate marketing as:

... a type of performance-based marketing where an affiliate is rewarded by a business for each new customer attracted by their marketing efforts, usually with a pre-agreed percentage of each sale. Affiliates typically place ads and links online that direct consumers to the website of a company.<sup>11</sup>

Affiliate gambling marketers differ, in that their success often derives directly from the financial loss of the consumers they engage with.<sup>12</sup> The gambling affiliate will often receive a percentage of the revenue (that is, the losses incurred by consumers) the gambling provider makes from each customer that the affiliate brings their way. Under this model, for the affiliate to profit, the gambler must lose.

As part of our 2021–22 compliance priorities, we will be investigating whether affiliate services are breaching the advertising prohibition in the IGA. The IGA sets the rules for companies that offer or advertise gambling services and as stated above, makes clear that it is illegal for gambling providers to offer certain online services. Affiliates may also be found to be ancillary to a breach, where they are knowingly concerned in or a party to the provision of illegal online gambling services.

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<sup>8</sup> .R Jenkinson, K Sakata, T Khokhar, R Tajin and U Jatkar, [Gambling in Australia during COVID-19](#), Australian Gambling Research Centre, October 2020

<sup>9</sup> S Houghton, M Moss and E Casey (2020) [Affiliate marketing of sports betting – a cause for concern?](#), *International Gambling Studies*, 20:2, 240-245, DOI: [10.1080/14459795.2020.1718737](#)

<sup>10</sup> Ibid.

<sup>11</sup> Responsible Affiliates in Gambling (RAiG), [submission](#) to House of Lords Select Committee on the Social and Economic Impact of the Gambling Industry, June 2019, accessed 19 October 2021.

<sup>12</sup> S Houghton, et al. (2020), op. cit.



# The role of affiliate marketing in facilitating access to online gambling

## About affiliate marketing

There are a range of business models and offers presented by affiliate marketers, though typically there is a relationship between the affiliate, an online gambling provider and the gambler. Figure 2 provides a high-level illustration of an affiliate marketing business model. One common approach is to present as experts, with affiliates providing seemingly informed reviews or expert comparisons between different products to aid consumer choice.<sup>13</sup>

Figure 2: Affiliate marketing model



Affiliate marketing is common practice and commissions vary. For example, eBay offers a range of affiliate marketing models for those looking to partner with it. Affiliates are paid between 1% and 5% commission on all sales they generate for eBay. eBay makes clear that 'disclosures and transparency' are the cornerstone of affiliate marketing.<sup>14</sup> Affiliates are required to include a declaration on their landing page making clear that they are an affiliate of eBay. It is recommended that the affiliate include a statement that includes the following:

When you click on links to various merchants on this site and make a purchase, this can result in this site earning a commission.<sup>15</sup>

Amazon also promotes an affiliate program, encouraging bloggers, publishers and content creators with a qualifying website or mobile app to participate. Commission varies across product categories, ranging from 2% for eBooks to 12% for shoes. As

<sup>13</sup> S Houghton, M Moss and E Casey (2020) op. cit.

<sup>14</sup> Digital Fodder, [eBay affiliate program review](#), 6 September 2021, accessed 19 October 2021.

<sup>15</sup> *ibid.*

with eBay, Amazon sets out clear requirements for what and how affiliates promote goods and services to attract consumers to Amazon, and the need for transparency.<sup>16</sup>

Retail affiliates will normally have a cookie – a small file that is stored on a user's computer – that is 'time-limiting'. In effect, the customer must use the affiliate's link to purchase from the retail site within a specified time. For eBay, this is 24 hours. If the purchase is made outside of this timing, the affiliate does not receive a commission.<sup>17</sup> Beauty online retailer Adore Beauty offers a longer trailing commission, with a 30-day cookie period.<sup>18</sup>

## Differences between standard affiliate marketing and gambling affiliate marketing

As with many online commercial markets, online gambling providers rely on affiliates to attract business. In 2018, affiliate marketing spend made up about one-fifth of total spend by the global gambling industry. In Spain alone, it rose over 60% in 2019 to 10 million euros.<sup>19</sup>

### Case study: gambling.com

Gambling.com Group, a publicly listed gambling affiliate company, reported revenue growth from US\$6.3 million in Q2 2020 to US\$10.4 million in August 2021. Chief executive Charles Gillespie has described the business as 'among the most profitable names in the online gambling industry' after reporting revealed a 66% increase in revenue, and US\$2.4 million profit.<sup>20</sup>

Gambling.com Group's revenue stems predominantly from the UK and Ireland, accounting for US\$5.4 million, with a further US\$2.8 million generated from other European markets. North Americans contributed \$1.4 million during the last reporting period, while a further US\$752,000 came from the rest of the world. This growth was driven predominantly by casino referrals.<sup>21</sup> The proportion that came from the Australian market is not known.

A gambling affiliate can receive a one-time payment per customer for each click-through to an online gambling provider, regardless of whether the customer wins or loses. More typically, the affiliate receives a long-term trailing commission that is a percentage of the gross gambling losses of the referred customer under a revenue share arrangement.<sup>22</sup>

Affiliate gambling marketers commonly differ from standard affiliate marketers in that:

1. the average affiliate revenue share is notably higher, averaging at around 30% and can be as high as 50% (see Table 2)
2. affiliate gambling marketers derive this revenue directly from the losses of the customers they attract to the gambling operator's site<sup>23</sup>
3. the 'cookie duration' (that is, the time allowed between when the gambler first visits the affiliate site and when they click through) is longer and can be indefinite<sup>24</sup>

<sup>16</sup> Amazon Associates, [Associates program policies](#), accessed 19 October 2021.

<sup>17</sup> Digital Fodder, [eBay Affiliate Program Review](#), accessed 18 November 2021.

<sup>18</sup> Adore Beauty [affiliate program benefits](#), accessed 18 November 2021.

<sup>19</sup> S Houghton, M Moss and E Casey (2020) op. cit.

<sup>20</sup> R Harrison, [Gambling.com Group's revenue climbs 66% in Q2](#), iGaming Business, 26 August 2021, accessed 19 October 2021.

<sup>21</sup> Ibid.

<sup>22</sup> WaterhouseVC, [May 2021 Fund Update](#), accessed 18 November 2021.

<sup>23</sup> S Houghton, M Moss and E Casey (2020) op. cit.

<sup>24</sup> Diggity Marketing, 11 Best Casino Affiliate Programs and Offers for 2021, accessed 18 November 2021.

4. transparency requirements placed on the affiliate, and adherence to these requirements, vary widely.

**Table 1: Gambling affiliate offers and payouts<sup>25</sup>**

Platform/Company	Affiliate offer
Fruity Affiliates	30–40% revenue share via promotion
Golden Star	50% revenue share
Gunsbet	Revenue-share model
Earn Big Affiliate	30–50% revenue share
Viks	20–40% revenue share
BitStarz	25–40% revenue share
Fortune Affiliates	Revenue-share offer for the first 3 months of 30%, 40% and 50%

Source: Adapted from *Business of Apps*. <https://www.businessofapps.com/affiliate/gambling/>, accessed 24 November, 2021.

## Operation of affiliate programs in the online market

The internet and social media have both created the platform for online gambling and expanded the way that online operators can reach potential customers.<sup>26</sup> Recently, gambling companies have increased their use of social media to attract new customers and retain existing ones.

Less is known about the use of social media by gambling affiliates. Due to the illegal status of some the products being promoted by affiliate marketers in certain jurisdictions, it is difficult to quantify how many are actively engaging with Australian residents, or their sign-up rates. However, research into this area is growing.

Social media accounts are proving a common way for gambling affiliates to target gamblers. The affiliate marketer either sets up a ‘tipster account’, where they present as a skilled gambler that can provide tips and informed betting suggestions, or creates ‘betting communities’, presenting as a brand rather than an individual. Both create the impression that the affiliate is a source of expert gambling advice. When, as is often the case, the gambler is not aware of the affiliate’s motivation, the gambler may mistakenly believe they are collaborating with a peer.<sup>27</sup>

It is important to consider how affiliates are targeting and attracting participants. In the UK, gambling advertisers and affiliates have been reported to purchase data from third-party data providers, or ‘data houses’. This data can include age, income, debt and credit information and insurance details, which affiliates then use to tailor their messaging.<sup>28</sup> Advertisers and affiliates then purchase and combine this data with the individual’s playing history to target products to them. They may also employ ‘dynamic retargeting’, employing the data to single-out people who have not gambled for a while

<sup>25</sup> A Dogtiev, [Gambling affiliate networks](#), *Business of Apps*, 13 October, 2021, accessed 19 October 2021.

<sup>26</sup> S. Houghton, A McNeil, M Hogg. and M Moss, (2019), Comparing the Twitter posting of British gambling operators and gambling affiliates: A summative content analysis. *International Gambling Studies*. Advance online publication. <https://doi.org/10.1080/14459795.2018.1561923>

<sup>27</sup> S Houghton, M Moss and E Casey (2020) op. cit.

<sup>28</sup> M Busby, [Revealed: how gambling industry targets poor people and ex-gamblers](#), *The Guardian*, 1 September 2017, accessed 19 October 2021.

and entice them to start gambling again.<sup>29</sup> Research shows that people are more likely to place increased levels of trust in expert advice when making decisions about financial risk.<sup>30</sup>

The internet provides gambling operators and gambling affiliates with a range of platforms to target gamblers. Four key platforms are considered here:

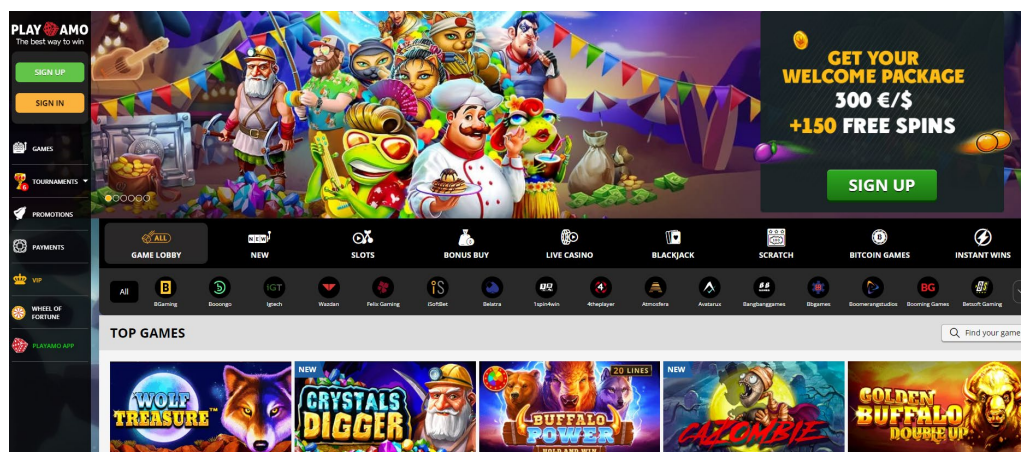
- > web-based sites
- > Twitter
- > Facebook
- > streaming services.

### Web-based services

Affiliate marketing operating on web-based sites present as contextual advertisements or portals, with links to an online gambling service. These contextual advertisements may appear to be providing expert advice and/or offer an enticement such as betting credits for signing up.

In some instances, affiliate marketing services can link to unlicensed offshore gambling sites. This is not always disclosed within the affiliate advertisement.

Figure 3: Example of affiliate contextual advertisement



Source: [Best Bitcoin & Real Money Casino | PlayAmo Online Casino | PlayAmo \(playamo38.com\)](#), screen shot, accessed 18 November 2021.

It is important to recognise that in Australia, action is currently being taken through the ACMA to restrict the access of unlicensed offshore gambling operators to the Australian market.

For example, All Australian Affiliates, a web-based affiliate program owned and operated by Sarah Enterprises Ltd that was targeting the Australian market has now closed 'due to Australian Gaming Regulations'.<sup>31</sup> While we had not specifically investigated this site, it is likely that they have closed because of increased enforcement and education activities.

<sup>29</sup> Ibid.

<sup>30</sup> D Meshi, G Biele, CW Korn, HR Heekeren. How expert advice influences decision making. *PLoS One*. 2012;7(11):e49748 DOI: [10.1371/journal.pone.0049748](https://doi.org/10.1371/journal.pone.0049748). Epub 2012 Nov 21. PMID: 23185425; PMCID: PMC3504100.

<sup>31</sup> Sarah Enterprises Ltd, [All Australian Affiliates](#), accessed 19 October 2021.

Likewise, [Australiancasinoclub.com](http://Australiancasinoclub.com), which until recently was targeting Australians, can no longer be reached through an Australian web browser. Similarly, a search for [casino.guru](http://casino.guru), previously used by Australian gamblers, now returns the following message:

Providing online casino services to Australian players is prohibited by the Australian Interactive Gambling Act (IGA). Casino operators reviewed on this website may be considered to be prohibited interactive gambling services under the IGA.

However, POGG Webmasters, which provides ratings for both online casinos and affiliate programs by country, currently lists 63 affiliate programs for the Australian market, stating – incorrectly – that there are no country restrictions for these affiliates.<sup>32</sup>

Affiliates, recognising jurisdictional access limits, can and do advise on how to skirt such issues. For example, the Casino Shortlist website claims to be ‘your friendly guide to the best Australian online casinos’, stating that ‘[m]any online casinos will give Australians a royal welcome - it’s our job to figure out which is the best.’<sup>33</sup>

The site provides links to ‘The Best Online Casinos for 2021’ and an explanation of how Casino Shortlist compares ‘Australia’s Online Casinos’ to maximise player’s success and enjoyment. Along with providing links to several payment options, Casino Shortlist has advice on securing a virtual private network (VPN), stating:

VPN’s [sic] are fast becoming the de facto method for accessing Australian real money casinos. In countries that do not have a regulated online gambling market or countries where online gambling has been outlawed, players have taken to using a VPN to access offshore regulated casinos to get their gambling fix.<sup>34</sup>

In April 2021, AltCasino posted an in-depth review of the most popular online pokies and casinos in Australia.<sup>35</sup> It is important to note that, as with the affiliates themselves, their ranking of sites is likely to be based on affiliate agreements, rather than actual data.

Their most popular site, Joe Fortune, uses and promotes affiliate marketing and provides a good example of how such programs operate, as shown in Figure 4.<sup>36</sup>

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<sup>32</sup> Ibid.

<sup>33</sup> Casino Shortlist, [Best VPNs for Australian Online Casinos](#), accessed 19 October 2021.

<sup>34</sup> Ibid.

<sup>35</sup> Global News Wire, [10 Best Online Casinos in Australia](#): List of Real Money Pokies Sites Rated By Users and Popularity, 7 April 2021, accessed 19 October 2021.

<sup>36</sup> Joe Fortune, [Why become a Joe Fortune affiliate?](#), accessed 19 October 2021.

Figure 4: Promotion on Joe Fortune gambling site

**JOE FORTUNE**  
**EARN UP TO 45% COMMISSION**

Joe Fortune is Australia's best online casino and has been proudly serving the nation since 2016. We offer a wide range of pokies as well as a live casino. We are known for our high conversion rates, comprehensive online casino experience and quicks [sic] payouts - making us the best choice for affiliates.

Our dedicated account managers have a wealth of experience and will take care of your needs. You'll also appreciate complete transparency of earnings with our comprehensive reporting system, along with our generous initiatives for all successful partners.

**How Does it Work?**

- Every player who clicks on your Joe Fortune banner receives a "cookie" that allows us to identify your unique affiliate code
- This player then gets assigned to your affiliate account so we can track them
- Then, every time your player(s) place a bet at Joe Fortune, you get a share!

**DEPOSITORS PER MONTH**

Active Players	Commission
51-100	35%
101-250	40%
251+	45%

Source: Adapted from [Joe Fortune, become an affiliate](#), accessed 23 November 2021.

## Twitter

A study conducted in the United Kingdom in 2020 looking at the use of social media to market gambling identified several gambling affiliates' accounts on Twitter, and twice as many affiliate accounts as gambling operators' accounts.<sup>37</sup>

A 2019 study investigated the differences in content posted on Twitter between gambling operators and gambling affiliates. This study found operators posted content aimed at building their brand and reputation, as well as providing humorous content. However, affiliates were more likely to post content directly inviting followers to gamble, which suggested specific bets and offered highly attractive sign-ups.<sup>38</sup> There were comparatively fewer posts about the success of these bets. Posts that did comment on the outcome of bets tended to focus on wins or near misses. This may well create in followers an unrealistic expectation of their prospect of winning. Further, fewer than 1% of tweets across both groups promoted safer gambling. The study

<sup>37</sup> S Houghton, M Moss and E Casey (2020) op. cit.

<sup>38</sup> S. Houghton, A McNeil, M Hogg. and M Moss, (2019), op. cit.

determined British gambling affiliates post similar types of content to their Australian counterparts.<sup>39</sup>

## Facebook

Some affiliates join Facebook groups, acting as ‘tipsters’ and taking the time to build a following, before posting a sign-up link connected to their affiliate identifier. Once this trust relationship has been established, it has been reported that some will then purposefully recommend bets on products that are likely to lose, thereby increasing their own revenue as a direct consequence of their followers’ losses.<sup>40</sup>

Along with these professional or semi-professional affiliate marketers, there are online amateur communities built around sharing video clips and posts of their online wins. The administrator of one active Facebook page, ‘Big pokie wins Australia’,<sup>41</sup> reportedly received more than 28,000 likes and accidentally created a major Facebook presence, after posting about just one large win, which they then capitalised on.<sup>42</sup>

When viewers were asked about their motivation for watching the Facebook clips of gambling affiliates, responses vary, however many recognised that they may have a gambling addiction.<sup>43</sup>

## Streaming services

Streaming services such as Twitch and YouTube Live provide a dynamic and accessible platform for influencers, including gambling affiliates. Streamers broadcast live to audiences, who in turn interact with the streamer, chatting with them in real-time. Twitch, the dominant streaming platform, reportedly has approximately 150 channels providing live broadcasting of real-money slot machine gambling (the most popular), regularly receiving over 100,000 views.<sup>44</sup>

Research into gambling streams is increasing. One of the first studies in this area, conducted in 2020, found that around 4% of adults in the United Kingdom watch gambling streams like the Twitch slot channels. This compares to around 14% who played slot machine games online.<sup>45</sup>

## Twitch

While the community guidelines on Twitch make clear that streamers must follow relevant laws, illegal content is prohibited and the platform will suspend or ban parties if investigations reveal illegal behaviour, the regulation of streaming affiliates creates considerable challenges.

Twitch’s terms of service prohibit illegal activity but do not explicitly ban gambling streams. Conversely, YouTube and Facebook Gaming prohibit streaming of at least some unchecked online gambling sites.<sup>46</sup>

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<sup>39</sup> Ibid.

<sup>40</sup> M Busby, op. cit.

<sup>41</sup> [Big pokie wins australia - Posts | Facebook](#), accessed 19 October 2021.

<sup>42</sup> C Wilson, [Some Australians Are Making Careers from Streaming Online Pokies. Calling Themselves ‘Casino Streamers’](#), *Kotaku.com*, 3 September 2020, accessed 19 October 2021.

<sup>43</sup> Ibid.

<sup>44</sup> B Abarbanel, D Avramidis, L Clarke and M Johnson, [Gambling live streams on Twitch: What are they and why do they matter?](#) *The Conversation*, 16 September 2021, accessed 19 October 2021.

<sup>45</sup> D Zandle (2020), Beyond loot boxes: a variety of gambling-like practices in video games are linked to both problem gambling and disordered gaming. *PeerJ* 8:e9466 <https://doi.org/10.7717/peerj.9466>

<sup>46</sup> H Gannage-Stewart, [Tottenham Report: Twitch cracks down on gambling affiliates](#), *CDC Gaming Reports*, 16 August 2021, accessed 19 October 2021.

In August 2021, Twitch announced that it had banned links and referral codes to roulette, dice and slot games. In a statement published that same month, the platform said:

To prevent harm and scams created by questionable gambling services that sponsor content on Twitch, we will prohibit sharing links and/or referral codes to sites that offer slots, roulette, or dice games. Pledging to continue to monitor gambling-related content and update our approach as needed.<sup>47</sup>

It should be recognised that Twitch has not removed, or committed to remove, all gambling content – only links and referral codes.

A person that live streams themselves playing video games as a hobby or a profession is known as a streamer. The top affiliate streamers reportedly make more than US\$1 million a month on the platform from certain operators. Some affiliate promoters have argued that the announcement by Twitch puts an end to affiliate marketing on its platform.<sup>48</sup>

It has, however, been reported that the real target of this intervention by Twitch are primarily gambling sites using cryptocurrencies. A Wired review recently stated that 64 of the top 1,000 most-trafficked Twitch streamers have streamed gambling products or advertised sponsorship deals from gambling websites using cryptocurrencies, with the trend increasing in April and May 2021.<sup>49</sup> These US-based streamers were said to be using VPNs to access gambling casinos using cryptocurrencies that were illegal in the US.

Twitch prohibitions do not extend to poker. As of October 2021, gambling streamers still appeared to be operating and reaching Australian audiences.<sup>50</sup>

### ***Time2play***

In September 2021, the newly established Time2play, a review site for online gaming, announced it would extend its offer to provide a dedicated platform where streamers can connect with adults seeking information about online casinos and their game libraries. KaFe Rocks, the owner of Time2play, is a global remote-working iGaming affiliate.<sup>51</sup>

The chairman of Time2play reportedly said Time2play would address the concerns raised by Twitch, ensuring that only adults engage with the service, and increasing transparency, so that streamers are required to show how they are funded. Streamers will also be required to sign and adhere to a code of conduct. When it comes to enforcement, it will be up to users to flag content that they think is directly violating the code.<sup>52</sup>

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<sup>47</sup> Ibid.

<sup>48</sup> Ibid.

<sup>49</sup> C D'Anastasio, [Twitch streamers rake in millions with a shady crypto gambling boom](#), Wired, 14 July 2021, accessed 19 October 2021.

<sup>50</sup> B Abarbanel, D Avramidis, L Clarke and M Johnson (2021), op. cit.

<sup>51</sup> PR Newswire, [Twitch Gambling Streamers Find a New Home With Time2play](#), Yahoo Finance, 27 August 2021, accessed 19 October 2021.

<sup>52</sup> F Mishevski, [Time2play Will Be the New Home to Twitch's Gambling Streamers](#), Gambling News, 31 August 2021, accessed 19 October 2021.



# Recent literature reviews

There is limited research looking at the content, delivery, structural features and effectiveness of affiliate marketing in the gambling sector. Even less when it comes to how affiliates are being used by Australian residents to access off-shore casino-style online gambling sites.

In 2020, a literature review and gap analysis published in the *International Journal of Environmental Research and Public Health* examined emerging technologies and new trends in gambling between 2015 and 2020.<sup>53</sup> This review identified:

- > of the 116 peer-reviewed articles identified, the majority addressed internet gambling, with 11 examining new technologies and trends in advertising and inducements. The gap analysis revealed 5 priority areas for further research: internet gambling, video gaming and gambling, electronic gaming machines, advertising and inducements, and expansion of the sports betting market.
- > there was some discrepancy in the research as to whether online gambling was inherently more harmful than land-based gambling. Ultimately the findings suggest that online gambling is not more problematic, but that different forms of gambling impact individual gamblers in different ways.
- > the main areas identified as gaps in the research related to knowledge about emerging digital technologies and new trends in gambling, the 'hidden' nature of risk and harm, and challenges in monitoring online gambling.<sup>54</sup>

For online advertising and inducements in which affiliate programs are presumed to sit, the research revealed more robust research is needed to determine how these promotional strategies are influencing rates of gambling and problem gambling.<sup>55</sup>

In 2021, a rapid research review was published by BMC Public Health, examining 25 studies, the majority of which were conducted either in Australia or the UK. It aimed to improve understanding of emergent gambling advertising content, delivery methods and structural features.<sup>56</sup> This review found:

- > in the UK, the increasingly effective regulation of gambling advertising on traditional platforms (television, radio and billboards), meant that such advertising was moving to social media platforms.<sup>57</sup> <sup>58</sup> Importantly, in both Australia and the UK, the regulation of advertising on social media platforms was predicted to prove difficult, given the direct and indirect promotion of gambling within these online spaces.<sup>59</sup>
- > in terms of affiliate marketing, it was noted that the transparency, sincerity and true benefit to consumers has recently come into question<sup>60</sup>, and there was concern

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<sup>53</sup> S Lawn, C Oster, B Riley, D Smith, M Baigent and M Rahamathulla (2020). A literature review and gap analysis of emerging technologies and new trends in gambling. *Int J Environ Res Public Health*, 17(3):744. <https://doi.org/10.3390/ijerph17030744>.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> J Torrance, B John, J Greville. et al. (2021), Emergent gambling advertising; a rapid review of marketing content, delivery and structural features. *BMC Public Health* 21, 718. <https://doi.org/10.1186/s12889-021-10805-w>.

<sup>57</sup> EA Killick and MD Griffiths (2020), A content analysis of gambling operators' twitter accounts at the start of the English premier league football season. *J Gambi Stud.*36(1):319–41. <https://doi.org/10.1007/s10899-019-09879-4>.

<sup>58</sup> SM Gainsbury, P Delfabbro, DL King and N Hing (2016), An exploratory study of gambling operators' use of social media and the latent messages conveyed. *J Gambi Stud.* 32(1):125–41. <https://doi.org/10.1007/s10899-015-9525-2>.

<sup>59</sup> Ibid.

<sup>60</sup> S Houghton, M Moss and E Casey (2020) op. cit.

that, 'affiliate marketing may also operate as a buffer that shifts or obscures the social responsibility of the gambling industry'.<sup>61</sup>

## Use of affiliate marketing in social media

Three studies conducted between 2019 and 2021 focused on the marketing activity and delivery methods of gambling operators and affiliates on Twitter. These found:

- > affiliate marketing was a growing form of promotion<sup>62</sup>
- > affiliate marketing primarily operates on social media platforms, where purportedly independent 'influencers' or 'tipsters' provide betting suggestions and recommendations<sup>63</sup>
- > affiliates tweet on average 594 times a day.<sup>64</sup>

Facebook, YouTube and Twitter are used most frequently for advertising and promotions by gambling operators and affiliates.<sup>65</sup> Interviews with Australian gambling industry employees revealed that each was used for specific purposes – Facebook primarily to provide rapid feedback to customer queries and Twitter to broadcast gambling-related news and information.<sup>66</sup>

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<sup>61</sup> S Houghton, A McNeil, M Hogg and M Moss (2019), Comparing the twitter posting of British gambling operators and gambling affiliates: a summative content analysis. *Int Gambli Stud.* 19(2):312–26. <https://doi.org/10.1080/14459795.2018.1561923>.

<sup>62</sup> Ibid.

<sup>63</sup> J Torrance, B John, J Greville. et al. (2021) op. cit.

<sup>64</sup> S Houghton, A McNeil, M Hogg and M Moss (2019), op. cit.

<sup>65</sup> J Torrance, B John, J Greville. et al. (2021) op. cit.

<sup>66</sup> SM Gainsbury, DL King, N Hing and P Delfabbro (2015), Social media marketing and gambling: an interview study of gambling operators in Australia. *Int Gambli Stud.* 15(3):377–93. <https://doi.org/10.1080/14459795.2015.1058409>.

# Conclusion

There is increasing interest in and research into the way that gambling operators and affiliates are employing a range of interactive online platforms to attract and retain customers. However, there are information gaps about how affiliates are accessing and influencing rates of gambling and problem gambling in Australia, how they are circumventing existing restrictions, and how these efforts can be further reduced.

As part of its ongoing research, the ACMA will continue to monitor online gambling and any new information about marketing affiliates. This will support the ACMA to make decisions based on the latest evidence and research.