## Methodology for evaluating casino data

# Purpose

1. This document outlines the methodology the Department used to evaluate the raw data from the 2016 mystery shopper exercise for casinos. The casino scenarios can be found in Appendix C.
2. The document provides full details of the procedure we used to assess each casino, discusses some potential limitations of the exercise and describes the categories used to analyse the data gathered from the various mystery shop scenarios.
3. Note, this document should be read alongside the raw data provided for each casino.

# Mystery shopping

1. Mystery shopping is the use of trained researchers acting as ‘customers’ to monitor the quality of service delivery; it is used extensively by commercial organisations and government agencies. The method allows a structured approach to measuring service delivery in everyday conditions[[1]](#footnote-1).
2. In particular, it can be used to assess the performance of staff against the established standards expected and communicated by organisations and/or government agencies[[2]](#footnote-2). As Wilson (1998) has written: *If an organisation is communicating the expectations of management and customers through setting service standards, there is thought to be a need for measurement of performance relative to these standards. Mystery shopping can provide this measurement as it aims to collect facts rather than perceptions[[3]](#footnote-3).*
3. In this case, the standards are those promulgated in the DIA’s Gambling Harm Minimization Guidance Material. The purpose of the mystery shopping exercise is to measure compliance with these standards across all casinos.

## Sample and participants

1. All casinos in New Zealand were mystery shopped.
2. A third-party organisation, experienced in mystery shopper exercises, was contracted to conduct the mystery shops on our behalf. The Department and third party trained the mystery shoppers on the scenarios and data recording. All recorded data was submitted to the Department for assessment and analysis.

**What we are assessing**

1. The scenarios were developed to assess the following gambling harm indicators:
   * long hours of play (assessed in scenario one);
   * verbal and non-verbal cues, including direct disclosure to casino staff and signs of agitation over multiple days (assessed in scenario two); and
   * cash withdrawal behaviour at ATMs and EFTPOS transactions, including declines (assessed in scenario three).
2. We assessed casino staff responses to each scenario by how well they responded to the mystery shopper’s potential gambling harm behaviour. The responses were evaluated using the following ratings:
   * expected response (i.e. casino staff met the full expected standard in their response);
   * partially expected (i.e. casino staff only partially met the expected standard);
   * not expected (i.e. casino staff did not meet the expected standards).

# Process for evaluating casino data

1. The following process was used to evaluate the raw data:
   * We established three themes to assess each casino visit – monitoring, interaction and intervention.
   * Sub-sets were created for the monitoring theme to reflect the various types of opportunities or engagement throughout the scenario by casino staff. These were: casino records, comings and goings and gaming floor. These are defined in the table 1 on page 3
   * We established that within each scenario, there were “points of engagement”. These are the connections made between the mystery shopper and casino staff, whether they were verbal or non-verbal. For example, when the mystery shopper entered the casino, this is the first “point of engagement” for casino staff to observe who has entered the casino and for them to be able to monitor the gambling activity. It was these points of engagement that were evaluated.
2. Several features of each scenario were not evaluated, including the date and time in which the scenarios were undertaken. These were considered but did not require an evaluation as they had no impact on the overall assessment of harm minimisation practice. These are listed in table 3.
3. Evaluation of each point of engagement in the scenarios was developed based on advice provided by casino operators. Casino operators were invited to advise on expected behaviours by staff at casinos where gamblers display gambling harm indicators. Although scenarios were not developed with the sector, behavioural indicators and expected responses were drawn from their feedback.
4. Additionally we received internal feedback on what gambling inspectors would expect casino staff to deliver for the same gambling harm indicators.

1. Evaluation of raw data was based on best practice and informed by standards set by casino operators and casino problem gambling identification policy.
2. The scenarios assess how casinos identify, engage, track and monitor players’ behaviour and casino response based on sector expectations.
3. The table below outlines how the various “points of engagement” have been categorised into: monitoring, interaction or intervention. The definitions support our criteria for evaluation.

**Table 1: Outline of “themes”**

|  |  |  |
| --- | --- | --- |
| **Theme** | **Sub-set** | **Definition** |
| Monitoring | Comings and goings | Casino staff are aware of who is coming and going from their casino.  This can be demonstrated by either verbal or non-verbal acknowledgement received by the mystery shopper upon arrival and departure.  This is about establishing face-to-face rapport, and excludes CCTV monitoring of casino patrons. |
|  | Gaming floor | Casino staff are present on the gaming floor providing an opportunity to observe mystery shopper gambling behaviour providing them with opportunities to observe patrons gambling behaviour, and monitor patron play. |
|  | Casino records | Casino records reflect casino response and ongoing monitoring to verbal or non-verbal cues relating to gambling harm. The casino records capture the overall picture of individual gambling activity; the opportunity to record and hand over to all casino staff ensures that gambling activity is not seen as isolated incidences. |
| Interaction | Checking in | Targeted conversation directed at the mystery shopper gambling behaviour to check to see if they are okay i.e., asking questions based on concerns time, money spent or behaviour exhibited. |
| Intervention |  | Casino offers help-seeking resource, contact numbers for gambling support or verbal guidance to interrupt/stop the mystery shopper’s gambling session. This is one step further than just asking if someone is okay. It is the provision of a resource of contact for support. |

# Limitations

1. Almost all research studies are subject to certain limitations and this exercise is no different. In undertaking this evaluation, we acknowledge that there are some inherent limitations to the outcome of each scenario. These limitations are listed below and are considered in each scenario evaluation.
2. It is important to note that the mystery shoppers may have missed a verbal or non-verbal cue from casino staff. For example, if the mystery shopper did not observe it, it does not mean it did not happen.

**Table 2: Limitations to the exercise**

|  |  |
| --- | --- |
| Limitation | Departmental evaluation |
| Monitoring – comings and goings  Casino staff are busy when mystery shopper enters or leaves casinos | We recognise that the best way to build rapport is to meet and greet patrons. However we acknowledge there will be times when casino staff may not have the opportunity to undertake this.  Casino staff being aware of who is coming and going from their casino is a best practice approach for monitoring the casino and patron behaviour.  An evaluation outcome of not-expected may indicate that casino staff could not fulfil basic casino host responsibility. |
| Monitoring – gaming floor  Presence of casino staff in gaming floor (one or multiple times) | Presence of casino staff on gaming floor is about the opportunity to monitor patron gambling behaviour. The evaluation does not distinguish between one or multiple opportunities. |
| Monitoring -  CCTV footage | Our evaluation does not take into account any non-face-to-face monitoring undertaken by casinos using CCTV. Casinos were given an opportunity to retain any CCTV and review footage for their reference. |
| Actors not able to undertake scenario | In some cases the mystery shoppers were unable to act out the scripted cues in the scenarios, for example if casino staff are not present on gaming floor to hear verbal cues or machines not available to play on. In these cases the evaluation has been marked as “not-applicable”. |

# Scenario responses excluded from the evaluation

1. The following categories across all scenarios were used to inform how we evaluated the results in various columns. However individually they were not included in the evaluation. They are outlined in the table below and need to be read alongside the raw data.

**Table 3: Evaluation exclusions**

|  |  |  |
| --- | --- | --- |
| Scenario | Elements of scenario not evaluated | Reasoning |
| All | Casino name | The raw data received around these parts of each scenario did not inform the overall outcome of assessing how well each casino is meeting their host responsibility obligations. |
| Date |
| Time arriving |
| Cash on arrival |
| Time leaving casino |
| Winnings |
| Staff member name and description |
| Conversations with staff | The mystery shopper response in these categories was not evaluated, but was considered in evaluating other activities. |
| Asked to leave |
| Additional notes |
| Scenario 2 | Act out first/second/third cue  First/second cue – staff present | These data fields were evaluated in the “response to verbal cue” fields. |
| Scenario 3 | Act out first cue  Cashier used  1st, 2nd and 3rd EFTPOS declines (staff name, interaction and intervention) | Assessed under “response to verbal cue”.  The cashier used was not assessed; it was required of the mystery shopper so that we could advise casinos in their individual reports which cashier was used.  These fields were all evaluated under the “3rd EFTPOS decline - Intervention Material” field. |

# Categories

1. We used the following indicators to evaluate each point of engagement for all four scenarios. The indicators and their broad definitions are as follows.

**Table 4: Evaluation categories**

|  |  |
| --- | --- |
| Indicators | Definition |
| Expected | The evaluation meets the criteria in how the sector and Department would expect casinos to respond. |
| Partially expected | The evaluation meets some of the criteria of how the sector and Department would expect casinos to respond |
| Not expected | The evaluation meets none of the criteria of how the sector and Department would expect casino to respond. |
| Not applicable | The point of engagement was not able to be rated due to factors beyond the control of the Department i.e. mystery shopper was unable to act out cues in scenario. |
| Gambling Harm Intervention - Could Not Complete | The mystery shopper was unable to undertake or complete the scenario due to having previously been identified by the casino as displaying signs of problem gambling and had been intervened with by the casino by way of actions such as exclusion. |

## Evaluation of scenarios

1. The following table provides the evaluation criteria for each scenario. This is what the Department used to assess the raw response data from the mystery shoppers.
2. Note, we requested host responsibility logs, harm minimisation logs, intervention logs, gambler of interest files or any other records these casinos may use to support their gamble host responsibility on 2 December 2016, as soon as the field work concluded, to give casinos an opportunity to provide seven days of casino records. We reviewed each casino record entry to assess if our mystery shopper carrying out the scenarios had been recorded.

**Table 5: Scenario evaluation**

|  |  |  |
| --- | --- | --- |
| Points of engagement | Response Evaluation | Theme |
| **Scenario 1** | | |
| Acknowledged on arrival | Expected: acknowledgement, either verbal or non-verbal.  There may be no formal acknowledgement depending on what’s happening at the casino and area of acknowledgement i.e. security, floor staff – it could even be just eye contact made  Not-expected: no acknowledgement | Monitoring – comings and goings |
| Who greeted you on arrival?  (this information doesn’t form part of the casino evaluation; however does indicate first point of contact for patrons at the casino) | Expected: Security, main casino entrance  Not-expected: Casino floor walkers. In terms of initial greeting at the casino entry, security staff presence would be expected at the main entry of the casino. |  |
| Casino staff entering gaming floor | Expected: Presence of casino staff on the gaming floor for opportunities to monitor gambling. One or multiple entries observations of casino staff on gaming floor will trigger this rating.  Not-expected: gaming floor not monitored.  Casino staff will walk around the gaming floor for a variety of reasons but we would expect whatever the reason that “monitoring” the gamblers would always be done. | Monitoring – Gaming floor |
| Intervention  This is a combination of evaluating both columns in raw data “Intervention” and “intervention material” | Expected: Yes. Help-seeking advice or information provided to the mystery shopper, for example a problem gambling leaflet or the contact details for problem gambling helpline  Not-expected: No help- seeking advice or information provided. | Intervention |
| Conversations with staff  Partially expected relates to interaction – general. This is to eliminate the double counting of multiple categories | Expected: Interaction involving checking in with mystery shopper. This is targeted conversation around the shopper’s gambling behaviour.  Partially expected: Flippant or general conversation with no focus on checking in with mystery shopper  Not-expected: No conversation had with shopper | Interaction – checking in |
| Complete the entire scenario | Expected: Shopper couldn’t complete scenario as their play was interrupted due to interaction, intervention.  Not-expected: Shopper completed scenario | We are evaluating this component to assess casinos’ interrupted scenarios of long hours of play. This will feed into the individual casino report. |
| Acknowledged on leaving casino | Expected: Verbal or non-verbal acknowledgement Not-expected: no acknowledgment | Monitoring – comings and goings |
| Log Book entry  (This is not a point of engagement – it is an action following engagement or intervention.  It is included as we are evaluating log book entries.) | Expected: Would expect a log book entry containing:   * Situation outlined of staff observations of shopper. * Response to be taken –ongoing or response taken.   Partially expected: activity or incident noted but casino has not responded to situation. Casino hasn’t interacted or put in place ongoing monitoring.  Not expected: No entry in casino records | Monitoring - casino records |
| **Scenario 2** | | |
| Acknowledged on arrival | Expected: acknowledgement, either verbal or non-verbal.  There may be no formal acknowledgement depending on what is happening at the casino and area of acknowledgement i.e. security, floor staff – it could even be just eye contact made.  Not-expected: no acknowledgement | Monitoring – comings and goings |
| Who greeted you on arrival?  (this information doesn’t form part of the casino evaluation; however it does indicate first point of contact for patrons at the casino.) | Expected: Security, main casino Entrance  Not-expected: Casino floor walkers. In terms of initial greeting at the casino entry, security staff presence would be expected at the main entry of the casino. |  |
| Casino staff on gaming floor | Expected: presence of casino staff on the gaming floor for opportunities to monitor gambling. One or multiple entries observations of casino staff on gaming floor will trigger this rating.  Not-expected: gaming floor not monitored.  Casino staff will walk around the gaming floor for a variety of reasons but we would expect whatever the reason that “monitoring” the gamblers would always be done. | Monitoring- Gaming floor |
| Response to verbal cue 1 | Expected: Interaction involving checking in with mystery shopper.  Partially expected: General conservation with no focus on checking in with mystery shopper.  Not-expected: No conversation | Interaction – checking in |
| Response to verbal cue 2 | Expected: Interaction involving checking in with mystery shopper.  Partially expected: General conservation with no focus on checking in with mystery shopper  Not-expected: No conversation | Interaction – checking in |
| Response to verbal cue 3 | Expected: Interaction involving checking in with mystery shopper, intervention material provided and linking of overall three separate behavioural gambling harm cues.  Partially expected: check in with no follow-through OR intervention material provided  Not-expected: No conversation | Interaction – checking in  Intervention |
| Intervention | Expected: Yes. Help-seeking advice or information provided to the mystery shopper for example a problem gambling leaflet or the contact details for problem gambling helpline.  Not-expected: No help- seeking advice or information provided. | Intervention |
| Complete the entire scenario | Expected: Shopper could not complete scenario as their play was interrupted due to interaction, intervention.  Not-expected: Shopper completed scenario. | We are evaluating this component to assess casinos interrupted scenarios of long hours of play. This will feed into the individual casino report. |
| Acknowledged on leaving casino | Expected: Verbal or non-verbal acknowledgement Not-expected: no acknowledgment | Monitoring – comings and goings. |
| Log Book entry  (This is not a point of engagement; it is an action following engagement or intervention.  It is included as we are evaluating log book entries.) | Expected: Would expect a log book entry containing:   * Situation outlined of staff observations of shopper. * Response to be taken –ongoing or response taken.   Partially expected: activity or incident noted but casino has not responded to situation. Casino has not interacted or put in place ongoing monitoring  Not expected: No entry in casino records | Monitoring - casino logs |
| **Scenario 3** | | |
| Acknowledged on arrival | Expected: Acknowledgement, either verbal or non-verbal.  There may be no formal acknowledgement depending on what is happening at the casino and area of acknowledgement i.e. security, casino floor staff – it could even be just eye contact made.  Not-expected: no acknowledgement. | Monitoring – comings and goings |
| Who greeted you on arrival?  (this information does not form part of the casino evaluation; however it does indicate first point of contact for patrons at the casino.) | Expected: Security, main casino entrance  Not-expected: Casino floor walkers.  In terms of initial greeting at the casino entry, security staff presence would be expected at the main entry of the casino. | Monitoring – comings and goings |
| Casino staff on gaming floor | Expected: Presence of casino staff on the gaming floor for opportunities to monitor gambling. One or multiple entries’ observations of casino staff on gaming floor will trigger this rating.  Not-expected: gaming floor not monitored.  Casino staff will walk around the gaming floor for a variety of reasons but we would expect, whatever the reason, that “monitoring” the gamblers would always be done. | Monitoring - Gaming floor |
| Response to verbal cue (four ATM withdrawals in an hour) | Expected: Interaction checking in to discuss the shopper’s gambling. Log book entry made.  Not-expected: No interaction with shopper | Interaction – checking in |
| 1st EFTPOS decline - Interaction | Expected: Yes, an interaction checking in with the shopper was made.  Not-expected: No conversation had around the decline |  |
| The following EFTPOS declines at the cashier have been evaluated across the entire decline process (1st, 2nd and 3rd decline) and have been evaluated one column “3rd EFTPOS decline – Intervention Material”. | | |
| 1st EFTPOS Decline - Intervention | Collective rating under the third EFTPOS decline |  |
| 1st EFTPOS Decline - Intervention Material | Collective rating under the third EFTPOS decline |  |
| 2nd EFTPOS decline - Interaction | Collective rating under the third EFTPOS decline |  |
| 2nd EFTPOS decline - Intervention | Collective rating under the third EFTPOS decline |  |
| 2nd EFTPOS decline – Intervention Material | Collective rating under the third EFTPOS decline |  |
| 3rd EFTPOS decline - Interaction | Collective rating under the third EFTPOS decline |  |
| 3rd EFTPOS decline - Intervention | Collective rating under the third EFTPOS decline |  |
| 3rd EFTPOS decline – Intervention Material | Expected: Checking in with mystery shopper and help-seeking advice, for example a problem gambling leaflet or the contact details for problem gambling helpline. A record made in casino log books.  Partially expected: Any one of the above in isolation. For example log book entry made but no intervention material given; or intervention and log book entry but no checking in with mystery shopper.  Not-expected: A response that it has declined with no reference to gambling support information. | Intervention  Interaction – checking in  Monitoring – casino records |
| Complete the entire scenario | Expected: Shopper could not complete scenario as their play was interrupted due to interaction, intervention.  Not-expected: Shopper completed scenario. | We are evaluating this component to assess casinos interrupted scenarios of long hours of play. This will feed into the individual casino report. |
| Acknowledged on leaving casino | Expected: Verbal or not-verbal acknowledgement. Not-expected: no acknowledgment. | Monitoring – comings and goings |
| Log Book entry  (This is not a point of engagement. It is an action following engagement or intervention.  It is included as we are evaluating log book entries.) | Expected: Would expect a log book entry containing:   * Situation outlined of staff observations of shopper. * Response to be taken –ongoing or response taken.   Partially expected: activity or incident noted but casino has not responded to situation. Casino has not interacted or put in place ongoing monitoring  Not expected: No entry in casino records | Monitoring - casino logs |

## Translating the raw data into results for each casino

1. In evaluating the overall outcome of each casino for the mystery shop exercise, we have taken the results of how the casino interacted, intervened and recorded the mystery shopper.
2. The following criteria were applied in evaluating their responses to the mystery shopping scenarios:

* if a casino met all expectations around the gambling harm indicator, they received an “expected response” rating;
* if a casino met some expectations around the gambling harm indicator being assessed, they received a “partially expected response” rating; and
* if a casino met no expectations around the gambling harm indicator being assessed, they received a “not-expected response” rating.

1. The criteria for how each casino was assessed is outlined in table 6 below.

**Table 6: Evaluation ratings for each gambling harm indicator**

|  |  |  |  |
| --- | --- | --- | --- |
| Gambling harm indicator | Expected response  (standard met) | Partially expected  (standard partially met) | Not-expected  (standard not met) |
| **Long hours of play –**   * **Casino – 12 hours** | * Interaction check-in with mystery shopper AND * Provide help- seeking advice AND * Record behaviour in log book | * General conversation that acknowledges cue with some focus on checking in with mystery shopper about their gambling AND/OR * Log book entry made but no monitoring or put in place | * No conversation * No record of mystery shopper in log book * Mystery shopper plays uninterrupted over long period of time |
| **Cash withdrawal – This indicator presented casinos with a gambler making multiple cash withdrawals including EFTPOS declines** | * Interaction check-in with mystery shopper AND * Provide help - seeking advice AND * Record behaviour in log book | * Interaction or help-seeking advice provided in isolation of each other AND/OR * Record of behaviour in log book | * Acknowledgment of multiple cash withdrawals (one or more declines) with no reference to gambling support * Encouragement to continue playing machines * No log book entries made |
| **Verbal and non-verbal cues – This indicator presented casinos with a gambler who portrayed strong or general signs of gambling harm** | * Interaction check-in with mystery shopper AND * Provide help- seeking advice AND * Record behaviour in log book | * General conversation with no focus on checking in with mystery shopper AND/OR * Log book entry made but no monitoring put in place | * No conversation * No record of mystery shopper in log book * Mystery Shopper plays uninterrupted over long period of time |

1. Wilson, A. M (1998). The Use of Mystery Shopping in the Measurement of Service Delivery. *The Service Industries Journal,* 18 (3) [↑](#footnote-ref-1)
2. For an example of the use of mystery shopping in the regulatory context, see the UK Financial Service Authority’s (2013) report *Assessing the quality of investment advice in the retail banking sector: a mystery shopping review.* Available via: [http://www.fsa.gov.uk/library/communication/pr/2013/014.shtml](http://www.fsa.gov.uk/library/communication/pr/2013/014.shtml%20%20%20)  [↑](#footnote-ref-2)
3. Wilson*,* p. 153 [↑](#footnote-ref-3)