

**IMPLICATIONS OF SPORTS BETTING IN KENYA:
IMPACT OF ROBUST GROWTH OF THE SPORTS
BETTING INDUSTRY.**

BY

AMANI MWADIME

**UNITED STATES INTERNATIONAL UNIVERSITY
AFRICA**

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BY

AMANI MWADIME

**A Project Report Submitted to the Chandaria School of Business in
Partial Fulfillment of the Requirement for the Degree of Global
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UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: Date:.....

Amani Mwadime (Id 650049)

This project has been presented for the examination with my approval as the appointed supervisor.

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ABSTRACT

The general objective of this study was to assess sports betting impact in Kenya. The specific objectives of the study were to assess the role and impact of technology on sports betting, to examine the effects of sports betting on vulnerable segments of users, and to examine the role of controls and legislation on sports betting.

To achieve these objectives the study utilized a descriptive research design using quantitative research approach. The population of the study was drawn individuals engaging in sports betting within Nairobi County. In total, it was estimated that 2 million individuals were engaged in sports betting. Using stratified random sampling and Yamanes formula a sample size of 100 respondents was selected for inclusion in the study. Collected data was analyzed using SPSS and MS Excel worksheets using descriptive statistics of frequency distributions, means and modes. Analyzed data is presented using tables and figures.

The study found that majority of the individuals engaging in sports betting were male of the ages below 40 years and above 21 years. In addition, the biggest source of income for sports betters was salaries indicating that a employed individuals were at a higher probability of engaging in sports betting than entrepreneurs and unemployed individuals. Most of sports bets were placed using the website on a more than once per week interval. Sportpesa was the dominant brand in sports betting.

Mobile money had an influence on sports betting in Nairobi. According to this study, Mobile money was an enabler of sports betting. The seamless integration of mobile money wallets and sports betting platforms, reliability, consistency, ease of use and ease of access to mobile money was a major enabler of sports betting. The privacy offered by mobile money as had a positive influence on sports betting. Social media had a positive effect on sports betting in Nairobi. Majority of individuals engaging in sports betting sought for information and made decision on how to bet based on information available on social media platforms such as Facebook, twitter, Instagram and WhatsApp.

Majority of betters were aware that sports betting was a form of gambling. In addition, they perceived to be in control of their betting actions and thus continued to bet. Further, the study found that majority of individuals engaging in sports betting were aware of the risks

posed by sports betting eg addition and advocated for betting companies to provide alternative strategies to entertainment other than betting.

To most individuals in betting, they perceived the government to do very little to curb the adverse effects of sports betting. The government was disinterested in managing the protection policies of individuals engaging in sports betting and did not control the exposure, advertisement and promotion of sports betting. On the contrary, government was only interested in maximizing its revenues through taxation of sports betting companies.

This study concluded that mobile money has had a huge effect on sports betting in Kenya. The relationship between mobile money and sports betting is enhanced due to the ease of access to mobile money, the cost effectiveness and efficiency of mobile money, transparency, consistency, reliability and privacy of mobile money wallets. In addition, the study concludes that social media is the single largest most important source of information for sports betting. In addition, social media sites are the major source of purchase decisions for new customers in sports betting.

Sports betting is most likely to affect men under full employment between the ages of 21 – 40 years in Kenya. Finally, the study concludes that the government has not taken any steps to reduce the exposure of sports betting information and solicitation to vulnerable groups

The study recommended that first sports betting companies can leverage on the attributes of privacy, efficiency, effectiveness and security of mobile money wallets to market their products and services. Secondly, this study recommends for targeted mass education of consumers with a special bias to the men. It is recommendable for sports betting companies to set up dedicated social media accounts that effect and efficient in delivery of information on sports bets. Finally, this study recommended that there is an urgent need to put a policy framework guiding the advertisement and promotion of betting activities in the country with the aim of reducing exposure to underage children.

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Finally, to my family for their unwavering support.

DEDICATION

A special dedication to my family for their unwavering support always.

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LIST OF ABBREVIATIONS

BCLB	Betting Control and Licensing Board
CAGR	Compound Annual Growth Rate
CAK	Communications Authority of Kenya
EURESCOM	European Institute for Research and Strategic Studies in Telecommunications
ICT	Information and Communications Technology
PWC	PricewaterhouseCoopers
TAM	Technology Adoption Model
UK	United Kingdom
USA	United States of America
VLT	Video Lottery Terminals

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Sports Betting as an industry has been growing exponentially globally for a couple of years. Deeply entrenched in the developed world, it is part and parcel of the weekend package sold for game days in Europe, and the Americas. Illegal betting could be upwards of \$500 Million alone according to estimates. Global gambling revenue was estimated at \$430 billion in 2012 and is an increasingly important part of the global economy (Global Betting & Gaming Consultants, 2013). To place this figure in context, \$34.7 billion was spent on cinema tickets in 2012, and it is estimated that \$1 trillion will be spent on alcoholic drinks in 2014. Gambling is also increasingly used as a source of revenue by states with retracting economies (Cassidy, Pisac, & Loussouarn, 2013).

In the US and the UK, the Government has gone a long way to update their laws with regards to these new realities. The Gambling Act 2005 in the UK went on to establish a process to license potential operators and ensure protection of consumers. There were three primary objectives in the Act. Preventing gambling being a source of crime or disorder, being associated with crime, disorder, or an accessory to crime; Ensuring that gambling is conducted in a fair fashion and Protecting children and other vulnerable persons from being harmed or exploited by gambling.

According to PWC (2016), in Kenya, the annual gross turnover of the industry is \$20 Million. The government is literally trying to keep up with the pace of the industry and to date, most if not all of the laws revolve around licensing, taxation and control of entrants and not on regulation and protections to vulnerable users. There has been no move in tying in the new technological channels, challenges they pose with regards to access and control into the new laws, hence, this leave a lot of room for interpretation and hence manipulation by the Gaming and Betting companies (PWC, 2016).

The current Betting, Lotteries and Gaming Act is yet to implement any of these laws or a variation of with regards to crime and protection of vulnerable users. There is a glaring omission on what mobile money and online portals are and how they affect the whole betting setup. There is in essence a need for the Regulation authorities, for the community

to recognize the challenge posed with Sports Betting and thus adapt to it (Cassidy *et al.*, 2014). Furthermore, gambling as a form of risky decision making typically having financial consequences for its participants, gambling is an essentially contested notion, the boundaries of which are both porous and problematic (Cassidy *et al.*, 2014).

How did this innovation skyrocket interest in gambling and betting (Rogers, 1995). Diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. It is a special type of communication, in that the messages are concerned with new ideas. In the age of Social media, this happens at a faster rate. Rogers definition of innovation and diffusion are a starting point for much research into Diffusion of Innovations. The use of the Technology Adoption Model (TAM) as proposed by Davis (1986) and later Bagozzi *et al.*, (1992) and Park, (2009) provides a basis with which one traces how external variables influence belief, attitude, and intention to use. Two cognitive beliefs are posited by TAM: perceived usefulness and perceived ease of use. According to TAM, one's actual use of a technology system is influenced directly or indirectly by the user's behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. TAM also proposes that external factors affect intention and actual use through mediated effects on perceived usefulness and perceived ease of use (Davis, 1986; Bagozzi *et al.*, 1992).

Primarily a service that is utilized on the Mobile Phone is easy to use and to understand especially in Kenya where its reach is very huge (Gikenye & Ocholla, 2010). The Communications Authority (CAK) (2015) put Mobile Subscriptions at 37.7 Million at the end of December, 2015. Technology in essence, seems to be restricted to this channel (Gikenye & Ocholla, 2010). With the exception of mobile phones, which seem to have taken the MSE sector by storm, most traders in Kenya do not seem in the least inclined to use ICTs such as computers and the Internet. The majority carry on as if such technological developments have nothing to do with their lives and/or their businesses, and questions about the ownership and use of these types of ICTs seemed irrelevant and out of place (Mwangi & Moshi, 2016).

There is a lack of much research on Betting in the Kenyan context. However, data shows that this is now a robust industry (Mwangi & Moshi, 2016). The gross gambling revenue is estimated to be in excess of \$30m (Kshs3bn), which is expected to grow to about \$50m (Kshs5bn) in 2017, according to a 2015 report on gambling by industry regulator the

Betting Control and Licensing Board (BCLB) (Mwangi & Moshi, 2016). Currently, about eight operators use the online or SMS platforms for sports betting. This segment has grown tremendously since 2013 when the first online sports betting operator was launched. This charge is being led by leading names like Sportpesa, Betway, mCheza, Betin, and Oxygen 8 (Mwangi & Moshi, 2016).

Mobile technology has single-handedly changed the face of gambling in Kenya by bringing some of the best betting sites to the fingertips of millions on the continent, and allowing them to bet on their favorite sports teams, leagues, tournaments and players (Wambua, 2015). However, it is noted that there is a social impact to this fast-rising gambling industry. Wambua (2015) notes that, licensing of gambling should not be supply driven. He further adds that, “In as much as there are some positive economic impacts of gambling, its social cost must always be put into consideration and no license should be issued unless the economic impact outweighs the social cost, hence licensing of gambling has to be informed by cost-benefit analysis” (Wambua, 2015). Adoption of Mobile Money for betting seems to tick all the boxes posed by the Technology Adoption Model, and more-so, assumption that all the games are over the weekend past the banking hours, the convenience cannot be underrated (Gikenye & Ocholla, 2010). Money transfer services are available for more hours unlike banks, and that it is also easier to save small amounts at any time because of instant access without having to queue at a bank.

All forms of betting are governed by the Betting and Gaming Control Act in Kenya under the supervision of the Betting and Licensing Control Board (BCLB). Sports betting as an industry falls under this domain. There are several players that include and not limited to Sportpesa, mCheza, Betway, Elitebet Kenya, Betyetu, Justbet, Bet365, Betin, and Kenyasportsbet. Competition and aggressive pursuance of customers is clearly visible within the industry. According the Standard Media report, conservative figures estimate over 300,000 users play for the multi-shilling jackpot every week (PWC, 2016; Wambua, 2010).

This research was based on Sports Betting, restricted to betting on outcome of football games locally and internationally. The principal engagement in this betting is the sports betting company publishes the odds of the particular gaming coming in the future, individuals place bets for single games or for multiple games with several combinations of ‘win’, ‘lose’ and or ‘draw’. All one needed was to be registered to one of the several betting

outfits, be registered on Mobile Money by a Mobile network and have money in the virtual wallet. Bets can then be placed from anywhere. Kenyans of all walks of life were involved in the betting craze at the moment. The business model centers around bringing ease to placing of bets where it has become anonymous of some sort. The transaction can happen end to end without having to physically interact with the betting company.

1.2 Statement of the Problem

Recent reports in Kenya show a robust and a fast-growing betting industry in Kenya. However, there were also frequent and worrying reports of the carnage it was causing (Gaitano & Angela, 2015). The betting craze that has engulfed the country has turned into a source of pain for some families, with individuals committing suicide and losing property and students squandering school fees. In some instances, the betting has led to families breaking up.

Recently, the Sports Cabinet Secretary, Hasan Wario called on the Interior Ministry to stop registering new sports betting companies (Gaitano & Angela, 2015). “The million-dollar question was: why didn’t we have a lottery office? Requests to the Ministry of Interior were to stop registering all these thousands of betting companies. We must control this sector” (Wario, 2015). This suggested the need to regulate the industry way above the taxation controls that only existed.

Binde (2007), noted that people who gambled a great deal should not be urged to gamble even more, thereby facing the risk of aggravating the problem of gambling. The efficacy of widespread advertising in promoting sales should be weighed against the unfavorable impression it created among large segments of the public, i.e., that it increased problems of gambling and was insensitive towards those who were trying to free themselves from an addiction to gambling. However, in Kenya, these advertising regulations were not being practically applied. Section 25 of the Betting and Gaming Act implied but was not enforceable as there were advertisements plastered in dailies and in the streets. This implied the need to have tighter laws that addressed the issue of advertising of betting and thus consumption of information by the general public.

1.3 General Objectives

The general objective of the study was to undertake an assessment of Sports Betting in Kenya.

1.4 Specific Objectives

The specific objectives of the study were to:

1.4.1 To assess the impact of technology on sports betting in Nairobi.

1.4.2 To determine the effects of Sports Betting on the Vulnerable segments of users.

1.4.3 To assess existing controls/legislation on Sports Betting.

1.5 Significance of Study

1.5.1 Sports Betting Industry

The study helps to identify ways and avenues that sports betting is impacting the general public. It also highlights the role companies play in protecting the vulnerable members of the public from the negative effects of betting.

1.5.2 Betting Control and Licensing Board (BCLB)

This study aimed at approaching Sports Betting in Kenya from a new perspective. Currently, the government sees it as a source of taxation and funds. This paper shows, how this activity affects its users who were vulnerable to addiction, how the laws were not made to protect users rather they were created for Licensing and for Taxation rules purposes.

1.5.3 Technology Providers and Regulators

This study aimed to show, how the popularity and extent of Mobile Money penetration, Social Media played a role in exponential participation numbers, how the diffusion of innovation theory, Technology Adoption Model played a significant part. The study is expected to influence the laws of the land, in regulation and protection of vulnerable sections of users. It also expects that; the investigation and control of the various technologies play a huge role in access channels in influencing betting.

1.5.4 The Academia

Those members of the wider academic community wishing to explore the field of Sports Betting in Kenya will find this study a great resource. The aim of the study is to incite debate and introspection among the industry stakeholders so as to find a better way to position sports betting and in the wider context gambling so that it is not deemed harmful or resented.

1.6 Scope of Study

The study was restricted to Nairobi, Kenya. It was conducted during the period of July 2016 to January 2017. The population was male and female individuals who owned a Mobile handset and were enrolled into any of the sports betting platforms, both heavy and light users of the product. One of the key limitations was the access of reporting data of mobile money usage in betting from the telecom providers. In addition, the willingness of the respondents to provide the required information. To mitigate against this, the study researcher assured of confidentiality and anonymity.

1.7 Definition of Terms.

1.7.1 Sports Betting

Palmer, (2013) defined Sports betting, at its simplest, placing a financial wager on the outcome of a sporting match, as well as on events that occur within the larger match or fixture.

1.7.2 Technology Adoption Model

According to Park, (2009) TAM provides a basis with which one traces how external variables influence belief, attitude, and intention to use. Two cognitive beliefs are posited by TAM: perceived usefulness and perceived ease of use.

1.7.3 Diffusion of Innovation

Rogers, (1995) defines diffusion as the process by which an innovation is communicated through certain channels over time among the members of a social system. It is a special type of communication, in that the messages are concerned with new ideas.

1.8 Chapter Summary.

This chapter has provided a background of the study that provided a disquisition on Sports Betting, Mobile Money industry robustness, lack of a legal framework and their role in the emergence of the Betting industry and culture in Kenya and also subsequently to the impact of the vulnerable users of the product. The problem has been stated along with the general and specific objectives of the study. The chapter has also discussed the scope and significance of the study. A definition of terms as used within the context of the study has also been listed. The following chapter is a Literature review concerning this topic of study. The literature is reviewed based on the specific objectives in previous chapter. Chapter three presents the research methodology that was used in conducting this study.

Chapter four of this study presents the findings and results of this study based on data collected and analyzed using methodologies shown in chapter three. Chapter five summarizes the findings, provides key discussions of the results, presents the conclusions and recommendations of the study.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the various theories and concepts that encompass the Technology Adoption Model, Diffusion of Innovation Model and their relation to the sports betting Industry. The review is split into three sections as per the research objectives, i.e. To assess the role/implications of mobile money on sports betting in Nairobi. To determine the effects of sports betting on the vulnerable segments of users. To assess existing controls/legislation on sports betting.

2.2 Impact of Technology on Sports Betting

2.2.1 Technology and Sports Betting

Technology has played a leading role in disruption and enhancement of the Gaming and gambling industry that is part of sports betting (Griffiths, 2013). The field of gambling is not immune to the technological revolution taking place elsewhere in other fields. Technology has always played a role in the development of gambling practices. Some would say that gaming is driven by technology and these new technologies may provide many people with their first exposure to the world of gambling and could be argued to be more enticing than previous non- technological incarnations. Not only is technology a tool of the market but technology can also be a regulatory tool. This can be seen in a number of areas including surveillance, auditing and monitoring. Online and Mobile Betting are the primary drivers of the technology channel (Sidenius, 2007).

The global online gambling market was worth \$34.8bn in 2014 and is growing at 8.7% pa. Within this mobile is the primary growth driver in every product vertical, largely driven by the increased adoption of smartphones. With an estimated CAGR of 27%, mobile gambling is expected to grow to \$19bn and represent 40-45% of online gambling revenues by 2018. Importantly, mobile gambling is growing the gambling pie via increased take from existing players and by attracting new casual players seeking to be entertained on the move – MECN estimates that at least 30% of mobile revenues are incremental (Griffiths, 2013). Technology is and will continue to provide new market opportunities not only in the shape

of internet gambling but also in the shape of more technologically advanced slot machines, video lottery terminals (VLTs), interactive television gambling and telephone wagering (Griffiths, 2013).

In a study on social impacts of gambling in Scotland, Reith (2006) sought to analyze the effect of technology on growth of betting in the country. According to the study conducted in partnership with the University of Glasgow, the emergence and merger of technology and entertainment as characterized by sports betting had enhanced growth of betting trends in the country. According to the study, over 5% of the Scottish population engaged in sports betting or other forms betting especially on technology platforms. One of the major reasons for the positive relationship between technology and sports betting was the convenience of technology and ease of access (Reith, 20016).

According to Reith (2006) and supported in the findings of Panis *et al.*, (2013) the availability, efficiency of technology as well as convenience presented by technology had a strong positive correlation to the levels of gambling in Scotland. This provided explanations to the presence of electronic gaming machines outside casinos as well as the widespread location of online and electronic gaming machines in hotels, bars and even clubs. Furthermore, the congruence between mobile phone telephony and betting had brought sports betting closer to the individuals leading to higher levels of betting and impulse betting (Reith, 2016).

Finally, Moore *et al.* (2004), supported the findings of this study in the paper, *Legalization of Internet Gambling: A consumer Protection Perspective* when they noted that some of the factors promoting the growth of gambling in the European Union including the increase of population conscious of technologies, in increased user friendliness of technologies, the ease of integration of technologies, automation and convenience in billing and payments of gambling proceeds, an increasing mobile young population and increased incomes leading to increased spending on leisure. It is key to note that majority of the factors identified in the study are related to technology and adoption of technology in the growth of gambling (Moore *et al.*, 2004).

2.2.2 Mobile /Electronic Money and Sports Betting

Mobile Money Transfer is the activity of receiving and sending money from one person to another via a mobile device, characterized as consumer to consumer. This could also be consumer to Business or Business to consumer. Mobile money amounts are stored in a Mobile wallet and is equivalent to cash and can be exchanged for goods and services. Previously setup as a product to fill the gap of the unbanked, Mobile Money has morphed into an m-commerce giant breaking down industry definitions (Gikenye & Ocholla, 2010).

Mobile phone technology has also been innovatively used to offer financial transfer services whose fast adoption and success is proof that it is very handy for those relatively smaller transactions which the existing banking services have not been able to reach. The mobile phone-based money transfers and transaction service has also supplemented and given competition to the formal banking services due to their convenience, availability and informality that is not offered by existing banking system (Gikenye & Ocholla, 2010).

To support this, Jack and Suri, (2011) noted that as the costs of mobile phone technology have fallen, and as the technology has been adapted to support financial services, mobile banking innovations have begun to spread across and within poor countries. The low cost, and the widespread unmet demand for financial services, as captured by low rates of bank access, means that mobile banking has the potential to reach remote corners of the socio-economic, as well as geographic, spectrum (GSMA, 2015).

Mobile money continues to deepen financial inclusion. In 2015, the number of mobile money services increased to 271 in 93 countries. Moreover, according to World Bank data on global financial inclusion, mobile money services are available in 85% of countries where the number of people with an account at a financial institution is less than 20%. In contrast, the growth of Mobile Money in Kenya has been exponential (Communication Authority-Kenya, 2016b).

2.2.3 Effect of Electronic Commerce on Betting

Gullen and Tschoegl (2002) conducted a study on the impact of banking on gambling: banks and lottery linked deposit accounts and noted that the provision of deposit accounts that had a direct link to the interest earnings of a lottery increased the levels of popularity

of sports betting in the study. Further, the study found that the use of banking on gambling was more profound on low income customers as opposed to high income customers (Gullen & Tschoegl, 2002).

Pearson, Watson, Stevie, Moore and Eshee (2004), found that the introduction, growth and acceptance of mobile and electronic cash and payment systems had greatly enhanced the adoption and use of gambling around the world. According to them, the emergence of technological innovations in payments had enhanced ease of access and settlement of lottery winnings as well as the ease of access to playing resources. This had attracted a huge number of customers and individuals engaging in betting.

The above findings are validated by the findings of Panis, Morphis, Felt, Reufenheuser, Bohm, Nitz & Saarlo (2013) who conducted a study on the effect of mobile commerce and growth of betting in Asia. The study found that the introduction of mobile and electronic commerce had enhanced sports betting and other forms lottery. Using the Technology acceptance model proposed by Davis (1996), Panis *et al.*, (2013) found that customers' demands and wants are met by technology based betting which ensures that customers can access services anywhere and at the go. According to them new technologies are enabling the integration of various platforms and products which have enhanced uptake and use of the products and services.

According to Panis *et al.*, (2013) as well as the European Institute for Research and Strategic Studies in Telecommunications (EURESCOM) (2011) the major factors that enhanced the relationship between mobile money or electronic commerce and betting growth was primarily due to factors such as the availability of information. According to them, the various stages involved in making the purchase decision were instrumental in informing the growth of betting due to electronic commerce growth. The easy availability of information, promotion of sports betting, ease of access to payment, commitment to payments and after sales services were instrumental in informing the relationship between betting and electronic commerce.

Other factors that influenced the relationship were security of mobile and electronic commerce systems, the advantages presented by mobile phone access and proliferation even in mass markets, user acceptances and market maturity levels, the availability of ready networks and technology platforms for betting as well as building blocks upon which M -

Betting services could be launched. Finally, the suitability of betting through the provision of mobile and electronic based betting had positively influenced the relationship between betting and mobile money growth (Panis *et al.*, 2013; EURESCOM, 2011).

2.2.4 Social Media and Sports Betting

More than half of UK households (54%) had a tablet in early 2015, up from 44% just a year earlier. Locally, this is supported by a study by in Kenya among small business owners (Gikenye & Ocholla, 2010). The mobile phone is one ICT that seems to be quite popular among the MSE traders, with over 90% of the respondents reporting that they not only owned a mobile phone, but also used them to conduct their businesses.

The growth of the mobile phone has had a positive effect on uptake of betting around the world. According to Panis *et al.*, (2011) the gambling and betting industry has become extremely popular due to the growth of mobile phones. Gambling products such as lotteries, instant games, sports betting and others have become popular and experienced tremendous growth as a result of investment and growth of mobile technologies and especially the mobile phone. Some of the mobile based technologies that have enhanced the growth of lotteries and betting includes the provision of bet placing through SMS or WAP or the ability to play games and earn money through mobile phones (Panis *et al.* 2011).

Secondly, the betting is primarily a business to Customer market which leverages on technology to enhance efficiency and effectiveness. According to Panis *et al.*, (2011) and supported by Gikenye and Ocholla (2011) the merging of entertainment and mobile telephony has led to increased customer attraction, product diversification as well as increasing interaction and experiences for the customers. Mobile phones have increased the interactivity between customers and betting as well as promoting a real-time user experience.

According to the Communications Authority of Kenya (2016a), Mobile penetration is at 87.7% in Kenya. The mobile telephony sub-sector experienced a marginal drop in the number of mobile subscriptions during the quarter under review to post 37.7 million subscriptions down from 37.8 million recorded last quarter. Consequently, mobile penetration dropped by 0.4 percentage points to stand at 87.7 percent down from 88.1

percent recorded during the previous quarter. Growth of the Internet has also played a significant factor (Communication Authority of Kenya, 2016a).

During the period, October to December 2015, the number of internet/data subscriptions grew by 10.6 per cent to register 23.9 million subscriptions up from 21.6 million subscriptions registered during the previous period. Subsequently, the number of estimated internet/data users stood at 35.5 million up from 31.9 million users recorded during the last quarter. This translated to an internet/data penetration level of 82.6 per cent up from 74.2 per cent recorded during the previous quarter. Mobile data posted 23.7 million subscriptions representing an increase of 10.2 per cent from 21.5 million subscriptions recorded last quarter. These are the robust numbers the Sports Betting companies are leveraging on (Mwangi & Moshi, 2016).

2.3 The Effects of Sports Betting on Vulnerable Users.

The term ‘Vulnerable User’ in a betting sense is defined as a person predisposed to becoming a problem gambler (Fong, 2005). The etiology of pathological gambling is due to a combination of biological, psychological, and social risk factors. As with other behavioral disorders, this combination varies from individual to individual and the amount of expression needed from each risk factor in order to demonstrate disease is not a set one. Group vulnerabilities are a way of demonstrating an increased risk to developing a disease and are discovered through epidemiological research. Fong (2005), biological risk factors include alterations in dopamine and serotonin functioning, genetic loading, and neuro-physiological responses to gambling.

Psychological risk factors include personality features, such as dysfunctional impulsivity, impaired reward processing, poor coping mechanisms to stress, and defense mechanisms like guilt and shame that drive ongoing addiction. Social risk factors include access to gambling, peer gambling influences, and age of onset of gambling. These risk factors work in concert to create vulnerabilities in certain demographic groups, thereby increasing that group’s overall risk to become pathological gamblers (Binde, 2009).

To support this, in a study Binde (2009) when asked about the history of their gambling problems, the participants mainly mentioned three basic causes of their problems: personality factors, the structure of machine and casino gambling, and the availability of

gambling in society (Binde, 2009). The personality factors they typically mentioned were: 1) feeling high levels of stress and anxiety, and using gambling to cope with such feelings, or 2) being restless, competitive, or sensation seeking, and enjoying the eventfulness and risk taking in gambling. The structure of slot machine and casino gambling (mainly roulette), which makes playing repetitive, absorbing, and exciting, was described as able to trap one “in a treadmill,” as having an inherent “satanic” and “evil” power, as causing a shift from playing for fun to playing “compulsively,” and making one “addicted” to gambling like an alcoholic to alcohol. However, other studies go on to show, that some form of gambling and betting for good entertainment doesn’t necessarily lead to problem gambling however, no conclusions were drawn for vulnerable users (Thomas *et al.*, 2010).

While gambling as good entertainment was not found to have a significant relationship with gambling problems in general, it may be that subsections of the population are more vulnerable to this form of accessibility. According to Griffiths (2013), what has been clearly demonstrated from research evidence in other countries is that where accessibility of gambling is increased there is an increase not only in the number of regular gamblers but also an increase in the number of problem gamblers. Individuals who are lonely and depressed, for example, may find the social aspects of accessibility of gambling a strong attraction. In contrast, someone who gambles as a form of relaxation with a partner may not be particularly interested in this aspect of venues (Griffiths,2013). This obviously means that not everyone is susceptible to developing gambling addiction but it does mean that at a societal (rather than individual) level, the more gambling opportunities, the more problems. In conclusion, Griffiths, (2013) sports betting for some people could become very habit-forming given the amount of different activities that people can gamble upon. However, the likelihood is that most people who gamble on these types of activity do so only occasionally. The vulnerabilities can be outlined as per age, genetic, social demographics, gender, comorbid disorders, psychiatric factors (Griffiths, 2013).

2.3.1 Vulnerabilities by Age

2.3.1.1 Adolescents.

According to Fong (2005), Adolescence is a time of increased vulnerability to other addictions, namely due to the maturing brain, underdeveloped mechanisms of self-control, and sensitivity to the effects of neuro- toxic substances (Derevensky & Gupta, 2004). Problematic gambling during adolescence remains a growing social and public health issue

with serious psychological, sociological and economic implications. While the incidence of severe gambling problems amongst youth remains relatively small, the number of individuals with severe gambling problems combined with those at-risk for a gambling problem is substantial. The devastating long-term consequences for those youths with gambling problems, their families, and friends, are enormous. Problematic gambling among adolescents is part of a larger constellation of problems associated with youth risky behaviors that must be addressed. Common forms of gambling for youth in Kenya is Sports betting or wagering (Derevensky, 2015).

Adolescent gambling behavior can be viewed on a continuum; ranging from non-gambling to social/occasional/ recreational gambling to at-risk gambling to problem/pathological/compulsive/disordered gambling (DSM-5 now refers to serious gambling problems as disordered gambling) (Derevensky, 2015). The normalization of gambling (currently referred to as gaming by the industry as they are focusing upon the entertainment value), has led adolescents and young children to frequently engage in this behavior with parents, siblings and family members. To enhance the vulnerability, the adolescent's motivation is different (Derevensky, 2015).

According to Derevensky, (2015) winning money is typically not the primary motivation reported by adolescents. Multiple studies among problem gamblers suggest that the primary benefits accrued from gambling are in terms of the excitement (adrenaline rush) and enjoyment derived from the gambling itself. Despite all of this, there is agreement that vulnerability and transition to problem gambling is unique and cannot be defined by grouping (Derevensky, 2015). there is no single constellation of risk factors that can alone predict with certainty that an individual will develop a gambling disorder. It should also be noted that many of the identified risk factors are similarly associated with other mental health and/or addictive disorders; one of the reasons disordered gambling is now classified as a Behavioral Addiction. However, another study was more direct, according to Ricijas, Dodig Hundric, & Huic, (2016) high-school boys experience adverse consequences of their gambling, both psychological consequences and loss of control, and social and financial consequences. In conclusion, Fong (2005), research with adults has shown that individuals with severe gambling problems begin gambling much earlier in life.

2.3.1.2 Elderly.

Fong (2005) research shows that older adults have higher participation rates than ever before, mainly because of the aging population and of rapid expansion and increased access to legalized gambling. The impact of gambling on the elderly is an area of ongoing debate where proponents tout socialization, structure, and entertainment while opponents describe stories of depression, enormous financial loss, and isolation. However, Fong (2005) notes that gambling in older adults was not associated with negative measures of health and well-being. Gambling for some older adults is portrayed as a positive recreational activity, especially when promoted by churches and senior centers through bingo games and bus trips to casinos (Fong, 2005).

Geriatric populations are at more risk to develop problems related to gambling because they are likely to be on fixed incomes and may not be able to recover financially as quickly as those who are working for full incomes. Furthermore, gambling has the potential to affect retirement funds that can take a lifetime to save but just a few moments to lose. Older adults, once they lose control over gambling, may have difficulty stopping or getting help. But in conclusion, Hing, Russell, Tolchard, and Nower, (2014) found that younger men were significantly more likely than older men to take part in informal private betting, EGMs, table games, race wagering, sports betting, scratch tickets and phone/SMS competitions. Older male gamblers were more likely than younger male gamblers to engage in lottery type games and raffles/sweeps/other competitions (Hing *et al.*, 2014).

2.3.2 Vulnerabilities by Social Demographics.

There is little literature on the composition of Social factors that contribute to at-risk behaviors of Gambling and subsequent problems in Kenya. However, Poverty and Unemployment play a huge factor. According to Fong (2005) those in lower socioeconomic classes would appear to be more vulnerable to develop gambling problems simply because it doesn't take as much money to lose in order for negative consequences to arise. "that lower socioeconomic groups may view gambling as a way to end poverty and thus continue to participate in it despite ongoing negative consequences. Alternatively, they may be more likely to suffer negative consequences because of their more limited options and resources." However, concludes Fong (2005) concludes that the lack of longitudinal

research means that most studies are only able to demonstrate an association and not a causal relationship.

2.3.3 Vulnerabilities by Gender

Fong (2005) found that in the United States, problem and pathological gambling are about two times higher among men than among women. The gender gap appears to be closing, especially given the rise in popularity and acceptance of women gambling. According to the UK Gambling Prevalence survey Wardle *et al.*, (2011) found that men were between three to five times more likely than women to play football pools, fixed odds betting terminals, and casino games. Betting on dog races, betting on non-sports events and private betting were, at least, twice as popular among men than women. Men were more likely than women to take part in most gambling activities.

In a study, Hing *et al.*, (2014) noted that male gamblers were significantly more likely to have had some level of problem gambling both at some point in their life and during the last 12 months, compared to female gamblers. Lifetime prevalence of problem/pathological gambling was 3.2% for men, which was double the rate for women (1.6%). Past year prevalence of problem gambling amongst gamblers was 1.3% for men which was also double the rate for women (0.6%). In conclusion, Fong (2005) noted that there are considerable differences between male and female pathological gamblers in terms of types of gambling, reasons for gambling, psychiatric comorbidities, and participation in treatment. As a result, specific vulnerabilities for each gender need to be taken into account in order to effectively screen or treat pathological gamblers.

2.4 To Assess the Impact of Existing Legislation.

The role of law in regulating any industry and business cannot be understated. The law acts as a guidance to operators in an industry so as to protect consumers, maintain sanity, fair competition and also act as a guide and play a role in governance. Law has to keep up with all the dynamic facets of an industry so as to remain relevant and a point of reference. Littler (2007) National policies usually regulate the quantity and quality of the gambling supplied. Thus, some forms of gambling may be prohibited or the number of gambling opportunities may be limited. Where the provision of gambling opportunities is permitted, two broad approaches are used to ensure the quality of the gambling services; either the use

of a state-owned body with a monopoly position, or a licensing regime with a supervisory and enforcement mechanism.

2.4.1 Betting Regulations in EU

The European Union faces the same challenge and works closely with National governments to find a balance in this legislation. As Littler (2007) found, instead of a selection of national courts reaching various interpretations of an unclear criterion and the European Commission launching infringement procedures on an ad hoc basis, legal certainty has to be achieved. From the foregoing discussion, the repercussions of gambling policy are both national and European in nature. An initiative needs to develop which can overcome the current impasse. In the United Kingdom, such calls for legislation had basis in the changing conditions.

As a response to the industry, the UK Governments introduced the current system of gambling law and regulation was established in the 1960s, and has changed little since then (Dewar, 2012). However, the regulation reflects social attitudes that were prevalent then and the technology that was available. The system no longer works. We are committed to reforming gambling regulation to offer freedom with protection for the vulnerable. Reinforced by views in the United States on Technology impact on gambling (Dewar, 2012). Gambling on the internet is dangerous because: Children could easily access it; It will lead to increases in problem and pathological gambling; Criminal elements would find it all too easy to become involved; The integrity of operators cannot be currently guaranteed; It takes money from regulated terrestrial gambling and associated businesses; and Leaches money from people but does not pay anything back to society as companies are located offshore and are therefore not subject to taxation.

Light (2016) found that pressure for reform became 'driven as much by the Gaming Board, and by its then parent department, the Home Office, as by the industry itself. In December 1999, the Home Secretary announced a major review of gambling legislation and the Government established the Gambling Review Body, chaired by Sir Alan Budd. It began work in February 2000, and its brief was to 'Consider the current state of the gambling industry and the ways in which it might change over the next ten years in the light of economic pressures, the growth of e-commerce, technological developments and wider leisure and industry trends (Brooks, 2012). In the UK, the idea behind the licensing and

regulation of online gambling was that customers should trust licensed “sites” in a respected jurisdiction rather than those in “suspect” offshore locations. The law also covers the platform used by the betting companies.

According to Brooks, (2012), the Gambling Commission is able, if it so wishes, to establish standards in respect of the manufacture, supply, installation and adaptation of software, and is considered a criminal offence if these standards are breached. A gambling company must therefore obtain personal, remote and software licenses before it is fully licensed in Great Britain. In conclusion, Britain’s pursuance of a law that governed gambling was in essence, Light, (2016) consideration of whether the safeguards proposed by the Government can meet the social challenge posed by a gambling industry released from restraints and left to free-market economic forces.

2.4.2 Betting Regulations in USA

In the United States, there is a different challenge altogether with regards to the law (Paton, Siegel, & Williams, 2016). Despite the growing popularity of gambling in the USA, there is still strong religious opposition to this activity in many states and almost no support for legalizing gambling on sporting events. For instance, only Nevada and Oregon allow sports betting; and, in Oregon, it is permitted only on a very limited basis. Thus, there is considerable variation within the USA in gambling activity and tax rates across regions and states. Fundamentally though, there is legislation as much as it is on a State by State level.

2.4.3 Betting Regulations in Africa

In Africa, the legislation question remains vague, non-adaptive and stagnant. In neighboring Uganda, According to Ahaiabwe, Lakuma, Katunze, and Mawejje, (2016) many facets of the law relating to lottery and gaming have become obsolete and are not sensitive to the new modes of gambling and the unprecedented growth of the industry. Similarly, the regulatory body (National Lotteries Board) has substantial capacity problems and limited statutory powers and is not always able to effectively exercise its mandate herein inhibiting its ability to comprehensively regulate the gambling industry.

2.4.4 Betting Regulations in Kenya

As is the case in the African context, the same can be generalized for the Kenya situation. Yawe & Ssenooba, (2014) finds that there is no adequate regulatory framework to protect underage and vulnerable individuals, ensure that the games are fair, address the concerns of law enforcement, and enforce any limitations on the activity. Worse still, the operators are not obliged by any law to utilize proper safeguards to thwart underage and problem gambling, or to put in place systems to prevent money laundering.

According to Menya (2016), betting is not illegal in Kenya. The multi-billion industry is regulated by the Betting Control and Licensing Board (BCLB) under the Betting, Lotteries and Gaming Act of 1966. However, the law has been playing catch up with technology as it was enacted before the era of mobile phones and the internet. Glaring loopholes and omissions define the current law and hence the challenge faced within and outside the industry and its span of impact. The Gambling Commission in the UK, under ‘the 2005 Act’ regulates all commercial gambling, apart from spread betting. Included in regulation is football, and other sports betting. It also addresses channels used in betting including Remote gambling i.e. via Mobile, Internet e.t.c. (GoK, 2015).

In the Act “remote gambling” means gambling in which persons participate by the use of remote communication. In this Act “remote communication” means communication using— (a) the internet, (b) telephone, (c) television, (d) radio, or (e) any other kind of electronic or other technology for facilitating communication. Clear provisions for what the law covers are made here which clearly lack in the Kenyan context. Furthermore, there are clear guidelines in pursuing the licensing objectives, i) preventing gambling from being a source of crime and disorder, being associated with crime or disorder or being used to support crime ii) ensuring that gambling is conducted in an open and fair way, ensuring that the terms and conditions betting companies have with customers are being honored iii) protecting children and other vulnerable people from being harmed or exploited by gambling (GoK, 2015).

There is clear need for the Government of Kenya to close this regulatory gap to a go a long way to protecting the Kenyan public and also the consumers of these gambling products from exploitation (Menya, 2016). There is poor to no taxation of the industry winnings. The 20% withholding tax instituted by Treasury is yet to be realized. There is poor to no

enforcement of the law. Also, there has been creation of the Sports Lottery Fund, under the Sports Act, utilizing money raised from betting activities. The Fund activities have failed to materialize (Menya, 2016).

Ekhalie (2015) in the article “Is the National Sports Fund board of trustees sleeping on the Job?” outlines the challenges facing regulation of sports betting in Kenya. In conclusion, there seems to be discordant and one-off legislation and regulation when it comes to the betting industry. The one-off laws lack any form of structure or enforceability at the moment hence poor to no regulation. Most of the laws are earmarked at raising money from the industry as opposed to regulation, protection of users and ensuring fair competition. This has led to frustration from within and outside the industry hence the lag behind. Also, betting and gambling in Kenya has taken on the technological aspect and hence posed new challenges to regulation and legislation. The lack of technological know-how, appreciation of challenge and ability to keep up by the regulation authorities and BCLB has proven to be another major challenge. There needs to be adoption of fresh thinking and approach needs to be the fundamental focus of the government and the Betting Control and Licensing Board.

2.5 Chapter Summary

This chapter has reviewed the existing literature on the research questions of the study. Furthermore, the chapter has illuminated the theoretical framework and theories inherent in the study.

Chapter three below presents the research methodology of the study include the design, population and sampling, data collection, research procedures and data analysis methods.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The general objective of the study was to do a comprehensive assessment of sports betting industry in Kenya and how it specifically impacts users in Nairobi. This chapter describes the research methodology that was utilized. It also explains the choice of research design, population and sampling design, data collection methods, research procedures and data analysis methods.

3.2 Research Design

A research design is defined as the overall blueprint that defines the conduct of a research (Bryman & Bell, 2011). It is the overall plan and strategy that informs the key decisions that are adopted in research. A researcher can choose from an exploratory, descriptive explanatory, case study, cross sectional studies, longitudinal or time series research designs. This is informed by the overall objective of the study or research.

This study adopted a descriptive research design. A descriptive research design involves the gathering of data with the purpose of describing trends, a phenomenon or case (Bryman & Bell, 2011). The overall objective of this study was to describe the factors informing the growth of sports betting in Kenya. Consequently, the study described how regulatory framework and technology use enhanced sports betting. In addition, the study describes the effect of sports betting on vulnerable groups.

This study utilized a quantitative research approach. In a quantitative research approach, the researcher focuses on quantifying the data into numerical values. This study used quantitative research approaches as well as data collection instruments. A quantitative research approach reduces researchers bias as well as provides statistically measurable variables and thus was justified for use in the study.

3.3 Population and Sampling Design

3.3.1 Population

Polit and Hungler (1999) refer to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The key characteristics of this study were individuals who engaged in sports betting using mobile phones to place bets. According to the Betting and Licensing Control Board there were 30 sports betting companies in Kenya with bookmaker's licenses. However, only 10 of the betting companies utilized mobile phones as their distribution channel (BLCB, 2016). The ten companies were Sports Pesa, Elite Bet, M Cheza, Bet Pawa, Betway, Betyetu, Lucky2U, Betika and Kenyasportsbet. According to BLCB (2016) statistics there are approximately 2 million individuals engaged in sports betting in Kenya. These 2 million individuals will form the population for this study. The BCLB is the authority board managing the betting establishments in Kenya hence why this study used these numbers.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Saunders, Lewis, & Thornhill, (2008), the sampling frame for any probability sample is a complete list of all the cases in the population from which your sample will be drawn. Further, Saunders *et al.*, (2008) found that the sampling frame must be as complete, accurate and up to date as possible.

According to the BLCB (2016), over 2 million individuals are engaged in sports betting. The two million individuals engaged in sports betting will form the sampling frame of this study.

3.3.2.2 Sampling Technique

Sampling technique refers to the systems and processes used to select the sample size. There exist two broad classes of sampling techniques: probability and non-probability sampling techniques. Probability sampling techniques utilize scientific basis of likelihood to select sample size while non-probability sampling techniques utilize researcher's judgement (Bryman & Bell, 2011). This study utilized probability based sampling technique: stratified random sampling technique. In a stratified random sampling technique

the researcher classifies the population into strata's and each element within a strata is given an equal chance for inclusion in the study. The strata's for this study were the various sport betting companies that use mobile phones to deliver their services.

3.3.2.3 Sample Size

Saunders *et al.*, (2009) defines a sample size as a small section of subjects drawn from the larger population. According to Saunders *et al.*, (2008) the choice of sample size within this compromise is governed by: the confidence you need to have in your data; the margin of error that you can tolerate – that is, the accuracy you require for any estimates made from your sample; the types of analyses you are going to undertake – in particular, the number of categories into which you wish to subdivide your data, as many statistical techniques have a minimum threshold of data cases for each cell (e.g. chi square); and to a lesser extent: the size of the total population from which your sample is being drawn.

This study utilized Yamane's formula to come up with an adequate sample size. The Yamane formulae is as below:

$$n = \frac{N}{1 + Ne^2}$$

Where: n = Sample size

N = Population size = 2,000,000

e = the acceptable sampling error = 0.1

Therefore:

$$n = \frac{2,000,000}{1 + 2,000,000 * 0.1^2}$$

n = 99.995 or 100

The sample size of 100 was distributed equally amongst the ten mobile betting platforms as shown in Table 3.1 below:

Table 3.1: Population Distribution

Strata	Population
Sports Pesa	10
Elite Bet	10
M Cheza	10
Betpawa	10
Betway	10
Betin	10
Betyetu	10
Lucky2u	10
Betika	10
Kenyasports bet	10
Total	100

3.4 Data Collection Methods

Primary was used in this study. A structured questionnaire was the primary data collection instrument. A questionnaire was justified for use in this study as it enhanced collection of qualitative as well as quantitative data. Furthermore, a questionnaire allowed for collection of data in a cost effective, easy and without the researchers influence on the findings.

The first section sought general data about the respondents and their experiences around Betting, specifically on Sports. The rest of the sections were molded around the specific objectives. It began with frequency of betting and reasons as to why they keep coming back. Then, questions on if they consider themselves to be vulnerable to addiction to this activity. The next section concentrated on contributing factors to betting, i.e. Technology and Mobile Money, and what role they feel the two played in making them adopt the activity. The questions were constructed using Likert's 5-point scale. In addition, open ended questions were used to collect qualitative data.

3.5 Research Procedures

The research process entailed obtaining permission from the researcher's university. The researcher obtained an introductory letter from the university which facilitated the speedy acceptance by the intended respondents.

In addition, the researcher pilot tested the questionnaire for its efficiency in collecting data. At the pilot testing stage, the questionnaire was administered to 10 individuals who were not involved in the actual data collection. The individuals gave feedback on the ease of understanding and relevance of the questions in the questionnaire.

Cronbach Alpha statistics was used to ensure that data collected was reliable and valid for the findings. The cut off measure for the statistic in this study was 0.6 which was considered adequate for reliability and validity generalization (Bryman & Bell, 2011).

3.6 Data Analysis Methods

Data collected from the questionnaires was keenly inspected for errors and gaps in the study. After inspection and editing, the questions were coded and keyed into SPSS vs. 20 for analysis.

Quantitative techniques were used for the data analysis. Descriptive statistical techniques were used. Descriptive statistics such as frequency distribution tables, means, deviations and modes were used for description of the findings. This served the purpose of the study was to describe the variables under investigation in the study. After analysis on SPSS the data was exported to Excel for ease of use in data findings presentation. The data was then presented in figures and tables.

3.7 Chapter Summary

This chapter has described and justified the research methodology to be employed for this research. The chapter has explained the research design, the sampling design. The chapter has also touched on data analysis and the research procedures. Once the data is collected, the proceeding chapter presents the analysis of the findings.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents findings of the foregoing study. The chapter is organized into sections flowing from the research questions. The first section addresses the role and implications of mobile money on the growth of Sports Betting in Nairobi. The second one looks at the effects of Sports Betting on Vulnerable segments of users. The third section will delve into the role of Social Media in adoption of Sports Betting. The penultimate section looks at the existing policies and legislation regarding Sports Betting. And finally, the last section wraps up the role of technology on Sports betting.

Seventy-six individuals who use betting platforms ended up making the population out of a possible sample size of 100. The study ended up with this number due to the non-probability sampling used in getting the respondents. The data was collected between October 24th and November 4th, 2016. Seventy-six questionnaires were distributed and completed both electronically and hard copies for the final study. The study achieved a 76% response rate.

The study was tested for validity and reliability of the test variables used in the study by employing the use of inter-item correlation and Cronbach's Alpha. (Osburn, 2000) Coefficient alpha is an appropriate reliability estimator for composite measures containing multiple components. A component may be a test item, a judge, a Thematic Apperception Test (TAT) card, a survey question, a subtest, or a test that is being combined into a composite test battery. Multiple components may be homogeneous in the sense of measuring a single latent variable, or they may be heterogeneous in the sense of measuring two or more factors or latent variables. (Makgosa, 2006) outlines that Cronbach's Alpha of less than 0.5 indicates unreliability of the variables hence cannot be used to deduce findings. A Cronbach's Alpha of 0.6 and more, for all the constructs, was considered to be adequate for this study.

4.2 General information

This section provides the findings of the general demographics of the study.

4.2.1 Gender

Figure 4.1 shows that the majority of the respondents were male, at 81.6% with the females at 18.4%. There clearly is a male dominance when it comes to Sports Betting in Nairobi.

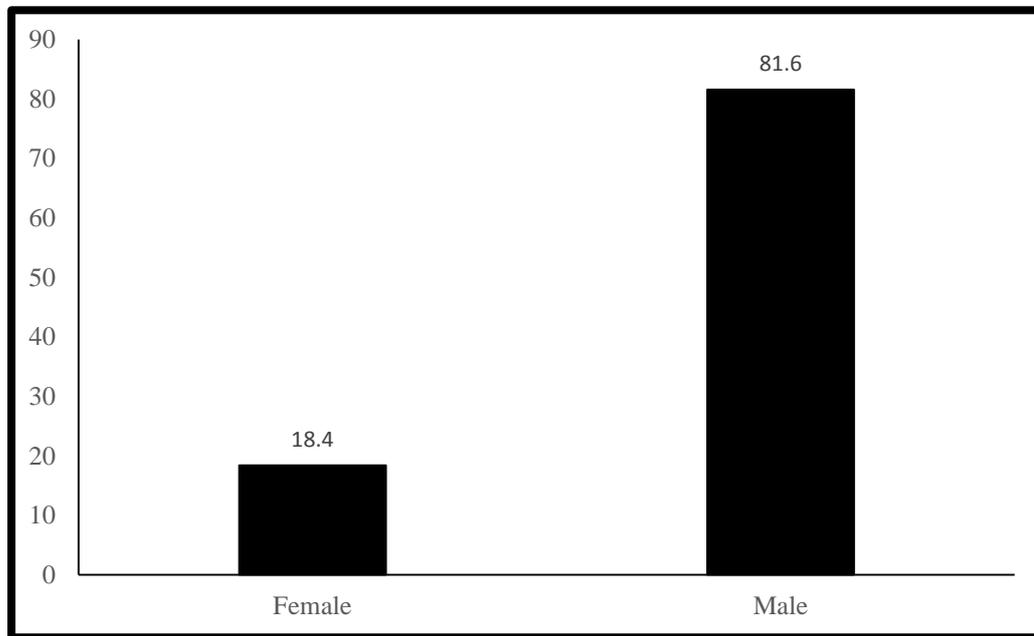


Figure 4.1: Gender

4.2.2 Age Groups

The study investigated the age groups that dominate this activity of Sports Betting. Young people in the range of 21-30yrs dominate the activity at 72.4%. Respondents between 31-40yrs only represented 26.3%. Lastly, only 1.3% of respondents in the 41-50 age range.

Table 4.1: Age Groups

	Frequency	Percent
21 - 30	55	72.4
31 - 40	20	26.3
41 - 50	1	1.3
Total	76	100.0

4.2.3 Source of Income

The study sought to find out the source of income of the betting population. Fifty-one-point three percent of the respondents were employed full time, 31.6% of the respondents are currently unemployed and 7.9% are in temporary employment, while 9.2% are in entrepreneurship or business. The findings imply that full time employed people were the majority in betting while entrepreneurs and temporary employer were the least betters.

Table 4.2: Source of Income

	Frequency	Percent
Currently unemployed	24	31.6
Employed full time	39	51.3
Entrepreneur	7	9.2
Temporary Employment	6	7.9
Total	76	100.0

4.2.4 Betting Practices

100% of the respondents have placed a bet, and was the conditionality for doing the questionnaire.

The difference in the respondents was on how they placed their bets. According to 43.4% placed their bets via a website. 35.5% placed their bets via Mobile USSD or SMS, 19.7% used a combination of both channels of website and Mobile USSD and SMS.

Table 4.3: Placing of Bets

	Frequency	Percent
On website	33	43.4
On website, via Mobile USSD or SMS	15	19.7
via Mobile USSD or SMS	27	35.5
Total	76	100.0

4.2.5 Type of bet

Respondents preferred the Spread bet, representing 50% of total population. Followed by bets placed on one game basis at 25% while 25% of the population preferred setting bets using a combination of the 2 options, one game and Spread bet.

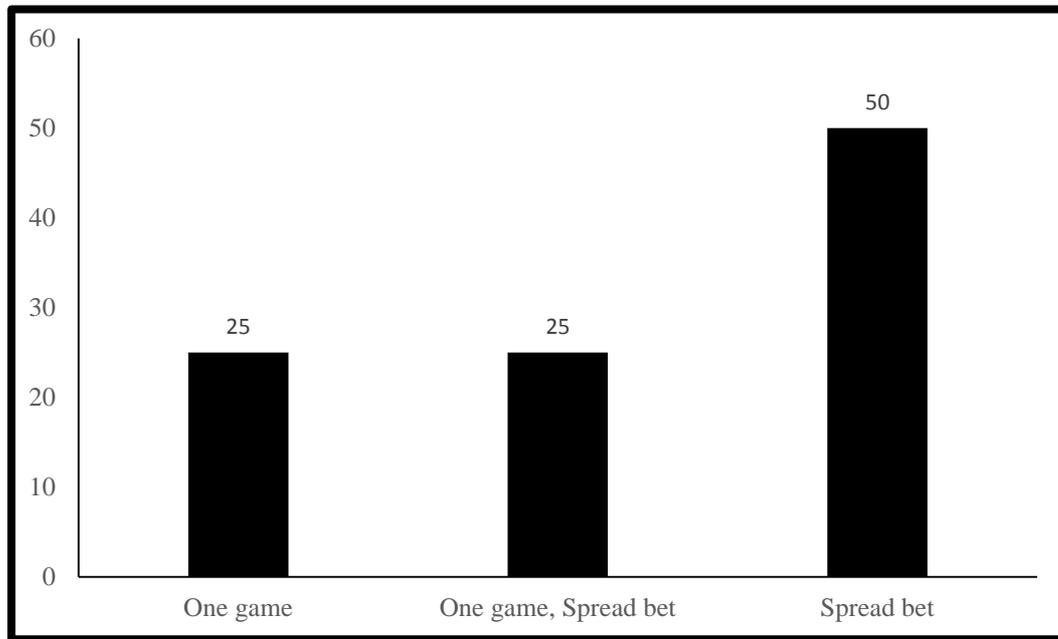


Figure 4.2: Type of Bet

4.2.6 Frequency of Betting

Sixty-point five percent of the respondents bet on rare occasions, 22.4% do it a few times a week, 5.3% do it a few times a day, and another 11.8% do it once a week. The findings show that more than one Weekly bets were the most common frequency of betting followed by weekly bets.

Table 4.4: Frequency of Betting

	Frequency	Percent
A few times a day	4	5.3
A few times a week	17	22.4
Once a week	9	11.8
Rarely	46	60.5
Total	76	100.0

4.2.7 Sports Betting Platforms

Sportpesa is the most popular platform for betting in Nairobi, chosen by all the respondents. Respondents demonstrated knowledge of a multitude of betting platforms across all the age groups interviewed. A total of 37.6% of the respondents were aware of Sports Pesa, 19.8% were aware of Betin, 16.8% were aware of Betway, 5.9% were aware of Bet Yetu, 11.9% were aware of M-Cheza and 7.9% were aware of Elitebet respectively.

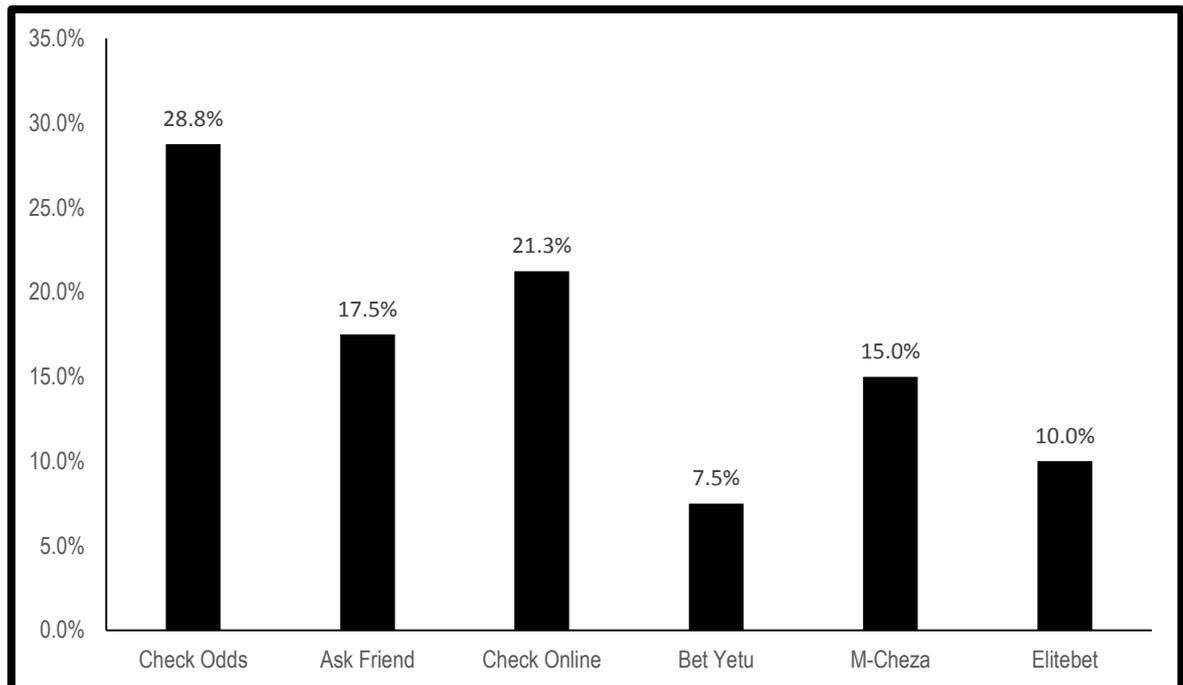


Figure 4.3: Popularity of Sports Betting Platforms

4.2.8 Actions Before Placing a Bet

Nineteen-point seven percent of the respondents ask friends, seek advice from websites before placing a bet, another 23.7% check on odds independently before placing the bet, 1.3% of the respondents were a combination of the two actions before placing a bet. Fourteen-point five percent of the respondents indicated that they check odds and place a bet, check online for team/match odds. From the analysis of the findings, it is evident that friends, and online websites were the biggest source of information on betting.

Table 4.5: Actions Before Placing a Bet

	Frequency	Percent
Ask friends for advice on best site and odds	15	19.7
Ask friends for advice on best site and odds, Check online for team/match odds	1	1.3
Check odds and place a bet	18	23.7
Check odds and place a bet, Ask friends for advice on best site and odds	7	9.2
Check odds and place a bet, Ask friends for advice on best site and odds, Check online for team/match odds	6	7.9
Check odds and place a bet, Check online for team/match odds	11	14.5
Check odds and place a bet, Check online for team/match odds, Other	1	1.3
Check online for team/match odds	12	15.8
Other	5	6.6
Total	76	100

4.2.9 Sports Betting as a Gambling Activity

All respondents to this question indicated that they were aware that sports betting was a gambling activity.

4.2.10 Sports Bets Winnings

Sixty-point five percent of the respondents sometimes win, 14.5% have never won anything, 13.2% have rarely won and 2.6% have always won something each time they placed a bet. From the findings, only 14.5% of the respondents had not won a sports bet. This indicates that the possibility of winning in Sports bets was 85.5%.

Table 4.6: Sports Bets Winnings

	Frequency	Percent
Always	2	2.6
Never	11	14.5
Rarely	10	13.2
Sometimes	46	60.5
Yes	7	9.2
Total	76	100.0

4.3 Technology and Sports Betting

4.3.1 Influence of Mobile Money

Twenty-two-point four percent of the respondents to this study agreed that mobile money had a strong influence on the betting culture in Nairobi. In addition, 6.6% of the respondents were neutral and 71.1% of the respondents strongly agreed that mobile money has strongly influenced the betting culture.

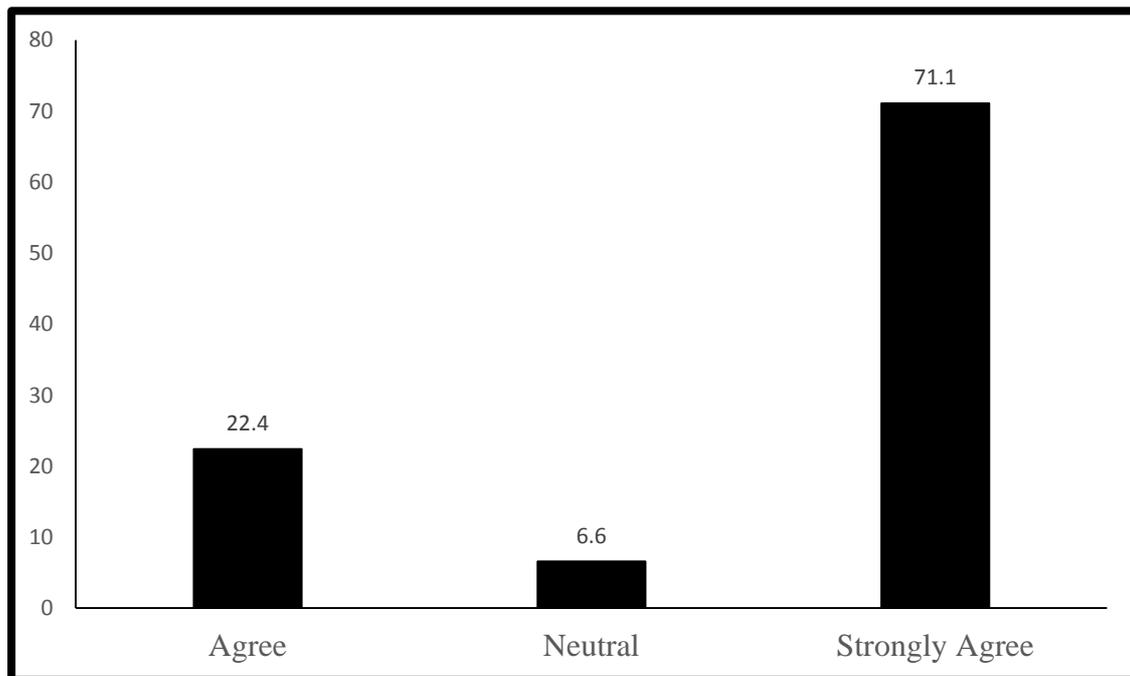


Figure 4.4: Influence of Mobile Money

4.3.2 Seamless Integration to Mobile Money Wallet

Thirty-five-point five percent of respondents agreed, 32.9% of the respondents strongly agree to the fact that the Mobile Money wallet is a huge factor. On the other hand, 21.1% were neutral, and only 3.9% strongly disagreed to this. The findings of this study show that over 65% of the individuals involved in sports betting took into consideration the seamless integration between the platforms and mobile money wallets.

Table 4.7: Seamless Integration to Mobile Money Wallet

	Frequency	Percent
Agree	27	35.5
Disagree	5	6.6
Neutral	16	21.1
Strongly Agree	25	32.9
Strongly Disagree	3	3.9
Total	76	100.0

4.3.3 Ease of Access to Funds

Thirty-eight-point two percent of the respondents to this study indicated that the ease of access to funds after betting was an important influencer to their betting decision. Further, 59.2% of the respondents strongly agreed, 1.3% were neutral and 1.3% disagreed respectively. The findings of the study indicate that ease of access to funds was an important driver of betting decisions.

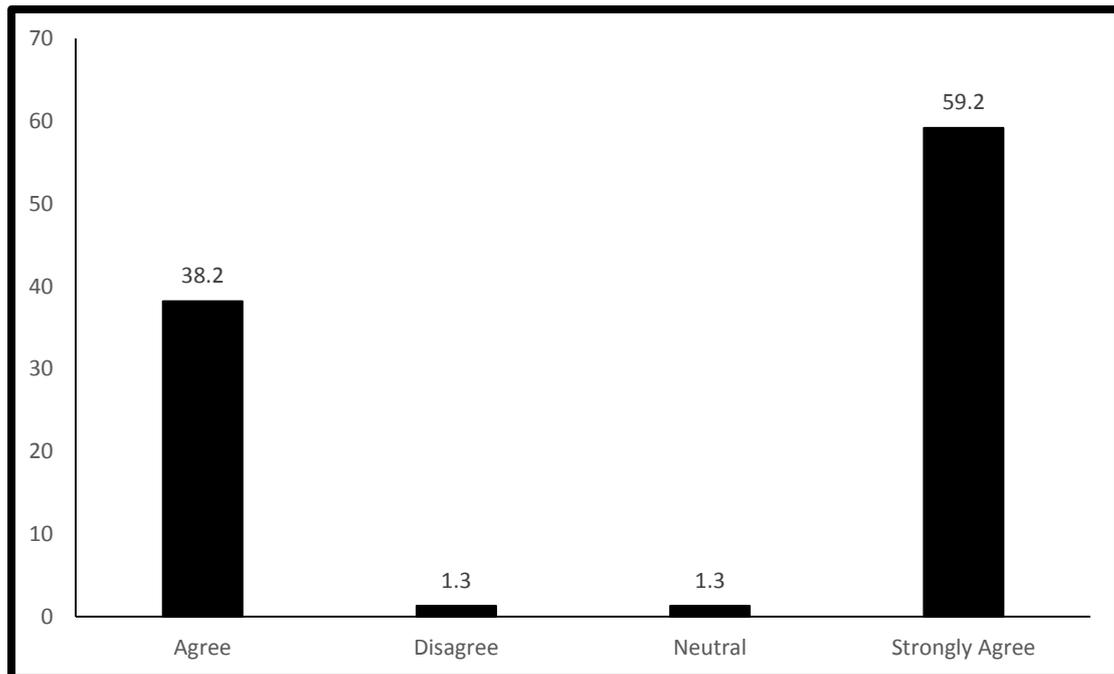


Figure 4.5: Ease of Access to Funds

4.3.4 Privacy Concerns

Thirty-eight-point two percent of the respondents agreed, 46.1% strongly agreed, 13.2% of the respondents were neutral and 2.6% strongly disagreed that privacy concerns especially in the interaction between the mobile wallet and the betting company was key. This is as shown in Figure 4.6 below:

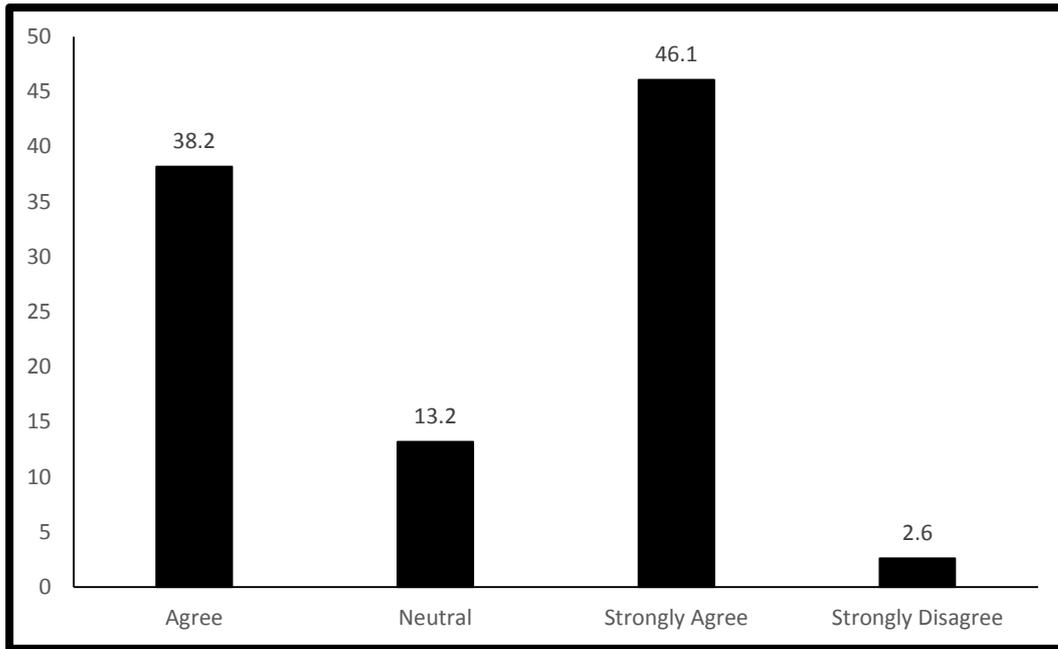


Figure 4.6: Privacy Concerns in the Money Wallet

In addition, this study found that the fact that sports betting could be done in privacy was a key factor influencing customer's decision to bet. According to the customers, ICT use enhanced privacy concerns which promoted sports betting. Twenty-seven-point six percent of the respondents agreed, 14.5% disagreed, 34.2% were neutral and 23.7% of the respondents strongly agreed that the privacy in sports betting greatly influenced their betting decision.

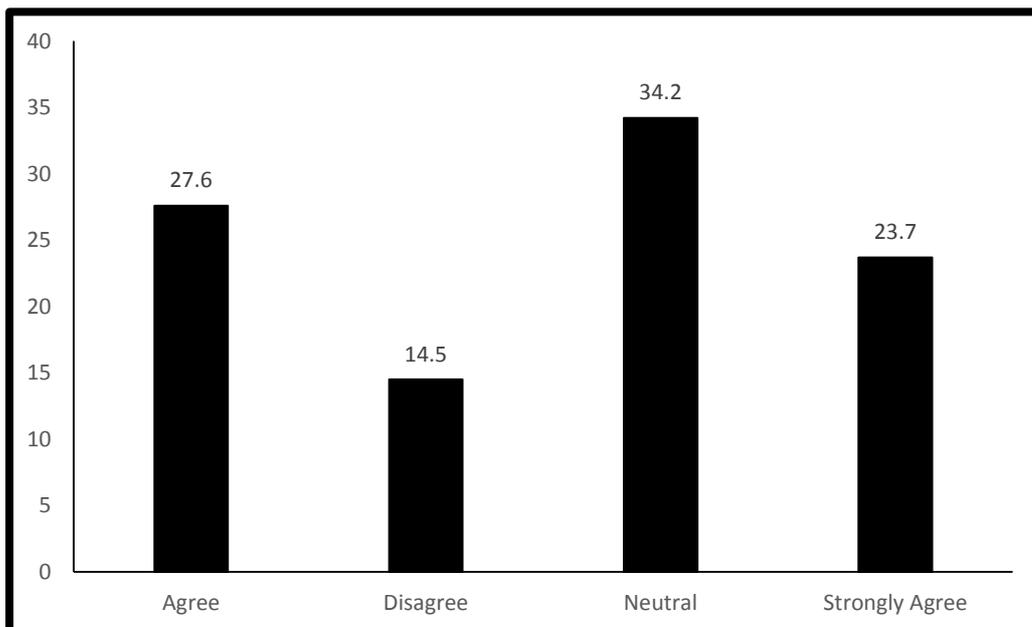


Figure 4.7: Privacy and Betting Decision

4.3.5 Mobile Money Service and Sports Betting

According to 38.2% of the respondents, they agreed that the availability of a mobile money service was instrumental in informing their choice of a betting platform. In addition, 34.2% strongly agree, 3.9% of respondents disagree, and 2.6% strongly disagree. Nevertheless, 21.1% of the respondents were neutral. The findings of this study show that the availability of mobile money service was a key factor that influenced customer decisions on the mobile money platform.

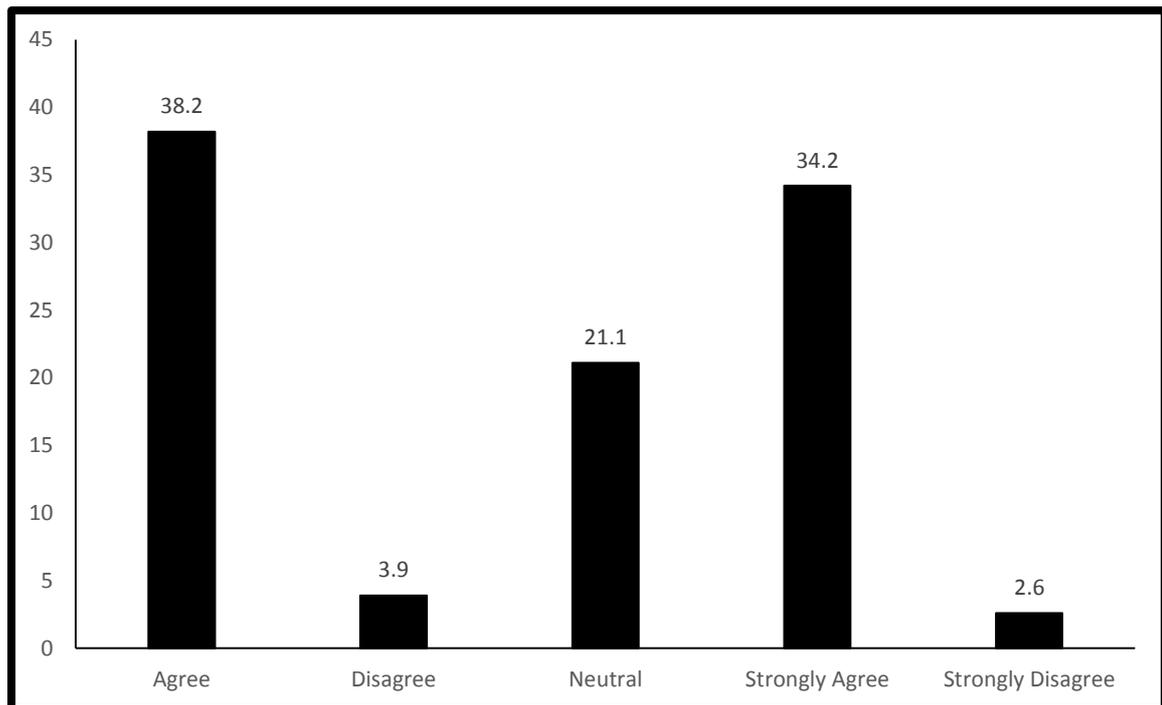


Figure 4.8: Mobile Service and Sports Betting

Respondents to this study raised various mobile money related issues that influenced their betting decision. Thirty-six-point eight percent of the respondents agreed, 11.8% and 5`1.3% of the respondents agreed, were neutral and strongly agreed respectively that consistently in the mobile phone money service was key to informing their betting decision. In addition, 39.5% of the respondents agreed, 5.3% were neutral, 52.6% strongly agreed and 2.6% strongly disagreed that reliability of the mobile money service was key to informing their betting decisions. Finally, 34.2% of the respondents agreed, 2.6% were neutral, 50% strongly agreed and 2.6% strongly disagreed that security of the mobile phone money service was a major concern for them. Consequently, this study found that the consistency of the mobile money system, the reliability of the system and the security of the system were key factors influencing their betting decisions as shown in the table below:

Table 4.8: Mobile Money Attributes

	Consistency		Reliability		Security	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Agree	28	36.8	30	39.5	26	34.2
Neutral	9	11.8	4	5.3	2	2.6
Strongly Agree	39	51.3	40	52.6	38	50
Strongly Disagree			2	2.6	2	2.6
Total	76	100	76	100	76	100

4.3.6 I place a bet on the basis of informed decisions

Forty-four-point seven percent of the respondents to this study agreed that they placed their bets based on informed decisions, 30.3% of the respondents strongly agreed, 19.7% are neutral, 3.9% disagree and 1.3% strongly disagree. The findings of this study imply that majority of the respondents based their betting decisions on information available.

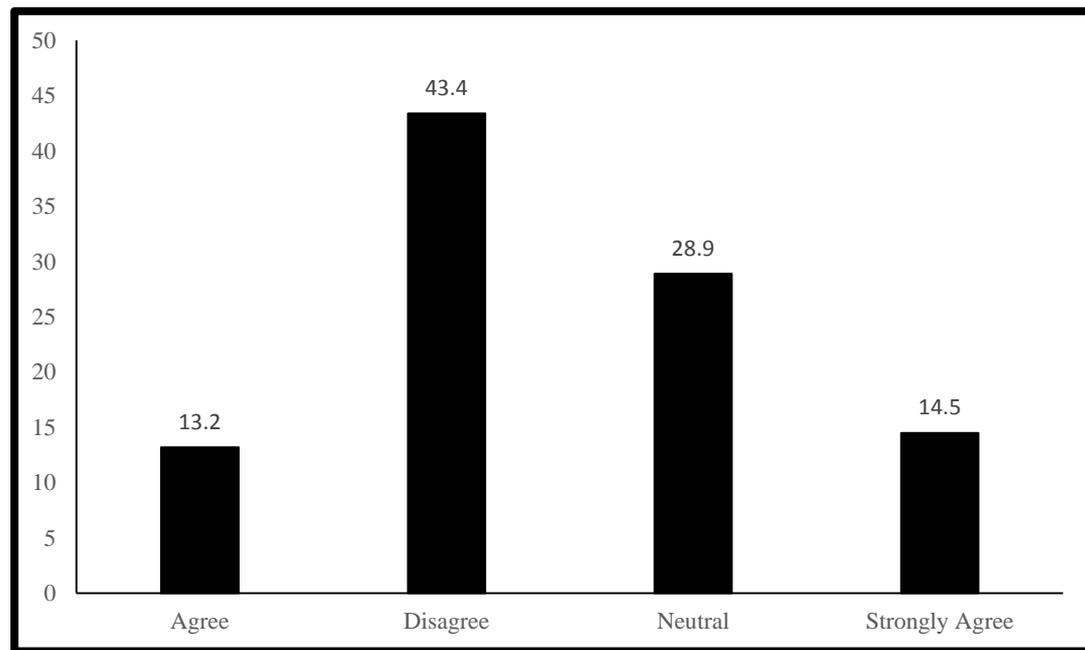


Figure 4.9: Betting Based on Informed Decisions

4.3.7 Social Media and Betting

Fifteen-point eight percent of the respondents to this study agreed, 10.5% strongly agreed, 36.8% of the respondents disagree and 14.5% strongly disagree. Nevertheless, 22.4% are neutral that social media played a huge role in the betting decision of the customer.

Consequently, over 70% of the customers sourced their information from social media applications and sites.

Table 4.9: Social Media and Betting

	Frequency	Percent
Agree	12	15.8
Disagree	28	36.8
Neutral	17	22.4
Strongly Agree	8	10.5
Strongly Disagree	11	14.5
Total	76	100.0

4.3.8 Social Media Interaction and Betting

Twenty-two-point four percent of the respondents to this study agreed, 11.8% strongly agreed, 27.6% disagreed and 13.2% strongly disagreed that they interacted with their friends on social media before placing a bet. Nevertheless, 25% of the respondents were neutral. This study consequently finds that social media interaction was a critical component of sports betting in Kenya.

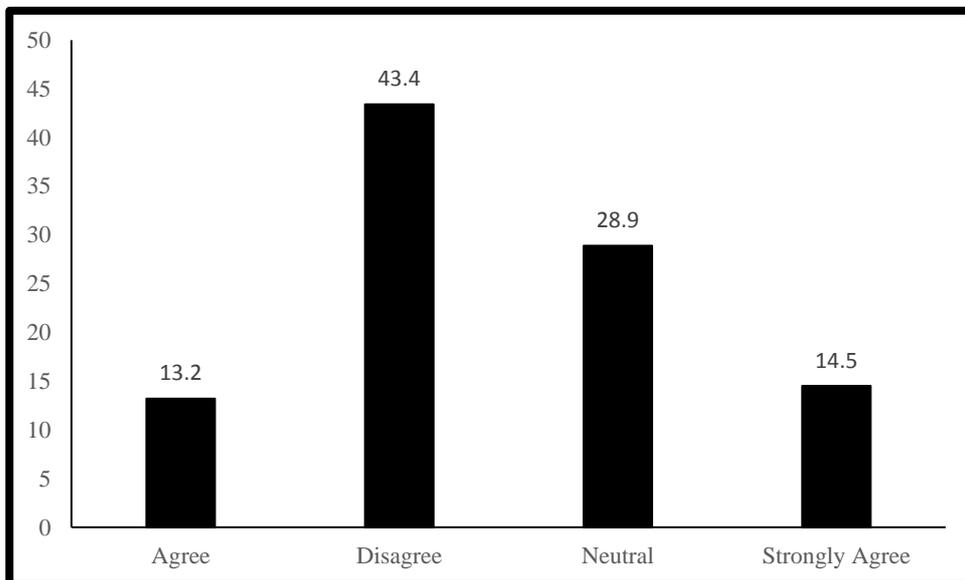


Figure 4.10: Social Media Interaction and Betting

The importance of social media in sports betting proliferation and growth is evident in this study. Various metrics used to measure social media use and sports betting show that sports betting has grown and will continue to grow as a result of social media. In the analysis of use of Twitter and Facebook to bet, this study found that 31.6% of the respondents agreed

and 17.1% strongly agreed that they used the two sites. This shows that over 45% of the respondents used Twitter and Facebook to drive their sports betting decisions.

Similarly, this study found that 14.5% of the respondents agreed, 31.6% disagreed, 6.6% were neutral, 11.8% strongly agreed and 34.2% of the respondents strongly disagreed that they were members of a WhatsApp group to help them in betting. These findings show that there is a very high usage of social media in the drive to sports betting in Kenya

Table 4.100: Social Media Use in Sports Betting

	Twitter & Facebook		Whatsapp Groups	
	Frequency	Percent	Frequency	Percent
Agree	24	31.6	11	14.5
Disagree	14	18.4	24	31.6
Neutral	13	17.1	5	6.6
Strongly Agree	13	17.1	9	11.8
Strongly Disagree	12	15.8	26	34.2
Total	76	100	76	100

4.3.9 Friends and Sports Betting

Fifteen-point eight percent of the respondents to this study agreed, 26.3% disagreed, 23.7% were neutral, 9.2% strongly agreed and 22.4% strongly disagreed that the advice they got on social media circles greatly influenced their betting decision. This study thus finds that friends a key driver of sports betting decisions in Nairobi.

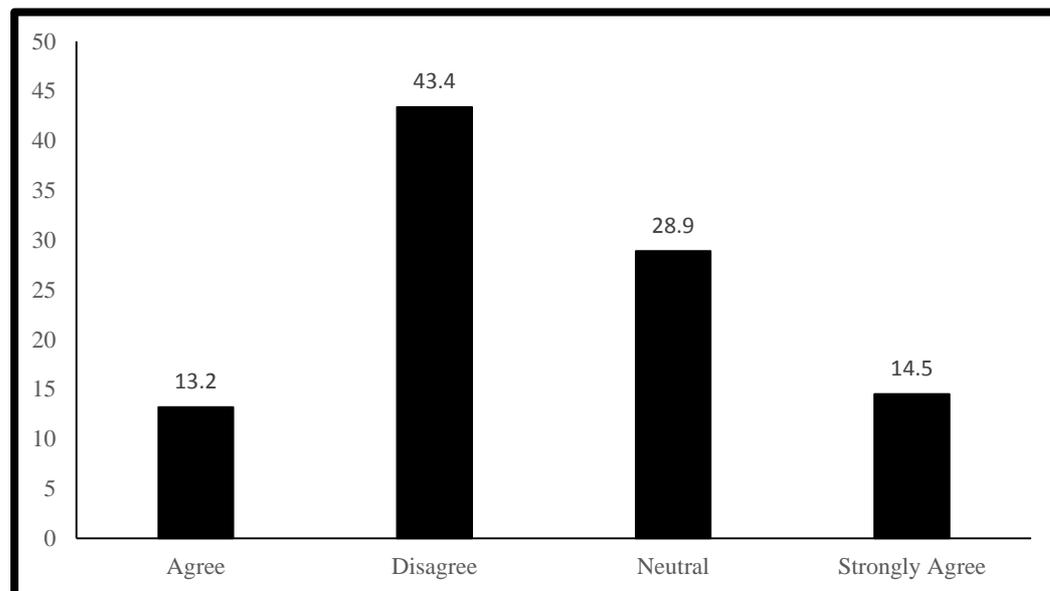


Figure 4.10: Friends and Sports Betting

In addition, this study found that, 9.2% of the respondents agreed, 5.3% strongly agree, 36.8% of the respondents disagreed and 38.2% strongly disagree that The Odds never make sense to me, only what my friends advise. Consequently, this study found that though friends were a great source of information on betting tips, the betting decision was highly influenced by the odds.

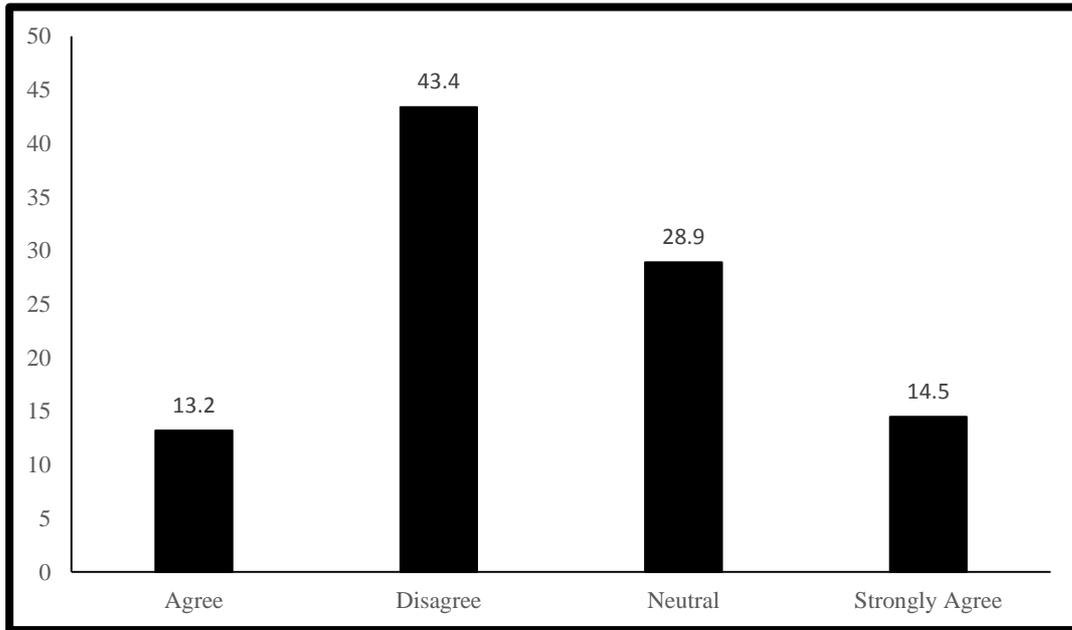


Figure 4.11: Odds Vs Friends in Sports Betting

4.4 Betting and Vulnerable Segment of Users.

4.4.1 Gambling

Thirty-one-point six percent of the respondents to this study agreed that sports betting is a form of gambling. In addition, 2.6% of the respondents were neutral and 65.8% strongly agreed. The findings indicate that over 95% of the respondents to this study were aware that sports betting was a form of gambling. Consequently, they engaged in the activity with full knowledge.

Table 4.11: Betting as a Form of Gambling

	Frequency	Percent
Agree	24	31.6
Neutral	2	2.6
Strongly Agree	50	65.8
Total	76	100.0

4.4.2 Sports Betting Control

According to 28.9% of the respondents to this study, they agreed that they felt in control whenever they placed a bet, 47.4% were neutral, 18.4% strongly agreed and 5.3% of the respondents strongly disagreed. The findings of this study imply that majority of the respondents perceived self-control when betting.

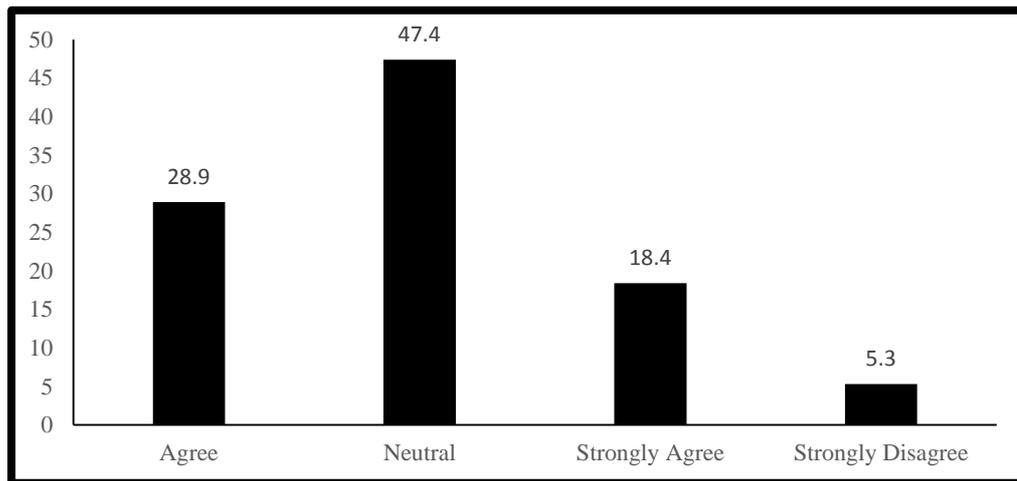


Figure 4.12: Perception of Control when Betting

This study sought to investigate the desires of the respondents when betting. Majority of respondents accounting for more than 50% of total respondents did not perceive an overpowering desire to bet. Thirty-nine-point five percent of the respondents disagreed, 27.6% were neutral, 5.3% agreed, 25% strongly disagreed and only 2.6% of the respondents agreed respectively.

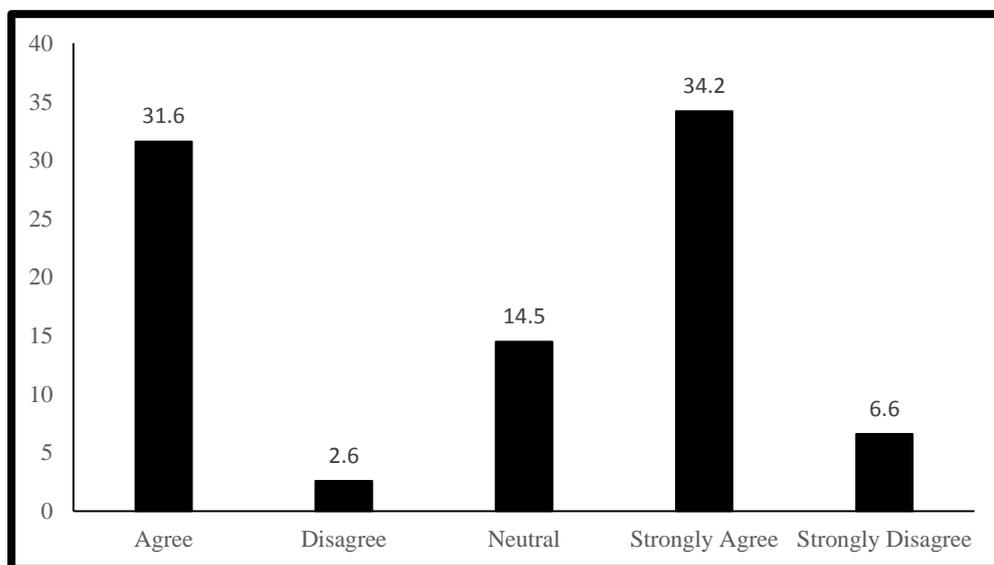


Figure 4.13: Overpowering Desire to Bet

4.4.3 Sports Betting and Gambling

Thirty-nine-point five percent of the respondents agreed, 40.8% strongly agree, 3.9% disagreed and 3.9% also strongly disagreed that they were aware that sports betting could eventually lead to a gambling problem. Only 11.8% were neutral. The findings of the study indicate that majority of individuals involved in sports betting were aware of the risks it posed.

Table 4.12: Sports Betting and Risks Posed

	Frequency	Percent
Agree	30	39.5
Disagree	3	3.9
Neutral	9	11.8
Strongly Agree	31	40.8
Strongly Disagree	3	3.9
Total	76	100.0

Thirty-one-point five percent of the respondents agreed that any user of the sports betting platforms is at risk of getting addicted and hence have a problem with gambling. In addition, 2.6% disagreed, 14.5% were neutral, 34.2% strongly agreed and 6.6% of the respondents strongly disagreed respectively. The findings indicate that sports betting could lead to gambling problems amongst majority of the users.

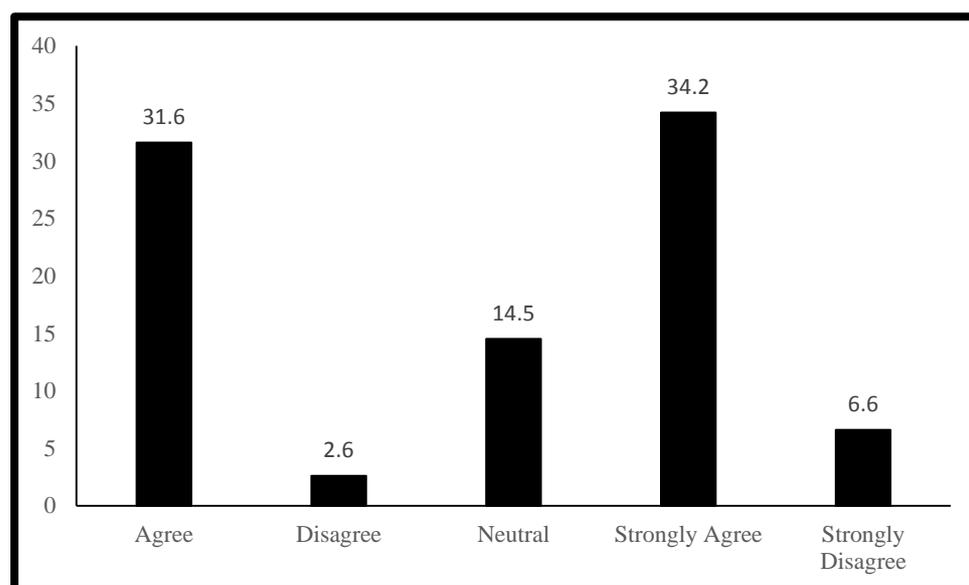


Figure 4.14: Users Risk of Gambling Addiction

4.4.4 Other Forms of Entertainment

Respondents to this study were asked if there were ways in which users could be educated on drawing the line between entertainment and the problem of gambling. Forty-six-point one percent of the respondents agreed, 42.1% strongly agreed, 1.3% disagreed, and 2.6% strongly disagreed while 7.9% were neutral on this question. The findings of the study indicate that most users believed that there are other forms of entertainment other sports betting.

Table 4.13:Other Forms of Entertainment

	Frequency	Percent
Agree	35	46.1
Disagree	1	1.3
Neutral	6	7.9
Strongly Agree	32	42.1
Strongly Disagree	2	2.6
Total	76	100.0

In addition, respondents were asked their perception to the statement “I am at risk of losing all that is important to me through any addition to this betting activity.” One point three percent of the respondents agreed, 38.2% disagreed, 26.3% were neutral, 7.9% strongly agreed and 26.3% of the respondents strongly disagreed respectively as shown in the table below. The findings imply that majority of the respondents disagreed that sports betting could lead to losses.

Table 4.14:Risk of Loss Important Items

	Frequency	Percent
Agree	1	1.3
Disagree	29	38.2
Neutral	20	26.3
Strongly Agree	6	7.9
Strongly Disagree	20	26.3
Total	76	100.0

4.4.5 Organization Responsibility Towards Betting Addiction

Fifty-one-point three percent of the respondents agreed, 27.6% strongly agreed, 13.2% disagree and 1.3% strongly disagree while 6.6% of the respondents were neutral that betting organizations should do more to prevent vulnerable users from utilizing their services to prevent addiction problems. The findings imply that majority of the respondents believed that betting companies had a responsibility towards preventing betting addiction

Table 4.15: Organization Responsibility Towards Betting Addiction

	Frequency	Percent
Agree	39	51.3
Disagree	10	13.2
Neutral	5	6.6
Strongly Agree	21	27.6
Strongly Disagree	1	1.3
Total	76	100

4.4.6 Personal Skills, Abilities and Betting

According to 34.2% of the respondents, they agreed, 9.2% of the respondents strongly agreed, 13.2% disagreed, and 10.5% strongly disagreed while 32.9% were neutral that they believed that their personal skills and abilities encouraged them to continue betting. The findings imply that personal believe and confidence could be a major contributor to sports betting addiction in Nairobi.

Table 4.16: Personal Skills, Abilities and Betting

	Frequency	Percent
Agree	26	34.2
Disagree	10	13.2
Neutral	25	32.9
Strongly Agree	7	9.2
Strongly Disagree	8	10.5
Total	76	100.0

4.5 Existing Controls/Legislation on Sports Betting

4.5.1 Laws of Betting Companies

According to majority of the respondents in this study, majority of the laws on sports betting focused on taxation of betting companies rather than protection of the users of the betting products. This is according to 42.1% of the respondents who agreed, 19.7% strongly agree. 6.6% of the respondents disagree, and 9.2% strongly disagree. On the other hand, 22.4% of the respondents were neutral.

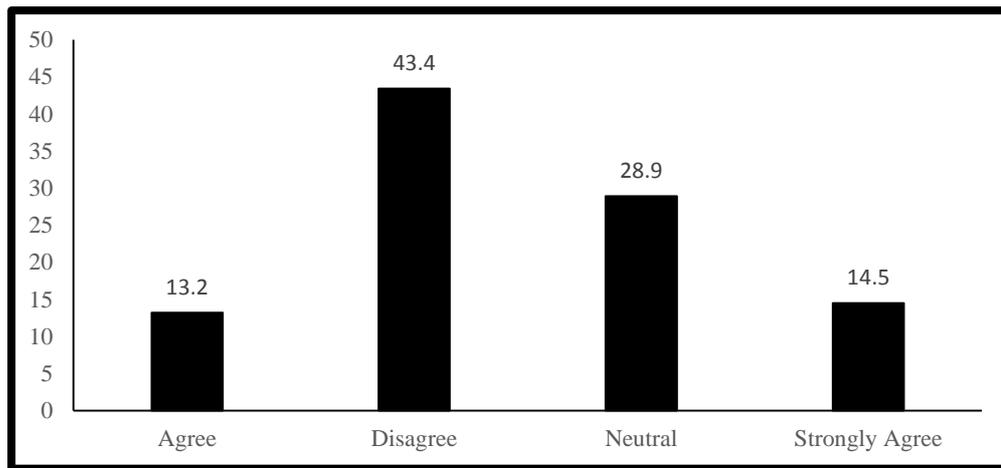


Figure 4.15: Laws and Controls on Sports Betting

4.5.2 Governments Protection

This study found that majority of the respondents believed that the government was not doing enough to protect the users of sports betting products. Nine-point two percent of the respondents agreed, 34.2% disagreed, 40.8% were neutral, 15.8% strongly disagree respectively. The findings of this study show that majority of the respondents believed the government was not doing enough to protect the customer.

Table 4.17: Government Protection of the Users

	Frequency	Percent
Agree	7	9.2
Disagree	26	34.2
Neutral	31	40.8
Strongly Disagree	12	15.8
Total	76	100.0

Advertising and promotion of sports betting products was one of the major influencers of the decision to bet. This study found that majority of the respondents believed that the government was not doing enough to control advertising. This is according to 13.2% of the respondents who agreed, 43.4% disagreed, 28.9% were neutral and 14.5% strongly disagreed respectively.

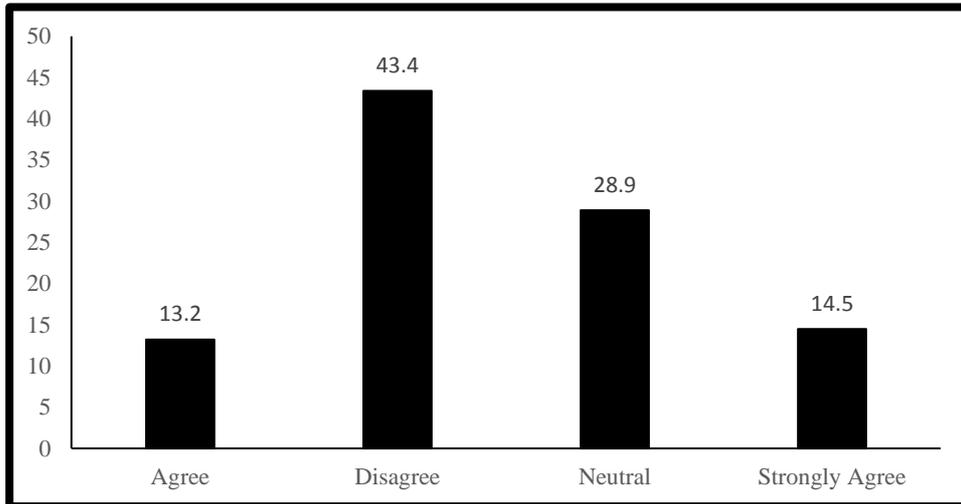


Figure 4.16: Government Control of Betting Advertisement

While advertising has not been regulated in Kenya, this study sought to investigate if there were deliberate attempts to regulate the exposure of betting advertising amongst the young children. The study found that majority of the respondents agreed that nothing much is being done to regulate who sees the betting advertisements. According to the study 42.1% of the respondents agreed, 13.2% disagreed, 26.3% were neutral, 17.1% strongly agreed and 1.3% strongly disagreed that nothing much is being done to regulate who sees the betting advertisements.

Table 4.17: Control of Advertising

	Frequency	Percent
Agree	32	42.1
Disagree	10	13.2
Neutral	20	26.3
Strongly Agree	13	17.1
Strongly Disagree	1	1.3
Total	76	100.0

4.6 Chapter Summary

This chapter has presented the findings of this study based on the research questions of the study. Findings are based on data collected and analyzed using SPSS and MS Excel worksheets.

Chapter five below presents the discussion of findings, summary of findings, conclusions and recommendations of the study.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings of the study discussed and compared to findings of other studies and scholars. In addition, the chapter presents the conclusions of the study and recommendations for the study and further studies.

5.2 Summary

The general objective of this study to assess sports betting impact in Kenya. The specific objectives of the study were to assess the role and impact of technology on sports betting, to examine the effects of sports betting on vulnerable segments of users, and to examine the role of controls and legislation on sports betting.

To achieve these objectives the study utilized a descriptive research design using quantitative research approach. The population of the study was drawn individuals engaging in sports betting within Nairobi County. In total, it was estimated that 2 million individuals were engaged in sports betting. Using stratified random sampling and Yamanes formula a sample size of 100 respondents was selected for inclusion in the study. Collected data was analyzed using SPSS and MS Excel worksheets using descriptive statistics of frequency distributions, means and modes. Analyzed data is presented using tables and figures.

The study found that majority of the individuals engaging in sports betting were male of the ages below 40 years and above 21 years. In addition, the biggest source of income for sports betters was salaries indicating that a employed individuals were at a higher probability of engaging in sports betting than entrepreneurs and unemployed individuals. Most of sports bets were placed using the website on a more than once per week interval. Sports pesa was the dominant brand in sports betting.

Mobile money had an influence on sports betting in Nairobi. According to this study, Mobile money was an enabler of sports betting. The seamless integration of mobile money wallets and sports betting platforms, reliability, consistency, ease of use and ease of access to mobile money was a major enabler of sports betting. The privacy offered by mobile

money as had a positive influence on sports betting. Social media had a positive effect on sports betting in Nairobi. Majority of individuals engaging in sports betting sought for information and made decision on how to bet based on information available on social media platforms such as facebook, twitter, Instagram and whatsapp.

Majority of betters were aware that sports betting was a form of gambling. In addition, they perceived to be in control of their betting actions and thus continued to bet. Further, the study found that majority of individuals engaging in sports betting were aware of the risks posed by sports betting eg addition and advocated for betting companies to provide alternative strategies to entertainment other than betting.

To most individuals in betting, they perceived the government to do very little to curb the adverse effects of sports betting. The government was disinterested in managing the protection policies of individuals engaging in sports betting and did not control the exposure, advertisement and promotion of sports betting. On the contrary, government was only interested in maximizing its revenues through taxation of sports betting companies.

5.3 Discussion

5.3.1 Technology and Sports Betting in Nairobi

In this study, mobile money was analyzed as the prevailing technology that promoted sports betting in Nairobi. According to the study, technology and in specific sports betting had a huge influence on sports betting. This study found that the use of technology increased the usage of sports betting in Nairobi. The provision of betting especially on a mobile platform enhanced the participation, demand and use of sports betting products and services. Consequently, this study found that the use of technology enhanced sports betting in Kenya. This is similar to the findings of Griffiths (2013) who found that technology has played a leading role in disruption and enhancement of the gaming and gambling industry that is part of sports betting. This is further supported by the findings of Reith (2006) and Panis *et al.*, (2013) who noted that the availability, efficiency of technology as well as convenience presented by technology had a strong positive correlation to the levels of gambling in Scotland.

The study further found that majority of the individuals engaging in sports betting were male of the ages below 40 years and above 21 years. This implies that demographic

characteristics of the population had an influence on the levels of use of technology based betting. Similar to the findings of this study, Moore *et al.*, (2004) found that one of the major reasons driving the growth of sports betting in the EU was an increasing mobile young population and increased incomes leading to increased spending on leisure. It is key to note that majority of the individuals engaging in sports betting were employed.

Similar to the findings of Gikenye and Ocholla (2010) in their study found that mobile money was a major enabler of sports betting in Nairobi. Through the provision of services and payment through mobile wallet, sports betting firms have been able to attract and retain customers. Furthermore, the ease of access, the ease of use, the ease of availability, privacy and security perceptions in mobile money were major drivers of sports betting adoption in Nairobi. This supports the findings of Jack and Suri (2011) who noted that the use mobile money had not only enhanced financial inclusion but led to the growth of other industries around the world. Furthermore, the findings of this study validate the annual reports of Safaricom which noted that the increase in sports betting had increased its revenues (Collymore, 2016).

One other factor that is validated by the findings of this study is the cost of mobile money. According to this study, some of the mobile money attributes that makes it an ideal driver of sports betting includes: its consistency, reliability, ease of access and relative low costs. Compared to other forms of payment such as cheques, bank transfers, and Cards, mobile money is relatively cheaper and more efficient due to its availability even after bank closing hours.

Social media is a technological tool that has had quite an impact on the Kenyan sports betting landscape. It can be deduced from the findings of this study that social media has been one of the biggest enablers of sports betting in the country. From the findings, it is clear that major of sports betting is carried out over social media platforms where advice on how and where to place bets, advice on which sports betting platforms are most appropriate, and even referrals and recommendations are made on social media platforms. In fact, this study found that social media and the internet are the single largest source of information before an individual undertakes to place a bet. Consequently, sports betting has been aided by social media growth and expansion.

The huge effect of social media on sports betting in Kenya could be attributed to the ease of access to the internet and availability of smart phones. According to the Communications Authority of Kenya, Mobile penetration is at 87.7% in Kenya. (Communication Authority of Kenya, 2016a)

5.3.2 Betting and Vulnerable Segment of Users

The term ‘Vulnerable User’ in a betting sense is defined as a person predisposed to becoming a problem gambler (Fong, 2005). In this study, it is apparent that individuals engaging in sports betting are completely aware that they are engaging in a gambling exercise. Furthermore, the findings of this study support the conclusion that, majority of the individuals engaging in sports betting are also aware of the risks posed by betting especially in relation to addiction.

Binde (2009) found that psychological factors are one of the major factors that betting and gambling affect vulnerable segments of users. Psychological risk factors include personality features, such as dysfunctional impulsivity, impaired reward processing, poor coping mechanisms to stress, and defense mechanisms like guilt and shame that drive ongoing addiction. This study found that psychological factors are a major driver of gambling practices in Kenya. For example, more than 70% of the total respondents in this study indicate that they are aware that sports betting is a form of gambling. In addition, an equal proportion of individuals also noted that they had the appropriate skills and talents to engage in betting despite the apparent risks that betting posed. Consequently, this study supports the findings of Binde (2009) that psychological factors is a major driver of gambling tendencies.

In addition, Binde (2009) noted that social risk factors include access to gambling, peer gambling influences, and age of onset of gambling. These risk factors work in concert to create vulnerabilities in certain demographic groups, thereby increasing that group’s overall risk to become pathological gamblers. Could this be applicable in the Kenyan Case?

Findings of this study support the fact that social factors could also be a major driver or effect on vulnerable segments of the users. According to this study, individuals in full employment were highly likely to engage in gambling in sports as opposed to individuals who are unemployed, employed on contract and semi-permanent basis or even

entrepreneurs. This could be due to ease of access to the internet at the work place. Furthermore, individuals between the ages of 21 – 40 and those that of the male gender are highly likely to engage in sports betting than any other group. This social factors presuppose that betting has an impact on a certain vulnerable group of users who poses certain characteristics.

The findings of this study are similar to those of Fong (2005) who noted that adolescents are more likely to engage in sports betting. In addition, the research shows that older adults have higher participation rates than ever before, mainly because of the aging population and of rapid expansion and increased access to legalized gambling. The impact of gambling on the elderly is an area of ongoing debate where proponents tout socialization, structure, and entertainment while opponents describe stories of depression, enormous financial loss, and isolation. Hing, Russell, Tolchard and Nower (2014) support the findings of this study when they found that, Geriatric populations are at more risk to develop problems related to gambling because they are likely to be on fixed incomes and may not be able to recover financially as quickly as those who are working for full incomes. Furthermore, gambling has the potential to affect retirement funds that can take a lifetime to save but just a few moments to lose. Fong (2005) in the United States, problem and pathological gambling are about two times higher among men than among women. According to the UK Gambling Prevalence survey, Wardle *et al.*,(2011) noted that men were between three to five times more likely than women to play football pools, fixed odds betting terminals, and casino games. Hing *et al.*, (2014) noted that male gamblers were significantly more likely to have had some level of problem gambling both at some point in their life and during the last 12 months, compared to female gamblers.

5.3.3 Existing Controls/Legislation on Sports Betting

The role of law in regulating any industry and business cannot be understated. The law acts as a guidance to operators in an industry so as to protect consumers, maintain sanity, fair competition and also act as a guide and play a role in governance. Law has to keep up with all the dynamic facets of an industry so as to remain relevant and a point of reference (Littler, 2007).

This study found that the government of Kenya is more involved in the taxation of sports betting companies rather than the promotion of user control and protection rights and the advertising controls of sports betting in Kenya.

The lack of advertising controls on sports betting is a major cause of worry not only in Kenya but around the world. While there exists no controls and advertising limits sets in Kenya, it is apparent that children can access sports betting on websites and even when using phones. This challenge also affects countries such as UK and USA. According to Dewar (2012), gambling on the internet is dangerous because: Children could easily access it; It will lead to increases in problem and pathological gambling; Criminal elements would find it all too easy to become involved; The integrity of operators cannot be currently guaranteed; It takes money from regulated terrestrial gambling and associated businesses.

Light (2016), noted that pressure for reform became driven by the Gaming Board, and by its then parent department, the Home Office, as by the industry itself. In December 1999, the Home Secretary announced a major review of gambling legislation and the Government established the Gambling Review Body, chaired by Sir Alan Budd. It began work in February 2000, and its brief was to ‘Consider the current state of the gambling industry and the ways in which it might change over the next ten years in the light of economic pressures, the growth of e-commerce, technological developments and wider leisure and industry trends (Brooks, 2012). In the UK, the idea behind the licensing and regulation of online gambling was that customers should trust licensed “sites” in a respected jurisdiction rather than those in “suspect” offshore locations. The law also covers the platform used by the betting companies.

According to Ahaibwe, Lakuma, Katunze, and Mawejeje, (2016) many facets of the law relating to lottery and gaming have become obsolete and are not sensitive to the new modes of gambling and the unprecedented growth of the industry. Same case can be generalized for the Kenya situation. This is supported by the findings of Yawe & Ssengooba, (2014) who found that there were no adequate regulatory framework to protect underage and vulnerable individuals, ensure that the games are fair, address the concerns of law enforcement, and enforce any limitations on the activity.

5.4 Conclusions

5.4.1 Technology and Sports Betting

This study concludes that mobile money has had a huge effect on sports betting in Kenya.

The relationship between mobile money and sports betting is enhanced due to the ease of access to mobile money, the cost effectiveness and efficiency of mobile money, transparency, consistency, reliability and privacy of mobile money wallets.

Social media is the single largest most important source of information for sports betting in Kenya. Consequently, majority of individuals engage in information search on social media sites before placing bets. This study concludes that social media sites are the major source of purchase decisions for new customers in sports betting. Individuals are constantly seeking referrals and recommendations from their peers and friends on the most appropriate platforms for betting.

5.4.2 Betting and Vulnerable Segment of Users

Sports betting is most likely to affect men between the ages of 21 – 40 years in Kenya. Furthermore, the study concludes that individuals under full employment are more likely to fall into betting addiction problems than any other group.

Finally, the study concludes that majority of individuals engaging in sports betting are aware of the activity as a gambling activity and perceive their skills and abilities as adequate to overcome the risks posed by sports betting.

5.4.3 Existing Controls/Legislation on Sports Betting

The government is interested in taxation of sports betting rather than control of sports betting companies and ensuring that the rights and privileges of the users are protected.

Secondly, this study concludes that the government has not taken any steps to reduce the exposure of sports betting information and solicitation to vulnerable groups such as children through regulation of advertisements and promotion activities.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Technology and Sports Betting in Nairobi

This study recommends that sports betting companies continue to invest in mobile money innovations as they are a major catalyst to sports betting in Kenya. Furthermore, this study recommends diversification of payment methods because there is an overreliance on the MPESA platform as the primary mobile money wallet. Any capacity or operational challenges to MPESA could deal a blow to sports betting companies.

Secondly, sports betting companies can leverage on the attributes of privacy, efficiency, effectiveness and security of mobile money wallets to market their products and services.

Due to the multiplicity of information providers, it is recommendable for sports betting companies to set up dedicated social media accounts that effect and efficient in delivery of information on sports bets. Through this accounts, the companies can monitor discussions, feedback and even consumer information and statistics to improve on their products and services.

5.5.1.2 Betting and Vulnerable Segment of Users

Betting is a major cause of concern for men aged between 21 – 40 years especially those that are employed on a full-time basis. Consequently, this study recommends for targeted mass education of consumers with a special bias to the men falling under the categories presented above. This could be done by the government, private sector companies and sports betting companies.

5.5.1.3 Existing Controls/Legislation on Sports Betting

Government ought to review the existing regulatory framework to enhance its protection of user rights and privileges. Secondly, there is urgent need to put a policy framework guiding the advertisement and promotion of betting activities in the country with the aim of reducing exposure to underage children.

5.5.2 Recommendations for Further Studies

This study recommends quantitative analysis on the impact of sports betting on the economy. If a small subsector of the betting industry could contribute to the 47% increase in revenues to the largest innovation in the country, what effect could it have on the economy. Could the government need to put in place monitoring measures as it becomes an important driver of the economy?

Secondly, the study recommends further analysis on the relationship between technology use and user acceptance of mobile betting. What are some of the benefits of technology on sports betting. How have sports betting companies leveraged on technology to enhance user acceptance of betting?

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Implications of Sports Betting in Nairobi.

SECTION 1: GENERAL INFORMATION

Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Age	<input type="checkbox"/> 21-30 <input type="checkbox"/> 31-40 <input type="checkbox"/> 41-50 <input type="checkbox"/> > 50
What is your source of Income	<input type="checkbox"/> Entrepreneur <input type="checkbox"/> Employed full time <input type="checkbox"/> Temporary Employment <input type="checkbox"/> Currently Unemployed <input type="checkbox"/> Starting off a new business
Have you ever placed a bet of any kind?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, how do you place your bet?	<input type="checkbox"/> On website <input type="checkbox"/> via Mobile USSD or SMS
What type of bet do you place	<input type="checkbox"/> One game <input type="checkbox"/> Spread Bet
How often do you bet?	<input type="checkbox"/> Almost always <input type="checkbox"/> A few times a day <input type="checkbox"/> Once a day <input type="checkbox"/> A few times a week <input type="checkbox"/> Once a week <input type="checkbox"/> Rarely
Which of the following Sports Betting platforms do you know? Choose all that apply	<input type="checkbox"/> Sportspesa <input type="checkbox"/> Betin <input type="checkbox"/> Betway <input type="checkbox"/> m-Cheza <input type="checkbox"/> Elitebet <input type="checkbox"/> Bet Yetu <input type="checkbox"/> Bet Pawa <input type="checkbox"/> Others
Before placing a bet. What do you do?	<input type="checkbox"/> check odds and place bet? <input type="checkbox"/> Ask friends for advice on best site and odds? <input type="checkbox"/> Check online for team/match odds <input type="checkbox"/> Other
Did you know Sports Betting is a form of gambling activity	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Didn't know

Have you ever won anything from your Sports bets?	<input type="checkbox"/> Yes, Always <input type="checkbox"/> Sometimes <input type="checkbox"/> Rarely <input type="checkbox"/> Never
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SECTION 2: TECHNOLOGY AND SPORTS BETTING

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Mobile Money has strongly influenced how betting is done	<input type="checkbox"/>				
Accessibility of funds is important for betting	<input type="checkbox"/>				
Seamless integration to Mobile Money wallet influences my decision to bet	<input type="checkbox"/>				
Privacy of interaction with my Mobile Wallet and Betting company is important	<input type="checkbox"/>				
The impact of doing this as a private activity greatly influence why I bet	<input type="checkbox"/>				
Consistency of service offered by the Mobile Money transfer is important	<input type="checkbox"/>				
Reliability of the Mobile Money transfer is important to me	<input type="checkbox"/>				
Security of the money, Betting winnings transferred via Mobile Money is important.	<input type="checkbox"/>				
Availability of type of Mobile Money service on Betting site influences my decision to utilize a betting service	<input type="checkbox"/>				

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I place a bet on the basis of informed decisions.	<input type="checkbox"/>				
Social Media plays a huge role in me deciding what bet to place	<input type="checkbox"/>				
I follow relevant accounts on Twitter and Facebook to understand Odds	<input type="checkbox"/>				
I am a member of Betting WhatsApp groups to understand what to do.	<input type="checkbox"/>				
I actively interact within the social media to improve my betting knowledge	<input type="checkbox"/>				
I interact with my friends via Social Media to understand before placing a bet	<input type="checkbox"/>				
Whatever is advised in my Social Media circles greatly influences my betting decision.	<input type="checkbox"/>				
The Odds never make sense to me, only what my friends advise.	<input type="checkbox"/>				
The privacy of social media interactions plays a key role in me consuming all this betting information	<input type="checkbox"/>				

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Availability of end to end service on my Mobile Phone plays a huge role to my use	<input type="checkbox"/>				
Ease of use of service plays a role into why I bet	<input type="checkbox"/>				

Easy access of service via Website and USSD is a huge factor	<input type="checkbox"/>				
I can save time now because of the technology and presentation of service	<input type="checkbox"/>				
Technology has made it easy to place a bet	<input type="checkbox"/>				
Technology has made it easy to access your winnings from betting	<input type="checkbox"/>				
Due to Technology, it is easy to access information on Betting via multiple means	<input type="checkbox"/>				
Technology has helped in Betting and Gambling anonymously.	<input type="checkbox"/>				
The privacy brought about by technology is a huge factor as to why I bet.	<input type="checkbox"/>				

SECTION 3: THE EFFECT OF BETTING ON VULNERABLE SEGMENT OF USERS.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Sports Betting is a form of Gambling	<input type="checkbox"/>				
I feel in control whenever I place a bet	<input type="checkbox"/>				
My desire to place a bet is so overpowering	<input type="checkbox"/>				
Sports Betting could eventually lead to problem gambling	<input type="checkbox"/>				
Any user of the Sports Betting Platforms is at risk of getting addicted and hence become a problem gambler.	<input type="checkbox"/>				
Much more can be done to help users draw the line on entertainment and problem gambling	<input type="checkbox"/>				
I am at risk of losing all that is important to me through any addiction to this betting activity	<input type="checkbox"/>				
Betting Organizations should do more to prevent vulnerable users from utilizing their services to prevent addiction	<input type="checkbox"/>				
Relating my winnings to my skills and ability makes me continue betting	<input type="checkbox"/>				

SECTION 4: Existing Controls/Legislation on Sports Betting

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The Government is doing enough to control the Betting Industrv.	<input type="checkbox"/>				
The Government is doing enough to control advertising of the Betting	<input type="checkbox"/>				
Not much is being done to regulate who sees the Betting advertisements	<input type="checkbox"/>				
Much of law is to cover for taxation of Betting Organizations than it is to protect end users of their	<input type="checkbox"/>				
The Government is doing enough to protect vulnerable users	<input type="checkbox"/>				
There is not much legislation to regulate this new channels like Mobile.	<input type="checkbox"/>				
Technology has outpaced how fast laws are enacted to protect consumers	<input type="checkbox"/>				
As a user, I feel vulnerable sometimes utilizing these services.	<input type="checkbox"/>				
There are not much controls to prevent underage users.	<input type="checkbox"/>				