# **Venue Selection Methodology** Mystery Shopper 2016

Venue selection was designed to include a representation of different groups of class 4 venues across several distinguishing criteria, while also seeking to make selections random rather than targeted on the basis of compliance information held by the Department.

### Non-Club

For non-club venues, a 10 per cent sample of venues was taken (97/961 venues).

#### Selection criteria

The Department wanted to be able to compare results across the class 4 sector by deprivation score. Deprivation scores were assigned to venues from Otago University’s *NZDep2013 New Zealand Indexes of Deprivation*[[1]](#footnote-1) using geographical Area Units.[[2]](#footnote-2)

Venues were then grouped by deprivation score, with deprivation score groups categorised as:

* Low Deprivation (deprivation score 1-3)
* Medium Deprivation (4-6)
* High Deprivation (7-10)

The Department ensured that 10 per cent of venues from each deprivation score group (High, Medium, Low deprivation) were selected.[[3]](#footnote-3)

The Department ensured that a fair representation from each island was selected (10 per cent of North Island venues, 10 per cent of South Island venues).

Deprivation and island assignments for each venue were combined and “tagged” for each venue – e.g. “North Island High Deprivation”. On the basis of this venue “tagging”, the following numbers of venues were identified in each group:

* North Island High Deprivation (444)
* North Island Medium Deprivation (137)
* North Island Low Deprivation (68)
* South Island High Deprivation (151)
* South Island Medium Deprivation (102)
* South Island Low Deprivation (55)
* No score (4)

For a 10 per cent sample of venues from these categories, the following numbers of venues were required:

* North Island High Deprivation (45)
* North Island Medium Deprivation (14)
* North Island Low Deprivation (7)
* South Island High Deprivation (15)
* South Island Medium Deprivation (10)
* South Island Low Deprivation (6)

#### Random selection

All venues were assigned a random number between 1 and 100. For each category described above, the 10 per cent of venues with the lowest random numbers were selected for the mystery shopper exercise. For example, from the 444 North Island high deprivation venues, the 45 venues with the lowest random numbers from 1-100 were selected.

The 97 sample venues were then assigned scenarios. Scenario assignment was based on their random rank score, with the lowest nine scores overall assigned to a scenario one, the next 33 lowest scores to a scenario two, and so on. The final number of venues selected was 97, comprising:

|  |  |  |
| --- | --- | --- |
| Scenario | Non-Club Venues | Venues Assigned (Based on Random Rank) |
| Scenario One | 9 | 1-9 |
| Scenario Two | 33 | 10-42 |
| Scenario Three | 13 | 43-55 |
| Scenario Four | 42 | 56-97 |

#### Adjustments

A small number of non-club venues (13) initially selected were removed from the sample and replaced by the next randomly ranked venue within the category. These adjustments were made for the following reasons:

* some venues were selected but ceased class 4 gambling before being mystery shopped
* efficiency considerations meant that a few remote venues had to be replaced
* to ensure that all large operators (those with over 100 venues) had a venue in each scenario.

Overall, a total of 20 of 37 Societies (54 per cent) are represented in the venues that were mystery shopped.

### Club

In the case of club venues, a near 10 per cent sample of venues was taken (23/260 venues).

#### Selection criteria

The Department wanted to be able to compare results based on the type of club and venue being mystery shopped. Clubs were first grouped by type: Club Chartered, Club RSA, Club Sports; then by venue type: Commercial Club, Cosmopolitan Club, Other Non-Commercial Premises, Workingmen's Club, RSA Club, Bowling Club, Other Sports Club, Hotel, Golf Club.

The Department also wanted to compare results by GMP and number of EGMs as these factors can be positively associated with the likelihood of harm. Clubs were grouped by GMP Category:

* High GMP >$500K/Year
* Medium GMP $200K-$500K/Year
* Low GMP <$200K/Year)

The total annual GMP for each category was calculated. The percentage from all club annual GMP that each category comprises was then calculated. The sample size for each category was then calculated by taking 10 per cent of all venues (10 per cent of 260 = 26), multiplied by the proportion of GMP each category makes up. Therefore, those categories with high GMP will have more venues selected than those categories with lower GMP. However, those categories with lower GMP were still subject to potential selection.[[4]](#footnote-4)

Clubs were then grouped by EGM count:

* 1-18 EGMs
* 19-30 EGMs

From each of these splits, each club is assigned a category. This might look like “Club Chartered: Cosmopolitan Club: High GMP: 19-30 EGMs”.

#### Random selection

All venues were assigned a random number between 1 and 100. For each category, the venues with the lowest random numbers were selected as the sample venues for testing – up to the number of venues required from within each category. For example, from the “Club Chartered: Commercial Clubs: High GMP: 1-18 EGMs”, the five venues with the lowest random numbers from 1-100 were selected.

The 23 sample clubs were then assigned scenarios. The scenario assignment was based on their random rank score, with the lowest two scores to a scenario one, the next 9 lowest scores for scenario two, and so on. The final number of venues selected was 23, comprising:

|  |  |  |
| --- | --- | --- |
| Scenario | Club Venues | Venues Assigned (Based on Random Rank) |
| Scenario One | 2 | 1-2 |
| Scenario Two | 9 | 3-11 |
| Scenario Three | 3 | 12-14 |
| Scenario Four | 9 | 15-23 |

#### Adjustments

A small number of club venues (3) that were initially selected were removed from the sample and replaced by the next randomly ranked venue within the category. These adjustments were made for the following reasons:

* two venues were selected but ceased class 4 gambling before being mystery shopped
* efficiency considerations meant that a remote venue had to be replaced.

1. For more information about NZDep2013 New Zealand Indexes of Deprivation, see <http://www.otago.ac.nz/wellington/departments/publichealth/research/hirp/otago020194.html> [↑](#footnote-ref-1)
2. Venues and their corresponding Area Units were identified using the physical venue address listed in the Department’s records to locate Mesh Blocks through automatic batch processing, or manually searching for unmatched addresses, using Classification Coding System tool and subsequently the corresponding Area Unit using the Stats NZ Area Handbook. Both of these are available on the Statistic NZ website. [↑](#footnote-ref-2)
3. Local area deprivation scores do not necessarily reflect the levels of deprivation amongst a venue’s patrons, but rather of residents in the area where the venue is located. [↑](#footnote-ref-3)
4. Sports Clubs were excluded from selection because there is very low average annual GMP at Sports Clubs – suggesting less potential for harm from gambling. [↑](#footnote-ref-4)