



University of
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MANCHESTER

**UNDERSTANDING THE INFLUENCE OF CUSTOMER RELATIONSHIP
MANAGEMENT STRATEGIES IN THE UK GAMBLING SECTOR:
SOCIAL EXCHANGE AND RELATIONSHIP MARKETING PERSPECTIVES**

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DECLARATION

This is to certify that this thesis is a result of my own work except where due references are made. To the best of my knowledge, no portion of the work referred to herein, has been submitted for another degree or qualification in this or, another educational institution.

ABSTRACT

The success of relationship-based loyalty programs across many industries, for example retailing, airline and tourism industries (Sharp & Sharp, 1997; Wright & Sparks, 1999; Martín, Román & Espino, 2011; Ou et al., 2011; du Toit & Cant, 2012; Evanschitzky et al., 2012), has resulted in a number gambling businesses implementing their own in-house loyalty programs to encourage loyal customers and ensure repeat business (Wardle et al., 2014; Forrest, McHale & Wardle, 2015). While much academic attention has been given to loyalty programs in general, limited behavioural analysis of loyalty programs among gambling members and their influence has been carried out. Due to the potential scope for business irresponsibility and consumer harm, this thesis, exploratory in nature, aims to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement and behaviour.

To gain an in-depth understanding and express the complex phenomena of loyalty programs, and their influence on behaviour, this study uses an exploratory qualitative approach to interpret the experiential meanings from individuals directly involved with loyalty programs. Primary data is based on two focus group discussions with 16 customers selected through a snowballing sampling method. Concurrently, this study also analyses data collected through individual in-depth interviews from 14 customers and 12 employees ranging from Customer Experience Managers to Cashiers recruited via purposive sampling. For this study, five major high street gambling firms from the North West of England in a dyadic relationship with customers were involved. Participants were selected based on their knowledge, experience and, their direct involvement with the research focus. Using NVivo 11 software, data was analysed using thematic analysis.

To help theoretically underpin this study, emphasis is placed upon two concepts that are mutually enriching: Social Exchange and Relationship Marketing theories. The two theories play an important role delineating loyalty program member's and their behaviour. Where relationship marketing theory views mutual benefits within relational exchanges, it does not furnish how these relationships achieve mutualism or indeed how these relationships are sustained (Berry, 1983; Grönroos, 1991; Taleghani, Gilaninia & Mousavian, 2011). Social exchange theory on the other hand, explains that, relationships are entrenched in the processes of social exchanges of resources, rewards and costs. It is through these reciprocated exchanges that relationships are enabled or

constrained (Thibaut & Kelley, 1959; Blau, 1964; Emerson, 1976; Kelley & Thibaut, 1978; Cropanzano & Mitchell, 2005). Thus, Social exchange theory and Relationship Marketing Theory co-exist, each focusing on elements that the other neglects.

This study reveals that loyalty programs deployed under the relationship marketing concept as defined by various scholars are not recognised and understood by customers. Moreover, although most gambling firms adopt relationship-marketing strategies, in effect, they do not actually operationalise their programs responsibly. Rather, gambling firms widely practice transactional marketing, proclaimed the most effective in achieving organisational objectives, though the same cannot be argued for their consumers. From a customer perspective, the findings also indicate repeated social interactions, unparalleled expectations from the relationship and, mutual benefits occurring by means of the loyalty programs. Another significant finding is the scale of irresponsible marketing approaches utilised by employees of the gambling companies, the lack of transparency in the process, inconsistent and persistent use of loyalty program arrangements between gambling firms and customers without fully acknowledging the potential risks.

Consequently, the current research contributes to advancing our knowledge around insights between loyalty program practices and the potential antecedents and consequences, as well as shed further light upon the multi-dimensional conceptualisation of the relational exchange construct and social exchange theory. This thesis also provides stakeholders with empirical experiential evidence, both positive and negative that can be used to help implement more socially responsible loyalty program strategies in the future.

DEFINITION OF TERMS

Terminologies	Abbreviation	Key Authors
Comparison Level	CL	Thibaut and Kelley, 1959
Comparison Level of alternatives	CLalt	Thibaut and Kelley, 1959
Customer management	CM	Frow and Payne, 2009; Payne and Frow, 2013; 2017; Frow et al., 2015
Customer Managed Relationships	CMR	Frow and Payne, 2009; Payne and Frow, 2013; 2017; Frow et al., 2015
Customer Relationship Management is a technology-based application that links organisational functions such as sales, marketing, customer service and human resources, finance and logistics with the companies' customer touch points	CRM	Buttle, 2009; Payne and Frow, 2013; Lemon and Verhoef, 2016.
Corporate Social Responsibility	CSR	Carroll, 1991; Hancock, Schellinck and Schrans, 2008
Electronic Gaming Machines also known as Fixed-Odds Betting Terminals are computer powered games. They are essentially like a mini casino, crammed with dozens of games that allow players to bet and play instantly	EGMs (FOBTs)	Reith, 2006; Productivity Commission, 2010; Rickwood et al., 2010; Binde, Romild and Volberg, 2017
Enterprise Relationship Marketing	ERM	Frow and Payne, 2009; Payne and Frow, 2013; 2017; Frow et al., 2015
Gambling Commission licences and regulates the people and businesses that provide gambling in Great Britain including the National Lottery	GC	Gambling Commission, 2018
Gross Gambling Yield derived from Gamblers' losses is "the amount retained by firms after the payment of winnings but before the deduction of the costs of the operation".	GGY	Gambling Commission, 2012; 2017; 2018: p. 5.
Information Technology	IT	

Loyalty Programs are marketing initiatives, including reward cards, gifts, tiered service levels, “ <i>dedicated support contacts</i> ”, and <i>other methods that positively influence consumers' attitudes and behaviours toward the brand or firm</i> ”	LPs	Berman, 2006; Liu, 2007; Meyer-Waarden and Benavent, 2009; Chen and Pearcy, 2010; Meyer-Waarden, 2013; Reinartz, 2010; Henderson, Beck and Palmatier, 2011: p. 258.
Loyalty Card Programs are an incentive plan that allows a retail business to gather data about its customers	LCPs	Gómez, Arranz and Cillán, 2006; 2012
no date	n. d	
National Health Service	NHS	nhs.uk
National Research Council	NRC	National Research Council (1999)
Relationship Marketing is a philosophy of doing business, a strategic orientation that focuses on keeping and improving current customers rather than acquiring new customers	RM	Berry, 1983; Grönroos, 1991; Taleghani, Gilaninia and Mousavian, 2011.
Social Exchange Theory is a concept of equity (fairness) and reciprocity (‘tangible or intangible’), and more or less rewarding or costly, ‘between two parties’	SET	Bagozzi, 1975: p. 32; Blau, 1964; Homans, 1961; Thibaut and Kelley, 1959; Sprecher and Schwartz; 1994; Cropanzano and Mitchell, 2005 Cropanzano et al., 2017
Self-Service Betting Terminals are for betting or wagering. They perform the desired services and, do not have to be attended by a cashier or like personnel, “nor comply with any stake or prize limits” (n.d)	SSBT	Anon; Gambling Commission, 2012
Summary Care Records is a “way of telling health and care staff important information about a person” (n.d).	SCR	nhs.uk
South Oaks Gambling Screen SOGS is a tool widely accepted in the gambling research community	SOGS	Thompson et al., 2007
Salford’s Postgraduate Annual Researcher Conference	SPARC	www.salford.ac.uk
Salford Postgraduate Research Training	SPoRT	www.salford.ac.uk
Productivity Commission	PC	Productivity Commission, 1999; Productivity Commission, 2010

Research Ethics Panel	REP	www.salford.ac.uk
Responsible Gambling Strategy Board	RGSB	Wardle et al., 2012
Technology Enabled Relationship Marketing	TERM	Frow and Payne, 2009; Payne and Frow, 2013; 2016; Frow et al., 2015
United Kingdom	UK	
Very Important Person	VIP	

Chapter 1: THESIS OVERVIEW

1.1 INTRODUCTION

This chapter outlines the background to this study and, provides a rationale for the investigation into loyalty programs specifically within the United Kingdom (UK henceforth) land-based gambling sector (the land-based sector relates to gaming premises located in the real world, also known as brick and mortar betting premises as opposed to an online platform) (GC, 2018). Next, the aim, objectives and research questions of this research are established, and the theoretical and practical contributions noted. Finally, an outline of the structure for the thesis is presented. Within the relationship marketing context (herein referred to as RM), embedded within the Social Exchange Theory (SET hereafter), this research explores customer relationship management strategies (CRM henceforward).

1.2 BACKGROUND TO THE CURRENT STUDY

Within the service retail sector, CRM literature has placed considerable importance on the firms' internal factors that enhance product features and their value in RM and relationship maintenance. At the same time, the use of loyalty programs has been contentious amongst marketing academics for many years yet still, remain prevalent in most business sectors than ever before. In fact, some studies show that over the past two decades, loyalty programs have become the overriding tool for marketing globally (*see*, Davies, 1998, Anon1, 2012; Polevoi, 2012). Abreast of, the proportion of retail organisations engaging in loyalty programs including those within the gambling industry have risen significantly with over 40 million cards in circulation (Anon1, 2012; Polevoi, 2012). Previous studies also suggest that nearly 95% of UK consumers have at least one loyalty card with 78% being members of two or more programs (Cary, 2013; Lee et al., 2014), while in the United States alone, loyalty program memberships exceeded 2.65 billion in 2012, an increase of 26.7% since 2010 (Berry, 2013). To support the latter figures, it is purported that in the United States, the average household possesses '22 loyalty programs', nearly half of which tend to be used actively (BCG, 2014 cited in Kumar & Reinartz, 2018: p. 186).

1.3 RESEARCH PROBLEM

As noted, a variety of industry based literature is replete with loyalty programs' studies, including but not just limited to marketing science (O'Malley, 1998; Berman, 2006; Lacey & Sneath, 2006; Leenheer et al., 2007), strategic analysis (O'Brien & Jones, 1995), and hospitality management (Mattila, 2006; McCall & Voorhees, 2010) and numerous other services based sectors (*see*, Meyer-Waarden & Benavent, 2009; Omar et al., 2011; Meyer-Waarden, Benavent & Castéran, 2013) (for more studies, see Appendix 1, p. 325). However, what the extant literature reveals is that the most widely discussed and contested loyalty programs' studies have not dealt with the gambling industry to a similar epistemological depth (e.g., Griffiths & Wood, 2008; Barsky & Tzolov, 2010; Excell et al., 2014; Wardle et al., 2014). More importantly, considering voluminous data about online gambling exists (*see*, Gainsbury, 2010; 2015; Wardle et al., 2011; Mulkeen, Abdou & Parke, 2017), there seems scant literature within the UK land-based gambling service sector. Therefore, an important question this research aims to explore is the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement.

Besides, while an extensive amount of research has been carried out around understanding loyalty programs in general (*see*, Anderson & Jap, 2005; Liu, 2007; Ashley et al., 2011; Forte, 2013; Izogo, 2016), a vast number of studies have also been published on the use and benefits of loyalty programs across different sectors; for example, Hypermarkets and Supermarkets, (Sharp & Sharp, 1997; Ou et al., 2011; Evanschitzky et al., 2012); the Retail and Fuel industry, (Wright & Sparks, 1999); the Tourism & Airline industry, (Martín, Román & Espino, 2011); the Apparel clothing industry, (du Toit & Cant, 2012) and Gambling, (Griffiths & Wood, 2008; Wardle et al., 2014). As a result, a theoretical gap emerges relating to the experiential effects of loyalty programs on consumers explicitly within potentially harmful retail practices such as the UK land-based gambling sector. This is all the more surprising when comparing the lack of research in this area to other fields that pose similar harmful effects including tobacco, drugs, and alcohol (e.g., Ritter et al., 2006; Callinan, 2014, Forrest & McHale, 2016; Jackson et al., 2016) and, food (Corwin & Grigson, 2009; Gearhardt, Corbin & Brownell, 2016) all of which face similar challenges whilst also facing a plethora of measures relating to 'taxation and regulation' (Welbirg, 2012: p. 18 cited in Livingstone et al., 2018: p. 60). Hence, the impetus of this study is to discover, and contribute, to knowledge in a gambling context from a CRM standpoint.

What is more, within a vast repository of research and writing that explores loyalty programs, discussions and classifications seem geared mainly towards the benefits; little is still known about the unintended consequences of RM particularly CRM strategies (Anderson & Jap, 2005; Frow et al., 2015; Nguyen, Simkin & Canhoto, 2015; Payne & Frow, 2017). Besides, a number of authors (Nguyen, Lee-Wingate & Simkin, 2014; Nguyen, Simkin & Canhoto, 2015; Payne & Frow, 2017: p. 14) point out that there has been some attempt to uncover the ‘dark side of behaviour’, both where service providers and customers are concerned. The body of work, albeit limited, has sought to explore how each of these respective groups take advantage of the other. Besides, additional limitations of loyalty program studies appear to focus more on psychological processes rather than taking note of situational or environmental variables; whilst others, are largely measured quantitatively than qualitatively; many are stagnant, seemingly focusing on “*financial and process categories*” (Cornish, 1978 cited in Orford et al., 2010: p. 258; Tanford, Shoemaker & Dinca, 2016: p. 1959). This assertion is well supported by Henderson, Beck and Palmatier (2011) who claim that not only do loyalty programs studies provide an inaccurate measure of benefits (since loyalty programs are typically studied ‘solely on this basis’), but that most studies are yet to ‘fully capture the effects’ of the majority of loyalty programs which “*often concurrently tap multiple psychological processes*” (p. 257). Izogo (2016) likewise, adds that whilst “*some specific antecedents of loyalty been vastly studied, the explanatory powers of these factors is only modest* (e.g., Ball et al., 2004; Chen & Cheng, 2012; Kuikka & Laukkanen, 2012; Richard & Zhang, 2012) and over investigated “*which inevitably makes other antecedents of loyalty worth exploring*” (pp. 749-750). Other studies similarly suggest a lack of research that examines the views of customers on programme rewards altogether (e.g., Griffiths & Wood, 2008; Mimouni-Chaabane & Volle, 2010).

Thus, many negative impacts being discussed in numerous studies, related to gambling, overlook potential undesirable impacts generated because of gambling with loyalty programs (e.g., Dickerson et al., 1997; The Productivity Commission; 1999; 2010; Browne et al., 2016). This therefore emerges as a critical gap in the literature because loyalty programs are supposedly in high usage by the majority of UK gambling firms as marketing tools to support their CRM strategies (see, Wardle et al., 2014; Wardle, 2016). Indeed, Wardle in her study found that people enrolled in loyalty programs “*were heavily involved in gambling. They had a younger profile and lived*

disproportionately in deprived areas” (p. 101). Along similar lines, Hancock and Hanrahan (2015: p. 12), caution that “*the high level of problem gambling among bookmaker loyalty customers (47% including moderate risk), and the finding that 54% played FOBTs [Fixed-Odds Betting Terminals] weekly, clearly signal very high levels of problem gambling, which should be sounding alarm bells*” for policy makers, researchers and society. To add, Xie and Chen (2013) point out that loyalty programs research remains scattered leaving little room for academic consensus or unifying direction in which the area of study is heading. They likewise, collectively advise that loyalty program research activities should ultimately be revolutionary by addressing various knowledge deficits in some sectors, whilst Tanford, Shoemaker and Dinca (2016: pp. 1959-60) proclaim numerous questions remain unanswered. Undertaking this study accordingly, becomes all the more valid.

1.4 Research Aim, Research Objectives and Research Questions

In light of the aforementioned section, the current study is concerned with the unintended consequences of loyalty programs in the UK land-based gambling sector. Against the elaborated background and rationale, the following research aim, research objectives and questions have been developed and are presented below.

1.4.1 Research Aim

The aim of this study is to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement and behaviour.

1.4.2 Research Objectives

The objective of this study is fourfold:

- (1) To explore how loyalty programs influence customer commitment and, understand experiences among program members within the land-based gambling sector.
- (2) To examine the extent, and in what ways, loyalty card programs lead to unintended behaviour among land-based gambling consumers.

- (3) To explore the potential individual and collective effects of loyalty card programs on consumers in the land-based gambling sector.
- (4) To provide recommendations to facilitate socially responsible customer relationship management strategies in the land-based gambling sector.

In view of the highlighted issues, and the fact that there appears limited research on unintended consequences of loyalty programs, a social constructionism lens which answers the why, when, and how questions, is adopted to help fulfil the research objectives (*see*, Table 3.7). A social constructivist approach is utilised because it is believed human development is socially situated and knowledge is constructed through interaction with others. In addition, this study approach is subjective and, methodologically qualitative. On a rudimentary level, the context is characterised by features, which resonate with, act in support of, and have implications for the current study. The following research questions are hence formulated to help accomplish the research objectives.

1.4.3 Research Questions

- (1) Do employees of, and customers to gambling firms, perceive loyalty card programs in the UK land-based gambling sector the same way, why and how?
- (2) How does understanding of loyalty card programs among employees in betting shops influence customer relationship management implementation?
- (3) To what extent does the knowledge of how customer relationship management strategies operate influence actors' engagement and behaviour in the gambling firm- customer relationship?
- (4) How/ in what ways does a loyalty card program bring about unintended or undesired behaviour amongst customers in a land-based gambling setting?
- (5) What are the effects of loyalty card programs and program incentive designs in relation to gambling and gambling related harm?

- (6) In what ways can loyalty card programs be designed and employed to limit and overcome negative implications as far as customers are concerned?

Consequently, in order to address the overall research aim, the methodological development of this thesis follows an iterative process of inductive reasoning (Strauss & Corbin, 1998; Petty, Thomson & Stew, 2012). It incorporates three different qualitative methods: systematic literature review, focus group discussions and in-depth interviews.

1.5 Addressing and Contributing to Existing Scholarship

This study attempts to address some research gaps and, contribute to the field of marketing. In keeping with Samaha et al. (2014) and Beck, Chapman and Palmatier's (2015) theoretical study on CRM, this study contributes to RM literature in the gambling context to highlight the unintended consequences of loyalty programs. Whilst various studies have previously identified comparable loyalty programs' benefits (e.g., extra income, employment, entertainment) or costs (e.g., bankruptcy, loans family discord), depending on whether writers were pro or anti-gamblers, this study takes a relational exchange approach and a mutualism standpoint to specifically explore loyalty programs in the land-based gambling context to assess the same. To achieve this, the current study adopts SET and RM frameworks to qualitatively explore the experiential meanings from individuals directly involved with loyalty programs. Adopting the SET and RM frameworks will assist the researcher to propose socially responsible CRM approaches for the land-based gambling retail sector. This study thus, contributes in two ways: knowledge and practice.

Firstly, this study demonstrates new evidence and insights and, advances our current body of knowledge around loyalty program members' behaviours by exploring the relationship between loyalty programs and the potential undesirable influences of CRM strategies blending both the RM and SET lenses '*(multiple lenses) (revelatory contribution)*' (Nicholson et al., 2018: p. 210). The study provides a deeper understanding of dyadic relationships, reinforced by loyalty programs that encourage interaction between customers and employees. From the UK land-based gambling context, the literature as opposed to the current study findings, it appears that the gambling firms' RM and SET theory practices does not reflect predominantly academic thinking. To this extent,

gambling firms appear to practice CRM different from the academic idea of implementing the concept. Theorists and practitioners tend to have different perceptions of corporate issues; hence, a knowledge gap exists between the textbook RM concept and marketing practice of gambling firms. As a result, this study offers incremental contribution as it generates and presents new empirical data that appear ‘neglected and under researched’ in previous studies (see Section 1.3) “*against existing knowledge, and its value and importance*” demonstrates advancement to a ‘new context’ beyond “*what is currently known*” (Corley & Gioia, 2011; Nicholson et al., 2018: p. 208).

Equally, although the current findings revealed that in the UK land-based gambling sector, technologically advanced CRM strategies are widely utilised, the general knowledge is that implementation of CRM is socially-constructed and dynamically-determined. In truth, the extent to which actors respond and view loyalty programs is greatly influenced by an individuals’ subjective understanding of the implementation and benefits of CRM processes. Consequently, it is suggested that it is the lack of understanding and clarity of RM to both customers and employees that contributes to harmful operationalisation of CRM processes. Ultimately, the provision of empirical evidence from loyalty program members, both positive and negative can be used to help implement more socially responsible loyalty program strategies in the future (“*utility contribution*”) as it attempts to fill in “*the identified gap*” (Corley & Gioia, 2011; Nicholson et al., 2018: p. 208).

Secondly, this study has practice implications from both management and policy makers’ perspectives. It is advised that socially responsible CRM strategies be developed in consultation with consumers and employees to guide policy. This knowledge and understanding will provide a starting point to guide policy change (*where needed*) or, be used to make strategic decisions in a more informed way. RM managers and officers will also be able to use the findings of this study to craft socially responsible CRM strategies including harm minimisation and reduction strategies that responds/reflects the current gambling business environment. Conceivably, this study will assist policy makers within the UK land-based retail-gambling sector to critically examine existing CRM models and approaches.

1.6 Structure of the Thesis

This thesis is divided into two distinct sections, both of which play a central role in describing the academic and practical implication of loyalty programs in relation to RM.

After the introduction, the first part of this thesis attempts to set the scene in regard to gambling, then proceeds to discuss the state of the SET framework before delving into the nature and role of RM in general whilst exploring the available literature relevant to the study. The second part discusses CRM and its application in a broader context and proceeds to narrow down the focus to examine loyalty programs in detail. The third section of this study explores loyalty programs within the land-based gambling sector and this is critically reviewed with academic arguments to provide discussions that address the Harm Principle (Mill, 1962).

Due to the nature of this study, the second part presents the adopted methodology. The details of qualitative analysis as the preferred research methodology for this research work are described. The section goes on to explain the reasons for the choice of focus group and in-depth interview methods as the preferred methods of gathering information from both Actors for this type of research. The section of this thesis also embodies details of the findings from two focus groups discussions besides in-depth interviews held within the North West of England. Furthermore, this section covers the practical steps taken to organise interview meetings. Findings and discussions are contrasted to the literature review to qualify/disqualify participants' or generate conceptions along with recommendations presented in this section.

In summary, the thesis is structured as follows:

Chapter 1 contains the introduction to this thesis along with the aim and objectives of this study. The description of the entire research work is briefly introduced to provide the reader with an opportunity to appreciate the contents of the current study, the realm of literature covered and the research expectations

Chapter 2 sets out the study context. An over view of gambling is also presented. Explanations of harm in general also outlined in this section.

Chapter 3 elaborates on the theoretical framework of two co-existing marketing theories to a gambling context - SET and RM. The literature review also evaluates relationship developments and various definitions of the said constructs including different views regarding CRM in various business sectors as well as factors that influence implementation and their application in the gambling sector discussed and evaluated. Within this section, concepts and implications of the literature review in relation to customer understanding and experiences regarding loyalty programs are also outlined.

Chapter 4 provides the research methodology which underpins the present study. Academic literature is used to gather realms of concern for this study that provide the nature and choice of research methodology. This chapter also discusses how the philosophy of the research influenced the research strategy. The method of data collection (two focus group discussions and in-depth interviews) are concentrated on as the main methods for gathering information from research participants to provide basis for loyalty programs vis-à-vis RM and SET. Sampling procedures (snowballing and purposive) are considered along with the limitations which they present regarding the validity and reliability of the data collected. Within the methodology chapter, alternative methods are compared and contrasted against the proposed research design so as to arrive upon a clear justification for the qualitative approach for this research. In addition, potential ethical issues related to the current research are discussed. Furthermore, research aim, objectives, and questions are revisited to include interview questions.

Chapter 5 consists of the study findings, analysis and discussions from both focus group discussions and in-depth interviews. The results and implications of the focus group findings on loyalty programs are scrutinised in this section with the in-depth interview findings in contention under the uncovered overarching themes and sub themes. Within the chapter, the responses from research participants are gathered and evaluated considering the prevailing literature within the academic realm as well as industry. The findings are interspersed with verbatim quotes from participants in a bid to provide them with a voice. Deliberations about loyalty programs and the unintended consequences are also discussed. These are presented directly in this chapter to represent customer comments pertaining to loyalty programs and how participants perceive RM along with its implications linked to CRM reward systems.

Chapter 6 presents the conclusions, research contribution, recommendations derived from the study linking them to the research aim and objectives. This summary of the findings is contained within the conclusion and is the basis for the recommendations. Study limitations are also addressed in this section along with suggestions for possible future research. A brief self-reflection by the researcher is also presented. References and appendices conclude the thesis.

Chapter 2: THE PRESENT STUDY CONTEXT

2.1 INTRODUCTION

This chapter lays the contextual foundations upon which the remainder of the research will be built upon. As such, both gambling and the UK gambling sector will be examined in greater detail within the chapter before going on to explore gambling problems. The latter part of the chapter will also detail the challenges and critiques of problem gambling descriptions and, the purported harm that emanates generally from gambling. Finally, general discussions on the harm principle will be considered.

The present research focuses on the land-based gambling firms within the North West of England who engage in dyadic relational exchanges with their loyalty program members. It is important that the methodical dimensions of the current study accommodated an exploration of stakeholders' multiple perspectives of loyalty programs. Hence, this study seeks to understand the influence of customer CRM strategies among loyalty program members in the land-based gambling sector, which operate within the UK. CRM strategies are a customer management consequence of RM (Hunt, 1994; Meryl, 1999 cited in Wu & Lu, 2012). RM is in turn defined as the process of 'attracting and retaining' customers by means of 'cultivating and maintaining' relationships (Berry, 1983: p. 25). This definition tends to be particularly geared to multi-service organisations.

2.2 IMPORTANCE OF CARRYING OUT THIS STUDY

The purpose of this qualitative study is to explore the experiential meanings of individual customers enrolled in loyalty programs within the UK land-based gambling sector. One reason for choosing the land-based sector is that, customers in face-to-face interactions are unique because of the relational service element to transactions compared to online customers (Christopher, Payne & Ballantyne, 2002; Austrin & West, 2005; Kanagal, 2009; Han, Kim & Kim, 2011; Henderson, Beck & Palmatier, 2011; Oliver, 2014). Because of this interactional element, relationships between customer and frontline employees forthwith develop, which provides significant benefits to both the consumers and business. This contextual focus on individual customers stems from the prevalent literature that suggest customers registered in CRM programs are more loyal, exhibit

high forms of trust, and commitment (*see*, Jacoby & Chestnut, 1978; Morgan & Hunt, 1994; Grönroos, 1994; 1999; Cropanzano & Mitchell, 2005; Galitsky & De la Rosa, 2011; Zeithaml, Bitner & Gremler, 2013; Zakaria et al., 2014). Similarly, some researchers suggest that customers who are committed towards an entity (i.e., brand, service, store or vender) are more likely to exhibit high levels of loyalty (Bowen & Shoemaker, 1998; Evanschitzky et al., 2012). Therefore, it is important that the potential unintended consequences of loyalty programs are understood to enable an evaluation of future strategies. This is because the protraction of loyalty programs in the gambling sector can create inadvertent effects among loyalty program members. If left unexplored, this could have long-term ramifications for the government, policy makers and society in general.

That said, it is important to acknowledge the existence of studies done on the negative effects of loyalty programs within the marketing field. These include feeling of frustration, discomfort and regret as well as, exerted pressure (Stauss et al., 2005; Pez, Butori & Mimouni-Chaabane, 2017); points pressure (Taylor & Neslin, 2005, Kopalle et al., 2012), customer demotion (Wagner et al., 2009); unfairness, anger or resentment (Steinhoff & Palmatier, 2016); that they cause cognitive (knowledge), affective (emotional aspect of satisfaction) and conative (commitment) reactions to individuals (Leenheer et al., 2007; Huang & Chen, 2010; Henderson, Beck & Palmatier, 2011); and recently, the effects of loyalty programs in services industries (Berezan & Krishen, 2018; Ma, Li & Zhang, 2018; Yoo). The present study also acknowledges the existence of previous studies conducted on loyalty programs within the gambling sector, (e.g., Griffiths & Wood, 2008; Parke et al., 2014; Smith & Simpson, 2014; Wardle et al., 2014; Prentice & Wong, 2015; van Dyke, Jenner & Maddern; 2016; Wardle, 2016; Baloglu, Zhong & Tanford, 2017; Wohl, 2018).

Still, though such studies exist, Sheth (2017) upholds that as far as the service industry is concerned, despite the vast number of databases housing emotive dimensions relating to individual customers, *“customers are still numbers. We do not know who is behind the ID number.”* Rather, these databases fail to provide a robust and comprehensive picture into individual customers, their unique thoughts, feelings and attitudes towards companies and their offerings (p. 7). This line of thought is supported by Stiles (1993) who earlier, noted the contribution made by numbers and statistics. Interestingly however, he went on to state that *“their characterization of a person’s experiences is usually far more impoverished than are his or her words”* (p. 595).

It is also worth mentioning that some of these studies, particularly in the services industry, have also in part been criticised for frequently being “*poorly aligned, ... asking the wrong questions*” and using “*flawed methodology, with ensuing flawed findings that ran short of the promise to inform progressive public interest policy making*” (Hancock & Hanranhan, 2015: pp. 23-24). Likewise, Gummesson (2017) contributing to the criticisms claims that much of the research has followed marketing traditions of preferring a positivist-based inquiry, logical positivism, and empiricism for validation in RM and marketing research. This in turn has resulted in a uniform body of knowledge with little variation, ultimately failing to address the complexity associated with the topic in question; hence, “*...more deep-going ... research is necessary*” (p. 16). This knowledge or lack thereof, theoretically informs this research and foregrounds the data generation questions for focus group discussions and in-depth interviews.

Of note, in some of the mentioned studies, are other situational variables such as hedonic, economic or, social interactions in a gambling context seem understated. Given the nature of the gambling sector, further research is required to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement. Thus, based on the above revealed critiques, it is logical to claim existing studies about relational exchanges within RM seem to have a common method of bias, and in some cases, are epistemologically shallow. Another investigative method is required. Accordingly, the objective of this study is to offer, and contribute to, such a divergent review through an in-depth exploratory qualitative method.

Notwithstanding, the purpose of this inquiry is not to embark on a study that will make general empirical claims about participants. Rather, this research is a speculative exploration of loyalty program members, and how CRM constructs are accounted for in the UK land-based gambling context. This will be facilitated by drawing insights provided by both customers and employees within chosen gambling firms through focus group discussions and in-depth interview meetings. In addition, this study does not seek to provide a novel contribution to the gambling literature regarding the harmful consequences of gambling. Harms associated with gambling are well established and documented throughout literature (e.g., Parke & Griffiths, 2004; Stewart & Kushner, 2005; Williams, Royston & Hagen, 2005; Blaszczyński, 2013; Raisamo et al., 2014;

Wardle et al., 2014; Browne et al., 2016) and many others (*see*, chapter 2). In short, these harms and hazards are largely categorised as economical, psychological, social and emotional.

Accordingly, this study makes no audacious claims regarding the identification of previously unknown harms. Instead, the proposition outlined in this thesis is that, loyalty programs deployed and practiced within the UK land-based gambling sector serve to amplify this array of established harm and hazard. Furthermore, this amplification of harm is emphasised throughout this thesis with specific reference to research participants of this study. The aim thus, is to contribute new knowledge to the extant literature from a CRM's perspective.

With this in mind, as a means of addressing the underlying objectives of the thesis as well as to better understand the context in question, it is necessary to explore gambling in greater detail. In doing so, the reader will be able to gain a better understanding into both the study as well as the motivations behind the current research. Therefore, the forthcoming section provides a background to the investigation so as to provide some context to the research aims and the overall intended outcomes of the study.

2.3 GAMBLING - SETTING THE SCENE

Within the gaming and entertainment industry, gambling activities are largely operated using technology but perhaps with the view of significant future changes in the type of delivery mechanisms (Brindley, 2006; Arrow et al., 2008). This is also acknowledged by Austrin and West (2005: p. 307) who had foreseen the popularity of the gambling industry over a decade ago when they noted the upwards growth of the industry. This growth however was far from accidental or organic as the authors suggested that government and corporate interests served to push the industry further particularly in mainstream tourism and entertainment sectors. The latter in particular, have been instrumental in establishing gambling as a social, leisure activity which allows groups an escape from daily pressures with some gaming firms' strapline advertising to "*Bet to forget*" (Wood & Griffiths, 2007: Griffiths, 2016: p. 58; Hughes & Valentine, 2016; Mulkeen, Abdou & Parke, 2017; Carran, 2018).

To that end, gambling remains a common leisure activity across the world and for most people, is an activity with no undesirable consequences (May-Chahal et al., 2004; 2012; Gainsbury & Blaszczynski, 2012). The activity can be turned into a collective rather than an individual experience and this socialisation process provides customers with avenues that are considered as acceptable past time behaviours by society (Cassidy, 2012; Griffiths, 2016; Carran, 2018). In this respect, gambling tends to hold appeal for groups, be it family or friends who tend to organise gambling trips to casinos, betting shops, bingo halls and gaming arcades, all of which tend to be in nearby proximity of their homes.

Various studies also show that many people enjoy gambling and the associated activities in the venues where it takes place. Gambling venues are said to hold appeal because they provide amenities to people that might otherwise not have been available in their local environments (Thomas et al., 2011; Young, Markham & Doran, 2012; Welte et al., 2016). Additionally, venues are accessible, open for long hours and offer a pleasant and safe social environment. Furthermore, gambling venues, are appropriate for people on their own; they can provide a retreat from stresses and problems whilst acting as *“an oasis from problems without interruptions or distractions”* (Moore et al., 2011: p. 139). Thus, gambling venues create platforms for interaction where individuals contribute towards the social aspect of life within the community.

2.3.1 A Brief Synopsis of Gambling

In the opinion of Fleming (1978), and Munting (1996), when or where gambling originated remains uncertain since there is no specific area or time-period as gambling activities are practiced universally and, at different times. In Europe for instance, Ashton (1898: p. 36, cited in Munting, 1996) references to cards as the earliest known form of gambling, which dates back to 1278, although Parlett (1990: p. 35) claims traces of gambling as far back as 969 in China (Munting, 1996: p. 8). Peculiarly, the Stock Market has been speculated as a form of gambling. This apparently, is because the result on the Stock Market is *“uncertainty for importers, exporters, investors, savings and pensions funds”* (Ashton, 1898; Munting, 1996: p. 2). That alleged, research suggests gambling began around 200BC (gambling.net). In the UK land-based sector however, gambling has been in existence for nearly over 200 years. In the latter years of its presence, betting shops which came to be known colloquially as the bookies became widespread.

That said however, as a practice, gambling was not always welcomed nor viewed upon with much favour. This is exemplified by the introduction of the Street Betting Acts of 1853, 1874 and 1892 which brought an end to betting shops in the UK, signalling the demise of almost over 400 outlets in London alone, during the first half of the nineteenth century (Rock, The Guardian, 2001). Because of this Act, Rock (2001) claims that for almost a century, except at racecourses, the public in the UK was deprived of gambling with money in a betting shop. That is, before the 1960's, on-course gambling in the UK betting was mainly for the rich elite because they, apparently, could afford going to race courses whilst the disadvantaged resorted to illegal gambling on the back streets (Reith, 1999; Gordon House, 2016; UKBookmakers, n.d). However, this served to only create further incidences of criminal activities. Betting in illegal shops also continued.

Consequently, The Street Betting Act 1906 was later passed, which criminalised gambling in public (Gordon House, 2016). This Act however, proved ineffective and unworkable; policing illegal activities proved not only difficult but, ineffective too which led to the reinstatement of betting shops in 1961 (Cassidy, 2012). The 1961 Betting and Gaming Act forthwith, was enacted and *“legalised betting offices, moving gambling off the streets and into private, commercially run premises”* (Reith, 1999: p. 89). From thereon, the UK government licenced and supervised gambling; a step regarded by many as positive, as it subsequently made life easier, lifting the taboo around gambling, though government ruling placed limitations upon these establishments, which Rock (2001) claim were largely dingy by the regime ruling. Regardless, the 1961 Betting and Gaming Act declared that;

“licensed betting offices did not encourage loitering. The participants were expected to enter, place a bet, and leave with the alacrity and discretion of a Cabinet Minister visiting a bordello” (Rock, The Guardian, 2001).

There has since been a significant evolution to what gambling was then, when people were expected to enter and leave a betting shop soon after placing a bet, to how betting is viewed and practiced now. Indeed, such rich accounts are also just some of the reasons that contributed to the choice of exploring loyalty programs within the UK land-based gambling sector.

Interestingly also, within the UK gambling sector, previous laws that had failed to move with the times and technological changes that protect consumers were introduced in 2005 under the Gambling Commission (GC henceforth) and enforced in 2007, set up to regulate commercial gambling in partnership with local licensing authorities. The 2005 Act was enacted to: prevent gambling from being a source of crime or disorder, gambling being associated with crime or disorder or being used to support crime; that gambling is conducted in a fair and open way, and that children and other vulnerable people are protected from being harmed or exploited by gambling. The Gambling Act 2005 policy (GC, 2017; 2018) meant liberalisation and relaxation of rules allowing operating and advertising and, repositioned gambling in the society's mind making it a leisure time activity; taking on more of a liberal view of gambling activities, and not viewed as a vice or an exhibition of loose morals. It has remained the main legislation governing the practice and operations of gambling firms within the UK.

Aside from, the efforts of the enacted Act, the GC encountered high levels of criticism and pressure from the public and political groups regarding issues such as tax, licensing and the nature/tone of advertising. Due to the high level of opposition faced, The GC revised the 2005 Act and instituted the Gambling (Licence and Advertising) 2014 Act. The 2014 Act was implemented to ensure a tighter control on marketing activities and promotions for UK consumers.

The sections that follow, discusses the most common types of gambling activities as well as issues regarding gambling in general.

2.3.2 Types of Gambling

Gambling comprises of all legal forms of gaming and other kinds of wagering (wagering is another name for betting where a customer stakes something usually money on the outcome of a contest or any uncertain event or matter including racing and sports betting, lotteries, gaming machines, casino table games and keno) (GC, 2018). Authors, (Reith, 1999; Stevens & Young, 2010), assert two types of gambling primarily exist: Chance-Based – such as playing the lottery, roulette, bingo or gaming machines. Within this sort of gambling, the results are random, and consumers are unable to influence the outcome, therefore all players have an equal chance of winning. The second type called Skill-Based gambling (such as betting on races and playing poker or blackjack), the

chances of winning are not the same for all players and as the name suggests, mastery over the game is required. This statement assumes that though there can never be any certainty of the outcome, consumers' ability or skill can influence whether they win or lose. The two types of gambling are then further broken down into four main gambling activities grouped as lotteries and related products, machines/games, betting activities and other gambling activity (legal and illegal) (GC, 2017; 2018). Overall however, with gambling, the odds of winning are always in favour of the supplier (Blaszczynski et al., 1999; Livingstone et al., 2018). Table 2.1 provides some of the most popular types of gambling in general and although this is not an exhaustive list of gambling types, these were selected because they are widely embraced, popular and, they represent the diversity within theoretical conceptions of gambling.

Table 2.1: The Most Common Categories of Gambling

Bingo	Is played in a bingo parlour or bingo hall
Casino	In some studies, casino gambling includes slot machines and EGMs in casinos, sometimes, these are excluded.
Electronic Gaming Machines (EGMs)	Includes traditional slot machines and all other devices that resemble slot machines. Electronic gaming machines (EGMs) popularly referred to as the “ <i>crack cocaine of gambling</i> ” are based on random number generation where wins are generally represented by matched icons (Dowling, Smith & Thomas, 2005: p. 33; Snowdon, 2013: p. 6). The games are non-strategic, although players may control the stakes. Electronic gaming machines are argued to represent that form of gambling with the greatest addictive potency and capacity to cause harm and impaired control (Dowling, Smith & Thomas, 2005; Productivity Commission, 1999; 2010).
Horse betting and dog races	Considered as one of the oldest types of sport, horse racing consists two or more horses with a rider astride competing over a distance. In some competitions, horses pull a conveyance with a driver. Dog racing on the other hand, consist of greyhound racing and coursing in which dogs are raced around an enclosed track in pursuit of an electrically controlled and propelled mechanical hare (rabbit) as a lure (Association of British Bookmakers, n.d)
Internet gambling	All types of internet gambling including poker, casino, and sports betting. Online gaming is usually when someone using a computer connected to the internet to play an online game is managed by a server located far away from the player. Internet gambling is one of the easiest forms of gambling to hide from friends and family because it is played online. In this type of gambling, gamblers can shut the door and erase their internet files to hide any evidence that they have been gambling online (Productivity Commission, 1999; GC, 2018).
Instant lotteries/ Lotteries	Lotteries come in various forms, including national and local lotteries. Pools include: lotto, keno, instant lotteries (or scratches) and other number games. Lotto is played by choosing numbers in anticipation that those numbers by chance, will be drawn. Keno is a game where a player wagers chosen numbers hoping that will match any of the 20 numbers randomly selected from a group of 80 numbers via a computer system or a ball drawing device. It is an electronic form of bingo and is typically played in clubs, casinos and hotels (GC, 2018). Numbers “is the term used to capture virtual content and lotto style games such as 49’s” (Productivity Commission, 1999; May-Chahal et al., 2004; GC, 2016: p. 5).
Sports pools and Sports betting	‘This refers to a form of betting where contributions are made by a pool of individuals who bet on a particular outcome. The winning stake is taken from the pool contributed to by all those involved’ (GC, 2016: p. 5), usually football pools. In some studies, football pools are included in sports betting whilst others list sports pools separately (Productivity Commission, 1999; May-Chahal et al., 2004; GC, 2018).
Unregulated gambling	This broad category includes card games and betting with friends, illegal gambling at clubs, and betting with non-licensed bookmakers, as well as all other gambling, legal or illegal, in private and without the supervision of authorities (GC, 2018).

2.3.3 Gambling Sector within the UK: Outlining the Structure

As far as the British Betting Industry is concerned, current developments appear to echo those of Austin and West's (2005: p. 307) predictions as the industry has since grown considerably over the past few decades. So much so, that the industry itself contributes in excess of £2.3 billion towards GDP in the UK. Coupled with this is the number of jobs the industry is said to support as of 2011, the betting industry supported over 38,800 jobs. As such, betting shops are permanent fixtures on many UK high streets. These shops in turn serve over eight million customers a year (Association of British Bookmakers, n.d). As a result of this, it emerges that the UK gambling sector is an important part of the economy both in terms of its contribution to the economy through taxes, job creation, providing entertainment and, venues with at least half the population (43% of adults) participating in at least one type of gambling activity (Wirtz et al., 2013; GC, 2017).

In the UK alone, previous reports suggest that between 2015 – 2016, gambling generated £2.7 billion in tax revenue (Her Majesty's Revenue and Customs, 2016). As of March 2018, there were 11,143 licensed gambling operators offering different types of gambling activities and entertainment with the figures broken down as: 8,532 betting shops, 1,810 licensed arcades, 649 bingo premises and 152 casinos (GC, 2018). This data however, does not account for Unlicensed Family Entertainment Centres controlled by local governments. Additionally, there are said to be over 50,000 premises which are not licensed though gambling is permitted as control and oversight continues to be exercised by licensing authorities (GC, 2018: p. 4). Data also shows that the gross gambling yield (GGY) increased by approximately 0.7% between October 2016 and September 2017 compared with the previous year - the above figure equates to £13.9bn (GC, 2018: p. 4). Furthermore, compared to remote gambling (online), which is the largest sector in terms of GGY (35.2% of the overall market with £4.9bn), land-based gambling is the second largest sector by GGY (resulting from gamblers' losses) (£3.3bn) (GC, 2018).

In terms of employment and wages, the GC (2018) states that there are 106,366 full or part-time employees in the UK gambling sectors it regulates, which is approximately 0.34% of total employment in the whole economy. "*A further 6,000 were employed by gaming machine suppliers*" (Forrest, 2013: p. 4) and 3,000 classed as others. Statistical evidence also suggests that employees in gambling venues on average earn more than those who work in venues without gambling, with an average premium of around 25% (GC, 2016). Regarding betting

shops (land-based), the main players within the UK gambling sector are mainly: Bet Fred, William Hill, Ladbrokes, Coral and Paddy Power. These top five have become more and more prominent on the UK high streets. Other smaller independent betting companies such as David Pluck, Jennings Bet, Stan James and Lewis Bet plus others within the last few decades have also become household names. The GC 2016; 2018 reports offer more insights into the number of gambling venues and participation in gambling activities in England and Scotland (see appendix 2, p. 332). Consequently, the next section discusses gambling and the potential harm in relation to loyalty programs.

2.3.4 Gambling Characterisations

Definitions take on various forms where gambling is concerned, all of which possess an unquestionable similarity in the themes. Among the list, descriptions of gambling found include the ones in Table 2.2.

Table 2.2: The most Common Gambling Definitions

Definitions	Perspectives
“gambling consists of an agreement between parties with respect to an unascertained outcome that, depending on the outcome, there will be a redistribution of advantage (usually but not always monetary) among those parties” (PP RC 1978:448 cited in Munting, 1996: p. 3)	Economic/ Social
“the betting or wagering of valuables on events of uncertain outcome” (Devereux, 1979 quoted in Smith & Wynne, 2002: p. 17)	Situated
“the act of staking money or some other item of value on the outcome of an event determined by chance” (Blaszczynsk et al., 1999: p. 4);	Psychological
“wagering money or other belongings on chance activities or events with random or uncertain outcomes” (Devereux, 1979 quoted in NRC, 1999: p. 16)	Social/ Behavioural
“staking money on uncertain events driven by chance” (Productivity Commission, 1999: p. 6)	Situated
“the exchange of property (usually money but sometimes other property including slaves, ears and fingers) on the outcome of an event largely, if not solely, determined by chance” (Allcock, 2000: p. 253)	Psychological
“staking of money on the outcome of games or events involving chance or skill” (Slade & McConville, 2003: p. 2 quoted in Neal, Delfabbro & O’Neil, 2005: p. 4).	Historical/ Economic
“gambling involves wagering an item of value on an outcome that is governed by chance, and encompasses a wide range of commercial activities, including lotteries, electronic gaming machines, casino games, racing and sports-betting” (Rickwood et al., 2010: p. iii)	Psychological

Thus, four inherent assumptions emerge within the definitions of gambling:

- “(1) an element of risk is involved;*
- (2) someone wins and someone loses money, property or some other items of value change hands;*
- (3) at least two parties must be involved in the activity-a person cannot gamble against him/herself; and*
- (4) gambling is a conscious, deliberate, and voluntary activity”*
(Smith & Wynne, 2002: p. 17).

Contributing to gambling descriptions, Thompson (2015) adds a crucial portrayal to the concept: *“the essence of gambling is economics - gambling involves money. Money is put at risk, and money is won or lost”* (p. 633). Rickwood et al. (2010) furthermore claim that all practices of commercial gambling favour the suppliers compared to the returns of the players.

What is being generally acknowledged in the above explanations hence, is that for the most part, gambling has an economic meaning and usually refers to taking risks on valuables, on a game of chance. For NRC (1999: pp. 16-17), herein lays the central appeal or purpose of gambling, mainly the ever-present risk taking that is attached to the experience, which Vasvári (2015) purports tends to be affirmed by positive emotional experiences. Here, risk essentially emerges as a choice as opposed to an eventual fate.

2.3.5 Contextual Gambling Literature

Although often viewed as a vice or immoral activity similarly to tobacco, alcohol and drugs (McMillen, 1996; Orford et al., 2004; Banks, 2017), gambling, is a prevalent form of entertainment in many parts of the world. Gambling behaviours of mainly adults and adolescents are well studied (*see*, Wickwire et al., 2007; Rickwood et al., 2010; Wong & Tsang, 2012). In the UK, the Gambling Act 2005 removed legal restrictions and encouraged the proliferation of assured forms of gambling (GC, 2005; 2018). The Act placed new autonomies for gambling suppliers and consumers, shifting from a view of gambling as an issue of crime control towards viewing gambling as a largely unproblematic, acceptable and legitimate leisure activity (*see*, Reith, 2006; Orford et al., 2009; Griffiths, 2010; Productivity Commission 2010). Gambling for that reason has become a widely accepted popular leisure activity and a common feature of charity and fund-raising events (May-Chahal et al., 2004; 2012; Gainsbury & Blaszczynski, 2012; GC, 2018).

Gambling studies conducted in Europe (e.g., Fröberg, 2006; Kristiansen & Jensen, 2014), Australia (Delfabbro et al., 2011), USA and Canada (Jacobs, 2000) also provide evidence that gambling is a common activity among young people with popularity rates ranging from 60 to 90% depending on the country and study approach. The Productivity Commission (2010) also reports that adult participation in different parts of the world for example of Australia between 1999 and 2009 were 69-86% while in the USA, 82% of respondents aged 18 years and above admitted in a national survey to have participated in gambling activities in the previous year (Wardle et al., 2011). Other studies (Welte et al., 2002; Productivity Commission 2010;

Christensen et al. 2014; Gainsbury et al., 2015) cited by Jackson et al. (2016: p. 802) similarly reveal an increase in gambling participation due to the relaxation of gambling regulation and technological advancements in gaming (*see*, appendix 3, p. 333). Consequently, most of gambling is social or recreational, though some people, do make a living as professional gamblers (Rickwood et al., 2010).

In the same vein, there is an instant complexity with the thought that gambling is a relaxing pastime activity with no adverse concerns. As established by Ladouceur (2004), some are prone to gambling based addictions and disorders whereby they are left feeling compelled to wager money. Gambling based addictions/disorder can be highly disruptive and carries with it, terrible consequences. Other writers, (*see*, Volberg et al., 2010, Young, Markham & Doran, 2012; Forrest, 2013; Browne et al., 2016) also provide similar reservations, highlighting issues such as losses of large sums of money by those who gamble in addition to personal, familial, occupational, and social problems that gambling can create to a society. Harm, apparently, emanating from one individual gambler can affect between seven to ten other people close to them (e.g., family, friends, work colleagues, community) (The Productivity Commission, 2010).

Besides, whilst gambling is considered and accepted as a leisure activity, the ease of availability, ease of access and normalisation of gambling appears to have created debates and concerns among many scholars. For example, some studies associate ease of access with compulsive gambling behaviours, arguing that business models which allow for instant gambling opportunities present unbridling temptation for those who may be susceptible to addictive and compulsive behaviours (Collins & Barr, 2006: p. 5; Lamont, Hing & Gainsbury, 2011). Research findings (*see*, Commission 1999 in Australia, Great Britain and the United States; Volberg et al., 2010, Young, Markham & Doran, 2012), are also generally consistent with the view that increased availability of gambling opportunities lead to more gambling and problem gambling. In their studies, they highlight the poor, and less educated (Productivity Commission, 2010; Hing et al., 2016; Welte et al., 2016), the elderly (McNeilly & Burke, 2000; Monaghan & Derevensky, 2008), and individuals from certain ethnic groups (Loo, Raylu & Oei, 2008; Yen & Wu, 2013; Hughes & Valentine, 2016) as being more vulnerable and susceptible to developing gambling problems. Other groups include include the youth (Raisamo et al., 2014; Wardle, 2015; Hughes & Valentine, 2016), minorities such as indigenous populations (Hing et al., 2014; Wardle et al., 2014) and, people with pre-existing mental health

conditions (Wardle, 2015; Browne et al., 2016) as groups that are more likely to participate in gambling activities and considered a key at risk group.

Gambling can equally be linked to alcoholism, prostitution, drugs, addiction and other types of crime (*see*, Parke & Griffiths, 2004; Stewart & Kushner, 2005; Williams, Royston & Hagen, 2005; Browne et al., 2016; GC, 2018). Contributing to this viewpoint, Collins and Lapsley (2003) consider other detriments brought about by gambling as being twofold: private and social costs. Private costs are those which are shouldered by the participating individual(s), who it is assumed underwent rationale consideration prior to partaking in gambling activities. On the other hand, social costs relate to the social effects of such an activity which is often involuntarily imposed upon the rest of society.

That considered, the difficulty however of accepting such interpretations in the context of this study for example would be distinguishing costs accepted by the consumer (private costs) (e.g., money, time, emotions) from those endured by society (social costs) (e.g., committing public resources) (Leisure, 1998 cited in Thompson & Schwer, 2005). It is more difficult perhaps partly because, with the former, the individual is willing to enrol into loyalty programs (private costs) and pay for the gambling experience (*free will*) (Burrell & Morgan, 2003; Toddington & Beyleveld, 2006; Palmatier et al., 2009; Carran, 2018) whereas the latter, society, is not (social costs). Besides, it can also be argued that loyalty programs patrons within the gambling sector are members of the society too; therefore, the costs they incur are inherently part of social costs. Further, the other main argument here, as aptly posited by Collins and Lapsley (2003) is that, if these costs are to be accepted by gambling consumers, then they have the right to be informed fully in addition to being able to bear any costs that their gambling activities may bring about. As such, one cannot simply assume that gamblers are rational, and that all resulting costs will likely be private costs as opposed to social costs. In the same breath, some authors might argue that with self-exclusions in place within gambling venues, bettors are given opportunities to aid them to act rationally (e.g., Mulkeen, Abdou & Parke, 2017; Pickering, Blaszczynski & Gainsbury, 2018). Self-exclusions are initiatives:

“in which an individual enters into an agreement with a gambling operator for a predetermined period to deny that individual access to a venue and to be removed if detected there. This agreement, which typically lasts between 6 months and life, places responsibility on the individual to refrain from entering nominated sites” (Pickering, Blaszczynski & Gainsbury, 2018: p. 129).

2.3.6 Gambling Problems

Gambling problems though claimed not to be a very common issue are assumed to result from gamblers spending time or money beyond that which they can afford (Neal, Delfabbro & O'Neil, 2005; Thompson & Schwer, 2005; Blaszczynski, 2013). For Blaszczynski and Nower (2002), gambling problems are those which result from the act of gambling or gambling behaviour in general that leads to impediments and 'difficulty' in daily life (p. 488). For other authors (*see*, NRC, 1999; Productivity Commission, 1999; 2010; Jackson et al., 2016), some of the most probable excessive gambling and gambling problems include bankruptcy, elevated rates of depression and suicide, anxiety, substance use and, criminal offences as theft.

In a previous comparative study, Thompson et al. (2007) refer to a study conducted almost two decades prior by Lesieur and Blume (1987) measured by the South Oaks Gambling Screen, (SOGS) (SOGS is a tool widely accepted in the gambling research community). In their study, they reveal how gambling activities caused severe harms to early Native American societies. Thompson also discusses one other study by Southern Nevada compulsive gamblers conducted in 2005 which similarly highlights the social costs of gambling problem. Comparatively, gambling costs found in that study also included issues such as lost work-time, loss of employment due to gambling, high levels of hospitalisation because of health problems related to gambling, gamblers stealing property because of gambling not counting planned suicides and attempted suicides.

To add, Gupta and Derevensky (2000: p. 316) estimate that problem or pathological gambling rates amongst adolescents range from 4% to 8% whilst another 10% to 15% of adolescents are reportedly at risk of developing problem gambling behaviour. Griffiths (2009) and Stucki and Rihs-Middel (2007) meanwhile estimate around 0.5 - 1.0% of adults have serious gambling problems while 1.5 - 2.0% have minor problems. These are also consistently found in both clinical and general population studies. Consequently, many authors (e.g., Productivity Commission, 1999, 2010; Blaszczynski, 2013; Forrest, 2013; Snowdon, 2013; Browne et al., 2016) reveal that gambling can cause harm to both the consumer and those individuals close to them. As other studies have also shown, gambling-related costs can affect up to seven other people around or close to the gambler (Walker & Barnett, 1999; Neal, Delfabbro & O'Neil, 2005; Thompson & Schwer, 2005; Blaszczynski, 2013; Productivity Commission, 2010; Wardle, 2015; Walker & Sobel, 2016). Thus, supporting the view that a person does not need to be a gambler to experience harm; harm can stretch "*to as many as seven people who have*

contact with the gambler” (Neal, Delfabbro & O’Neil, 2005; Blaszczynski, 2013; Productivity Commission, 2010 cited in Delfabbro, 2013: p. 36). Forrest (2013), also suggests that very little effort has been made to explore the actual consequences, both unintended and otherwise, of restrictions placed on gambling. The author goes on to question the decision-making processes and the extent to which it fails to account for those consumers who fall victim to dangerous levels of consumptions and destructive patterns. For summaries of different types of gambling related harm (*see*, Table 2.3).

Gambling consequently, has been acknowledged as a potentially harmful activity from the earliest days of evolution and as dubbed by Thompson (2015) who noted that *“the fate of mankind was tied to Eve’s wager that picking the forbidden apple in the garden of Eden was a good bet that could be labelled as an act of excessive, impulsive, and reckless gambling”* (p. 633). Thompson claims that although mankind survived the problematic act, it however came at a cost; both socially and economically. Thompson furthermore suggests that there is a cost side to the gambling equation too. Earlier, Samuelson (1970) went as far as to deride gambling, suggesting that it held little value to society and the economy as a whole gambling served as it mainly facilitated the ‘sterile transfer of goods and money between individuals.’ From an economic perspective, the author argues that this is a defunct practice as it fails to generate value, nor does it create anything new. Further trade-offs for Samuelson relate to the fact that gambling is both time and resource intensive and ultimately serves to ‘kill’ one’s income if pursued beyond recreation (p. 402).

Blaszczynski and Nower’s (2002) earlier definition overall, is thought provoking in the fact that it takes into consideration the word difficulty. Of interest, for present purposes, this study will use the aforementioned definition specifically because of its characterisation of gambling problems. Since the aim of this study is to explore whether any harm comes about because of using CRM strategies in a gambling setting, some program members may thus experience some difficulty because of loyalty programs usage. Thus, causing detriment. This is particularly important because, inherently, the design of a loyalty program irrespective of the business context it’s deployed in, the principle is the same; and that, is to reward the behaviour, attitude and loyalty of consumers (Henderson, Beck & Palmatier, 2011; Tanford, Raab & Kim, 2011; Beck, Chapman & Palmatier, 2015; Berezan et al., 2015; Lacey, 2015; Solarová, 2015). Hence, it would mean that any type of harm eventuating from loyalty programs does not correspond to the principle of mutualism (RM) (Grönroos, 1994), and reciprocity (SET) (Gouldner 1960),

whereby both parties are meant to provide benefits to, and gain from, each other. In light of the aforementioned, it is important to describe problem gambling and behaviour briefly.

2.3.7 Problem Gambling

Neal, Delfabbro and O'Neil (2005) state that, when definitions about an issue occur, writers tend to explain the phenomenon in different ways or in the way that they understand it best. They hence profess that it is impossible to find an acceptable universal definition of problem gambling that would suite all stakeholders due to the fact that there are different writers with dissimilar schools of thought, as well as, a multi-disciplinary interest in the phenomena of gambling. The same authors claim that there is unquestionably a resistance to a medical or pathological approach to problem gambling. Neal, Delfabbro and O'Neil therefore assert that, within gambling studies in particular, definitions should not be taken at face value; definitions in this context have to be developed with a degree of consciousness given that they shape perceptions of issues as well as the ways in which these issues are measured and evaluated.

Nonetheless, a broadly acknowledged definition of problem gambling is that coined by Rosenthal (1992). Rosenthal defines problem gambling as:

“a progressive disorder characterized by a continuous or periodic loss of control over gambling; a preoccupation with gambling and with obtaining money with which to gamble; irrational thinking; and a continuation of the behaviour despite adverse consequences (pp. 72-73).”

In differing with this perspective, other authors define problem gambling in terms of a continuum, harm and other broader social impacts referring to it as:

“the situation when a person’s gambling activity gives rise to harm to the individual player, and/or to his or her family, and may extend into the community” (Dickerson et al., 1997: p. 106 cited in Neal, Delfabbro & O'Neil, 2005: p. 26).

Smith and Wynne (2002: p. 45) add to the gamut of views by associating problem gambling to betting that is beyond one’s means. The authors remain unwavering in their belief that problems arise when individuals exceed their limits, be it financial, time or assets. Often, individuals may not have enough to continue and resort to selling assets or borrowing in order to further satiate their appetite for gambling. These efforts are often accompanied by secrecy, another mainstay of addiction incidentally; as those who fall prey to gambling problems tend to lie, hide evidence

and steal in a bid to access funds to gamble. This can also result in committing illegal acts in some cases.

From these cited definitions, it appears problem gambling remains a highly controversial topic without a clear consensus among writers and medics. What's more, the commonality of problem gambling meanings lies within its dependence upon subjectivity. Yet still, what is of value is that the definitions are useful in general because they all acknowledge and identify problem behaviour that is linked to gambling activities. In addition, the definitions establish the negative effects of that behaviour to the individual gambler, their family and society. This is succinctly reflected by The Queensland Government Treasury (2002: p. 3), who refer to the social ramifications of gambling, citing the impact this can have on the safety and wellbeing of gambling consumers, their friends and families. These groups tend to be placed at risk whilst the community as a whole can also be impacted negatively. Breen, Buultjens and Hing (2003) however, caution that it is important to separate harmful gambling or problem gambling from recreational gambling status because these variations have an influence on solutions provided to overcome the problem.

2.3.8 Critique of problem gambling definitions

However, there are strong contentions with problem gambling definitions especially with those that use either the continuum or harm-based descriptions. Firstly, it has been noted by opponents (*see*, Abbott & Volberg, 1999; Neal, Delfabbro & O'Neil, 2005; Reith, 2006; Rickwood et al., 2010) that problem gambling descriptions that include the harm-based approach lack precision, in return making it difficult to operationalise. Seemingly, such studies (the harm descriptions) tend to use subjective measures; are inadequate for measurement and are more prone to duplication and exploration. Another noted argument is that harm descriptions cannot be used to study unique characteristics but instead, can only support "*limited measures in assessing the assistance required by individual gamblers from a public policy planning perspective*" (Neal, Delfabbro & O'Neil, 2005: p. viii).

On the contrary, some proponents (*see*, The Queensland Government Treasury, 2002; Neal, Delfabbro & O'Neil, 2005; Currie et al., 2009; Browne et al., 2016) offer strong support for the term harm to be incorporated into the definitions. They claim that the term harm distinguishes social gambling from problem gambling. Promoters contend the term harm can also be referenced both to individual behaviours and to the impacts on others within society (Neal,

Delfabbro & O'Neil, 2005; Browne et al., 2016) and, that harm-based definitions can also be useful from the perspectives of service providers as well as for monitoring service usage (Ferris, Wynne & Single, 1999; Browne et al., 2016).

Then again, the continuum explanation is also condemned by critics who claim that it can lead to problems for judgement, objective measurement, research and replication, with difficulties in terms of providing sound foundations for planning public policy (e.g., Dickerson, 1991). In the same breath, continuum descriptions are considered important because they include a broad enough explanation that covers all those who could be identified as having a gambling problem (Orford, 1985). A continuum approach is also considered significant because it not only focuses more on the adverse consequences rather than underlying pathology, but also takes into consideration other contributing variables such cultural, social and environmental factors which can become useful for intervention from the standpoint of service providers (Orford, 1985).

It is however worthy to note from the descriptions that problem gambling, despite being considered a less severe form of disorder, focuses primarily on the harms associated with gambling behaviour either explicitly or implicitly rather than problematic gambling itself. To consider these arguments in greater detail, an understanding of gambling-related harm is required and discussed next.

2.3.9 Gambling-Related Harm

Gainsbury and Blaszczynski (2012) point out that theoretically, any form of gambling (disregarding minor indulging activities such as playing lotteries) can be considered to have the potential to cause harm. Notable definitions such as those presented by The Queensland Government Treasury's (2002: p. 3) similarly describe harm as a '*range of adverse consequences*', in which '*the safety or wellbeing of gambling consumers or their family or friends are placed at risk*' and/or negative impacts extending to the broader community. At a community level, gambling-related harm includes "*hospitalisation and treatment, global economic costs from bankruptcy or bad credit, increased crime rates*" (Currie et al., 2009: p. 20). The New Zealand Gambling Act 2003 definition on the other hand is expansive: "*any kind of harm or distress arising from, or caused or exacerbated by, a person's gambling*" (pp. 15-16). Hence, gambling-related harm refer to any noteworthy harmful consequences in terms of either time or money, which result from gambling more than what the consumer can afford

(Neal, Delfabbro & O'Neil, 2005; Blaszczynski, 2013; Canale, Vieno & Griffiths, 2016; Browne et al., 2016, Carran, 2018).

In the UK alone, gambling related harm is purported to cost the public between £260 million and £1.16 billion across different service providers (e.g., The National Health Service (NHS), local government, housing, prison custodial, and through lack of productivity due to joblessness) (Thorley et al., 2016: p. 5, cited in Manthorpe Bramley & Norrie, 2017: p. 336). These figures apparently, do not include harm generated from online gambling because this usually requires self-reporting. Although this may be true, in the opinion of Browne et al. (2016) however, when it comes to discussing gambling-related harm, it is not possible to be exhaustive since this tends to be extensive and wide-ranging. For that reason, they assert different attributes are required for generating a classification for taxonomy as presented in Table 2.3.

Table 2.3: Gambling-related harm

Type	Author	Descriptions
Personal harm	The Productivity Commission, 1999; Australia, 2005: p. 42; Wardle, Parke and Excell; 2014.	“Difficulties in controlling expenditure, anxiety, depression, thoughts of suicide or attempted suicide, use of gambling as an escape from boredom, stress or depression; thinking about gambling for much of the time; and giving up formerly important social or recreational activities in order to gamble”.
Social harm	Leisure 1998 quoted in Thompson and Schwer, 2005: pp. 66-67; O’Neil, 2005; Blaszczyński 2013; Wardle, Parke and Excell, 2014; Browne et al., 2016.	“The gambler will borrow from close associates; the gambler very likely will also steal. When the associates can't pick up the pieces, the entire society may have to pay for welfare, for treatment costs, for police service, for jails and prisons”.
Financial harm	Productivity Commission, 1999; Australia, 2005: p. 43 The Delfabbro, O’Neil, 2005; Blaszczyński 2013; Wardle, Parke & Excell, 2014.	“Effects, such as large debts, unpaid borrowings, and financial hardship for the individual or family members (either in the present, in the case of high gambling commitments out of current earnings, or in the future, in the case of assets that are liquidated to finance gambling)”.
Vocational harm	Dickerson et al., 1997: pp. 106-107; Productivity Commission 2010; Lamont, Hing and Gainsbury, 2011; Browne et al., 2016.	“Participation in gambling activities is associated with lost productivity, absenteeism or job loss”.
Legal harm	The Productivity Commission, 1999; Australia, 2005: p. 43.	“Legal problems, such as misappropriation of money, passing bad cheques, and criminal behaviour due to gambling”.

Importantly, although the above definitions do not necessarily allude to the mechanism by which harm occurs, it is noted that the strengths in the descriptions is in terms of its negative effects on an individual, family unit, community or population, encapsulating several of the features generally arising from a repetition of gambling behaviour despite its adverse consequences. It is also reasonable to conclude that all the above harm definitions provide vital insight signifying, ‘*gambling can exacerbate, as well as generate harm*’ (Browne et al., 2016: p. 5). This assertion further suggests that gambling harms often do not come about in isolation.

Thus, grounding on the literature, gambling-related harm though debated for many decades now and widely known to impact individuals, families, and communities, there still seems to be a lack of a solid let alone an all-encompassing internationally agreed upon definition although, it

is important to admit that research shows some commonality plus “*consistent patterns*” in terms of “*interpretation*” in the understanding of gambling harm (Browne et al., 2016: p. 4). Consequently, Mill’s (1962) Harm Principle in relation to gambling is discussed in the section that follows. The section also presents the development of assumptions pertaining to the impact of CRM implementation on customer experiences stemming from Loyalty Card Programs (herein referred to as loyalty programs).

2.3.10 The Harm Principle

Gambling literature has been inundated with various studies on gambling problems and problem gambling (Rosenthal, 1992; Blaszczynski & Nower, 2002; Binde, 2014; Griffiths, 2016). Yet still, although gambling to a certain extent is purported to cause harm to some individuals and, is also linked to alcoholism, prostitution, drugs, addiction, and other types of issues, it is not considered a harmful activity by policy makers. For that reason, the Harm principle is used in victimless crimes such as gambling, drug use and prostitution as an argument to support decriminalisation of individuals who partake in such contentious activities. Such acts that are legally a crime but seem to have no victims are upheld by Mill (1962) who argue that the use of power against a member of civilised society, is only permitted when it is done to prevent harm from reaching others. Mill (1962) referred to in Ripstein (2006), argues that one’s autonomy and independence are to be respected at all times; however, the only time an exception is to be made is when individual’s actions concern others. Beyond this, an individual retains full sovereignty “*over himself, over his body and mind*” (p. 215).

Undeniably, Holtug (2002), a well-known critic of the harm principle, has contended the works of Mill (1962), by pointing out some limitations. Firstly, Holtug holds that there is a lack of specification of the concept of harm, which gives a plausible version of the Harm Principle. Secondly, he suggests that policy makers cannot prevent harm when it coerces an individual but can only reduce risk where there is a probability that harm will occur. Thirdly, that there is a lack of clarity surrounding the definition of individuals who can suffer from harm who would need to be protected under the harm principle. A further drawback of harm theory is its acceptance by many other scholars within the gambling fraternity (e.g., The Queensland Government Treasury, 2002; Hancock, Schellinck & Schrans, 2008; Browne et al., 2016), in that, this theoretical fragmentation is specially related to the complex, multi-layered, and dynamic character of the gambling phenomena.

Holtug's (2002) argument is likewise upheld by other authors who adopt the harm concept to evaluate the extent of harm in the whole of the harm chain in their work. That is, those 'entities' who are harmed, along with those who can minimise harm throughout "*preproduction, production, consumption and post-consumption as well as the relevant institutional forces that shape those harms*" (Polonsky, Carlson & Fry, 2003; p. 8; Carrigan, Moraes & McEachern, 2013; p. 1286; Carrigan et al., 2017). In the current study context for example, it could be argued that the Government and GC 'regulate harm'; conceivably, those "*being harmed*" are loyalty program members and those purportedly "*causing harm*" are gambling firms via loyalty programs (Polonsky, Carlson & Fry, 2003: p. 358). Other authors (*see*, Mulkeen, 2013: p. 4; Hancock & Smith, 2017), correspondingly place the onus of responsibility on both gamblers and gambling providers, adding that they both must endeavour to ensure that their actions do not cause harm to others. Under this particular framework, both parties are expected to exercise a degree of responsibility to ensure that they are aware of any consequences, in particular those which may be negative.

2.3.10.1 Contextualising the Harm Principle

In the above definitions, harm is being denoted broadly and non-specific. It is also interesting to note that Mill's (1962) assert that everyone is more profoundly concerned in his own welfare than is anyone else. As the backdrop of this study however, without specificity, a problematic issue with Mill's views could be that if any type of harm exists, the Harm Principle would not protect those harmed or, those who are in harms' way without stripping off the perpetrator's liberty. In addition, in concentrating on the evidence of harmful behaviours, it appears the writers perhaps neglect exploring the real rationalisations of whom, how, or why in some scenarios (for example, in the context of this study), harm essentially manifests. Perhaps, a way to negate this is by involving loyalty program members in the study to explore meanings from their own world held view (Kvale, 1996). Besides, harm means injuring someone or harming someone's interests, regardless of severity or impact. Hence, the researcher of the current study attempts to deliberate upon the potential harm that loyalty programs could be creating.

2.3.11 Summary of Chapter Two

In this section of the thesis, gambling has been described as risking something of value based on a game of chance. Explanations of gambling have also been described, generating knowledge and understanding and, highlighting the effects that gambling generally has on consumers indicating that much has been illustrated prior to this study. This chapter has also

discussed different customer segments that have been identified to be more at risk from gambling activities than others. From a social constructive perspective, and through the extant literature, relations between availability, accessibility and normalisation of gambling activities and gambling harm explained. At the same time, gambling has also been explained as, a leisure activity enjoyed by many people around the world with most players experiencing no problems.

Chapter 3: LITERATURE REVIEW

3.1 INTRODUCTION

This chapter aims to explain and apply social exchange and relationship marketing theories holistically for the purposes of addressing the research objectives outlined within the introductory chapter. In order to establish the theoretical basis of the research as well as contribute towards the exploration of the research objectives, the literature review chapter explores three dominant themes relating to the research aim: SET, RM and CRM. Whilst CRM strategies (in terms of loyalty programs) is the academic subject area of this particular research study, the scope of this literature review is expanded to include research that examines the dominant themes of the underlying objectives of this study as shown in Figure 3.1.

Primarily, the exchange relationship by way of loyalty card programs (LCPs hereafter) was worth exploring because gambling in general has in most cases been associated with problem gambling and gambling problems, addiction and other negatives consequences (Parke & Griffiths, 2004; The Productivity Commission, 2010; Browne et al., 2016). LCPs on the other hand, “hailed as examples of Relationship Marketing in action” (Palmer, 1994, Gilbert, 1996; Grönroos, 1996, cited in Hart et al., 1999: p. 542; Tzokas & Saren, 2004), “that motivates customers to engage in relational exchanges and cultivate lifetime relationships with businesses” (Lee, Tsang & Pan, 2015; Xie & Chen, 2013, 2014 cited in Tanford, Hwang & Baloglu, 2018: p. 108) are purposely designed to reward consumer purchasing behaviours and build long term relationships for mutual benefits. For these reasons, loyalty programs should be designed with an ethical perspective and practiced with an underlying assumption of a relational ‘win-win’ approach where value is jointly created between the parties involved (Gummesson, 1997: p. 267; Morgan & Hunt, 1994; Bull & Adam, 2011; Lovelock & Wirtz, 2011; Gummesson & Grönroos, 2012); not solely behaviourism per se (Skinner, 1953).

The section in addition, attempts to present as well as critically analyse various studies conducted by other researchers on the subject of SET and RM in general, which will provide a backdrop for the empirical investigations to be undertaken. Consequently, literature is divided into two main parts: a theoretical framework and empirical studies.

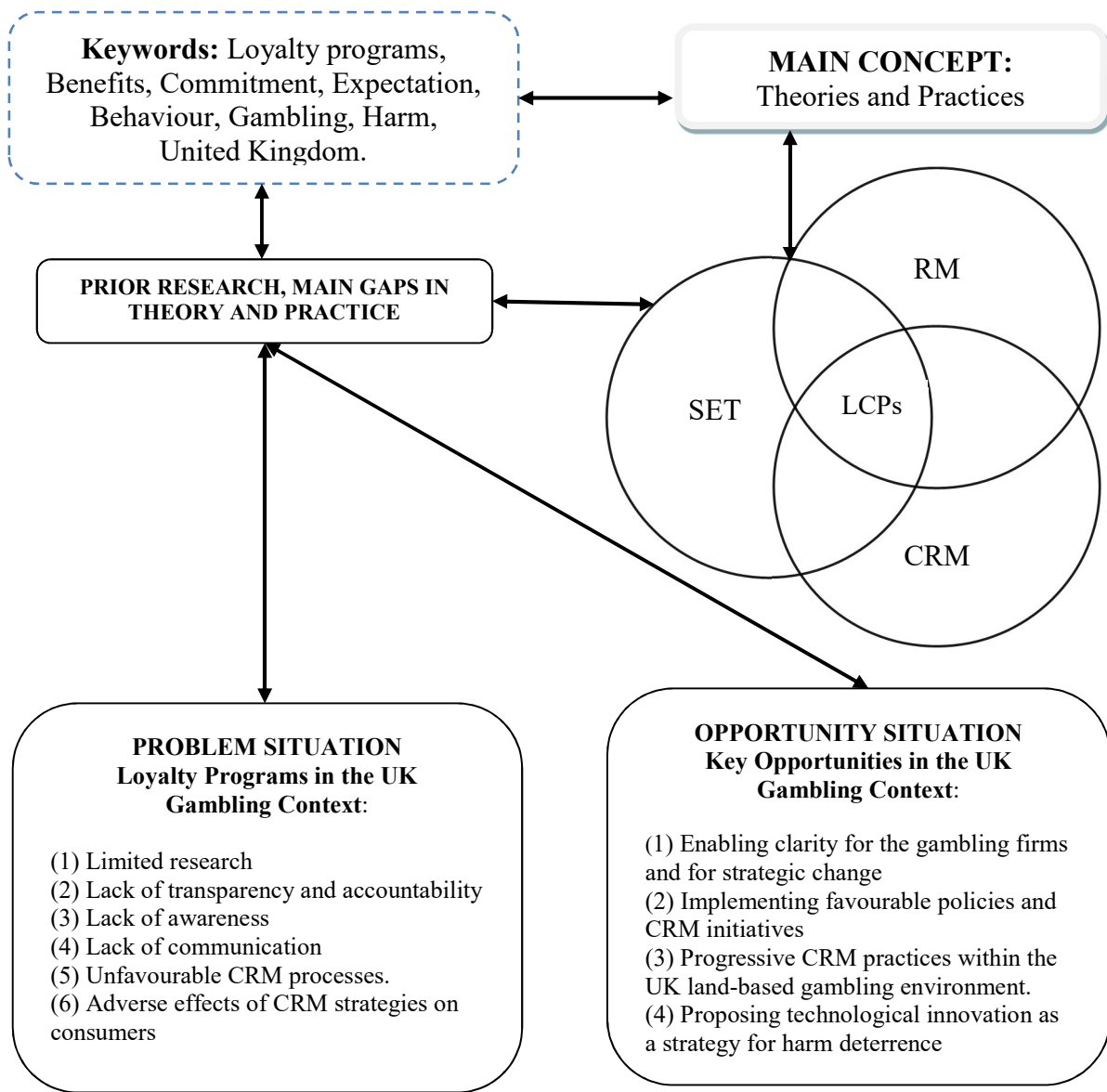


Figure 3.1: Literature Review Framework

3.2 THEORETICAL FRAMEWORK AND PERSPECTIVES

Interestingly, SET has been applied to many scenarios including but not limited to: organisational management, consumer buying decisions, television viewing, politics, ecology, tourism, marriage and, decisions to establish, accomplish or, terminate dyadic relationships (e.g., Lawler & Thye, 1999; Sprecher, 2001; Nunkoo, 2016; Sabatelli, Lee & Ripoll-Núñez, 2018). RM on the other hand, has been extensively used in various marketing studies including banks, airline and many other off and online service industries (e.g., O’Loughlin, Szmigin & Turnbull, 2004; Martín, Román & Espino, 2011; Verma, Sharma & Sheth, 2016). Although this may be true, based on an extensive interrogation of the literature, there is little evidence to

indicate that SET and RM theory have been applied in tandem to the UK land-based gambling context. For this reason, both frameworks guide the current study albeit presented in separate sections of this chapter.

It is however important to highlight a few other theories considered for this current study. For example, Theory of Planned Behaviour (TPB) (Ajzen, 1991) concerned with individual motivational factors as determinants of the likelihood of performing a specific behaviour; Theory of Reasoned Action (TRA) which implicitly places emphasis on cognitive construct assuming that human beings are rational and will acknowledge all available information implicitly or explicitly (Ajzen & Fishbein, 1980); Theory of Trying that asserts that goal attainment is determined by a process of trying (Bagozzi & Warshaw, 1990), and Skinner's Behaviourism Theory (1953) which explains the contingency by saying that a stimulus is the occasion upon which a response is followed by reinforcement.

In the context of this study however, the aforesaid models proved problematic because although they all share many commonalities of embracing the conceptualisation of behaviour advocates (since more consideration has fixated on the putative behaviour of the consumers), less attention has focused on the relational and mutual benefits that the RM concept conveys. Besides, both TRA and TPB for example, are seldom in attempting to explain why particular consequences are salient or why consumers pursue them, or the like. Rather, the concepts merely elicit those that are important and observes their inferences for the target behaviour. However, such consequence goals are typically not associated with just one behaviour but may be pursued through various courses of action. So, in this instance, enrolling in LCPs (reasoned action) for the purpose of winning rewards (goal). Clearly, other behaviours can also help achieve this goal, some perhaps more effectively than LCPs enrollment (e.g., gambling without the loyalty card). Perhaps not surprisingly also, within Skinner's (1953) model, operant behaviour is emitted rather than elicited. Additionally, the other criticism to Skinner's theory is that the theory seems to merely reduce humans to behavioural terms whilst missing much of the richness of interaction which both the SET and RM frameworks bring to this study as explained next.

3.2.1 Applying Social Exchange Theory for Context: A Justification

SET is being regarded as the most suitable framework for this study because of its intuitive correctness of its basic supposition namely "*interaction between persons is an exchange of goods, material and non-material*" (Homans, 1958: p. 597). Besides, Burnard (2004) upholds

that a researcher can describe their intended aims and data collection and analysis methods without having to ensure that this process ‘fits’ into a specific ‘framework’; doing so is likely to be ‘just as valid’ (p. 178).

For some authors (Emerson, 1976: p. 336; Mitchell, Cropanzano & Quisenberry, 2012), SET is an attempt to explain relationships between ‘entities’ and as a result, we should refrain from viewing it simply as a ‘theory’. It is more of a framework than a theory. It represents a frame of reference which “*takes the movement of valued things (resources) through social process as its focus*” (Emerson, 1976: p. 359) and attempts to “*represent both ‘economic man’ and ‘social man’ in a single framework*” (Homans, 1958; Blau, 1964; Bagozzi, 1975: p. 316; Cropanzano & Mitchell, 2005). In this respect, its explanatory and analytical power is built on how individuals (or firms, organisations, governments) fit into the schema’ (Emerson, 1976).

Encouraged by Homans’ (1958) view, the SET is considered important within this study context as the SET logic is particularly applicable to commitment in a retail context due to the customer service interactional nature of the gambling industry (Kanagal, 2009). The framework also provides a lens through which to explore consumer activities and the potential effects that consequently ensue (from a social-psychological perspective). SET assists in identifying a connection between relational benefits (confidence benefits, social benefits, and special treatment benefits) (perceived/achieved) (Lacey, 2015), as well as the causal value consumers attach to being in a stable long-term relationship with gambling firms (pecuniary and aspirational perspective) (Griffiths & Wood, 2008). This allows for explaining the experiential meanings, nature and potential challenges associated with loyalty programs experienced by program members. Thus, as far as the present study is concerned, SET is both suitable and applicable as it holds elements that will help capture the RM mutual benefit supposition through rewards, resources and outcomes threefold:

Firstly, SET can be used to explain the cognitive process thorough which both gambling firms and consumers engage in LCPs practices. This is because, the SET suggests parties decide to establish or enter into relationships that generate and maintain maximum individual rewards and minimum personal costs (subjective cost/benefit analysis) (Palmatier et al., 2009). Thus, SET brings a quasi-economic aspect of analysis in this research context.

Secondly, SET looks at relationships not only as resources exchanged (such as goods or money) (tangible), but also social amenities or friendship (intangible) (“economic and/or social outcomes”) (Homans, 1958; Cropanzano & Mitchell 2005, quoted in Nunkoo, 2016: p. 590). Thus, SET explains social behaviours may engender both tangible and intangible outcomes. Besides, because the emphasis of the SET is on exchanges for benefits between actors, it is well suited to explain loyalty in general (*see*, Czekanski, 2012). The reason being that it would be difficult if not impossible to discuss RM without talking about loyalty since loyalty is one of the RM outcomes (Christopher, Payne & Ballantyne, 2013). Thus, as an adaptable framework, the SET has elements that will help capture, explain and, analyse what the RM mutual benefits are in terms of rewards, resources and outcomes.

Thirdly, RM mutual benefit are based on trust and commitment, both of which are antecedents of the SET. The theory upholds that relationships are strengthened through mutual trust, satisfaction and flexibility whilst cooperation and shared values significantly enhance the quality of any relationship. Each of these factors consequently build commitment through the exchange of resources governed by some form of normative rules (Cropanzano & Mitchell, 2005; Cropanzano et al., 2017).

Along the same lines, Lawler and Thye (1999) offer what they deem to be an honest view of social exchange interaction. They argue that, an exchange is an explicit act in which both parties agree implicitly or overtly. As a means of supporting their point, the authors suggest that whether the relationship is between ‘two lovers or corporations’, the notion of exchange continues to underpin their relationship. The dynamic between the two parties persists so long each respective actor holds something the other ‘values’ (pp. 217-218). Kanagal (2009) who has also made a broadly similar point equally states that exchange remains at the heart of relationships within the marketing domain and the ‘exchange’ that bonds these relationships together can be viewed from two distinct viewpoints- ‘social exchange theory’ based or, one that is based on ‘transaction cost analysis’ (p. 3). Transaction cost analysis emphasises on the governance mechanisms that emerge to mediate economic exchanges equitably and efficiently.

Hence, SET lends a suitable base for this study as it depicts loyalty programs as either relational contract (trust) or relational interdependence (commitment), that develop over time through the interactions of the exchange partners (Dwyer, Schurr & Oh, 1987). As the most preferred outcome of an exchange between two people appears to be commitment, satisfaction,

reciprocity and fairness, also known as those that are solely intangible for both customers and firms, the functional application of SET in this study is suitable for explaining LCPs' members' meanings (Homans 1958; 1961).

However, there is the importance to acknowledge some of the compromises to be made in operationalising the SET, in order to make it usable. This includes recognising that attempts to explore the theory may require a degree of pragmatism regarding what is required in applying the framework to this study. For instance, for those who consider financial or social incentives and other favourable experiences important, they will perhaps possess positive attitudes towards the firms and will be more dependent and receptive towards CRM initiatives, whilst others may not. The other difficulty relates to the dynamism and sheer size of the SET framework as well as the conditions under which actors exchange, or, exchange occurs, which might also prove a challenge.

3.2.2 The Social Exchange Theory: A Review

Homans (1958) maintains exchange of 'valued resources' is often described as "*one of the oldest theories of social behavior*" (p. 597). Homans asserts, a person in an exchange may consider what they give (sacrifices) as a cost to them, and what they obtain (benefits) in return as a reward (value); and, that their behaviour changes less as the difference of the two, profit, tends to a maximum. Gergen (1980 cited in Mitchell, Cropanzano and Quisenberry (2012: p. 100) condense this perspective on exchange affirming: the desire for reward and value sit at the core of human behaviour, and we as a species tend to be 'bent' to achieve what we deem to be desirable. Indeed, exchange and value continue to be a cornerstone of the definitions and propositions that are offered within SET literature.

Lambe, Wittmann and Spekman (2001) postulate a set of mutually (not necessarily simultaneous) exclusive and collectively exhaustive foundational premises of the SET standpoint. The authors suggest that rewards don't always have to be tangible or material. Rather, these can be either social or economic outcomes, money or physical rewards are just as valuable as social accolades or favourable perceptions. In this respect, during any relationship, the individual parties involved are likely to evaluate the outcomes from their interaction. The perception of the value of the relationship or interaction is likely to determine whether a specific relationship persists. Relationships where each party perceives themselves to benefit, socially and economically, are likely to last longer given that they result in a positive exchange. The

factors such as trust and commitment within a relationship tend to be associated with a relationship which generates positive and economic outcomes over time.

Another interesting social exchange perspective is one observed by Blau (1968: p. 454) who believes that “*social exchange is governed to a large degree by social ‘obligations’ rather than by contracts*” (Lambe, Wittmann & Spekman, 2001: p. 10). Others, (Gouldner 1960; Blau 1964; Grönroos, 1994; Gummesson, 1997; Palmatier et al., 2009; Grönroos & Helle, 2012) in the same way suggest that, the mutual reciprocation of beneficial action over time through multiple interactions build trust and bonds, and the process of building trust creates obligations between exchange parties. Zeithaml, Bitner and Gremler (2013) too suggests that through SET, current behaviours and social cues can help parties build trust in future rewards by showing one’s trustworthiness and commitment to the social exchange.

SET hence, is based on the central premise that the exchange of social and material resources is a fundamental form of human interaction (Blau, 1964). The theory encompasses varying features which include attitudes, perceptions, expectations, and behaviours that individuals share regarding business-business, business-customer or person-person relations. As such, SET can be viewed broadly as representing distinguishable relational elements (Kelley & Thibaut, 1978; Cropanzano & Mitchell, 2005).

Within marketing, Bagozzi (1975) identifies three types of exchange: “*restricted, generalized, and complex*” (p. 32). To Bagozzi, restricted exchange consists of “*social actors such as consumers, retailers, salesmen, organizations, or collectivities*” in a dyadic reciprocal relationship (p. 32). Parties in this type of exchange operate on equality and aim for mutual exchanges (“*quid pro quo mentality*”) (p. 33). Generalized exchange on the other hand, occur among three actors within the relationship who are all aware that they ‘will give to each other but won’t necessarily benefit directly from each other’. Lastly, complex exchange operates as “*open-ended sequences*” also involving three actors that act as ‘intersecting links’ (p. 33). For example, intermediaries in a supply chain who act on behalf of the producer, who then supplies products to the retailer for consumer consumption (Parvatiyar & Sheth, 2001). One major line of analysis here would certainly indicate that the current study aligns with the restricted exchange approach.

To explain the conceptualisation of social interactions that take place during the exchange process however, Chadwick-Jones (1976) refers to Blau (1964) as one of the first writers to have used the term ‘theory of social exchange’, although Homans (1958) is assumed to be the first to have developed and “*presented a concept of social behavior that was based on exchange*” (Cropanzano & Mitchell, 2005: p. 890). Thibaut & Kelley (1959) likewise, are repeatedly quoted as noteworthy contributors to the SET for their subsequent contributions regarding Comparison Level (CL) and Comparison Level of alternatives (CLalt) components.

In developing the analysis of the SET however, a broader perspective of the theory has been adopted by Chadwick-Jones (1976: pp. 1-2) who asserts, that over time, several ideas and ‘propositions’ have emerged, all of which make ‘assumptions regarding social behaviour’. The vast array of these ideas and explanations tend to be unified in their belief that these relationships tend to exist due to a shared and central interest between the two exchanging parties. Rather than being restricted in one area of study, the author argues that the theory is truly one that is rooted in social psychology. Hence, Chadwick-Jones’ concurs with the opinions of both Homans (1958) and Blau’s (1968) insomuch that the SET assumes parties enter, and maintain, relationships with the expectation that doing so will be rewarding. Similarly, Kelley and Thibaut (1978) used the concept to explain how partners in the exchange relationship measure the benefits of the exchange relationship to determine their relationship commitment. They too, claimed that individuals are motivated to gain rewards in social exchanges and where the apparent rewards lack, individuals may be driven away to avoid costs in those exchanges (*see*, Figure 3.2).

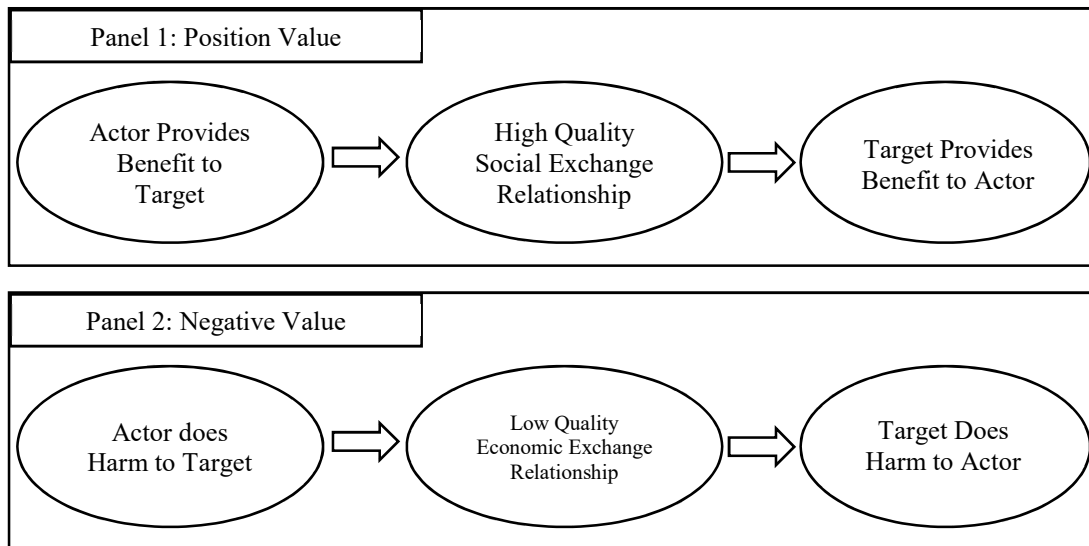


Figure 3.2 Generic Model of Social Exchange. (Adapted from: Cropanzano et al., 2017: p. 2).

The model is founded on the contention that a successful exchange necessitates goods of exchange, although not necessarily equivalent and that these should be fitting. The starting point of the model also draws on the belief that where value is considered unfair, either party can harm the other in return (*“dark side behaviours in relationship marketing”*) (Nguyen, Lee-Wingate & Simkin, 2014; Nguyen, Simkin & Canhoto, 2015; Payne & Frow, 2017: p. 13). More notably, Emerson (1962) affirms that within the SET, outcomes allow partners to critically assess the multi-dimensional features of what they expect to invest and attain in a relationship; forecasting of accurate repeat purchase intentions or commitments. Based on this, an assumption is made: that individuals are most comfortable if they perceive that they are receiving benefits from a relationship approximately equal to what they are putting in. By subtracting costs from benefits, an outcome is realised. Such calculative behaviours are said to be the norm in gambling settings (Griffiths & Wood, 2008).

Contributing to the surrounding body of research, Ritzer and Smart (2001) state that SET shares a common set of analytical and certain assumptions. The authors point to four features which they regard as being key to shaping SET, referring to these as basic *“building blocks”* of the theory. These include resources, actors, processes and structures (p. 260). Ritzer and Smart provide further elaboration going on to clarify actors, (individuals or corporate) are participants in an exchange, whilst resources are physical assets or capabilities valued by actors. Structures on the other hand are behaviours within an exchange (direct and indirect exchange, equality and inequality) that provide meaning and influence behaviour, whereas processes are

interactions that take place within exchange structures (e.g., role positions) (Ritzer & Smart, 2001).

3.2.3 Shared Definitions of Social Exchange Theory

Whilst SET continues to underpin many studies, all of which have further enriched explanations of the framework, existing literature acknowledges that the conceptualisation of SET, varies depending on the source consulted (*see*, Appendix 4, p. 334). That said, SET combines three main themes: the characterisation of the exchange as cooperative, trust, commitment and long-term orientation. Although there are variations in the definitions and wording, there is a consensus on many levels in that the descriptions agree on social exchanges being created as a process, reciprocity and continuity of relationships between parties or actors. It is for those reasons that often, in an exchange, ‘two or more social actors are involved’ (Homans 1958; 1961; Bagozzi, 1975: p. 32).

Authors (Kelley & Thibaut, 1978; Rusbult, 1983), provide a holistic description of social exchange explaining that interactions over time comprise the history of an exchange relationship which entities utilise to anticipate future costs and benefits. They list four SET tenets that facilitate the developing and continuing of the exchange:

- Rewards - Costs = Outcome.
- Outcome - Comparison Level (CL) = Satisfaction Level
- Outcomes - CL_{alt} = Dependence/Independence
- Satisfaction - Alternatives + Investments = Commitment.

To simplify the SET concept however, Homans (1961) earlier attempted to reduce human behaviour to a series of equations guided by five propositions. Table 3.1 underscores the basic constituents of behaviour in a social exchange and applied to the land-based gambling sector thereafter.

Table 3.1: Social Exchange Theory Propositions of Behaviour (Adapted from: Homans, 1961; 1974)

a) Success proposition: offers a place where individuals are rewarded for their actions or behaviour. It is claimed that parties in this scenario tend to repeat the action or behaviour of the past.

b) Stimulus proposition: whereby if for the past occurrence of a stimulus, or set of stimuli, has been the occasion in which an individual was rewarded for their action, successful action makes it more probable for the repetition of the similar action or behaviour

c) Value proposition: inferring the more value for the individual there is the result from their action, the more likely they are to perform an action or behaviour positively.

d) Proposal of aggression and approval: signifying rewards or punishments if unanticipated, engender feelings of pleasure or anger.

e) Rationality: described as the choice between alternative measures. It is claimed that rationally, a person will choose the one who, as seen by them, the value (V) of the result of multiplying the probability (P) of who gets the outcome more.

3.2.4 Social Exchange Theory Propositions of Behaviour linked to the Current Study

3.2.4.1 *Success proposition*

Success proposition involves customers' action, the rewarded result and, repetition of the original action. Within the context of the present study, program members' and employees become familiar with the likelihood of awarding, receiving future program incentives through regular interaction. Hence, loyalty program members would base their success as the likelihood that they will receive a reward for partaking in gambling activities during/after loyalty card use.

3.2.4.2 *Stimulus proposition*

Applied to this study context, it could be argued that for program members, the main goal is to receive rewards. Undeniably, program members who receive incentives are more likely to use loyalty programs to partake in future gambling activities again with the expectation of winning incentives. They may also try other strategies such as spending more time and money or using their loyalty cards more frequently to gain higher valued rewards. Thus, program members' expectations would largely be determined by the expected/anticipated rewards or punishment received or, witnessed others receive in similar circumstances.

3.2.4.3 *Value proposition*

In relation to this study, if rewards are not considered valuable or perceived to improve/contribute to loyalty program members' lives (e.g., money for a chance at more money or rewards in the future), they would not be considered positive stimuli. The value of loyalty

programs would diminish. Besides, a lack of rewards does not strengthen the possibility of program members engaging in repeat behaviours.

3.2.4.4 *Proposal of aggression and approval*

Viewed from the current study context, where loyalty program members do not receive the expected reward from their loyalty programs or are in receipt of unexpected sanction from gambling firms (e.g., withholding or unsatisfactory incentives), consumers will be angry and are more likely to react aggressively. Likewise, when unexpected reward occurs, or expected punishment does not occur, they will be pleased and are more likely to perform the approving behaviour. On the flip side, the more often the rewards are received, the less valuable they become. Hence, gambling firms would largely utilise delayed rewards to sustain levels of interest and involvement among loyalty program members.

3.2.4.5 *Rationality*

From the gambling firm-customer relationship perspective, where there is an absence of a legally binding contract, rational economic behaviours act as social norms as well as constraints on economic activity that prevents unfavourable decisions from occurring between actors. In this setting, the postulation is that both parties are instrumental in trying to conform to what they consider to be their self-interest: that parties act rationally and, allow social norms to govern human behaviour. Hence, individuals involved in the potential exchange believe in norms. This belief thus dictates that they are unlikely to violate such norms. However, the presence of other variables such as money, emotions, and limitations, can cause individuals and actors to not always act rationally since these factors can hinder, influence or change the social exchange dynamics altogether.

In light of this, it emerges that, that SET is primarily concerned with face-to-face relations, and at the heart of exchange are concepts of equity and reciprocity (relationships) (Gouldner 1960; Homans, 1961; Omar et al., 2011) which are “*built on the combination of central tenets of behaviorism and elementary economics such that human behavior is envisaged as a function of its payoff*” (Sabatelli, Lee & Ripoll-Núñez, 2018: p. 32). Attitudes in this scenario are explained as cost-benefit ratio analysis (Palmatier et al., 2009). Psychologists refer to this as depend return “*reinforcement*” whereas economists prefer to label it “*contingent flow exchange*” (balance of rewards, costs and resources, and fairness or equity of the exchange) (Emerson, 1976: p. 359; Omar et al., 2011; Tanford, Hwang & Baloglu, 2018). Reinforcement principles are rooted in Skinner’s (1953) seminal work on popular behaviourism called operant conditioning.

Authors (Bagozzi, 1975; Eagle & Dahl, 2015) likewise, aver that in a market place, marketers shape behaviour. The behaviour or pattern however brief, is ‘reinforced’ and once established, is ‘extended in duration’ and brought under ‘stimulus control’ (loyalty programs incentives in the context of this research) (Rotter, 1966; McLeod 2007: p. 1; 2015) with Homans (1961), further explaining that “*behaviour is a function of payoffs, whether the payoff are provided by nonhuman environment or by other humans*” (Homans, 1961 cited in Cook & Rice 2006: p. 54). Applied to the present study, it can be argued that gambling firms employ the notion of both social and economic exchange through utilisation of CRM strategies to promote rewards (reinforcement) that are associated with achievement (behaviour) (Skinner, 1953).

3.2.5 Dimensions within the Social Exchange Theory

The extent to which relational exchanges are practiced within a firm remains a critical decision most companies will consider at some point during their business life cycle. Authors, (Kelley & Thibaut, 1978; Sprecher, 1998), profess that the first step in linking SET practices and behaviour is to differentiate exchange climates in which certain forms of behaviour are likely to be found. The latter authors identified four distinct relational climates within the SET termed: (1) balance of rewards, costs and resources; (2) fairness or equity of the exchange; (3) Comparison Level (CL); and (4) Comparison Level for alternatives (CLalt). Sprecher (1998) by the same voice is chary, pointing out that determining the dilemma of whether to exchange and its appropriate form depends on the socio-cognitive context in which the need for exchange arises. Discussed next are the exchange climates in which SET occur.

3.2.5.1 Rewards, Costs and Resources

Rewards (positive values) within the SET are the “*pleasures, satisfactions, and gratifications the person enjoys*”. These occur on a continuum: from concrete (e.g., economic, goods or materials) to symbolic (e.g., social acceptance, social approval, prestige, social bond, benefits from the society, compliance/power) (Thibaut & Kelley, 1959: p. 12; 1978; Blau, 1964; Emerson, 1976; Cropanzano & Mitchell, 2005; Zafirovski, 2005; Barbalet, 2017). Applied to the current study, rewards might include money, loyalty points, vouchers, enhanced odds, status, services, or information gambling firms provide to loyalty program members.

Costs (negative consequences) experienced in a relationship (Thibaut & Kelley, 1959; Blau, 1964) can be both ‘monetary (economic) and non-monetary (psychological) in nature’ (Edward

& Sahadev, 2011: p. 330). From the customer's perspective, costs in the present study context include money, energy, effort, time or risks invested in a relationship; or undesired consequences experienced (Thibaut & Kelley, 1959). Alternative activities and opportunities that involve less risk (chance) foregone by loyalty program members can also be considered as costs (Cook & Rice, 2003; Binde, Romild & Volberg, 2017). From the gambling firms' standpoint, costs can include physical, financial, human, technological resources, incentives as well as services provided/ given to consumers (Barney & Hesterly, 2012). For the purposes of this study however, the words costs are interchangeably used with unintended or undesired effects to mean harm. Using these terms allows for the current researcher to incorporate the aforesaid.

Resources (objects to be exchanged) are considered “*an ability, possession or other attribute of an actor giving him the capacity to reward (or punish) another specified actor*” (Emerson, 1976: p. 347). From a social exchange standpoint, the term resource is used very broadly to include commodities (either tangible or intangible), material or symbolic, that can be communicated through interpersonal behaviour (Ritzer & Smart, 2001; Zafirovski, 2005; Barney & Hesterly, 2012). Thus, from a gambling firms' context, resources would embrace everything from resources span the range of organisational assets including people, ‘physical assets’ to more intangible aspects such as ‘reputation, ideas and brand’. In short, any factors that allow a business to generate output and efficiently and effectively navigate the market in which they operate, is likely to be regarded as a resource (Capron & Hulland, 1999 cited in Carroll & Helfert, 2015: p. 283). To this extent, gambling firms draw on resources to accomplish their goals. From the customers' perspective however, resources could include: knowledge and skill to gamble, emotion, effort, family relationships, money, honest information, and shared aims etc (physical and mental ability, social and cultural) (Cook & Rice, 2003).

3.2.5.2 *Fairness or equity of the exchange*

The principle of equity of the exchange is perceived through fairness and balance, where customers' degree of stimulus is correlated to their perception of equity, fairness or honesty practiced by the ‘other’ (Samaha, Palmatier & Dant, 2011: p. 102; Tanford, Hwang & Baloglu, 2018). Fairness reflects SET views in that gestures of goodwill will be reciprocated over time and thus have consequences for future exchanges as has been earlier illustrated in Figure 3.2 (Sprecher & Schwartz, 1994; Hollmann, Jarvis & Bitner, 2015). Hence, when customers

evaluate fairness, they compare their trade or transactional input to the organisation (*their contribution*) and their outcome (*their rewards*) from the organisation (*fairness*) (Aggarwal & Larrick, 2012; Tanford, Hwang & Baloglu, 2018). Cropanzano and Mitchell (2005) describe this using the equation: inputs (what the consumer feels they invest in an organisation) with customers' outcomes (what the consumer feels they get from the organisation in return). In the context of this study for instance, inputs can include money, effort, trustworthiness, attitude and status whilst outcomes, can include benefits/rewards, trusting relationships and reputation.

3.2.5.3 Comparison Level

Thibaut and Kelley (1959) further developed the SET concept adding Comparison Level (CL henceforth) to describe the contributions that previous experiences and future expectations make to the determination of how satisfied an individual is with a relationship. CL is largely a reflection of what individuals feel is deserved and realistically obtainable within relationships, and by what individuals feel is important for them to experience within a relationship. For that reason, Blau (1964) suggests that CL is determined by assessing all the known costs and rewards incurred within the membership. When the outcomes derived from a relationship exceed the CL (particularly highly valued outcomes or ones that are important to individuals), global assessments of a relationship are likely to be high (Thibaut & Kelley, 1959). Hence, the importance of understanding the comparison level the person brings to the exchange. In this study context, CL represents a standard of what both actors in the relationship feel they should receive in the way of rewards versus costs. CL would be considered the normal way by which an outcome seems to satisfy both program members and gambling firms.

3.2.5.4 Comparison Level for alternatives

As far as Comparison Level for alternatives (CLalt hereafter) climates are concerned, individuals are guided by a desire to make the most of personal resources by comparing alternatives and engaging in relationships that appear to offer the best cost-benefit ratio (benefits divided by costs) (Palmatier et al., 2009). Thus, interpersonal access in this setting is open to all competent participants. Thus, relationships occurring in CLalt climates are predicated largely on means-ends considerations, lasting if both parties derive instrumental benefits (Bagozzi, 1975). Value is the primary means by which status is achieved (Thibaut & Kelley, 1959; Blau, 1964; Palmatier et al., 2006).

From the current study perspective, SET predicts that if parties see no comparison level for alternatives, they will stay in the established relationship. Conversely, parties may seek to

terminate their relationship (end loyalty programs arrangements) if they perceive that being disassociated from each other is more advantageous than staying in partnership (Thibaut & Kelley, 1959; Kelley & Thibaut; 1978; Grönroos, 1994). This is because CLalt, provides a measure of stability rather satisfaction. Still, the decision to remain in a relationship may have more to do with self-interest rather than friendship, loyalty or moral responsibility.

3.2.6 Critiquing the Social Exchange Theory

In keeping with wider behavioural theories, SET has its own strong critics and opponents. For example, Zafirovski (2005) hitherto, point out that the SET may be limited or, has conflicting applicability depending on the context, the balance of power, and individual versus group dynamics. Additionally, SET obligations appear imprecise and prospective, thereby lacking an assurance of reciprocation (Gouldner 1960; Blau, 1964; Nunkoo, 2016). This view is endorsed by Cropanzano et al. (2017) who assert *“the behavioural predictions offered by social exchange theory have become too general and imprecise”* (p. 3). A further critical flaw of the SET emphasised by both Bagozzi (1975), and later Cropanzano and Mitchell (2005) suggests SET is neither logically nor theoretically explicable in terms of scope. Due to its large size, the model is tangential, different scholars therefore try to describe the paradigm differently to fit into the schema. Adding to this contention, Zeithaml, Bitner and Gremler (2013) and more recently, Barbalet (2017), similarly condemn describing the SET concept in terms of the exchange partner’s reliance on implicit social norms to govern behaviour, whilst disregarding the influence of trust and trustworthiness and its subsequent failure to consider the different social bases of each.

In addition to this, within the context of gambling and the current underlying framework, it is important to acknowledge that adopting, adapting and attempting to utilise issues of breadth and depth appertaining to relational exchange among actors might prove challenging and tendentious. This is due to the SET framework principally functioning on assumptions, not reality, on social obligations, not contracts and, on expectation of reciprocity, as opposed to fact. Notwithstanding, the SET appears to be accepted and established in organisational and behavioural sciences, whilst being prevalent and active within the marketing discipline. Thus, the relationship between customers and the organisation at the same time, can still be explored using the SET.

3.2.7 Summary of Social Exchange Theory Section

Exchange is one of the core concepts in marketing with literature overwhelmingly supporting this as the consequent initiator of RM or relational exchange theories. SET highlights the importance of exchange relationships between the organisation and its customers. High-quality social exchanges take place when customers have high levels of mutual trust, respect, and loyalty with the organisation (exchange process). Besides, customers who believe that the reciprocal exchange of valued benefits can occur are more willing to establish exchange relations with the organisation and exchange outcome.

Accordingly, from the extant literature, four reasons why people engage in a social exchange emerge: a) direct reward, b) an expected gain in status and influence on others, c) an anticipated reciprocity and d) altruism. Nonetheless, there is a view that exchange is not always equal or an overt agreement. What is essential is that the things repaid contribute to the well-being of the receiver. To all intents and purposes, this also means that the costs incurred, are comparable to benefits received to both actors.

With this in mind, the section that follows subsequently reviews RM Theory tentatively in relation to SET, relevant to the development of the research questions for this study. By analysing the RM, the study of relational exchange processes becomes vital to the research topic.

3.3 Applying Relationship Marketing Theory for Context: A Justification

Ivens and Blois (2004) observe that RM represents the culmination of a range of frameworks, paradigms and theories, all of which have tended to ‘evolve outside of the marketing discipline’. Most of these psycho-social theories themselves were borne from a desire to better understand human behaviour, the principles and factors that govern, shape and dictate human interaction and thought. These theories include: ‘game theory, social exchange theory, resource dependence theory and transaction cost analysis’ (p. 240). They claim that although these concepts offer a shared basis for the channels of different research such as service relationships, channel relations and industrial relations of buyer-seller relationships, these theories intrinsically suffer from a blurred RM lens. Hence, the selection of RM, for this study is rooted in the fact that it allows for the examination of a range of issues. More specifically, RM

implementation in the UK gambling sector is considered as important as it relates to acquiring and retaining customers for mutual benefits. It has as theoretical antecedents, marketing networks and their dynamic. RM as a theory also offers uniqueness, diversity, plurality and characteristics of each loyalty program member.

As such, one of the key reasons for using the RM theory in the present study is due to the limited research on RM in the land-based gambling service sector. Although the theory has garnered interest of various researchers in the service sector (Mittal & Lassar, 1998; Meyer-Waarden, 2013; Söderlund, Berg & Ringbo, 2014; Payne & Frow, 2017) the clear majority of research conducted is focused in fields such as tourism, education, manufacturing and other online and offline services contexts (Ford, 1980; Morgan & Hunt, 1994; Palmatier et al., 2006; Tanford, Raab & Kim, 2011; Berezan et al., 2015; Verma, Sharma & Sheth, 2016; Ryu & Lee, 2017). As a result, there is little to scant application of the theory to the current context. This theory hence, aim to enhance the empirical research in the land-based gambling sector particularly in the marketing of LCPs for gambling activities.

3.3.1 RELATIONSHIP MARKETING THEORY: A REVIEW

In this section, the key themes of RM besides creating value, are introduced before going on to provide greater consideration to the theory within the context of gambling. The literature review further progresses by tying this with CRM explaining how it is part of the evolution towards long-term relationships with customers. It also touches on customer value creation that has intuitive appeal as a marketing concept (Gummesson & Mele, 2010). This chapter also makes claim that perhaps in reality, it is not only difficult to make accurate calculations of customer lifetime value due to the complexity and uncertainty surrounding business-customer relationships, but also justify the RM mutual benefits and consequences.

This chapter therefore, covers the current breadth of literature surrounding RM as understood today from a business-consumer perspective and viewed within the context of Berry's (1983) who upholds that RM is the act of building close relationships with existing customers and prospects. Grönroos (1991) adds to this definition by stating that RM is about having an ongoing dialogue with customers over a period of time with a mutual exchange and fulfilment of promises. Hence, RM's definition is based on the theory of relational exchange.

For Grönroos (1994), RM is based on relationships, networks and interaction, recognising that marketing is embedded in the total management of the networks of the selling organisation, the market and society. Adding to this description, Morgan and Hunt (1994: p. 22) propose a more concise characterisation of RM suggesting “*all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges*” between a service provider and the consumer are situated as RM (see, Figure 3.3). Thus, RM viewpoint depend on collaboration between parties, not unethical approaches, “*on internal collaboration within the company and on genuine equal winning relationships with customers*” (Kavali, Tzokas & Saren, 1999: p. 578). Likewise, Sheth, Parvatiyar and Sinha (2012: p. 7) have contributed to the characterisation of RM adding ‘purpose, parties, and programs’ to the definition: “*ongoing process of engaging in collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic, social and psychological value, profitably*”. Mutual relationships between customers and the organisation can be recognised as positive, long-term, and interactive relations that contribute to organisational performance.

Similarly, scholars (see, Grönroos, 1994; Gummesson, 1997; 2012; 2017), collectively agree that RM is a very broad type of relatively long term, voluntary, individual, human business association involving a degree of emotional commitment, trust, intimacy, collaboration and interdependence. For Gummesson (1997) thus, emphasises the importance ethics, morality and social responsibility when wielding such a theory. The author goes on to say that RM is not to be used for generating maximum utility; it is not to be used to ‘manipulate’ consumers nor create an asymmetrical relationship in which the balance of power rests with the marketer or company (p. 269). The academic theory reviewed within this chapter has served to build further understanding into trust within the context of marketing, organisations and customers. More specifically, it emerges that through making promises and keeping customers, trust ultimately develops, and this contributes to the development and growth of long-term relationships. Besides, RM treats marketing as a process over time rather than single unconnected events. However, due to the open-ended nature of the RM process, it is often hard to justify relationship-based approaches particularly within the service industry (Lambe, Wittmann & Spekman, 2001; Gummesson, 2015).

3.3.2 Variations in Relationship Marketing Characterisations

Surprisingly, though RM is a popular business concept spanning over three decades, definitions remain inconsistent at best whilst consensus within the research and academic fraternity are yet to emerge (*see*, Appendix 5: p. 335 for some of the most cited and most commonly used definitions of RM). Literature also suggests that there is ambiguity and little agreement as to what RM actually is, how it is holistically formed, and to what extent it is useful (e.g., Buttle, 1996; Christopher, Payne & Ballantyne, 2002; Palmer, Lindgreen & Vanhamme, 2005; Agariya & Singh, 2011). The authors further point out that the factors of successful RM implementation and the role of consumer opinion in this context remain open to more than one interpretation. Earlier, Harker (1999) equally proclaimed that the meaning of RM is simply borrowed from existing constructs of marketing and other disciplines, having been relabelled and terminologies altered to suit specific RM research. Agariya and Singh (2011), in the same way also contribute to this shared view about the lack of an accepted RM definition. Within their research, the authors found 26 distinct definitions. These numerous definitions are derived from varying research perspectives all emphasising different ideas.

Nonetheless, the most cited and seemingly, all-encompassing of the RM concepts this study found is the one offered by Grönroos (1994). He explains RM as, an approach which ultimately allows for the creation, facilitation, maintenance and development of relationships with consumers and stakeholders. Hence, RM can only be considered as being effectively applied when all involved parties are satisfied, and their individual objectives are met and fulfilled. Mutual exchange thus sits at the heart of the concept as far as Grönroos is concerned. Grönroos' definition of RM highlights the importance of interaction, trust, long-term commitment and mutual benefits for both parties. It also recognises the need for profit, which is explicitly included in this definition. His description additionally, covers the seven elements of RM including birth, develop and maintain; temporal, interaction, output and emotional content. Thus, the description of RM offered by Grönroos (1994) and Gummesson (1997) has a definite mutual benefit aspect. Others may uphold that this approach called RM intrinsically covers the theories of relational contracting (Macneil, 1980), relational marketing (Dwyer, Shurr & Oh 1987), working partnerships (Anderson & Narus 1990), and others (Morgan & Hunt 1994). Certainly, other authors (Berry, 1983; Harker, 1999) observe these as being commonly agreed upon by many other researchers (*see*, Grönroos, 1994, 1999; Gummesson, 1997; Morgan & Hunt, 1994; Grönroos, 1999) through their repeated mention in literature.

Despite these various descriptions, Buttle (1996) in his work attempts to simplify understanding of RM by offering a succinct and concise definition: *“the development of mutually beneficial long-term relationships between suppliers and customers”* (p. vii). In this respect, Buttle emphasises mutual benefits for both parties in the relationship. Other authors (Berry, 1983; 1995; Frow and Payne, 2009; Pan et al., 2012) concur that RM requires companies to move from focusing on fixed transactions with their consumers (transactional), to building long term, profitable relationships that consumers perceive to be mutually beneficial (relational).

Aside from, the differences in defining RM, there is a consensus among social scientists who largely agree on certain features. The first of these features relates to the notion that it provides mutual benefits to both parties involved (Buttle, 1996; Grönroos, 1999; Palmatier et al., 2006; Guenzi & Georges, 2010; Sheth, Parvatiyar & Sinha, 2012; Alshurideh, 2016). Furthermore, the pivotal roles of trust and commitment in fostering relationships are also recognised and noted (Grönroos, 1999; Zeithaml, Bitner & Gremler, 2013); as well as the extent to which it is about realisation of promises (Grönroos, 1999). The need to create relational exchanges rather than transactional exchange are also commented upon (Morgan & Hunt, 1994; Grönroos, 1994, 1999; Gummesson, 1997; Christopher, Payne & Ballantyne, 2002; Pan et al., 2012; Zeithaml, Bitner & Gremler, 2010; 2013; Lovelock, Patterson & Wirtz, 2014). The ideas that RM describes relationships between economic partners, service providers and customers at different points of the marketing channel and in different business contexts is also agreed upon (*see*, Morgan & Hunt, 1994; Grönroos, 1999; Christopher, Payne & Ballantyne, 2002). Similarly, Aijo (1996) agrees there is a growing consensus on the definition of RM as involving the following aspects: *“a close long-term relationship between various (network) participants involved in exchanging something of value (total market process)”* (p. 15).

To this extent, RM is directed to long term win-win relationships with businesses, or, individual customers, and value is jointly created between the parties involved. It focuses on developing and maintaining relationships; represents a practical way for organisations to implement organisation-consumer bonds and, the scope is on augmenting business-customer relationships (Lovelock & Wirtz, 2011). RM, moreover, remains grounded on the expectation of reciprocity (Gouldner, 1960; Hoppner & Griffith, 2011) and fulfilment of promises in interactive marketing exchanges for mutual benefits (Gummesson, 2015). Consistent with this proposal, customers are not inert objects of marketing actions but resources actively participating in the process

(Strandvik, Holmlund & Edvardsson, 2012; Payne & Frow, 2017). To put it simply, active agents shaping their own behaviours usually directed by cultural values and beliefs (norms) (Macneil, 1983). Morgan and Hunt (1994) however are wary and warn that perhaps not all partnerships should be interpreted as forms of relationship but instead, be isolated to only those that involve the ultimate customer. The authors also point out that the definitions of RM does not limit them to customer relationships only. Therefore, it is believed that the agreement lies in the disagreement, which also clarifies that there is no universal definition of RM.

All that considered, although the divergent definitions offered acknowledge other stakeholders in the RM process (e.g., Morgan & Hunt, 1994), with others focusing on the end-user (e.g., Sheth, Parvatiyar & Sinha, 2012), this study nonetheless adopts Berry's (1983) definition. Berry characterisation has the most applicable meaning as it covers the fundamental issues of this inquiry when studying relationships in terms of '*attracting*' (establishing RM between gambling suppliers-customers), '*maintaining*' (managing customers using CRM systems), '*and—in multi-service organisations—enhancing customer relationships*' (by means of rewards through loyalty programs), to achieve a better economic performance (profit) (p. 25). This research will also adhere to Morgan and Hunts' (1994) definition of RM to support the underpinning theoretical framework (SET) as it addresses the relational exchange between the firm and the end customer whose experiences are being explored.

3.3.3 The Role and Benefits of Relationship Marketing

It is reasonable to assume that business–customer relations are vital particularly in sectors such as gambling where services and service provisions are battle-winning differentiators. Hence Reichheld and Markey (2006) stress the importance of RM, offering empirical evidence which suggests that a 5% increase in customer retention results in an increase in average customer lifetime value ranging between 35% and 95%. In some of the industries referred to, Reichheld and Markey (2006) observed an improvement in customer lifetime value in software (35%), office building management (40%), credit card (75%), publishing (85%) and advertising (95%). Jobber (2007) further notes that with time, organisations have recognised that building constructive relationships with selected target audiences is more important to an organisation's long-term marketing success than acquiring widespread public awareness through basic advertising (see figure 3.3). Consequently, RM emerges as being paramount to managing customers.

However, some authors contend that though the facet seems realistic for suppliers, the same cannot be said for consumers (*see*, Levitt, 1983; Gwinner, Gremler & Bitner, 1998; O’Loughlin, Szmigin & Turnbull, 2004; Galitsky & De la Rosa, 2011; Eisingerich, Auh & Merlo, 2014; See-To and Ho, 2014; Hollensen & Opresnik, 2015).

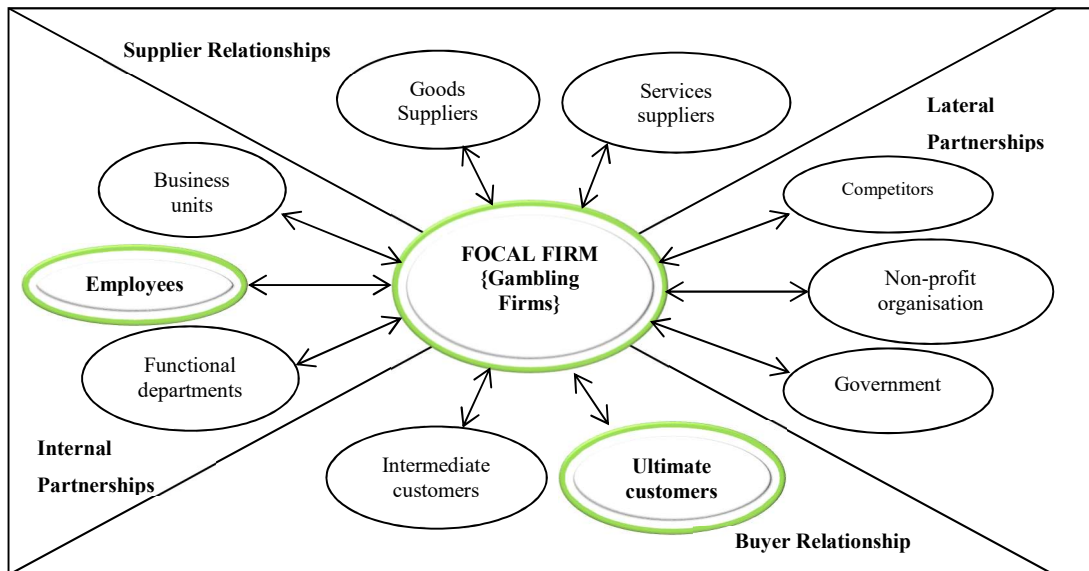


Figure 3.3: Relational Exchanges within Relationship Marketing. (Source: Morgan & Hunt, 1994: p. 21)

In terms of conceptual perspective, relationships represent reciprocity which means that firms and consumers are dependent on each other for their wherewithal. Applied to the current study, the model, as a guide, can be seen to depict long term relational exchanges between gambling firms and consumers in the retail services market environment in which the land-based gambling sector is a part of. Relational exchanges embolden in Figure 3.3 also refer to how forms of relational exchange occur with between partners. Thus, RM in the land-based gambling industry is described as that which is established when the first interaction is made between the ultimate consumer and employee within the gambling firm, through to termination stage (Morgan & Hunt, 1994; Tzokas & Saren, 2004).

3.3.4 Relationship Marketing Programs

Existing literature brings to light three types of approaches to RM programs where corporate practices are concerned: Continuity Marketing, One-to-one Marketing, and Partnering programs (*see*, Pruden, 1995; Richards, 1995; Bhattacharya, 1998; Tzokas & Saren 2004).

Appendix 6: p. 338 offers details of the three mentioned types of RM programs prevalent among different types of organisations. The likes of Sheth, Parvatiyar and Sinha (2012), proclaim that, depending on program design, (whether for end-consumers, distributor customers, or business-to-business customers), marketers adopt “*many variations and combinations of marketing programs to build closer and mutually beneficial relationships with their customers*” (p. 12). Thus, the flexibility of RM programs enables organisations to espouse different approaches of building mutual long-term relationships and, allows for value creation and delivery.

3.3.5 Relationship Development Cycle: Gambling Firm-Customer

Various researchers, (*see*, Ford, 1980; Dwyer, Schurr & Oh 1987; Morgan & Hunt; 1994; Sheth, Parvatiyar & Sinha, 2012) have suggested many models in an attempt to explain the development of relationships between exchange partners that facilitate the relational exchange aspect. For instance, Wilson, 1995 cited in Lambe, Wittmann and Spekman (2001) call these “*conceptual process models on relationship development*”. Wilson goes on to articulate the buyer-seller relationship has existed since time immemorial and the idea of a mutually beneficial, trusting relationship remains as old as trade itself. Trade according to the author, only proliferated and grew because of these relationships. Wilson thus goes on to question the authenticity of these relationships today given that their development has been far from organic and genuine. The author hence reduces the modern phenomenon of relationship marketing to one that is nothing short of a strategic attempt that uses customers as a ‘means to an end’ - the end represents the fulfilment of their financial goals (Wilson, 1995 cited in Lambe, Wittmann & Spekman, 2001: p. 13).

Earlier, Tzokas and Saren (2004) offered their own version of relationship development that they claim, ensues through a cycle over time (*see*, the Figure 3.4). Later, on a dissimilar standpoint, Christopher, Payne and Ballantyne (2013) present relationship life phase through what they term RM ladder of loyalty six-fold: prospect, purchaser, clients, supporter, advocate and partner. The writers believe customers on the lowest rungs of a ladder (prospect) represent potential customers a firm might influence to conduct business with. Alternatively, customers at the upper rungs of a ladder (partners) are considered true customers in an established relationship.

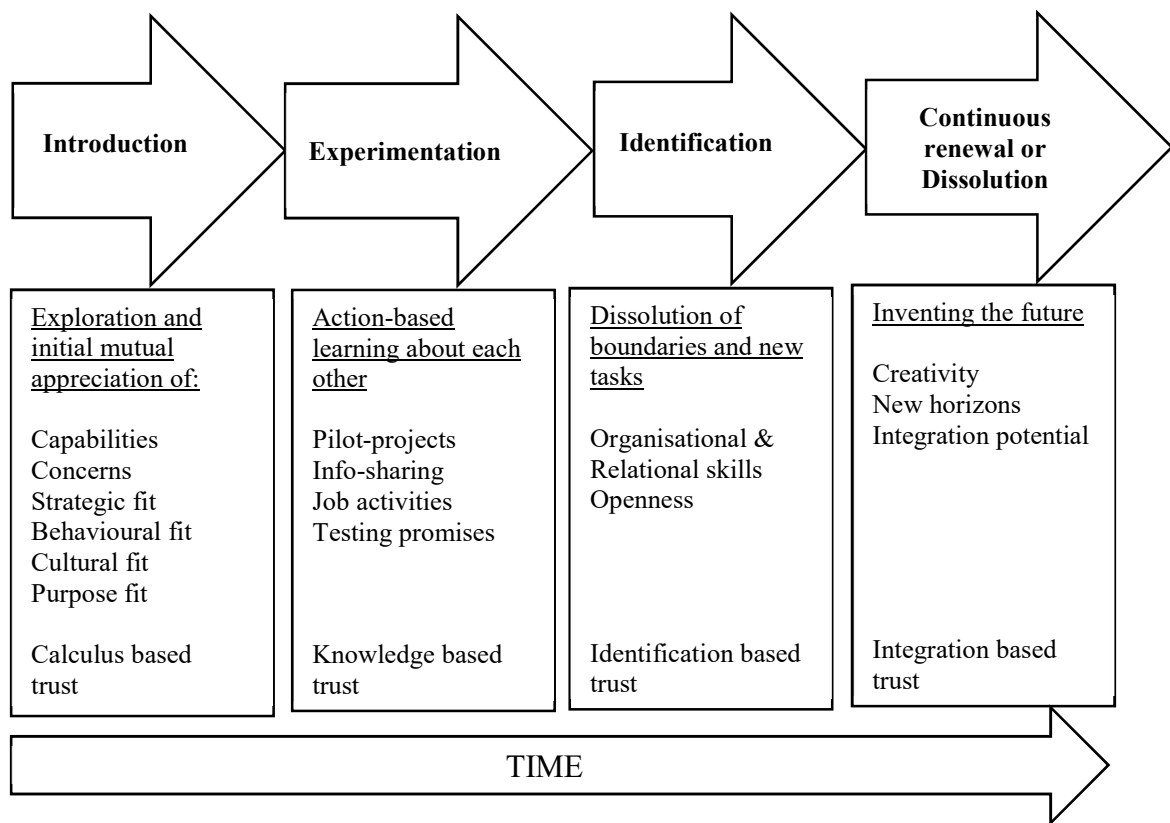


Figure 3.4: The Relationship Development Cycle (Source: Tzokas & Saren, 2004: p. 128).

With the above in mind, it is important to consider the phases of relationship development in the context of this study. At the introduction or initiation stage for example, gambling firms would make customers aware about loyalty programs and attempt to place customers in a position where they would want to establish a rapport with the aim of establishing a relationship. Tzokas and Saren (2004: p. 128) point out that “*this stage provides the ground on which the decision to get into a relational arrangement is justified*” (e.g., emphasising loyalty programs importance, selling ideas about rewards and other incentives that are reserved only for program members). Accordingly, customers would perhaps also be seeking information as well as forming perceptions about why, or which gambling firm to enrol with. It is at this phase that a lot of “*uncertainty particularly in the early stages of the relationship*” exists (Whitener et al., 1998, cited in Nunkoo, 2016: p. 590). This is because, at the initial stage, actors will have to consider issues that determine whether the relationship will develop, continue the same relationship, or prematurely end. Economic and social outcomes resulting from the exchanges are also compared as trade-off (Zeithaml, 1988; Beck, Chapman & Palmatier, 2015).

For these reasons, clarity for, and consistency of, information, should fulfil expectations in terms of loyalty programs’ members knowing what to do to attain or receive future loyalty

rewards, amount of effort expected to achieve those program incentives financially, emotionally and time wise (confidence benefit) (Gremier & Gwinner, 2015; Lacey, 2015; Pez, Butori & Mimouni-Chaabane, 2017). It would also be logical to argue that it is in the early stages of the relationship that provision of relevant information would be useful in reducing customers' uncertainty and risk when making purchases. Hence, monitoring of individual customer behaviour through program usage whilst maintaining close interaction at introduction stages plays a crucial role in sustaining the relationship.

The subsequent phase consists of experimentation where the firms' employees and customers become more aware of each other and familiar with the relationship itself. Here, partners begin to evaluate each other's behaviours, intentions and future presentations (anticipated reciprocity) (Gouldner, 1960; Sprecher, 1998; 2001; Cropanzano & Mitchell, 2005; Hoppner & Griffith, 2011; Omar et al., 2011; Cropanzano et al., 2017). Assuming, for the gambling customer, the experiment process must be a dynamic time of the relationship because it is at this stage that a loyalty program customer begins to gain or enhance their knowledge, understanding and, build trust in the relationship with their chosen gambling firm.

The next stage is one of identification. This requires finding ways or levels at which firms attempt to create value for the customer and profit for their organisation in the relationship, gauge customer satisfaction whilst also, creating trust and commitment between partners. From the gambling firms' perspective for example, it is important that the firms' employees at this stage spell out clearly the values as well as the mutual benefits of the relationship and, the relational expectations between partners in order to help structure the relationship equally. Tzokas and Saren (2004) for that reason stress that the third stage of the relationship is particularly important as it requires devoting time to develop the relationship itself. Hence, *“organizational and relational skills are required at this stage in order to maintain strategic and purpose consistency in thick and intense communications and interactions”* (p. 128). Besides, the objective of the interaction between suppliers and a customer is to create and share value (Alderson 1957, cited in Grönroos, 1994). Payne and Ballantyne (1991) however, suggest that this can only be facilitated if customers are willing to engage in long-term relationships and perceive such relationships valuable (Gummesson & Mele, 2010; Grönroos & Ravald, 2011).

The final stage looks at the importance of change that occurs in the relationship. In a gambling context for instance, at the continuous renewal stage, both gambling firms and customers might decide to strengthen their relationship to a greater level (e.g., create differentiation strategies to loyalty program members, entitlements or privileges). Here, customers for example, would utilise positive word of mouth or act as referrals to potential customers about their loyalty programs experiences which would be a benefit to gambling firms (Wirtz & Lovelock, 2016). On the flip side, where partners decide to discontinue the relationship and, where or “*if dissolution is the output of conflict, special skills are required to maintain the identity of the parties involved and alleviate negative images in the market place*” (Tzokas & Saren, 2004: p. 128). Explicitly, discontinuing the relationship on good terms allows for future developments of other forms of dialogue (direct or indirect). More importantly, to maintain integrity, communication amongst partners whether parties decide to continue or discontinue with the relationship is considered crucial due to large investments that would have already been spent on establishing and building relationships (Sharp, 2003; Lacey, 2015). As such, parting on good terms perhaps makes good business sense. For one thing, as Morgan and Hunt (1994), point out, is that because of “*expected termination costs*”, established relationships are usually only broken by traumatic interventions, and can often be relied upon to rumble along longer with far less costs than would otherwise be the case (p. 24).

In view of the above, it becomes apparent that RM is viewed to be more of an emotional and behavioural theory, focusing on variables such as bonding, empathy, reciprocity and trust than a simple tactical approach. Each of these benefits has a clear role to play in the maintenance and growth of a successful relationship. To this extent, the development of relationships between buyer and seller however, irrespective of differing opinions by various scholars, are still considered extremely important. Without these relationships, neither business marketers nor their customers can continue to trade (Palmatier et al., 2013; Samaha, Beck & Palmatier, 2014). What is more, in order to succeed, every phase of the cycle should be managed well and, retention strategies carefully considered by firms in altering their customer behaviour which would then move from acquisition of customers to retaining them as long-term partners (Tzokas & Saren, 2004). Presented in Table 3.2 is a paradigm shift emphasis from a transactional one to one focused on long-term relationships.

Table 3.2: Transactional focus vs Relationship focus. (Adapted from: Christopher, Payne & Ballantyne, 2002: p. 19)

Transactional - (the old perspective)	Relational - (the new perspective)
The focus is on single sale	Focuses on customer long term retention
Looks at short term scale	Long term scale
Orientations are on products features	Orientations are the products' benefits
There is little emphasis on customer service	Emphasis is placed on high customer service
Little customer commitment	Values long-term customer commitment
Contact with customers is moderate	High customer contact
Concerned with quality for production	Quality a concern for all parties involved

These relationships can be achieved using various marketing programs as discussed next.

3.3.6 Relationship Marketing Development

The journey of developing customer-firm relationships starts when the firm invests in activities directed towards attracting customers and positioning themselves in the market (Berry, 1983; Morgan & Hunt, 1994). This relationship is characterised by time and develops over the course of distinct phases (Christopher, Payne & Ballantyne, 2002; Tzokas & Saren, 2004; Guerrero, Andersen & Afifi, 2013). Levitt (1983) and Heide (1994) earlier in their work, suggested that buyer-seller relationship was akin to those which develop into marital relationships/unions. The authors refer to specific phases to support such assertions beginning with courtship (*sale*), marriage (*relationship*) and a possibility of divorce (*dissolution*). Both authors admit that different stages in the relationship cycle present unique requirements, problems and opportunities for both partners in the relationship.

3.3.7 Creating Value and Delivery within the Relationship Cycle

Over the course of the past century, the focus of marketing has evolved from basic demands of managing business transactions to managing long lasting relationships between suppliers and consumers. Alongside this paradigm shift include calls for organisations to focus on superior customer value delivery (Christopher, Payne & Ballantyne, 2002; Gummesson & Mele, 2010;

Kumar & Reinartz, 2016). For that reason, some authors assert value creation and value sharing as the *raison d'être* of collaborative relationships and, as a way of achieving brand differentiation (Grönroos, 1994; Gummesson, 1997; 2012).

Consequently, scholars, (Zeithaml, 1988; Beck, Chapman & Palmatier, 2015) describe customer value in a relationship as the trade-off between the benefits (what you get) and the sacrifices (what you give) (Lovelock & Wirtz, 2011). A consumer evaluates the extent to which the former meets their needs and expectations corresponding to the value for which it was exchanged (Zeithaml, 1988). Accordingly, this is the output of the customer's evaluation of product or service utility. Ulaga and Eggert (2006) built upon Zeithaml's (1988) definition of value as: 'trade-off between the benefits and the costs perceived in the supplier's core offering, in the sourcing process, and at the level of a customer's operations, taking into consideration the available alternative supplier relationships' (p. 314). They claim perceived value are benefits received by the customer (economic, social, and relationship) whilst costs are made by the customer (price, time, effort, risk, and convenience). From Ulaga and Eggert's (2006) description, it can be claimed that value for the customers, is simply created through the processes of resource integration.

In the context of the current study therefore, loyalty programs could be labelled as tools that are used to create and provide value through the exchanges of valued things (resources) (both tangible and intangible) (Homans, 1958; Emerson, 1976; Kandampully, Zhang & Bilgihan, 2015; Kumar & Reinartz, 2018). Customer value therefore, translates into loyalty and purchase intention since the customer's attachment to the firm progressively strengthens as the trust and relationship develops over time (*see*, Woodruff, 1997; Allaway et al., 2011; Bull & Adam, 2011). Thus, value provides gambling firms "*with the opportunity to strengthen its bond with customers and sustain long-term relationship loyalty*" (Kandampully, Zhang & Bilgihan, 2015: p. 384). The concept of the conferred customer value is thus illustrated in Figure 3.5.

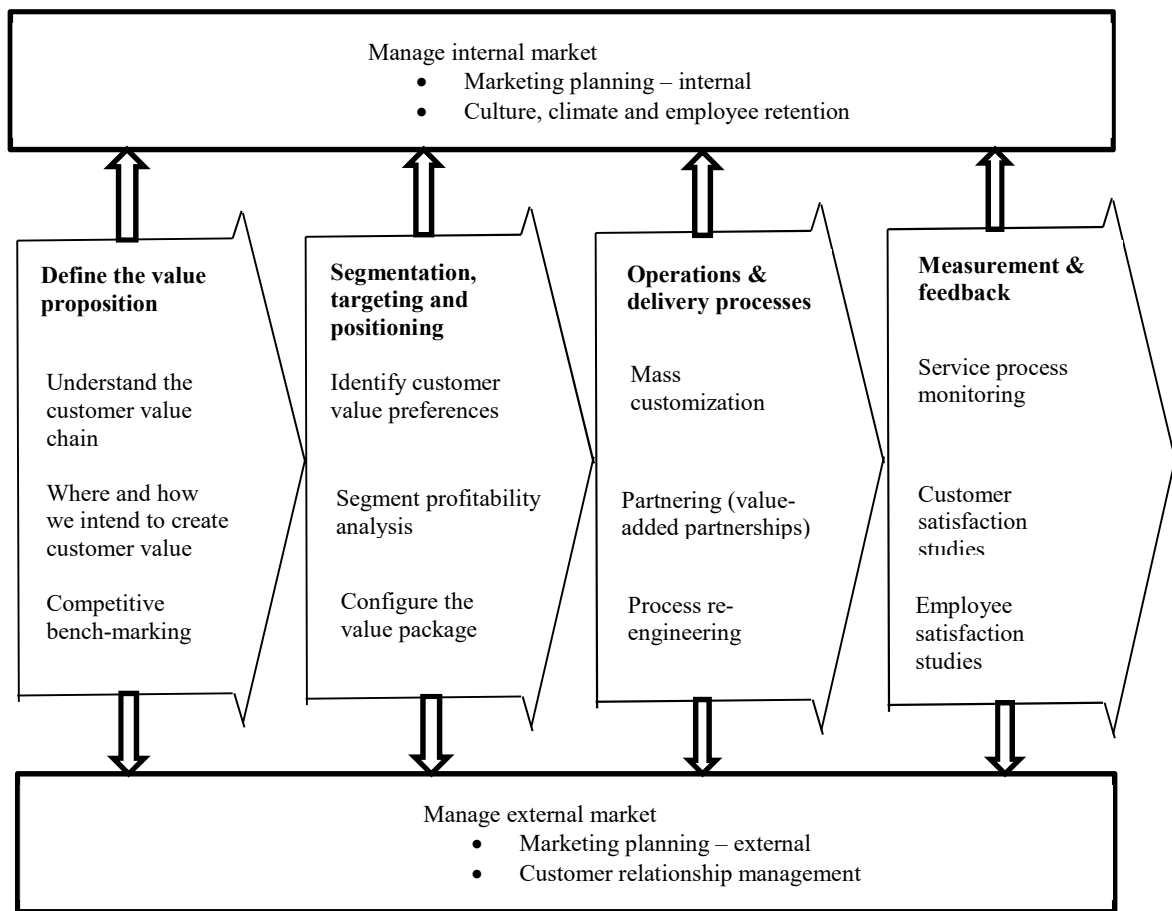


Figure 3.5: The Focus of Customer Value (Source: Payne et al., 1995: p. 7 cited in Tzokas & Saren, 2004: p. 129; Christopher, Payne & Ballantyne, 2002: p 35)

As Ulaga and Eggert (2006: p. 14) fittingly summarise, even though customer-perceived value has been conceptualised differently depending on the source consulted, four sets of general features seem to emerge from literature:

- (1) The benefits and sacrifices can be multidimensional (Vargo & Lusch, 2010).
- (2) Value is trade-off between benefits and sacrifices (Zeithaml, 1988).
- (3) Is a subjective concept (Vargo & Lusch, 2010).
- (4) Value perceptions are relative to competition (Allaway et al., 2011).

For Slater and Narver (1994) nevertheless, value is twofold: valuable for consumer behaviour assessments and marketing management prescriptions. The authors suggest that consumer value also referred to as perceived value relates to the possession and consumption of products and services, whilst from the marketing strategy perspective, it centres on the calculation made by the customer of his or her purchase, (benefits and costs) (Kumar & Reinartz, 2018). Jensen

(1996) for that reason affirms that, the meanings of perceived value cannot be separated from customer value because “*understanding the salient antecedents and consequences of consumer value can probably be considered as the most fundamental prerequisite for sustainable competitive advantage*” (p. 60). This inevitably makes the study of RM from the customer’s point of view imperative as this helps to understand the link between components of value and loyalty.

To illustrate the notion of value however, Woodruff and Gardial (1996) developed a conceptual model of customer-perceived value benefits based on means-end theory. This in turn is underpinned by behavioural psychology studies and is termed the customer value hierarchy model (*see*, Figure 3.6).

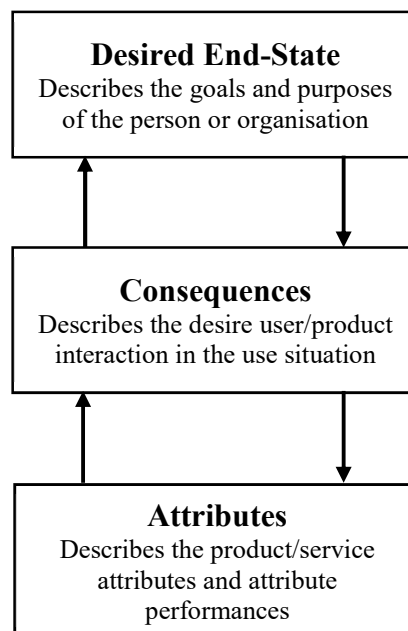


Figure 3.6: Customer perceived value.
(Source: Woodruff & Gardial, 1996: p. 65;
Woodruff, 1997: p. 142)

Woodruff and Gardial’s (1996) conceptual model show how attributes, consequences and desired end states goals are linked together in the means-end model that ultimately allows the determination of customer-perceived or desired value. The means–end model accordingly illustrates the concept that products and more specifically how products relate to customers represented by attributes, consequences and desired end-states. Their research was driven by the then growing body of research relating to consumer response to marketing and consumer behavioural psychology. Woodruff (1997) upholds that customers conceive of desired value in a means-end way. She explains that customers are motivated to achieve the goals they value by

purchasing a given product or service based on specific product or service attributes sought. Woodruff's own study was built upon Gutman's (1982) earlier value theory, where in a seminal paper the author presented his version of the means-end model based on two assumptions about consumer behaviour, mainly:

- (a) Values play a dominant role in guiding choice. He explained that consumers choose actions that produce desired consequence and diminish undesired consequences.
- (b) Consumers reduce the complexity of choice by grouping products into sets or classes. It is this categorisation process, which explains how consumers organise their thinking about specific product alternatives, enabling them to treat non-identical stimuli as equivalents.

This conceptualisation as previously mentioned is consistent with the sociological view that values are abstract concepts, but not so abstract that they cannot motivate behaviour (Schwartz, 1992; Leenheer et al., 2007). Hence, Schwartz (1992) reflects value based on three rudimentary requirements of human existence: "*needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups*" (p. 4) (e.g., happiness, safety, accomplishments, freethinking etc.). Thus, value has its perceived conclusion in customer satisfaction, trust and commitment, also understood to be the customer's emotional or empathic reaction to an expectation (Heide, 1994; Oliver, 2014).

In this respect, disconfirmed expectations lead to dissatisfaction, whilst the confirmation of expectations lead to satisfaction (Palmatier et al., 2009; Oliver, 2014; Wetzel, Hammerschmidt & Zablah, 2014; Kandampully, Zhang & Bilgihan, 2015). Viewed in that context, the means-end model parallels the SET framework. Thus, one may suppose that the essential point of interaction between partners within exchange relationships is relative to the level of involvement, dependence, and resources and that these contribute highly to the different patterns of interaction and behaviour within relationships.

3.3.8 Critique of the Relationship Marketing Concept

One of the main reasons given for the noticeable upsurge of interest and the dramatic growth in the application of RM has been the assertion of the benefits that it can bring to organisations, with these benefits taking many forms. As previously mentioned, the assertion is that the cost

of winning a new customer is greater than the cost of retaining a current customer (Söderlund & Colliander, 2015; Alshurideh, 2016; Izogo, 2016). In view of that, organisations consider the RM approach as drawing attention to this important fact, recognising that an organisation's existing customer base is its most important asset (Buttle, 1996, 2009; Baron, Conway & Warnaby, 2010; Taleghani, Gilaninia & Mousavian, 2011). For these reasons, the limitations and flaws of RM identified by various scholars, maybe somewhat exaggerated.

Despite the general acceptance of RM as a valid approach for increasing customer value, there are many other prominent criticisms which remain unanswered. An examination of these reproaches brings to light obvious themes; the first of which relates to the recognition of a relational state. Coupled with this are matters associated with defining the parties in the relationship whilst lacking in a cohesive conceptualisation and dimension(s) of loyalty. Lastly, issues emerge as to the general parameters of the relationship and the problems in progressing elements of the human connection into the commercial domain (see for example Dwyer, Schurr & Oh, 1987; Juran & De Feo, 2010; Kotler & Keller, 2012; Mende, Bolton & Bitner, 2013; Voorhees, McCall & Carroll, 2014; Alshurideh, 2016; Izogo, 2016; Tanford, Shoemaker & Dinca; 2016). As such, the RM theory has been critiqued over the years by a number of writers who are sceptical of the benefits that the concept brings to both consumers and organisations.

More topical arguments against the benefits of RM have also been summarised by Voorhees, McCall and Carroll (2014) and Tanford, Shoemaker and Dinca (2016). They too, argue that it is almost an impossible task to describe the exact true benefits of RM, not just to the consumer but to the organisation. Voorhees, McCall and Carroll (2014) moreover, point out that because the benefits sought by firms always change from program launch to maturity due to various factors, it is very expensive for organisations to maintain these RM programs. They suggest that benefits are hard to control and quantify accurately, thereby inviting further research and experimentation. Data overload about customers for firms is another issue subject to considerable criticism (Juran & De Feo, 2010). Equally, Excell et al. (2014) on the other hand, suggest loyalty programs uptake among consumers in the gambling industry is low. This, in return, would be an expense to the firm if the stated goals of retention, engagement and revenue do not yield the intended results as businesses would have by this time heavily invested in the program.

Equally, some previous studies (e.g., Narayandas, 1998; Kavali, Tzokas & Saren, 1999; Buttle, 2009) have lamented that research conducted and furthered especially in the service industry pertaining to RM, promote organisational rather than consumer benefits. This view is further echoed by Woodruff and Gardial (1996). These claims have also been echoed by numerous other authors previously mentioned within the literature in this thesis (e.g., Henning-Thurau, Gwinner & Gremler, 2002; O'Loughlin, Szmigin & Turnbull, 2004; Fournier & Avery, 2011; Hollensen & Opresnik, 2015). The latter group of authors similarly agree that there continues to be extensive debate on the potential advantages for suppliers in developing lasting relationships with their customers, whilst very little focus is given to the benefits that consumers might attain from the same relationship. Berry (1995: p. 239, cited in Hennig-Thurau & Hansen, 2013) indicate that, despite the extensive research on the domain, little consideration has been given to the influencing factors that lead a customer to stay in such a relationship. A central premise of the view remains that such relationships must be mutually exclusive though the consumer perspective has rarely been investigated.

Henderson, Beck and Palmatier (2011) have actively campaigned to develop this evaded field of research and attempt to redress this disequilibrium that has existed since the study of RM was born. As expected, Xie and Chen (2013) and in recent years, Tanford, Shoemaker and Dinca (2016), have observed that many researchers have dragged their feet to support this field of research. This has resulted in numerous questions still remaining unanswered and, in some cases, research continues to be vague. Nonetheless, existing literature indicates that with the growing acceptance of the relational concept, the philosophy of marketing science is beginning to analyse this proposition more seriously.

Previously, Backhaus (1997) points out that the RM model has implications for consumers that vary considerably and affects the long-term relationship that develops. He claims that there are negative repercussions that emanate from the unfortunate actions of suppliers who fail to recognise that the development of the value-customer-satisfaction oriented strategy should be studied and researched upon. Backhaus furthermore, stresses the imperativeness for suppliers to recognise a vital concept - that the benefit of RM should be mutual to both businesses and consumers. This is in keeping with Gwinner, Gremler and Bitner (1998) as well, who point out that consumers do not normally participate in determining activities that create RM relationship life cycle(s). Rubin (2003) strongly supports the held view and argues that there are several opportunities available for consumers to participate in driving market forces, but the consumer

is rarely consulted unless there is a direct lack of information that the supplier might require achieving their organisational goals. Narayandas (1998; 2005) equally admits that the internet clearly provides consumers the opportunity to provide input into business practices and planning, though consumers do not recognise the opportunity as there is no direct link to their perceived gain in the end process. Susarala, Anitesh and Whinston (2003) similarly suggest that consumers need to take advantage of this opportunity to co-create value that is beneficial for them, although this is not explicitly highlighted by them in which format this participation could take. The authors recommend that the authors suggest consumers need to recognise the value of consumer-to-consumer networking as a potential source of valuable information and social support that they could contribute to and benefit from.

In the same vein, the assertion that the customer is always a co-creator of value obscures some significant real-world differences as Vargo and Lusch (2010) likewise observe. Moreover, although Srivastava, Shervani and Fahey (1999) affirm that the RM process generates value to customers thereby creating shareholder value, other scholars (*see*, Barnes, 1995; Blois, 1995, cited in Buttle, 1996: p. 7) have previously strongly opposed this. As such, there have been claims that there is very little evidence that customers want to “*enter into long-term partnerships and alliances with suppliers*” (Barnes, 1995; Blois, 1995, cited in Buttle, 1996: p. 7). Palmer (1996) is also bold in stating that, “*managers of firms seeking to develop relationships with their customers should avoid the arrogant belief that customers seek such relationships*” (p. 23). Apparently, not all customers want, or gain from, long-term relationships and, not all relationships may be mutually beneficial (Mende, Bolton & Bitner, 2013).

Similarly, other surveys, (*see*, Jackson, 1985; Palmer; 1996) also indicate that many categories of buyers are becoming increasingly confident in venturing outside of a business relationship. They are reluctant to enter an ongoing relationship with others similarly contesting that the voice of the customer seems absent in modern day RM (Kotler & Keller, 2012; Mende, Bolton & Bitner, 2013). Unlike Srivastava, Shervani and Fahey (1999) who endorse RM by emphasising value, Buttle (1996) in his earlier work, disputes that it is evident customers generally seek quality, value and convenience in their transactions with suppliers, whilst Grönroos (1995) similarly disagrees that RM may not necessarily be an appropriate strategy for all customers. Grönroos is complemented by a host of other writers, (Berry, 1995; Chen & Popovich, 2003; Alshurideh, 2016) who similarly postulate that some customers may be profitable as transactional customers, even if they are not profitable as relationship customers.

An examination of existing commentary on RM as presented in this section moreover, casts light on the current lack of consensus surrounding RM and its concepts. Issues surrounding clarity further emerge when considering the capacity in which customers actively participate in the RM process, as well as the actual processes referred to within this context. Not surprising also, the definitions and descriptions found in one RM literature vary considerably in another, indicating a large variety of customer centric RM viewpoints. RM moreover, seems to be a very widely used term depending on the scenario in which it is being referred to although recently, it has become more and more synonymous with customer engagement (Pansari & Kumar, 2017). Elusive also in most of these proposals and statements furthermore is the exactness of what qualifies as mutual benefits, how these relationships achieve mutualism or indeed, how these relationships are sustained or constrained.

Based on the aforesaid statements, it is reasonable to suggest that perhaps most organisations' emphasis is on customer's current profits and rarely pays attention to building lifetime value relationships with customers based on mutualism (Reichheld & Markey, 2006; Gummesson & Mele, 2010; Xie & Chen, 2014). Indeed, other writers (Gummesson; 1997; O'Malley & Tynan, 2000) have previously challenged the RM theory because though RM practices maybe fundamentally vital for customer retention purposes, not all business circumstances may attain the full benefits of this business strategy. This notion comes out in literature purporting that multiple relationship strategies may be required at both the aggregate, as well as, individual level rather than relying on one strategy that might not be applicable in some instances of interaction with specific customers (Janssen et al., 2015). They opine viewing relationships as multi-dimensional is far superior to the uni-dimensional measures.

3.3.9 Summary of Relationship Marketing Section

This section attempted to identify and define the main constituents or core inputs of RM that is summarised in the elusive mutual benefits theory viewed from the conclusions based upon the above discussion. RM is the identification, establishment, maintenance, enhancement, modification and termination of relationships with customers/consumers to create value for customers and profit for organisations through a series of ongoing exchanges that have both a history and a future (Grönroos, 1994; 1999). In studying RM, since such exchanges are

relational exchanges, both the transaction cost analysis and SET concepts can be used to explain and conceptualise RM paradigms.

In consideration of the above reasons, as well as the literature, this section has also suggested that customers have no specific intentions of entering long term relationships with organisations unless the resulting relationship provides them with a solution to what is deemed as a need in their respect. The means-end theories developed by Woodruff (1997) characterise the transactional motivation that customers typically employ when entering into business-customer relationships. This section has also attempted to demonstrate that suppliers have many strategic business changes to the current arrangement that looks at a customer as a source of business fulfilment rather than a partner.

3.3.10 Conceptualisation and Operationalisation of Social Exchange and Relationship Marketing Theories for Study Context

As has previously been explained, SET and RM theories are harmonising in that often, a feature the one theory assumes to be a given extrinsic condition, the other theory treats as a basic question it seeks to answer. Still, it is important to explain the variations involved within SET and RM. More crucially, consider variables within the constructs and clarify what processes and structures create, facilitate and sustain successful relational exchanges between actors. Hence, for the purposes of this research, and in an attempt to navigate and make the SET and RM functional cooperatively, “*individual characteristics, situational constraints and process related factors*” are adapted (Eiriz & Wilson, 2006: p. 278). The three intersecting relational exchange tenets adapted and illustrated are: exchange context, exchange process and exchange outcome (SET) described alongside the themes of: expectation, satisfaction and commitment (RM) now summarised in Table 3.3 and subsequently discussed.

Table 3.3: Situating the Social Exchange and Relationship Marketing Theories for Study Context. (Adapted from: Lawler & Thye, 1999: p. 223)

SET Concept	SET Synergy	RM Concept	RM Synergy
Exchange Context	Rewards, Costs and Resources	Expectations (Mutualism)	Structural-relational conditions are “ <i>fundamental causes</i> ” of beliefs that fashion win-win behaviour among actors (Lawler & Thye, 1999: p. 221; Palmatier et al., 2009; Cropanzano et al., 2017).
Exchange Process	Cognitive, affective and conative	Satisfaction	Exchanges will exist when loyalty program members have high levels of satisfaction, mutual trust, respect, and loyalty with the organisation (Grönroos, 1994; Gummesson, 1997; Rao & Perry, 2002; Henderson, Beck & Palmatier, 2011).
Exchange Outcome	Drives, situational or environmental features	Commitment	Customers who believe that the reciprocal exchange of valued benefits can occur are more willing to establish long-term relationships with gambling firms. As well, influential underlying forces play an important role in achieving this effect (Sprecher & Schwartz, 1994; Cropanzano & Mitchell, 2005; Cropanzano et al., 2017; Tanford, Hwang & Baloglu, 2018).

The Table above, depicts the rationale, processes and structures that enable or constrain exchanges between actors and, create mutual benefits for firms and customers as explained next. That said, it is important to acknowledge that some of the adopted facets of the RM framework (e.g., trust, expectation, commitment, satisfaction) have been widely studied and deliberated upon by numerous researchers, (e.g., Anderson & Narus, 1990; Palmatier et al., 2013). There is also a wider debate questioning whether customer relationships should be the focus of attention for marketers when implementing a relational approach (see, Grönroos, 1994; Morgan & Hunt, 1994; Cropanzano & Mitchell, 2005; Frow & Payne, 2009; Bull & Adam, 2011; Gummesson, 2012).

3.3.10.1 Exchange Context (Social Exchange Theory) - Expectations (Relationship Marketing)

The present study domain is characterised by the fact that the exchange context involves a higher level of interaction and emotions. Exchange contexts innately encompass uncertainty usually brought about by customer expectation (Ritzer & Smart, 2001). To this extent, customer

expectations (RM) are the perceived value sought from the purchase of a product or service (Kumar & Reinartz, 2016). They are predictions made by consumers about what is likely to happen during an impending transaction or exchange and are attributed to the product itself, the content and individual characteristics. This may also include anticipated satisfactions (Oliver, 2014). So, for example, at relationship inception stage, gambling firms would need to explain the potential costs of loyalty programs to prospective consumers. This would reduce uncertainty brought about by customer expectations. Loyalty program members would thus, require timely and accurate information so that their expectations are realistic and achievable.

However, customer expectations from the RM perspective differ according to the context. For example, expectations in a pure service scenario where there are no tangible goods (e.g., insurance), may differ from a setting that involves an element of tangible goods and services (e.g., a betting shop as in the case of the current study) (Parasuraman, Berry & Zeithaml, 1991). Furthermore, business customers may have different levels of expectations from product end users. The same would be said for experienced and inexperienced customers as their expectations might differ due to their previous experiences, familiarity, knowledge, and understanding of products or, services (Wirtz et al., 2013). It is also worth noting that it is believed that, past experiences and social expectations establish comparison level (Thibaut & Kelley, 1959).

From the gambling firms' perspective, the exchange context raises expectations about what type of emotions or reactions would be considered "*appropriate to experience ... or express in a visible or public manner*" (e.g., from program members in a betting shop environment) (Hochschild 1990, Clark; 1990; Thoits, 1990, cited in Lawler & Thye 1999: p. 222). Thus, emotions from loyalty program members' perspective, can be expressed through feeling good about receiving a reward, accruing points or, being elevated in status (pleasure) (Blau, 1968) or, customers reacting angrily for not receiving rewards or being given a reward perceived to be of less value (punishment) (proposal of aggression and approval) (affective experiences) (Homans, 1961; 1974). The emotions that loyalty program members develop can come about from the perceived value of rewards earned/awarded (Payne & Ballantyne, 1991), as well as ways in which customer complaints rising from the "*winning and losing sequence within the operant conditioning paradigm*" are handled (Skinner, 1953; Parke & Griffiths, 2004: p. 407; Binde, Romild & Volberg, 2017). Hence, gambling firms would need to recognise past, or learn to anticipate future actions of loyalty program members, although, such situations might

pose a challenge considering emotions are largely experienced through “*imagination, perception and memory*” of ‘one’s cognitive processes’ (Gilbert, 2007, cited in Grimes et al., 2017: p. 947).

3.3.10.2 Exchange Process (Social Exchange Theory) - Satisfaction (Relationship Marketing)

From the SET context for example, the exchange process can influence how parties within the relationship perceive each other and aid actors to predict future exchanges, along with potential expected experiences. This also helps assess intentions and trustworthiness between parties and, helps to deal with future risk which in turn impacts on the exchange outcome (Lawler & Thye, 1999). This narration is fitting to this study because there is a focus here on customer discernment and experiences vis-à-vis loyalty program incentives. Hence, members’ fulfilment is gauged from both transaction specific and cumulative constructs. This is because unlike transaction specific, which is loyalty program members’ emotional reaction to the most recent transactional involvement, cumulative satisfaction is an overall customer experience when deciding to repurchase products or services, or commit to long term relationship (Asiah et al., 2013; Oliver, 2014).

Thus, within the context of this research for instance, transaction specific could mean consumers’ evaluations of their specific transaction episodes, psychological reactions or, individual experiences with loyalty program incentives whilst cumulative could be the examining of the actual overall service encounter with betting shop employees over the loyalty program period. Gambling firms in turn, would thus use both transaction and cumulative satisfaction to predict loyalty program members’ future purchasing and experiential behaviours as well as, customer satisfaction.

Applied to the context of this study however, attaining loyalty program incentives does not warrant a positive customer experience or satisfaction (Reichheld & Sasser, 1990). Explained as the evaluation process of what was expected and what is received from a product or service, satisfaction is purportedly a post-purchase phenomenon (Oliver, 2014). Where the customer deals with satisfaction as the surprise element of consumption experience, customer fulfilment response, or as a state, the approach to satisfaction is thus “*represented as a process*” (Parker & Mathews, 2001: p. 38).

Accordingly, customer satisfaction is an adapted standard, which provide a frame of reference for buyers' evaluative judgments within the exchange process (Lawler & Thye, 1999). From the RM perspective however, exchange processes depict how relationships grow. Rao and Perry (2002) categorises exchanges processes twofold: "*stages theory focus is on the progression of changes processes through stages while states theory emphasises strategic moves exchange actors which occurs in an unstructured and unpredictable manner at any point in time*" (p. 603).

3.3.10.3 Exchange outcome (Social Exchange Theory) – Commitment (Relationship Marketing Theory)

Based on SET, the frequency of exchanges, profits made from the relationship, and what gambling firms and loyalty program members exchange contribute to the shaping of the relationship between and, among them, which would influence the course of the relationship over time. It is for those reasons that "*exchange outcomes are joint products of two or more actors' behaviors*" (Lawler & Thye, 1999: p. 235). On the words of Weiner (1986, cited in Lawler & Thye, 1999), "*the outcome of social exchange may generate pride or shame directed at one's self*" "*or anger or gratitude directed toward the other*" (Scheff, 1990a cited in Lawler & Thye, 1999: p. 218).

Applied to the current study context, exchange outcome, like exchange context, allows for parties in the gambling firm-customer relationship to jointly experience emotions such pleasures, amusements, satisfactions, and gratifications from participating in, and gaining from, each other as well as, feelings of anger, resentment, denial and shame from unfavourable consequences. For instance, if loyalty program members attain incentives, they would display happiness and pleasure. Where friction occurs, irrational and unexplained behaviours from an economic perspective, including anger, self-pity, denial or, resentfulness towards the firm or others can occur (proposal of aggression and approval) (Homans, 1961; Emerson, 1976; Spielberg, 2004). Such emotions may occur immediately or upon reflection, determined mostly by each parties' own "*behavior (independence), the behavior of the other (dependence), or a combination of their own and others' behavior (interdependence)*" (Lawler & Thye, 1999: p. 236). Gambling firms perhaps vice versa. Nevertheless, to achieve an exchange outcome, actors would need commitment to, and from, each other within the dyadic relationship. And that is exactly what RM advocates for.

Commitment hence, conjectures an “*enduring desire to maintain a valued relationship*” (Moorman et al., 1992: p. 316, cited in Pansari & Kumar, 2017: p. 298) also known as interdependence within the SET (Thibaut & Kelly, 1959). Emerson (1978, cited in Ritzer & Smart, 2001: p. 269), on the other hand, ideates commitment as a “*means of uncertainty reduction*”. In the context of this study for example, this could mean gambling firms’ investing into facilities, structures and processes that would enhance customer experience and confidence or, initiating a sense of duty that goes beyond the expected utility of the exchange. From the loyalty program member’s perspective, commitment could be active behaviours exhibited through WOM or, referring gambling firms to others, providing feedback to the firms or purchases of gambling firms’ product or service.

Accordingly, this study delineates commitment as a behavioural and experiential construct to include all activities and interactions “*beyond the purchase of a product or a service - that a customer can undertake in order to collect a reward or points*” (Rehnen et al., 2017: p. 307). The activities do not have to be directly related to the company or the purchase process (Bowen & Shoemaker, 1998; Verhoef, Reinartz & Krafft, 2010; Pansari & Kumar, 2017). Commitment is also explained to include wagering risky bets (usually in an excessive manner) (addictiveness), in anticipation of earning incentives and, to experience the emotional high associated with taking risks that occasionally pay off (i.e., rewards) (Rickwood et al., 2010). Describing commitment in this way, allows the researcher to incorporate reciprocation. *Reciprocation* ‘involves successive exchanges through undetermined relations and commitments’ (Lawler & Thye, 1999: p. 219).

The next section discusses CRM within the context of RM and its influences on organisations. This is due to the fact that within RM, relationship management processes differ at each level. Consequently, the CRM concept is utilised to facilitate RM implementation and effectiveness.

3.4 Customer Relationship Management: A Review

Pine, Peppers and Rogers (1995) declare choice is not necessarily important to consumers, the more savvy and aware consumers become, the less likely there are to assess the choices that are available to them as ultimately, they know exactly ‘what, when, where and how they want it’. The advent of technology has from a business perspective also made it significantly easier for such demands to be met and catered for (p. 103). In view of that, research on CRM over the

decades has taken centre stage, producing a rich and diverse set of meanings with extensive contribution from numerous authors (e.g., Morgan & Hunt, 1994; Pine, Peppers & Rogers, 1995; Buttle, 2009; Fournier & Avery, 2011; Kumar & Reinartz, 2018) who have collectively referred to CRM as bonding, empathy, reciprocity and trust.

Contributing to the CRM discussions, some authors (Payne, 2006; Reinartz, 2010; Soltani & Navimipour, 2016), claim that various researchers interpret CRM in different ways. As a consequence, organisations adopt different definitions and descriptions of what CRM means to suit their strategic terms. Buttle (2009) for example, defines CRM as the “*core business strategy*”, the aim of which is to ensure that all ‘processes, operations and functions’ are aligned in a way so as to ensure customer value is delivered and remains at the heart of all business operations (p. 16). Buttle stresses that CRM is grounded on high quality customer related data; enabled by information technology. While comprised with numerous aspects, the basic CRM theme is for the company to become more customer-centric. Thus, an important aspect of the characterisation of CRM by Buttle is that it is concerned with collaborative relationships between the firm and its customer. Emphasis is on value delivery as a core concept and the goal is to convert buyers into loyalists and loyalists into enthusiasts/evangelists. The idea of CRM thus, is that a customer should not be regarded as a set of unconnected transactions, but as an income stream for the duration of the customers’ lifespan (Buttle, 2009).

Sharp (2003: p. 199) likewise, provides another interesting characterisation of CRM, inasmuch that its execution rests in the optimal understanding of customer behaviour in order to influence it through “*continuous relevant communication*”. This therefore means that businesses make a concerted firm-wide approach to “*enhance customer loyalty, acquisition, retention and profitability*” (p. 199). Sharp’s definition, like Buttle, is thought provoking in two respects: the fact that it places emphasis on relevant communication transferred to the customer and, that it is generally concerned with building relationships to the benefit of the firm, not consumers. As the analysis prove, providing relevant information is beneficial in reducing insecurity and perceived risk particularly where customers have invested time and effort.

It is also important, to point out that some writers (e.g., Frow & Payne, 2009; Payne & Frow, 2013; Frow et al., 2015; Nguyen, Simkin & Canhoto, 2015) admit that RM and CRM are often used in conjunction to validate numerous opinions and interpretations about functional and database marketing. CRM seemingly is also repeatedly used interchangeably with the terms

relationship marketing (RM), customer relationship marketing (CRM), enterprise relationship marketing (ERM), technology enabled relationship marketing (TERM), customer managed relationships (CMR) or customer management (CM). It is for that reason that when it comes to defining CRM, there seem to be no one universally accepted description (*see*, appendix 7, p. 339 for more broad interpretations of CRM descriptions). Equally, the variations of CRM description and how organisations use them demonstrates that an array of approaches are used to explain CRM across different industries and within specific business markets and the definitions and descriptions of CRM used by different authors and authorities vary significantly from industry to industry.

However, a broader perspective of CRM description is the one adopted by Parvatiyar and Sheth (2001) whereby they suggest that the desire to capture customer value serves as the ultimate fuel for companies. In turn, they seek out strategies be it retention, selection or acquisition based, to ensure that they can create and deliver superior value for customers. In addition, to efficient and effective processes, this also includes integrating business units such as ‘sales, customer service, supply chain and marketing’ (p. 5).

Nonetheless, to bring meaning to the CRM discussion, Payne and Frow (2013) proposed a spectrum that ranges from customer-oriented IT and Internet solutions (transactions) to creating value propositions (relational exchange) as endpoints of a continuum. Hence, for this study, to conceptualise CRM facets and the interactions between these constructs, a conceptual model has been adapted and illustrated in Figure 3.7.

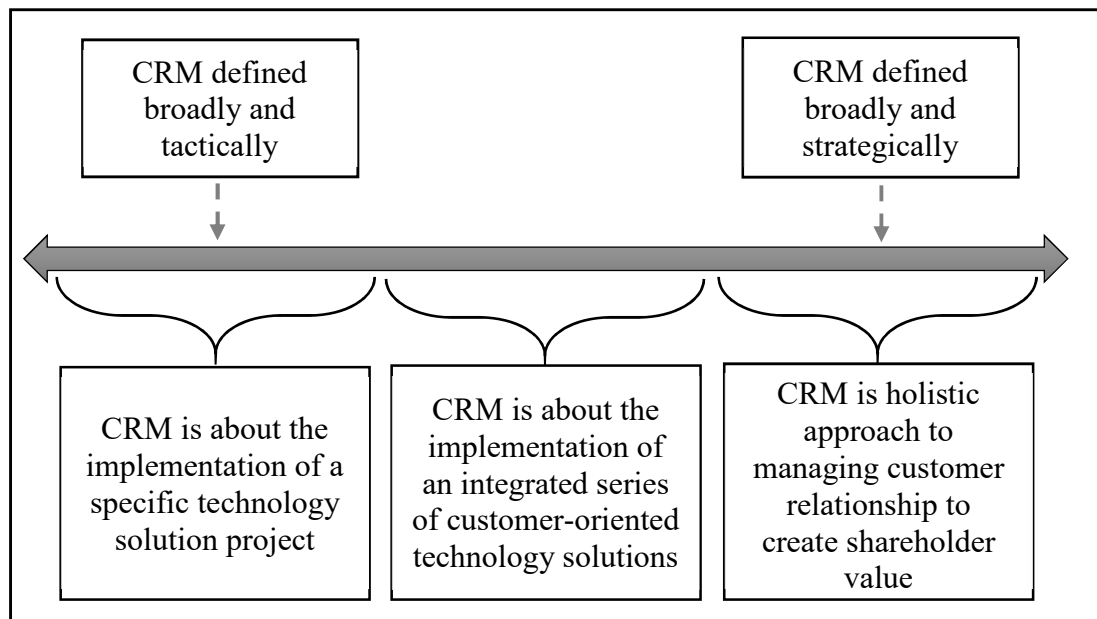


Figure 3.7: The Customer Relationship Management Continuum. (Adapted from: Payne & Frow, 2013: p. 25)

Two conclusions can be drawn from the above figure regarding the idea of the CRM continuum: technological expertise seems to be specific, with a narrow view and constricted, focusing primarily on individual/consumer behaviour hence limiting its uses. This approach perhaps is what is mainly practiced in the gambling business environment. In contrast, a broader interpretation of the figure suggests that CRM incorporates a variety of aspects, which affects its adoption at an organisational level. The observation however, is that with technology, there is a failure to embrace a sufficient customer human perspective or interaction. Thus, to have an all-encompassing approach would be the best tactic for effective CRM (Sharp, 2003; Payne, 2006; Kumar & Reinartz, 2018).

3.4.1 The Role of Customer Relationship Management Strategies

Scholars (Reichheld & Sasser, 1990; Galitsky & De la Rosa, 2011), suggest that customer retention using CRM tools is associated with long-term profitability (Reinartz, 2010; Agariya & Singh, 2011; Wu & Li, 2011). As has been previously mentioned, customers' quality perceptions or customer value seemingly leads to trust and commitment (relationship quality) and finally, to retention.

Nonetheless, the applications of CRM are not new in the marketplace. Research in respect to its application dates to the works of various authors (Kotorov, 2002; Rowley, 2002; Xu et al., 2002; Bose, 2002; choy et al., 2003; Ferguson et al., Sweet, 2004, cited in Xu & Walton, 2005: p. 955) who congruently suggest that, marketing has become a strategic function of organisations and the existence of information. In addition, technological packages have made it essential for business owners to defensively deploy CRM strategies to deliver value to their customers (Kumar & Reinartz, 2016; 2018; Soltani & Navimipour, 2016) while creating shareholder value for the firm (Payne & Frow, 2013). Comparably, Kumar and Reinartz (2016) suggest CRM helps to segment customers based on their customer long-term value to the business.

Initially however, the quality movement placed customer satisfaction as the ultimate goal of marketing programs (Source, 2002). Ndubisi, Malhotra and Chan (2009) equally observe that customer satisfaction had erroneously been deemed to directly affect customer retention and consequently market share. Knox (1998) and in recent years, Nguyen, Simkin and Canhoto (2015) observe that, research henceforth focused on promoting customer retention strategies rather than customer satisfaction. However, as satisfied customers were shown to defect to other brands or providers at relatively high rates, strategists looked to creating a greater commitment with the customer through CRM strategies (Galitsky & De la Rosa, 2011; Tanford, Hwang & Baloglu, 2018). The assumption is that as customers' needs and wants over the years changed, organisations began to focus on the integration of all relationships and use of systems to collect and analyse data across the firm, linking the firm and customer value along the value chain to develop capabilities (Nguyen, Simkin & Canhoto, 2015).

In the land-based gambling in that respect, CRM would be used for identifying and recruiting potential customers, analysing and tracking customer interactions, viewing and monitoring future revenue stream, awarding customer incentives and many others. In doing this, gambling firms can understand consumer purchasing patterns and behaviours and, tailor strategic inputs in that direction (Peppers & Rogers, 2010). From both the SET and RM perspectives, this knowledge enables gambling firms to manage their relationship with customers in a unique manner, thereby enhancing customer loyalty, increase patronage and retention from continuous satisfaction (Jackson, 1985; Söderlund & Colliander, 2015; Ryu & Lee, 2017), and create dependance (Kelley & Thibaut 1978).

Regarding customer satisfaction and retention strategies however, it is reasonable to suggest that perhaps most research work has generally focused on potential advantages of satisfying or retaining customers without dissecting the concepts involved or the customer's drive to engage in, and persist at, relational participation.

3.4.2 Conceptualising Customer Relationship Management within Relationship Marketing for Context

As noted in prior research by Goodman et al. (2000, cited in Nguyen & Mutum, 2012: p. 402), *“it is from two to 20 times as expensive to get a new customer as to retain an existing one”*. Several other authors similarly agree that the cost of retaining existing customers is lower than attracting new ones (Söderlund & Colliander, 2015; Alshurideh, 2016; Izogo, 2016: p. 748). Hence, the application of CRM in organisations minimises operation costs without negatively impacting the service level. To help understand and appreciate how CRM fits into RM, customer management strategies such as loyalty programs are implemented to centralise, simplify, secure and scale customer engagement, as well as, manage customer interactions and accomplish transactions as illustrated in Figure 3.8.

As Kumar and Reinartz (2018) note, CRM within RM, is also used to refer to a specific Information Technology (IT) solution such as data warehouse, specific application such as campaign management or, sales force automation that links organisational functions such as sales, marketing, customer service and human resources, finance and logistics with the companies' customer touch points. The former functions can be referred to as front house whilst the latter functions as the back office (Reinartz, Krafft & Hoyer, 2004; Kumar & Reinartz, 2018).

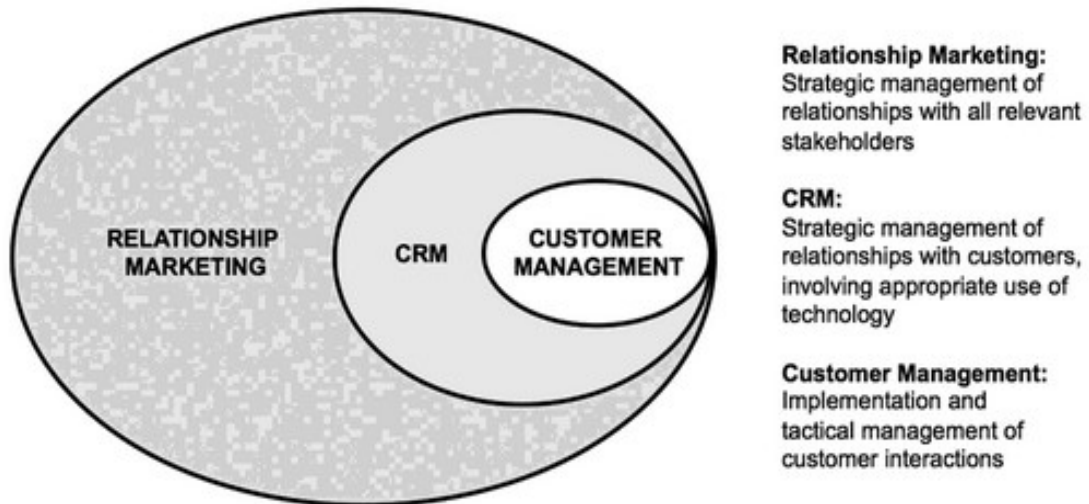


Figure 3.8: Relationship Marketing, Customer Relationship Management and Customer Management (Source: Nguyen, Simkin & Canhoto, 2015: p. 23)

The CRM concept was developed and is used to facilitate RM implementation and effectiveness. This is achieved for the reason that CRM techniques allow firms to perform the “*actionable content*” of the RM theory (Tzokas & Saren, 2004: p. 130). The authors draw upon the distinctions between RM and CRM by stressing that whereas RM is a marketing concept, CRM refers to the tools used to carry out the RM concept (*see*, Galitsky & De la Rosa, 2011; Wu & Lu, 2012). Hence, the “*direct purpose of CRM is to achieve RM effects*” (Morgan & Hunt, 1994; Meryl, 1999 cited in Wu & Lu, 2012: p. 278) and the “*two have a mutually assisted relationship*” (Wu & Lu, 2012: p. 278). All the same, in spite of much new knowledge about the role of CRM, authors (Frow & Payne, 2009; Peppers & Rogers, 2010) observe that a company in many instances at the outset employs a sequence of stages before realising the most suitable CRM strategy for their organisation.

Nguyen, Simkin and Canhoto (2015) however, assert that despite the numerous similarities between RM and CRM concepts there are significant differences that are worth noting when discussing the two notions. This is because, within RM (which of course was initiated by SET), relationship management rationale for relationships, processes and structures differ at every level. Besides, unlike RM that bears three all-encompassing classifications labelled tactical, strategic and philosophical, utilisation of CRM is usually threefold: functional level, customer facing level and macro level of the business explained as follows:

Firstly, it is more beneficial to typify CRM as a complex process rather than just a technological tool (Chen & Popovich, 2003; Duńu & Hålmåjan, 2011). Applied to context of this study for instance, at a functional level, CRM is used to recruit customers and systematically maintain relationships with loyalty program members at every stage of the relationship (from initiation, management period through to renewal/termination stages) (Reinartz, Krafft & Hoyer, 2004; Kumar & Reinartz, 2018). As well, CRM focuses on ensuring that front-line employees in a betting shop environment enhance program member enrolment and usage replicate best practices thereby increase customer engagement and thus, contribute to the gambling firms' profit.

Secondly, RM is often cited as the philosophical basis which argues for caring for customers through high quality interactions and mutualism by means of CRM (*see*, Zablah, Bellenger & Johnston, 2004). For the current study setting, at the customer facing level, CRM consists of activities usually carried out by employees in a betting shop as well as other front-line customer facing employees. Activities include gathering customer data at different interaction points between the firm and the customer for relationship activities. Such activities would perhaps be carried out at initiation stages of the relationship, during program tenure, churn management or at dissolution periods (Reinartz, Krafft & Hoyer, 2004; Tzokas & Saren 2004; Kumar & Reinartz, 2018). Thus, at the customer facing level, CRM is the frequency of interaction between employees and consumers. Hence, CRM is delineated as finding customers, isolating profitable customers and, developing options that help to manage and retain them through processes for the gambling firms' competitive advantage.

Thirdly, RM is applied as a philosophical foundation comprising of activities such as recognising long-term sales and retention goals, public relations, marketing and advertising campaigns, whilst CRM is considered as operational tasks that support the RM strategy (Wu & Lu, 2012; Frow et al., 2015). Thus, at the macro level of a gambling firm, activities within CRM may well include collecting data about loyalty program members before organising and analysing it to create target customer profiles, used for customer and marketing support. CRM data may also be effective in finding opportunities to build different offers to remunerate long-term customers for their loyalty. Using CRM, potential profitable customers would be moved to different stages of the relationship for maintenance. To do this, businesses usually, use the RM ladder which shows the progression of the relationship from: 'prospect, customer, client,

supporter, advocate to partner' (Payne, 1994: p. 30; Christopher, Payne & Ballantyne, 2013). Thus, further building differential between relationships (Chen & Popovich; 2003; Frow & Payne 2009; Duńu & Hălmăjan, 2011). As well, at a macro level, gambling firms would look beyond the business parameters to consider external customer data, allowing for an all-inclusive approach of customer management processes rather than limit themselves to functional and customer facing levels, which are internal processes of the business. This is because knowing, understanding and managing customer external data can provide gambling firms with a multidimensional view of customer wants, needs, expectations and behaviour at all stages of the relationship (Lemon & Verhoef, 2016).

Thus, on the basis of the existing literature, the author of this study suggest RM and CRM emerge as the major constructs to loyalty programs. Consequently, the section that follows discusses loyalty programs as a customer management tactic within the CRM concept.

3.5 Loyalty Programs

As previously mentioned, one of the most significant current discussions within marketing is customer recruitment via loyalty programs or as some call them; loyalty schemes. Loyalty programs are "*hailed as examples of Relationship Marketing in action*" (Palmer, 1994, Gilbert, 1996; Grönroos, 1996, cited in Hart et al., 1999: p. 542; Moore et al., 2012; Steinhoff & Palmatier, 2016).

Various authors suggest "*the term loyalty program*" encapsulates different marketing initiatives some of which are "*reward cards, gifts, tiered service levels*", 'awards and prizes' and also, encompasses other methods that "*positively influence customers' attitudes and behaviour to the brand or firm*" (Berman, 2006; Liu, 2007; Drèze & Nunes, 2009; Henderson, Beck & Palmatier, 2011: p. 258; Tanford, Raab & Kim, 2011; Beck, Chapman & Palmatier, 2015; Berezan et al., 2015; Lacey, 2015; Solarová, 2015). Hence, organisations particularly within the service industry use various types of loyalty programs to reward and encourage loyal repeat buying behaviour of their customers, which is potentially beneficial for building long-term relationships with companies (Sharp & Sharp, 1997; O'Callaghan & Keegan; 2005; Palmatier et al., 2009; Xie & Chen, 2014; Yang & Lau, 2015; Ma, Li & Zhang, 2018). Loyalty programs therefore, usually consist of loyalty cards which identifies the cardholder as a member

in a loyalty scheme that facilitate the provision of rewards, prizes, awards and gifts (Yi & Jeon, 2003; Reinartz, 2010; Lacey 2015).

Although a loyalty program remains a multidimensional theory (i.e., consists of behavioural and attitudinal characteristics), at its most rudimentary level, it can be defined as a programme designed to reward customers for making repeated purchases with a firm (Hart et al., 1999; Liu, 2007; Meyer-Waarden & Benavent, 2009; Chen & Pearcy, 2010; Meyer-Waarden, 2013; Xie & Chen, 2014; Alshurideh, 2016). As such, Henderson, Beck and Palmatier (2011) define loyalty programs as “*any institutionalized incentive system that attempts to enhance consumers’ consumption behaviour over time beyond the direct effect of changes to the price or the core offering*” (p. 258). It follows from this then that “*a loyalty program is a systematic tool that motivates customers to engage in relational exchanges and cultivate lifetime relationships with businesses*” (Lee, Tsang & Pan, 2015; Xie & Chen, 2013, 2014, cited in Tanford, Hwang & Baloglu, 2018: p. 108).

Loyalty programs can also be classified as a “*tool of marketing communication*”, fitting into sales promotional tools; intended to create communication between firms and customers, (Janouch, 2010: p. 201 cited in Solarová, 2015: p. 617; Lacey, 2015; Andrews & Shimp, 2017). In the same vein, Omar et al. (2011: p. 334) argue that ‘sales promotion tools’ are meant to be short term tactics and should not be available to a customer for a long time (as in the case of loyalty programs). Hence labelling them as such does not correspond to the principle. To add to the array of loyalty programs’ explanations, numerous there are other definitions used by different writers describing loyalty programs as presented in Table 3.4.

Table 3.4: Loyalty Programs Descriptions

Definition	Author
'Marketing efforts that reward and encourage loyal consumers' behaviour to increase the firms' profitability and benefits'.	Sharp and Sharp, 1997: p. 474
"A marketing strategy based on offering an incentive with the aim of securing customer loyalty to a retailer'.	Gómez, Arranz and Cillán., 2006: p. 387
'Coordinated, member-based marketing actions aimed at strengthening close co-operation-based relations between consumers and products offered by the programme owner.	Lacey and Sneath, 2006: p. 459
'Marketing integrated actions intended to strengthen loyalty of the programme participants'.	Leenheer et al., 2007: p. 32
Programme offering added value to consumers at repeated purchasing.	Liu., 2007: p. 20
A brand extension aid that encourages card members repeat purchase and loyalty with a provider	Omar et al., 2011: p. 334.
'A barrier that prevents consumers from leaving and 'defecting to competitors'.	Gable, Fiorito and Topol, 2008: p. 36
Marketing practice that creates and maintains relations between the organisation and the consumer and offers added value to the consumer.	Ha and Stoel, 2008: p. 217
"Long-term-oriented programs that allow consumers to accumulate some form of program currency, which can be redeemed later for free rewards".	Liu and Yang, 2009: p. 94
"Integrated system of individualized marketing actions that aims to increase customers' loyalty through personalized relationships that stimulate their purchase behaviour".	Meyer-waarden and Benavent 2009: p. 346

Nonetheless, despite the similarities in the above definitions by different authors, in terms of mechanism, implied interpretation and practice, loyalty programs seem to differ from industry to industry and, between organisations too as discussed in the sections that follow.

3.5.1 Types of Loyalty Programs

Shoemaker and Lewis (1999, cited by Tanford, Shoemaker & Dinca, 2016) classed loyalty programs twofold: frequency programs whose aim *"is to build repeat business and, true loyalty programs which seek to create emotional brand attachment"* (p. 1937). Meanwhile, others, have simply called loyalty programs collect and spend, and instant discount (*see*, Griffiths & Wood, 2008). As the names suggest, collect and spend schemes *"are often free; customers present their card each time they make a purchase and thereby collect points, which can be redeemed at a later date for a discount or other reward"* whereas with instant discount, program members *"make a modest initial payment for the card ... when the card is presented*

at point of purchase a discount is received on some or all of the goods purchased” (Griffiths & Wood, 2008: p. 106).

Deviating from Shoemaker and Lewis’ (1999) construct of loyalty programs, Peiguss (2012) offers an alternative classification of loyalty programs calling them: points systems and tier systems. In the opinion of Peiguss, points systems reward customers based on service usage levels; appropriate for businesses that encourage frequent, short-term purchases; most prevalent within the transportation, retail and hospitality industries. Tier systems on the other hand offer *“small rewards as a base offering for being a part of the program and encourage repeat customers by increasing the value of the rewards as the customer moves up the loyalty ladder;”* apt for high commitment, higher price-point businesses such as airlines, hospitality businesses and insurance companies (Peiguss, 2012: p. 80). Daukševičiūtė, Vilkaite and Valainis (2011) likewise, discussing Berman’s (2006) earlier work, assert most service industry businesses use the points accumulating scheme, stating these are popular within airlines, hotels and credit institutions. Daukševičiūtė, Vilkaite and Valainis (2011) also point out that in terms of a points accumulating programme, by purchasing a product, the user obtains points on through which they can choose a desired reward for a pre-defined number of accumulated points later.

Below is a succinct and useful synopsis of the most common types of loyalty programs, although different emerging types are being added to the list (*see*, Table 3.5).

Table 3.5: Typology of Loyalty Programs. (Adapted from: O'Callaghan & Keegan, 2005; Henderson, Beck & Palmatier, 2011; Xie & Chen, 2014).

Appreciations	Giving customers more of a company's product/service.
Rewards	giving customers discounts, rewards or money related or unrelated to a company's product/service based on past behaviour
Partnership	marketing of/to another company's database and allowing loyal customers to choose their rewards from either company
Awards	usually exclusive or tiered incentives given to customers in recognition of their loyalty with a firm, expenditure or achievement
Rebate	giving customers money back when they buy more
Prizes	giving out randomly selected prize draws to customers
Affinity	building a lifetime value relationship with a customer based on mutual interests and not on the use of rewards
Gifts	selectively giving away random or unexpected gifts or incentives to customers for their continual purchases or loyalty with a firm
Coalition	teaming up with different companies to share customer data to jointly target a customer demographic segment

Based on the above illustration of Table 3.5, it is vital to point out that loyalty programs are designed to provide different outcomes and that they can create different types of outcomes for the customer and firms as illustrated in Figure 3.9. Hence, the importance of highlighting their differences. For example, consumers obtain rewards (which could be earned through normal consumption or re-patronage). In terms of gifts, a person receives a gift, they are not earned and, are usually unexpected (e.g., from person/ firm to the consumer or, could be vice-versa). Gift giving, is considered a form of social exchange (Blau, 1964). From time to time, individuals can also win awards and prizes (usually, these tend to be randomly selected or, publicly drawn) (Homans, 1958; Blau, 1968; Grimes & Medway, 2017). In order to win awards and prizes however, loyalty program consumers would have to invest their own resources (e.g., money time, effort, skill, psychological risk etc.) (Homans, 1958; Emerson, 1976). Applied to the current study context for example, gambling firms would conceivably provide consumers with free gifts; usually expressed as a token of appreciation or, award and prizes after partaking in gambling activities using LCPS.

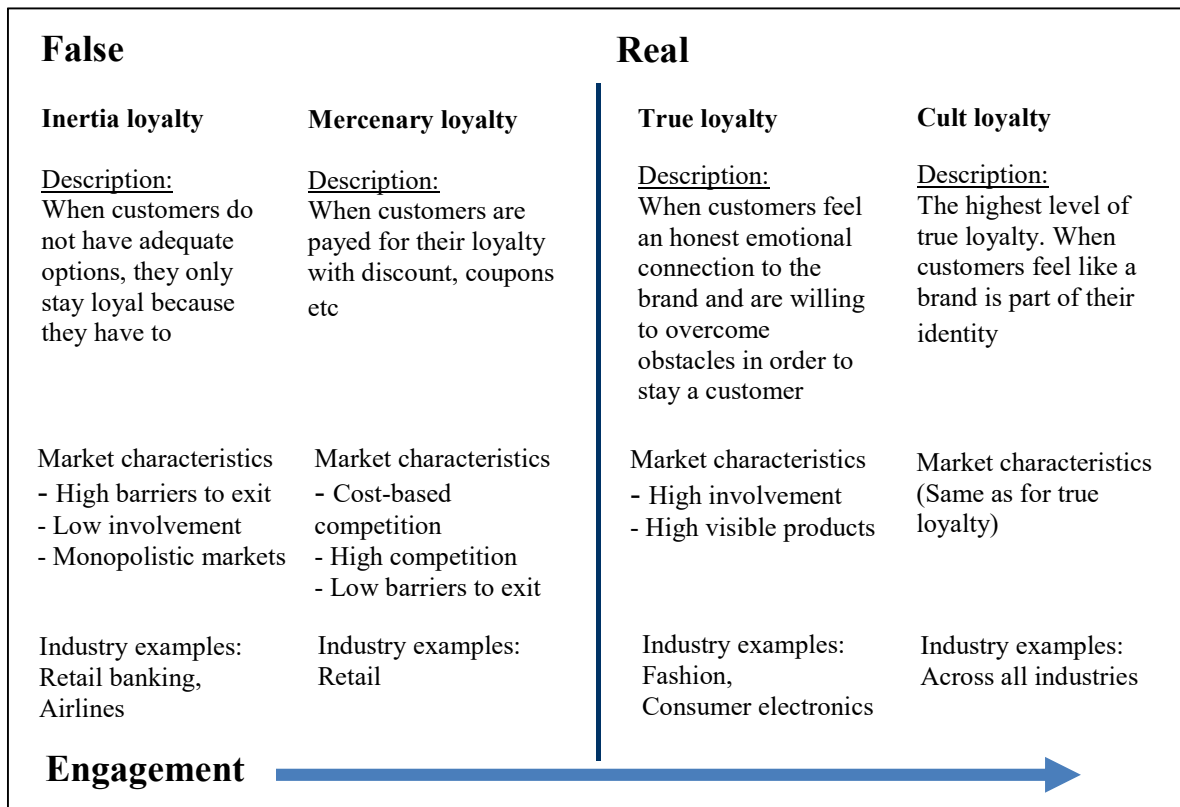


Figure 3.9: Loyalty Level Outcomes. (Source: Acando, 2017)

3.5.2 Loyalty Programs in the UK Land-based Gambling Sector

From the foregoing descriptions, the UK land-based gambling sector appears to operate a hybrid approach whereby, gambling firms incorporate reward and award systems (points system; collect and spend), although occasional gifts (e.g vouchers) perhaps depending on the level of the customer status have also been noted. Of worth, despite rewards, prizes or gifts, redemption is nonetheless, via gambling activities, in store, online or at the race courses thereby producing both inertia and mercenary loyalty.

Nevertheless, there is evidence to suggest that, the provision of loyalty programs rests on gambling firms having access to obtain information not necessarily from technology-enabled customer sources but also, through face-to-face interaction with consumers and other market information. As well, within the UK land-based gambling sector, any consumer aged 18 years or over, is eligible to partake in gambling activities and enrol in loyalty programs. There are “no legal requirement to provide names, addresses or other personal details in order to register for a card” (Association of British Bookmakers, n.d; Wardle et al., 2014: p. 16). In addition, program members are not locked into one loyalty schemes. Instead, they hold numerous accounts simultaneously, with the same firm as well as, other competitor retailers. Hence, the

UK land-based gambling firms perhaps faces challenges in running loyalty programs simply because all major high street bookmakers embrace similar programs. That said, it appears that the motivations for deploying loyalty programs by businesses, is both tactically and strategically inclined as depicted in Table 3.6.

Table 3.6: Motivations for Loyalty Programs’ Practices. (Source: O’Callaghan & Keegan, 2005: pp 4-5)

Tactical	Strategic
Increase the number of customers visiting the store and reward loyal customers <i>(Smith et al., 2004)</i>	Improve loyalty <i>(McIlroy & Barnett, 2000; Smith et al., 2004)</i>
Deepen the retailer’s understanding of individual customer behaviour <i>(Dick & Basu, 1994; Byrom et al, 2001)</i>	Improve customer retention <i>(Reichheld & Sasser, 1990; Sharp & Sharp, 1997; Knox, 1998)</i>
Allow retailer access to individual customer behaviour <i>(Mitchell et al., 1996; Conneran & Lawlor, 1997; Evans, 1999; Palmer et al., 2000b)</i>	Facilitate customer profiling and market segmentation <i>(Uncles, 1994; Conneran & Lawlor, 1997; Palmer et al., 2000a; 2000b)</i>
Increase customer spend per visit <i>(Evans, 1999)</i>	Improvement of retail communication with customers <i>(Conneran & Lawlor, 1997; O’Malley, 1998; Smith et al., 2004)</i>
Used as a sales promotional tool <i>(O’Brien & Jones, 1995; Evans, 1999; Wright & Sparks, 1999; McIlroy & Barnett, 2000)</i>	Competitive Motives: - as a defensive measure to combat a competing scheme <i>(Uncles, 1994; O’Malley, 1998)</i> - both defensive and pre-emptive <i>(Dowling & Uncles, 1997)</i>
	As a means of differentiation for competitive advantage if exclusively operated <i>(Conneran & Lawlor, 1997; McGoldrick, 2000; Palmer et al., 2000)</i>

Hitherto, Dowling and Uncles (1997: p. 72) summarised the primary objectives anticipated from loyalty programs as follows: “1) to maintain sales levels, margins, and profits (...); 2) to increase the loyalty and potential value of existing customers (...) and 3) to induce cross-product buying by existing customers (...)”. Xie & Chen (2014) emphasises this fact through their assertion that “loyalty programs are meant to not only ensure customers’ retention but also to encourage active purchases” (p. 109). Similarly, Evanschitzky et al. (2012) in their study found that though a loyalty program “is not a predictor of purchase behaviour ... is a far more important driver of purchase behaviour” (p. 625). Consequently, loyalty programs

influence customer choice, transaction values, fosters long-term loyalty and increases retention. This linkage creates low or even zero defection (Reicheld & Sasser, 1990; Han, Kim & Kim, 2011; Tanford, Raab & Kim, 2011; Hollmann et al., 2015). These, in the opinion of Omar et al. (2011) have become a central facet of the desire to establish, develop and maintain relationships, all of which sit at the heart of CRM.

One important theme can be drawn from the information regarding the idea of loyalty programs. The assertion that loyalty programs are concerned mainly with behavioural loyalty rather than attitudinal loyalty because ultimately, loyalty programs appear to reward behaviour (Sharp & Sharp, 1997; Griffiths & Wood, 2008; Lee, Chang & Liu, 2010; Tanford, Raab & Kim, 2011; Zakaria et al., 2014). Thus, customers essentially are not awarded points, prizes, discounts or other incentivised for changing their attitudinal loyalty but, for their conducts.

In truth, Solarová (2015) makes the bold claim that loyalty programs are just one vehicle employed by companies that influence and shape the behaviour of their customers whilst other authors (Ashley et al., 2011; Beck, Chapman & Palmatier, 2015; Lacey, 2015) aver loyalty programs are designed to improve customer satisfaction and commitment, win consumer's confidence and preserve their loyalty. Other researchers, likewise, claim that the main intention of loyalty programs is to reward loyal frequent buyers more often and deter them from defecting to competitors (Sharp & Sharp, 1997; Han, Kim & Kim, 2011; Tanford, Raab & Kim, 2011; Evanschitzky et al., 2012; See-To & Ho, 2014; Alshurideh, 2016). This sense of loyalty to a brand or company is likely to be fulfilled regardless of any related barriers which prevent customers from doing so. Hence the need for management to "*understand what customers consider to be important in terms of their program experience*" (Yoo, Berezan & Krishen, 2018: p. 1059).

The view of loyalty programs corroborates the ideas of Gómez, Arranz and Cillán (2006, cited in Zakaria et al., 2014) hitherto, found that the relationship between company and consumer is in fact mutually beneficial despite what one may think. The authors go on to claim that often, loyalty program members tend to have more positive attitudes, higher levels of trust and satisfaction compared to their counterparts. All of these positive factors contribute to strengthening their commitment to retailers. In a similar study conducted at around the same time, Turner and Wilson (2006: p. 961) found that customers were more loyal to Tesco because of the Tesco's loyalty scheme. Their findings revealed that '70 per cent of Clubcard owners

‘strongly agreed’ or ‘agreed’ that the Clubcard influenced the frequency of visit to Tesco “*with 11 per cent “disagreeing” or “strongly disagreeing”*”. This suggests a positive and significant relationship between loyalty programs and customer loyalty.

Loyalty programs thus, provide remunerations or the perceived value to participants as a token of appreciation for their loyalty to the organisation (Kumar & Reinartz, 2016). Oliver (2014) hence, defines loyalty as a duty that is anchored deeply within the psyche of the consumer which is later called upon when it comes to repurchasing. Consequently, CRM has rapidly emerged in the retailing, services, travel, and tourism industries largely via loyalty programs (Shanshan, Wilco & Eric, 2011; Tanford, Raab & Kim, 2011; Lee et al., 2014). These programs have subsequently remained an area of debate and contention within the marketing domain for over 3 decades (*see*, Drèze & Nunes, 2009; 2011; Liu & Yang, 2009; Wagner, Hennig-Thurau & Rudolph, 2009; Evanschitzky et al., 2012; McCall & Voorhees, 2010; Xie & Chen, 2013; Voorhees, McCall & Carroll, 2014; Kandampully, Zhang & Bilgihan, 2015).

3.5.3 Loyalty Programs - The Benefits

Many researchers (Reichheld & Sasser, 1990; Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2007; Griffiths & Wood, 2008; Dagger, David & Ng, 2011; Melancon, Noble & Noble, 2011) have studied the benefits of loyalty programs and their relationships. These studies relate to both the businesses and to the consumers since RM emerged as a new paradigm within the marketing discipline (Berry, 1983). (*See*, Figure 3.10 which illustrates loyalty programs as intentional strategic business tactics aimed at building long term relationships with predetermined customers).

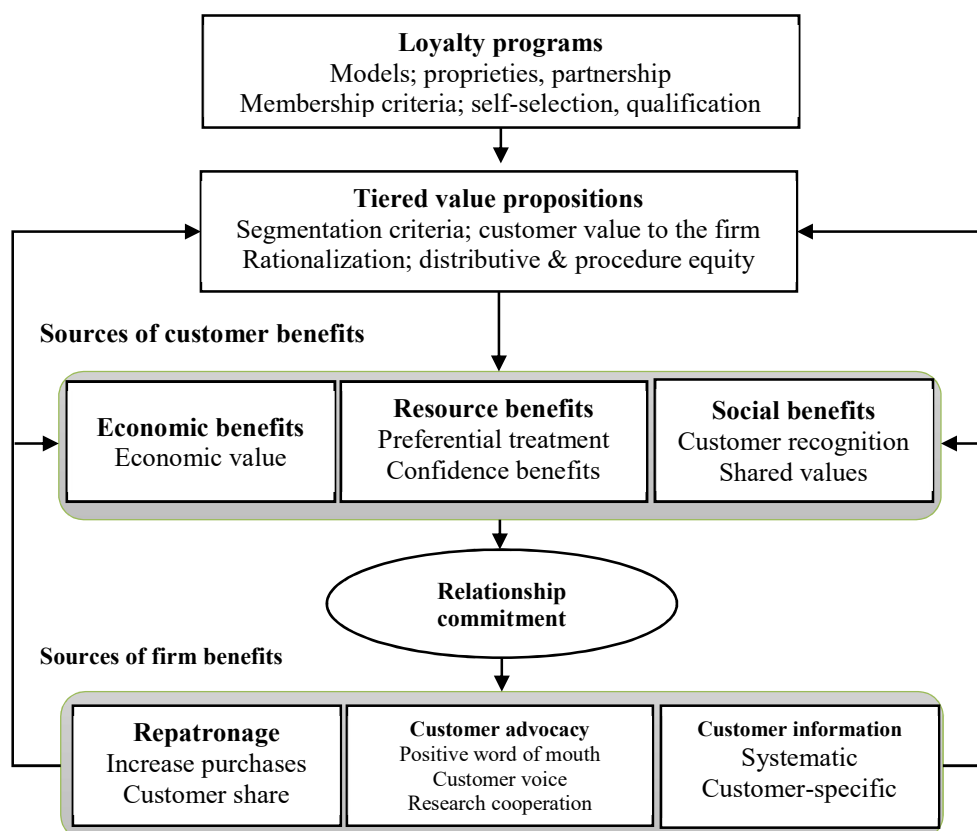


Figure 3.10: Loyalty Programs Conceptual Framework (Source: Lacey, 2015: p. 106)

Mulhern and Duffy (2004) describe such perceived benefits as hard and soft benefits. Hard benefits can include money, rewards or vouchers whilst soft benefits are non-monetary (e.g., special treatment) (Gremler & Gwinner, 2015; Lacey, 2015). Other authors meanwhile, label hard benefits as Utilitarian benefits (i.e., points, special discounts and coupons) whereas soft benefits as Hedonic benefits (e.g., pleasure, fun, entertainment, fantasies, and feelings) and Symbolic benefits (i.e., ‘perceived status’, affiliation, special treatment, social approval, recognition by the firm) (Reinartz, 2010; Dorotic, Bijmolt & Verhoef, 2012; Binde, 2014; Kumar & Reinartz, 2018; Ma, Li & Zhang, 2018; Yoo, Berezan & Krishen, 2018). These benefits are accessible to consumers through the choice of redeeming and collecting points. For this reason, ‘redemption’ is viewed as being the most significant factor as far as consumer perception is concerned (Nunes & Drèze, 2006: p. 129). Hence, some writers (Drèze & Nunes, 2011; Eggert, Steinhoff & Garnefeld, 2015) assert that customers enrolled in loyalty programs perceive the benefit they will obtain which in return leads to loyalty.

The above-identified yields consequently, lead both the customer and supplier to invest substantial resources in maintaining the relationship for mutual benefits (Buttle, 1996;

Palmatier et al., 2006; Guenzi & Georges, 2010; Sheth, Parvatiyar & Sinha, 2012; Nguyen, Simkin & Canhoto, 2015; Alshurideh, 2016). Provided in the section that follows are summaries for some of the sources of the benefits of loyalty programs to the consumer as well as firm.

3.5.3.1 Sources of Loyalty Programs' Benefits to the Consumer

Firstly, it is believed that where loyalty cards are offered, there is the benefit of speed and faster service offering. This provides the convenience factor to customers in terms of ease of access. Customers also benefit from special offers, discounts and rewards, simplicity of payment since loyalty programs offer the ability to pay using the same instrument (Gremler & Gwinner, 2015). Another perceived benefit is that of sense of belonging which creates positive emotions for members when they receive a better deal than those who do not belong to a loyalty program. It is claimed that such pleasant feelings evoke a sense of community among club members (McCall & Voorhees, 2010; Dorotic, Bijmolt & Verhoef, 2012; Gebauer, Füller & Pezzeri, 2013; Ivanic, 2015). Lastly, loyalty programs provide psychological or confidence, social and time-savings benefits to consumers. Psychological or confidence benefits help to reduce anxiety and grant comfort because the customer knows what to expect from the services' offerings while social benefits refer to the emotions and personal connection between customers and employees as friends, which can be achieved through long-term relationships (Berry, 1995; Gwinner, Gremler & Bitner, 1998; Wirtz et al., 2013; See-To & Ho, 2014; Gremler & Gwinner, 2015; Lacey, 2015; Pez, Butori & Mimouni-Chaabane, 2017).

In addition, some authors claim loyalty programs provide customers with benefits such as member magazines. Member magazines contain information and content that is tailored and targeted specifically to them, and, the content is displayed in a language that members are familiar with. Magazines may also contain exclusive deals, discounts and offers for loyal customers (Homans, 1961; Wetzel, Hammerschmidt & Zablah, 2014; Ivanic, 2015). Additionally, from businesses such as banking and insurance for example, loyalty programs offer consumers with continuity of long-term relationships which consumers perceive as being more important with a possibility of receiving other financial services in turn (Berry, 1995; Forte, 2013). Continuity also allows customers to secure customised service delivery and a proactive service attitude (Baron, Conway & Warnaby, 2010; Dagger, David & Ng, 2011; Taleghani, Gilaninia & Mousavian, 2011).

3.5.3.2 Sources of Loyalty Programs' Benefits to the Firm

From a business perspective, loyalty programs create opportunity to easily identify customers a business wants to establish and maintain long-term relationships with (Reichheld & Sasser, 1990; Liu, 2007; Griffiths & Wood, 2008; Grönroos & Ravalad 2011; Pan et al., 2012; Toufaily, Ricard & Perrien, 2013). Identified loyal customers exhibit attachment and commitment towards the company and are not attracted to competitor's offerings. Instead, they are willing to pay more, express higher buying intentions, and resist switching (customer tie) (Leenheer et al., 2007; Tanford, Raab & Kim, 2011; Evanschitzky et al., 2012; See-To & Ho, 2014). In addition to this, loyalty programs create reason for more contact with customers. Communicating with customers always and consistently means that loyal consumers are kept reminded about the organisations products and services offers actively in their minds (Liu, 2007; Griffiths & Wood, 2008; Wu & Li, 2011; 2012). There is also an opportunity for cross marketing opportunities since loyal customers are more familiar with the organisation and its product mix. Therefore, cross selling of additional items becomes easier (Gómez, Arranz & Cillán, 2006; 2012; Eisingerich & Bell, 2006; Sisolak, 2012). Lastly, loyal customers often act as credible advocates through word of mouth, informally linking networks of friends, relatives, and other would-be customers to the organisation (Meyer-Waarden, 2007; Eisingerich, Auh & Merlo, 2014; See-To & Ho, 2014; Söderlund, Berg & Ringbo, 2014; Kandampully, Zhang & Bilgihan, 2015).

Contributing to the loyalty programs benefits debate, Anon1 (2012) and Polevoi (2012) suggest that, loyalty programs grow when firms are able to better understand their customers. The growth of a program also reflects the extent to which customers feel valued and appreciated through this relationship. From this statement, both authors raise an important assertion about loyalty programs, which can perhaps be assumed as the reason why most gambling firms (in view of loyalty programs' benefits to the firm) perceive the database of loyalty programs users as potential high value customers with whom it is worth maintaining close business relationships. It is important to note however, that in general, businesses tend to make distinction between good and bad customers with the aid of behaviour registration. In addition, and as previously mentioned, loyalty on its own is not directly the key to retention, but rather is linked with the purchasing behaviour that gambling firms perhaps glean information from to target potential profitable customers.

The above section has focused on discussing loyalty programs as well as summarised some of the benefits of loyalty programs to both the retailer and consumer. The section that follows presents different basis for criticism of loyalty programs in general.

3.5.4 Critique of Loyalty Programs

A foremost criticism of loyalty programs is noted in Taylor and Neslins' (2005) study. They studied longitudinal behaviour and identified two types of program effects: a short-term point pressure effect - representing a temporary shock in spending as consumers increase their purchase levels to qualify for a reward and, a long-term rewarded behaviour effect - whereby customers increase their purchase rate after they've received the reward.

Nonetheless, there is a weakness in this explanation in that it provides no explanation of why, what or how these effects manifest, or the consequences these may pose to both short and long business-customer partnerships. This suggests a clear research gap which this study aims to investigate and fill. Other weaknesses include some of those cited in Henderson, Beck and Palmatier (2011: p. 257) which suggest research on the subject has mostly been restricted to limited comparisons of "*status*" (Dr ze & Nunes, 2009; Eggert, Steinhoff & Garnefeld, 2015), "*habit*" (Leenheer et al. 2007; Liu, 2007; Wood & Neal, 2009; Wood, 2010) and "*relational*" (Rosenbaum, Ostrom & Kuntze 2005; Palmatier et al., 2009). Likewise, other authors (Samaha, Palmatier & Dant, 2011; Nguyen, Lee-Wingate & Simkin, 2014; Nguyen, Simkin & Canhoto, 2015: pp. 4-5) similarly criticise corporations' uses of "*customer tracking systems*" to glean information that usually contribute to firms' harmful behaviours such as "*manipulation, neglect, and unfair treatment*". This not only raises mystification but also lacks a more holistic research perspective.

To add, other critics (e.g., Tanford, Shoemaker & Dinca, 2016), in recent studies equally question the tangible benefits of loyalty programs altogether whilst Voorhees, McCall, and Carroll (2014: p. 6) point out that most loyalty programs studies cannot overall outline or quantify the true benefits of loyalty programs. They argue that although some businesses assume loyalty programs are of 'critical importance to any modern business because they provide a string return on investment', these remain mere assumptions given that there is little empirical evidence to support the statements and argue for the benefits of such program. Furthermore, the writers indicate businesses particularly in the hospitality sectors struggle to show sustained revenue profits 'using existing metrics' (p. 6). If this is the case, then the

question the current researcher poses is: why the ubiquity of loyalty programs in the gambling sector? And although existing studies appear to provide clarity on loyalty program members' utilitarian, hedonic and financial benefits, from the consumer's perspective, an evaluation of life changing potential consequences or social impacts that could possibly stem from CRM practices both in the short as well as long term seem to lack.

3.5.5 Summary of Customer Relationship Management Strategies Section

As stated earlier, loyalty programs are regarded as CRM marketing initiatives that positively influence consumers' attitudes, commitment and trusting behaviours towards the brand or firm, transforming customers' perception and behaviours in the process. If customer needs are satisfied through the exchange relations, customers develop better brand attitude, brand psychological ownership and altruistic behaviour, all of which contributes to customer loyalty.

More importantly, as debated by various other authors previously mentioned in this thesis, it has been acknowledged that recruiting and serving a new customer is more expensive than keeping existing ones. As noted, loyal customers enable firms to generate more profit over time because of numerous reasons: increased purchases, reduced operating costs and, increased profit margin. On these grounds, retailers seek to maintain long-term profitable relationships with their customers so much so that loyalty programs are now a fact of life and that people are becoming comfortable with account-based relationships with suppliers of goods and services. Nonetheless, it seems that the success of a loyalty program primarily lies in providing customers with specific rewards. Nevertheless, despite the large body of evidence that gambling impacts on people's welfare negatively, the extant literature has offered little consideration to the impact of loyalty programs more so among the land-based gambling consumer base.

3.6 Summary of Literature Review Chapter

This chapter has appraised the literature pertaining to SET, RM, CRM and loyalty programs. It could be argued that the role of customer expectation and comparable expectations with other businesses is a trigger to the adoption of SET and RM via CRM strategies within the land-based gambling sector. Hence, the importance to understand why and how, loyalty programs occur in the gambling sector where face-to-face interaction spite gambling being associated with harm dominates social as well as business interactions. Regarding the idea of loyalty programs in relation to gambling, based on literature as well as industry findings, it is important that this

investigation contribute to the body of knowledge and practice concerning the land-based gambling sector as there is a clear research gap of whether loyalty programs embolden, precipitate or indeed, create harm. Besides, what is scarce and still lacking, from the exploration completed through the literature review is the what, how and why loyalty programs, within the land-based gambling sector perhaps, may influence consumers negatively or positively. This is because, most extant studies within the land-based gambling sector do not specifically identify whether high/low levels of loyalty program usage maximises/minimises potential undesired effects, as well as why or how high/low level of attitudinal (how) and conative (why) loyalty components together make the most/least use of cognitive (what) loyalty components that may be theoretically generating harm.

After reviewing various prevalent literature relating to this study, research aim, objectives and questions are revisited and presented now in Table 3.7. The section that follows thereafter, discusses the methodology used in order to address the research objectives of the research problem for this inquiry.

Table 3.7: Research Aim, Objectives and Research Questions for this Study

Research Aim: The aim of this study is to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement and behaviour			
	Research Objectives	Research Questions	Data Collection Instrument
(1)	To explore how loyalty programs influence customer commitment and, understand experiences among program members within the land-based gambling sector.	<p>1) Do employees of, and customers to gambling firms, perceive loyalty card programs in the UK land-based gambling sector the same way, why and how?</p> <p>2) How does understanding of loyalty card programs among employees in betting shops influence customer relationship management implementation?</p> <p>3) To what extent does the knowledge of how customer relationship management strategies operate influence actors' engagement and behaviour in the gambling firm-customer relationship?</p>	<p>Q2: Interviewer: Tell me about loyalty programs, how would you describe them? I know loyalty programs from a textbook. But, from your own understanding, what is a loyalty program?</p> <p>Q3: Interviewer: So, please tell me, why did (do) you enrol (enrol customers) in loyalty programs? How extensively are loyalty programs used within the UK land-based gambling sector?</p> <p>Q4: Interviewer: Loyalty programs, the main aim is to create and maintain a relationship between a customer and an organisation, what are your views on that? So, when you signed up (enrol customers) for the loyalty program, is that how you/ it felt/ feels?</p>
(2)	To examine the extent, and in what ways, loyalty card programs lead to unintended behaviour among land-based gambling consumers	<p>4) How/ in what ways does a loyalty card program bring about unintended or undesired behaviour amongst customers in a land-based gambling setting?</p>	<p>Q5: Interviewer: After enrolling (customers) in loyalty programs, did you/ have you observed any changes (in your customers)? What change did/ have you observe (d)? When? Why? How? Did the (their) change happen before or after redeeming the points or receiving rewards? What When? Why? How?</p> <p>Q6: Interviewer: Can loyalty programs, result in increases in the average spending? By that, I mean money, time, effort etc. Why? How?</p>

			<p>Q7: Interviewer: Have you (are there) observed any effects because of using loyalty programs within the land-based gambling sector? In your experience, what have you personally observed or experienced (among your customers) when using loyalty programs in gambling activities?</p> <p>Q8: Interviewer: Can loyalty programs cause harm? By harm, I mean financial, emotional or psychological, or any other undesired effects?</p>
(3)	To explore the potential individual and collective effects of loyalty card programs on consumers in the land-based gambling sector	5) What are the effects of loyalty card programs and program incentive designs in relation to gambling and gambling related harm?	<p>Q5: Interviewer: After enrolling (customers) in loyalty programs, did you/ have you observed any changes (in your customers)? What change did/ have you observe (d)? When? Why? How? Did the (their) change happen before or after redeeming the points or receiving rewards? What When? Why? How?</p> <p>Q6: Interviewer: Can loyalty programs, result in increases in the average spending? By that, I mean money, time, effort etc. Why? How?</p> <p>Q7: Interviewer: Have you (are there) observed any effects because of using loyalty programs within the land-based gambling sector? In your experience, what have you personally observed or experienced (among your customers) when using loyalty programs in gambling activities?</p> <p>Q8: Interviewer: Can loyalty programs cause harm? By harm I mean financial, emotional or psychological, or any other undesired effects?</p>
(4)	To provide recommendations to facilitate socially responsible customer relationship management strategies in the land-based gambling sector.	f) In what ways can loyalty card programs be designed and employed to limit and overcome negative implications as far as customers are concerned?	<p>Q9: Interviewer: If the power to change the gambling companies' decisions about loyalty programs is in your hands, or, if you were to be given an opportunity to change or propose something new to the betting shops or indeed the government within the gambling sector, what would it be and, why?</p> <p>Q10: Interviewer: Is there anything else you want to add on that I have not asked you or maybe you were expecting me to ask and you are thinking she should have asked me that question?</p>

Chapter 4: METHODOLOGY

4.1 INTRODUCTION

On the basis of the theories, concepts and issues discussed thus far, this chapter of the thesis will turn towards an in-depth discussion and examination of the research process. More specifically, attention will be given to the central tenets of the research philosophy and research methods. This in itself, is regarded as a crucial stage of this study given that the chosen process and method are likely to have major implications upon the actual research and researcher herself. Achieving this end is likely to be a complex endeavour given the breadth of existing theories, opinions, and techniques available and usually, the lack of scholarly consensus that accompanies these.

In light of this, the chapter will further identify the most appropriate philosophy through which to explore human experiential meanings within the context of the gambling sector. Doing so will ultimately assist to propose to policy makers with the development of socially responsible policies and CRM approaches. As a means of ensuring this, it will be necessary to explore existing research methods and data collection tools and techniques which align with not only the wider aim and research objectives but also, the chosen research philosophy.

4.2 Understanding Research Methodology

Research should follow a defined set of rules to ensure it is completed on time and within the set budget (Marshall, 1996). In view of this, a vast number of authors attempt to define research and methodology in general and what it encapsulates (*see*, Hussey & Hussey, 1997; Collis & Hussey, 2009; 2013; Sekaran & Bougie, 2011). A simplistic and succinct definition however is found amongst the works of Rajasekar, Philominathan and Chinnathambi (2006) who conceptualise research methodology as “*the procedures by which researchers go about their work of describing, explaining and predicting phenomena*” (p. 5). In principle, research can be considered as an investigation, which leads to an explanation.

Research is carried out to discover something about the world, a world perceived albeit loosely and tentatively, in terms of the basic concepts that characterise a discipline, whatever this may be (Krathwohl, 1993; Rajasekar, Philominathan & Chinnathambi, 2006). Krathwohl (1993)

identifies three main purposes of research: to describe, explain, and validate findings. He expounds that research allows descriptions to emerge from creative exploration; helps to organise the findings to fit them with explanations, and then test or validate those explanations. Saunders, Thornhill and Lewis (2012) further provide an overview and concise meaning of research methodology in which they describe it as an endeavour undertaken in the discovery of 'things' to add to a given body of knowledge (p. 5). On a similar note, Sekaran and Bougie (2011) describe research methodology as a 'process through which solutions emerge' following a thorough inquiry within the research domain itself (p. 394).

Notable, the above definitions not only lay emphasis on the systematic construction and extension of knowledge through research but also highlight that the process of research allows the researcher to choose and use the appropriate methods to collect data, analyse and identify issues to be discussed to address the objectives of the study under investigation.

Outlined in the next section, is a consideration of the philosophical belief used in this study in relation to understand reality, free will and knowledge (Burrell & Morgan, 2003).

4.3 Philosophical Perspectives and Assumptions

In consistent with Burrell and Morgan (2003), the philosophical stance for this present study is influenced by the nature of the research aim, research objectives and research questions. The purpose of this section thus, is to elaborate and explain the philosophical assumptions upon which this study is based.

Willis (2007) postulates research philosophy is an overarching term relating to the development of knowledge and the nature of that knowledge. It is a belief about the method in which data about a phenomenon should be gathered, analysed and used. Philosophy consequently reflects the way a researcher thinks about the development of knowledge, which in turn affects the way in which the research is subsequently conducted (Eriksson & Kovalainen, 2015). Moreover, although the philosophical backgrounds generally stay implicit, they affect the practice of study (Crotty, 1998; Neuman, 2013), although Saunders, Lewis and Thornhill (2009) argue that other than one being "*better at doing different things*" there is no better philosophy (pp. 108-109). For that reason, the context of the research as well as research questions largely determines research philosophies (*see*, Appendix 8, p. 340 for different philosophical perspectives).

There are three reasons why understanding research philosophy is important when conducting research. Firstly, it provides an avenue for a researcher to be creative and inventive in selecting a design that would normally be outwith his or her own premise or experience. Secondly, it assists the inquirer to identify a suitable research design for the study. Lastly, it serves to methodically shape the research design. The philosophy therefore determines the core facets of methodology, including the choice of research approach, strategy and, methods (Easterby-Smith, Thorpe & Jackson, 2015; Eriksson & Kovalainen, 2015). Philosophy is thus an ever-present factor within research. Hence, its importance cannot be underestimated nor downplayed.

Based on observation, it appears that almost every paper written on philosophical assumptions appears to include a section relating to the two main philosophical lenses, mainly, ontology and epistemology (Crotty, 1998; Creswell, 2013; Bryman, 2016). Oates (2006: p. 282) affirms that philosophical paradigms are unique in that each view the world, more specifically the nature of this world (ontology), through a unique lens. The author elaborates further that in addition to holding unique world views, each philosophical paradigm makes a distinction as far as the ways in which knowledge is acquired.

Regarding Ontology, Oates (2006) refer to this as “*assumptions about the nature of physical and social reality*” which determines how the researcher sees and studies their research objects (p. 287). The ontology assumption separates further into two strands: objectivism and subjectivism (Burrell & Morgan 2000; Creswell, 2007; 2013; Collis & Hussey, 2009; Neuman, 2013; Bryman, 2016). Accordingly, ontologically, objectivism observes reality as a social phenomenon which exists independent of social actors. Subjectivism on the flip side, views reality as a phenomenon that is socially constructed as the outcome of interactions and perceptions of social actors. As framed by Jakubik (2007), ontological knowledge is always ‘contextual and a subjective concept’ (p. 10).

From these descriptions, it is reasonable to argue that depending on activities, tasks and problems, different ontological views exist. Furthermore, arguments assume that the objectivity and subjectivity in the ontological sense are grounds of beings and that they define the approaches of reality. As is also commonly asserted, knowledge is a quality that can be introduced, disseminated and, managed (Davenport & Prusak, 1998). Admittedly, knowledge

cannot be created in a virtual context. Thus, an ontological view in the absence of individuals does not explain how knowledge is connected to action (effort).

Given that the research aims to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement and behaviour, the current study utilised the lens of social constructionism (from ontological assumption). In this respect, social constructionism is based on the belief that culture has a defining impact on us and how we view the world and express feeling. Essentially, it assumes that culture has major implications for human beings in that it shapes our thinking, feeling and the ways in which we assess the world in which we live (Crotty, 1998: p. 58). Thus, the constructivist paradigm helps to answer two central and inter-related questions: what are the characteristics of reality and, what are the relationships between the one 'who knows' and, the object that 'is known?' (Guba & Lincoln, 1994: p. 108). Besides, social construction contains language, consciousness, shared meaning, documentation, tools and other artefacts which are the source of our knowledge of reality (Klein & Myers, 1999; Easterby-Smith, Thorpe & Jackson, 2015). This is consistent with the underlying research philosophy of this study and leads to qualitative method and data collection. For that reason, it is fitting to examine the philosophical belief in relation to understanding reality, free will and knowledge used in this study (Burrell & Morgan, 2003).

Ontologically, constructivists believe that reality cannot be assumed in terms of independent variables unless understood intersubjectively agreed upon patterns of truth (Guba & Lincoln, 1981). Similarly, Schwandt (1994: p. 13 cited in Plack, 2005: p. 229) in discussing the epistemology refers to constructivism whilst raising the question: "*if knowledge is individually constructed how can it be extensively shared?*" Schwandt claims that truth in the constructivist paradigm is "*a matter of the best-informed and most sophisticated construction on which there is consensus at a given time*" (Schwandt, 1994: p. 128, cited in Plack, 2005: p. 229). Authors, (Collis & Hussey, 2009; Clark & Creswell, 2008: p. 365) further argue that: "*there is no reality independent of mind,*" hence, it is a complicated and difficult job to understand the human mind because it is full of mystery, dynamism and sensitivity. Myers (2013) also agrees that through psychological interpretations, an individual's knowledge of the world is constructed within a shared community. As such, social actors can in effect, change their opinions, interpretations and judgements of social reality through interaction. These debates therefore appear to indicate constructivists emphasise the personal meaning made by the inquirer and the inquired regarding

discovering whatsoever he or she deemed needed knowing. It is worth mentioning that Feysabend (1980) however, claims there exists no ontology that is free from epistemology.

Epistemology on the other hand is fundamentally about acquiring knowledge and establishing the truth in a field of study (Oates, 2006; Collis & Hussey, 2009; 2013; Eriksson & Kovalainen, 2015). For Eriksson and Kovalainen, questions surrounding the acquisition, sources and limitations of knowledge lie at the heart of epistemology. Crotty (1998) simplifies this further and suggests that epistemology provides us with a lens through which ‘we can view and understand what we already know’ (p. 8.) Discussions surrounding epistemology split further into two distinct schools of thought, as both interpretivists and positivists attempt to dissect the term. In this respect, the positivist approach is akin to methods active in natural sciences research. This view assumes science quantitatively measures independent facts about a single apprehensible reality (Healy & Perry, 2000; Mason, 2017). Proponents of interpretivism however dismiss the validity of the observer’s viewpoint to understand behaviour. They consider that understanding emanates from inside and not outside. To mean, that the process cannot lead to objective knowledge being generated.

To this end, the above arguments and statements appear to reflect the objectives of this study given that it seeks to contribute to knowledge and understanding within the context of the gambling sector through SET and RM frameworks. Furthermore, this study attempts to create a common ground amongst customers on intersecting positions regarding individual experiences. This method of research also focuses particularly on understanding the experiential patterns and practices in human subjects: the why, how, or by what means gambling firms and consumers do what they do. Thus, the justification is determining reality based on participants’ own experiences in their social setting, not necessarily measuring it, which aligns with the aim of this study since it is concerned with capturing their experiential meanings in a collective manner.

Added to ontology and epistemology is axiology – “*what is intrinsically valuable in human life*” (Heron & Reason, 1997: p. 277; Creswell, 2007; 2013; Collis & Hussey, 2009; 2013). Creswell (2013) postulate an inquiry paradigm must also consider the axiology factor as it relates to the values a researcher places on the knowledge or on something specific. Creswell claims that within the context of axiology, positivist researchers are independent of the data and maintain an objective stance. Their process of research is value-free while Interpretivist

researchers interact and cannot be separated from what is being researched. Hence, their value is embedded in the interpretation of the facts collected from the research process. Consequently, the explanation of the social world brings out an acceptance that accruing knowledge generates fresh insights whilst the ensuing identification of systems and relationships enables new hypotheses to be evaluated (Creswell, 2013; Burrell & Morgan, 2003; 2017). Axiology thus, upholds "*values of being, about what human states are to be valued simply because of what they are*" (Heron & Reason, 1997: p. 286). Thus, capturing the question of what is intrinsically worthwhile.

Collis and Hussey (2009; 2013) however veer off the two main philosophical scopes and instead adopt a much broader perspective conversely arguing that all in all, there are four philosophical assumptions. As far as these authors are concerned, these assumptions include ontological, epistemological, methodological and human nature. Crotty (1998) echoes Collis and Hussey (2009; 2013) when defining methodological philosophical assumptions, suggesting that it could simply be viewed as a plan of action. The authors however, share consensus when discussing the underlying principles and processes of methodology and the degree to which these encompass idiographic and nomothetic theories.

Those who adopt idiographic approaches argue that there is no substitute for first-hand knowledge by way of observation to validate investigation. In its place, the investigation process necessitates gathering the information by 'getting close to one's subject' to 'reveal its nature and characteristics' (Burrell & Morgan, 2003: p. 6). Nunnally (1967 cited in Hermans, 1988: p. 787) for example, is explicit in his stance on idiography which he considers as being inherently 'anti-science' given that it rejects any search for general laws. According to the author, idiography instead favours description of social phenomenon such as humans as opposed to scientific deduction or inquiry. The opposed opinion of nomothetic advocates is that using standard research tools to test hypotheses helps to bring thoroughness into the process (Burrell & Morgan, 2003: p. 6). Consequently, the sciences prefer a nomothetic approach and the humanities an idiographic approach. The importance of, and choice of, methodology for this study is explained in more detail further on in section 4.5, p. 115.

From an epistemic standpoint, having considered the above debates, it is the opinion of the current researcher that such rich data and meanings should be explored using an emergent research design (Miles & Huberman, 1994; Creswell, 2013; Bryman, 2016) which begins with

focus group discussions followed by in-depth interviews and analyses data inductively (Lincoln & Guba 1985) before triangulating the generated data. As the underlying objectives of this research are concerned with the exploration of consumers' viewpoints as well as potential adverse issues that may emanate from the relationships built with gambling firms, this research also adopts a relativist perspective.

Qualitative approaches are based on a relativist philosophy whereby reality is wholly subjective, and any observations made are seldom fully objective. Researcher bias or interpretation thus play an inherent role in how conclusions are reached (Davidson, 1974). Besides, philosopher and social scientist Davidson proclaims individuals can only understand or interpret others if they largely agree with them about what is true, reasonable or justified. Meanwhile, other authors (Easterby-Smith, Thorpe & Jackson, 2015; Mason, 2017) claim relativist theories are useful as a basis for qualitative research and, that qualitative analysis hypothesis generation begins with the initial obvious observations. Hence, relativists believe that knowledge is a social reality, value-laden and only becomes known through individual interpretation.

The question of how much human nature (as noted by Collis & Hussey, 2009) is considered in social science theory is another philosophical assumption contested and remains the argument between voluntarism and determinism. Determinism upholds that human beings are ordained to behave in a certain way due to their surroundings (Creswell, 2007; Collis & Hussey, 2009; Saunders, Lewis & Thornhill, 2009). The antithesis of this perspective is voluntarism, which focuses on free will and autonomy. Toddington and Beyleveld (2006: p. 16) posit that "*we are free when we act in accordance with the moral law (we are autonomous rational beings in this sense), yet also free when we consciously subordinate the moral law to our appetites*".

Supporting this concept was 'positivist' epistemology adopting a 'deterministic' position on human nature 'and the use of "*nomothetic*" methodologies' (Burrell & Morgan 2003: p. 7). Nomothetic methods focus on general statements that account for larger social patterns which form the context of single events or individual behaviour and experience. Then again, lays the belief of the 'spirit' and 'idea', which is the true reality as suggested by Burrell and Morgan (2003 p. 7). The importance in this argument rests on the nominalist approach to reality insofar as it is concerned with subjectivity whereby society is relative to the individual's perception of it. However, the opposing view of anti-positivists in epistemology taking a voluntarist stand on

human nature is inclined toward ideographic methods which focuses on individual cases or events (Burrell & Morgan, 2003). Consequently, it is possible to suggest that perhaps the methods for investigation in natural sciences using the theory of human nature may in fact be inappropriate.

4.4 The Extent and Nature of Research Paradigms

Kuhn (1962) suggested that mature scientific disciplines rely upon a paradigm that defines what to study (relevance of social phenomena), why to study (formulating explanatory hypotheses) and how to study (through which methods). Chalmers (1982, cited in Shah & Al-Bargi, 2013: p. 253) in contribution, claims paradigms are a representation of a ‘scientific community’s collective beliefs and assumptions’ which have been formalised as a set of techniques. Guba (1990) offers a more succinct view where a paradigm is reduced to “*a set of basic beliefs that guide action*” (p. 17). Nevertheless, Kuhn (1962), who is synonymous with the term paradigm, claims over time, paradigms have gained favour and status due to their respective ability to solve problems identified by a group of practitioners. This viewpoint is corroborated by Crotty (1998) who in his extensive discussion on research paradigms points to the capabilities of each paradigm and how these respectively bring value to discipline such as physics, mathematics and the social sciences.

That said, the application and appreciation of research philosophies have seldom been equitable. The natural sciences have tended to prefer nomothetic, positivist-based paradigms which have in turn dominated scholarly work and publishing bodies (Crotty, 1998). However, across the academic spectrum, there is evidence of gradual change as idiographic methods have sought to subtly undermine the domination enjoyed by positivist nomothetic approaches. Such definitions, however dissimilar, imply that if knowledge is to be valid, reliable and provide a platform on which decisions are to be based, then it requires a systematic approach or model to the collection and analysis of data. That said, since the introduction of the term paradigm by Kuhn (1962), ambiguity prevails due to inconsistent definitions of the term.

4.4.1 The Research Paradigm Continuum

Existing literature is replete with the importance of, and debate about, research paradigms (also known as ontology and epistemology). Writings take place across the academic spectrum, from hard factual subjects such as accounting (Lukka, 2010), to more softer disciplines such as the

social sciences (Denzin & Lincoln, 2000; Healy & Perry, 2000; Willis, 2007). At the same time, the exact number of paradigms as well as names associated with a particular paradigm appears to differ from author to author (Guba & Lincoln, 1994; Willis, 2007). To add to the already complex debates, Lather (2006) plots the following four paradigms as an introduction; Positivism: predicts, Interpretivism: understands, Critical orientation: emancipates and Poststructuralism: deconstructs. Then again, in developing the analysis of the applications of research paradigms, Saunders, Lewis and Thornhill (2015) categorise research philosophy into five major strands as illustrated in Table 4.1.

Table 4.1: Five Major Research Philosophies (Source: Saunders, Lewis & Thornhill, 2015).

<p>Positivism Structured, sample surveys, quantitative designs, looks at correlation between variables</p>	<p>“Positivism relates to the philosophical stance of the natural scientist and entails working with an observable social reality to produce law-like generalisations” (p. 135).</p>
<p>Critical Realism Observations</p>	<p>“focuses on explaining what we see and experience, in terms of the underlying structures of reality that shape the observable events” (p. 138)</p>
<p>Interpretivism Observations, in-depth investigations, qualitative, unstructured interviews, descriptive</p>	<p>“Interpretivism emphasises that humans are different from physical phenomena because they create meanings” (p. 140).</p>
<p>Postmodernism In-depth investigations</p>	<p>“emphasises the role of language and of power relations, seeking to question accepted ways of thinking and give voice to alternative marginalised views” (p. 141)</p>
<p>Pragmatism Mixed or multiple methods, quantitative or qualitative designs</p>	<p>“Pragmatism asserts that concepts are only relevant where they support action” (p. 143)</p>

Research discussions (*see*, Guba & Lincoln, 1994; Crotty, 1998) nonetheless draw attention to the two main research paradigms, which can shape or guide the research direction (Collis & Hussey, 2009; Easterby-Smith, Thorpe & Jackson, 2015). On one end of the spectrum, Positivism classed as quantitative and interpretivism as qualitative (Collis & Hussey, 2009) albeit this claim is alluded to as an oversimplification that emphasises data rather than foundational belief and assumptions (Webb, 1989) (*see*, Table 4.2).

Table 4.2: Key features of Positivism and Interpretivism (Adapted from: Collis & Hussey, 2009: p. 62; Myers, 2013: p. 41)

Positivism tends to:	Interpretivism tends to:
Use large samples; experience is regarded as objective	Uses smaller samples; data not detachable
Have an artificial location	Have a natural location and reconstruction of facts
Concerned more with hypothesis testing	Is concerned with generating theories
Producing precise, objective, quantitative data and can be formal	Produce rich, subjective, qualitative data, and does not depend upon statistical data
Produce results with high reliability but low validity	Produce findings with low reliability but high validity due to multiple, emergent meanings
Allow results to be generalized from the sample	Allows findings to be generalised from one setting to another similar setting

4.4.1.1 Positivism

Positivist based studies typically test the relationship between one issue and another for which the researcher develops a hypothesis which are later substantiated or invalidated (Myers, 2013; Neuman, 2013; Eriksson & Kovalainen, 2015). It seeks the facts or cause of social phenomena, with little consideration of the subjective state of the individual (Collis & Hussey, 2009). Gregor (2006) considers this as using theory to test the relationships between constructs. Easterby-Smith, Thorpe and Jackson (2015) furthermore claim positivism assumes that the world is largely objective and exists outside of our own perceptions and social constructs. Any phenomenon that exists is thus directly observable and can be tested using objective quantitative methods. Consequently, as an alternative for comparing different paradigms in social science research, Interpretivism was developed as a counter paradigm to the then prevailing Positivist movement (Lincoln & Guba, 1985).

4.4.1.2 Interpretivism

Interpretivism focuses on understanding human behaviour through their own frame of reference. For interpretivism, reality is subjective and resides within the human mind therefore rejecting the idea of one universal reality in favour of ‘multiple, subjective realities’ (Collis & Hussey, 2009: p: 57). Various authors have also argued for the existence of multiple realities; more specifically that social reality is subjective and is socially constructed, which changes over time; and that no one is more privileged than the other (Schwandt, 1994; Bryman, 2016; Easterby-Smith, Thorpe & Jackson, 2015). As such, the assumption of interpretive research is that reality is socially constructed, and the researcher is the vehicle through which ‘reality’ is revealed (Walsham, 2006: p. 320). Interpretive research thus, focuses on the ‘complexity of

human-sense making as per demand of the situation' but does not “*predefine dependent and independent variables*” (Kaplan & Maxwell 1994, cited in Klein & Myers, 1999: p. 69). Walsham (2006) suggests the starting point for this particular paradigm is the belief that knowledge is socially constructed and is thus to be understood as opposed to be observed. Human action and thought are not observable, rather these are shaped and influenced by a number of factors, all of which can only be understood through direct contact and engagement with the research domain.

Realism emerges as an additional paradigm which essentially sits in the middle of the two-opposing paradigm as it combines elements of both positivism and constructivism (Healy & Perry, 2000). Realism is acknowledged as critical realism (Bryman & Bell, 2015), post positivism (Denzin & Lincoln, 1994; Guba & Lincoln, 1994) or Neopost positivism (Manicas & Secord, 1983). The goal of realism is discovery of observable and non-observable structures and mechanisms; independent of the events they generate (Easterby-Smith, Thorpe & Jackson, 2015; Robson & McCartan, 2016). For realists, the means to determine the reality of a social phenomenon is through the triangulation of cognition processes between the poles of positivism and constructivism rather than solely one or the other. Where positivism examines a single, concrete reality and interpretivism multiple realities, realism concerns multiple perceptions about a single mind-independent reality (Healy & Perry, 2000).

4.4.2 Justification of Chosen Research Paradigm

Having thoroughly evaluated the dominant research philosophies, an interpretivist approach was deemed as being the most suited for the current study. The rationale for this decision was rooted in the fact that interpretivism focuses on obtaining insight into human behaviour and the source of social reality, which is viewed as being ‘ordered, cohesive and integrated’ by the philosophical lens itself (Burrell & Morgan, 1979: p. 31). Specifically, given the underlying objectives of this study as well as the overarching aim, interpretivism was regarded as fitting to both these as it ultimately seeks to place the development of meaning at the heart of social life (Miles & Huberman, 1994: p. 4).

In addition to this, the present research further aligns itself with an interpretive research philosophy as it remains intent on freeing human participants from the functionalist position adopted by its positivist counterpart. Given the nature of the subject and context, the researcher

intends to understand and unveil participants' own world from their own point of view rather than the researchers' perspective (Mason, 2017). Besides, since research questions sought to understand experiential meanings of participants and their unique situation, the researcher required direct interaction and placed herself with what was under investigation. In agreement with the ontological assumption, reality is socially constructed (Bryman & Bell, 2015). Thus, taking on of an interpretivist phenomenology approach applied to this research study was necessary to help interpret how research participants made meaning of their experiences (Bryman, 2015; Burrell & Morgan, 2017). In pursuit of meaning and understanding, interpretivism attempts to delve into the depth of human consciousness and subjectivity (Collis & Hussey, 2009).

The interpretivist view was also preferred because it was crucial to understand the subtle and distinct differences between individuals in their role as social actors (Saunders, Thornhill & Lewis, 2012). This is because, to understand loyalty programs and gambling behaviour, the importance of social actors should be profoundly recognised throughout the study due to the reliance on key stakeholder insights rather than objective structures. The realities 'actors' expressed in discussions reflect the social constructivist position in which individual perceptions are shaped by their own unique world view (Saunders, Thornhill & Lewis, 2012: p. 111).

Ontologically, approaching the research from within the discipline of marketing, also lent itself to interpretivism given that the overall aim is concerned with achieving 'new insights' from 'deep and sustained involvement' (Easterby-Smith et al, 2002: p. 46). The decision to select an interpretivist stance was further cemented by the fact that it aligned with, and reflected, the underlying tenets of the SET. As such, the interpretivist approach links in well regarding gathering experiences and opinions of the consumers involved in loyalty programs, recognising the reality that those participants themselves are social as well as economic actors (Bagozzi, 1975). Here, interpretation is influenced by factors including institutional forces, the environment, social backgrounds, gender, etc. (Thomas et al., 2012; Eagle & Dahl, 2015: p. 214). Accordingly, both exchange parties are important in this study because they play a crucial part on the stage of this research.

To this extent, this was achieved through a logical process of inductive reasoning whereby the inductive researcher developed some general propositions about what is happening and started

to ‘theory-build’ (Glaser & Strauss, 1967: p. 114). As Glaser and Strauss noted, theory building requires the ongoing comparison of data and theory and the continuous refinement between theory and practice. This process allowed the researcher to identify the issues from the perspective of the study’s participants. More importantly, it allowed for a deeper ‘understanding into the interpretations and meanings they assign to behaviour and events’ (Hennink, Hutter & Bailey, 2010: p. 9). In consequence, the purpose of this study was to present such a view. With this in mind, the following sections briefly describe the inductive strategy before providing a justification for its selection in place of a deductive strategy.

4.5 Methodological Approach adopted to obtain Knowledge

It is important to categorise the research approach in terms of whether it is an inductive or deductive inquiry (although it can be handled in a variety of ways) (Babbie, 2013; Bryman, 2016). Babbie (2013) illustrate the theoretical use of both terms (inductive and deductive). The author associate logic with deductive inquiry as the development of knowledge requires a logical ‘leap’ of some sort. Using existing theory as a basis, any logical ‘leaps’ are thereafter tested using ‘statistical means’ (pp. 51-54). Contrastingly, induction does not depend on existing theory nor does it look to deduce propositions which can be tested from theory much like its deductive counterpart. Rather, induction is propelled by the belief that knowledge begins with fact collection; upon doing so, it becomes possible to seek order and subsequently develop new insights.

With simplicity, Bryman (2016) breaks down the two approaches further by informing us that deductive research begins with the development of hypotheses or theory and any subsequent strategy is designed to test the formulated theory/hypotheses. The inductive approach takes a different route – whereby the researcher firstly begins by collecting data before moving to theory development as illustrated in Figure 4.1.

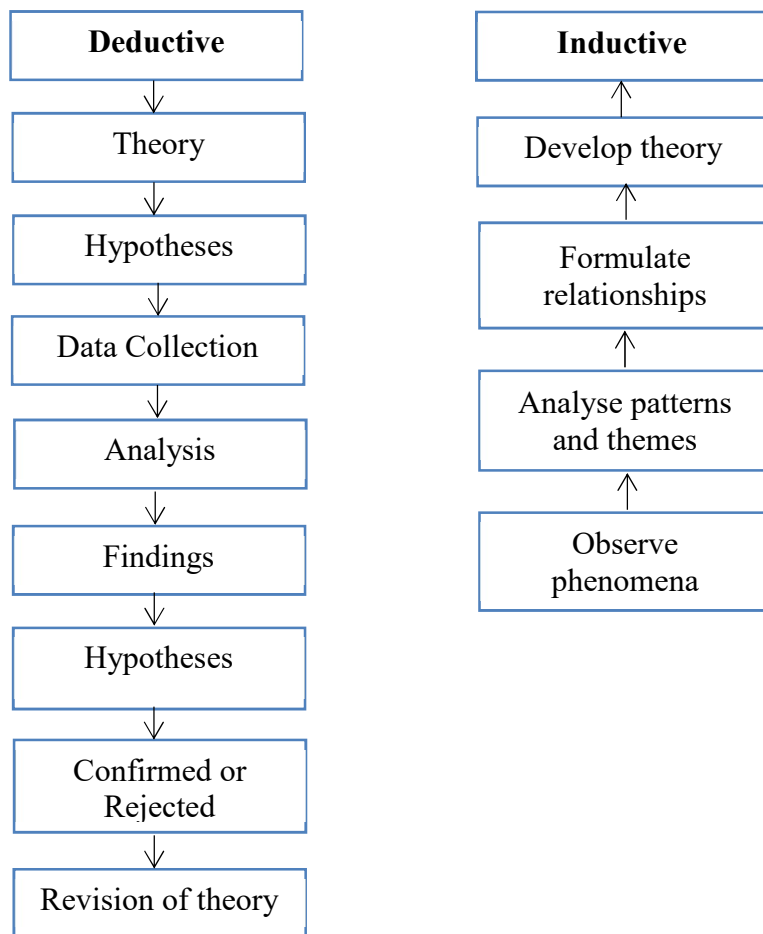


Figure 4.1: Deductive and Inductive Process of Research (Adapted from Bryman, 2016: p. 21)

By adhering to Bryman’s (2016) process, the researcher of this study, anticipated that the investigation would progress quickly which turned out to be more effective. On the other hand, Glaser and Strauss (1967) warn that with this type of approach, the outcomes can become petty. Bryman (2016) for that reason warns that a researcher should explain clearly which approach is being followed in his or her research project.

In summarising the differences between deductive and inductive research approaches, some authors offer the following suggestions highlighted in Table 4.3.

Table 4.3: Deductive and Inductive research approaches. (Adapted from: Saunders, Lewis & Thornhill, 2009: p. 127; Bryman, 2016).

Deductive Approach	Inductive Approach
Testing categories, concepts, models or hypotheses	Uses research questions to narrow down the scope of the study
Emphasis placed on causality	Focused on exploring phenomena and the research context is understood in a deeper manner
Quantitative data collection	Qualitative data collection
Research is independent of what is being researched	The researcher is perceived to be a part of the research process
The necessity to select samples of sufficient in order to produce a valid conclusion.	Generalisability not the main purpose of inductive research.
Based on scientific principles	
Measures of control are applied to ensure the validity of data.	
Uses an approach that is highly structured	
The operationalisation of concepts to ensure clarity of definitions	

From the two strategies presented in Table 4.3, this study adopted the inductive approach due to the fact that the study makes inference from the particular to the general and from the known to the unknown. This, thus, enables an investigation into the construction of the actors' meanings as it draws from multiple data sources to explore individual and gambling firms' conditions of account regarding loyalty programs.

4.6 Understanding Research Design

To understand research design, the suggested starting points require having a research purpose and research questions (Yin, 2009; Saunders, Lewis & Thornhill, 2009). Having a purpose and questions provides important clues about the substance that a researcher is aiming to study, and the design is commonly described as attempts by researchers to set up systematic procedures to solve problems (Taylor, 2005). More specifically, research design refers to a framework of how to conduct the inquiry to answer research questions (Yin, 2009). It is about getting from here

(i.e., questions) to there (i.e., conclusions or answers) and thus represents a systematic process. Social science research in that sense requires a design or a structure before data collection or analysis can commence. It for that reason that Trochim, Donnelly and Arora (2015) refer to it as a 'structured and well-considered plan or map' which details the various inter-related elements of the investigation which when connected, allow for the clear linkage between the identification of a problem, the investigation of that problem and the formulation valid and valuable conclusions. It thus considers issues such as sampling techniques, approaches to analysis and the overall method of investigation and inquiry (p. 206).

Figure 4.2 depicts the overall structure of the research process for this study which influenced adopting a qualitative stance.

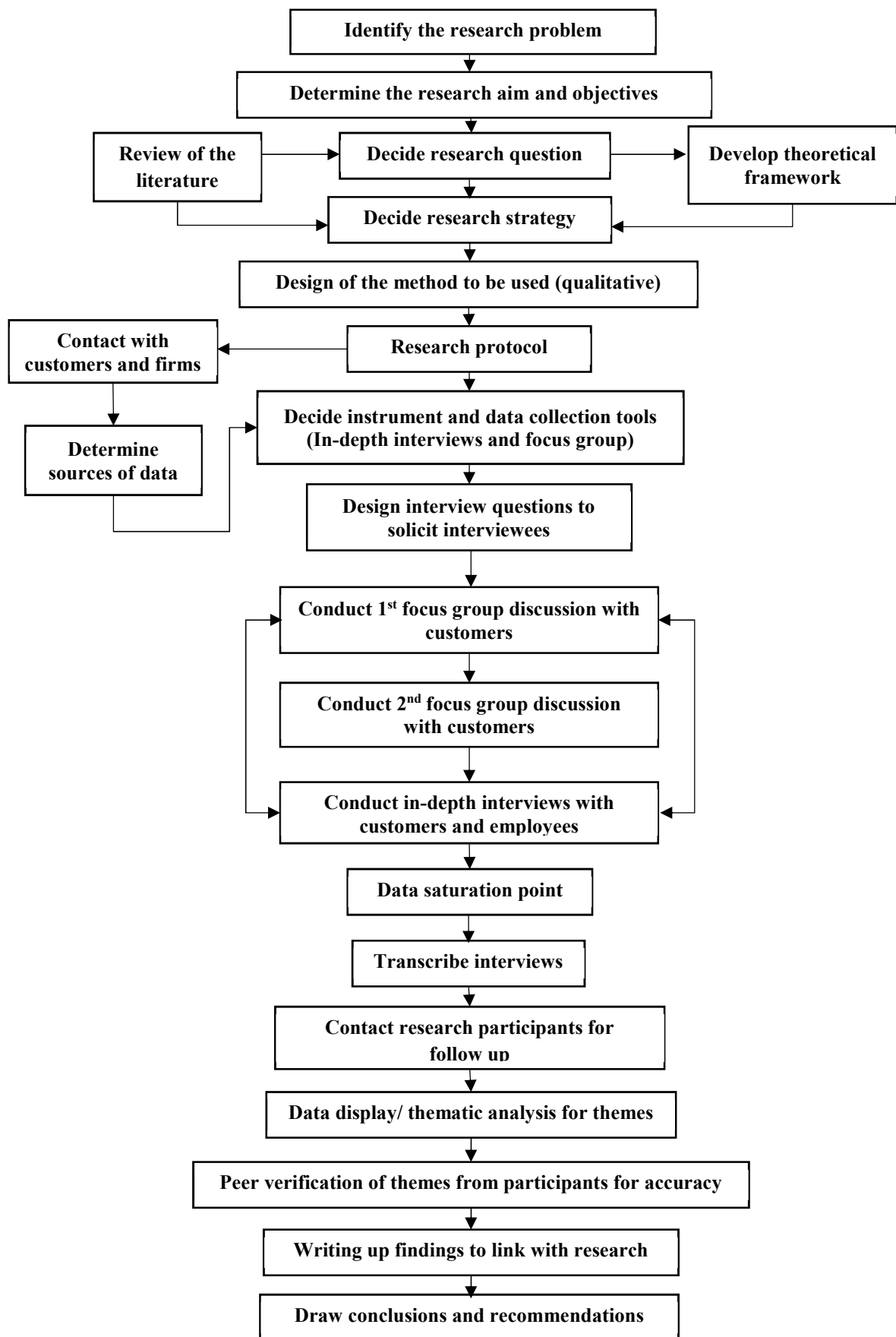


Figure 4.2: Flowchart of the Current Research (Adapted from: Babbie, 1998: p. 108)

4.7 Types of Research Design

Collis and Hussey (2009) emphasise four different types of research design that shape research whilst Easterby-Smith et al. (2008) suggests a different perspective to classifying research. The authors differing approaches are summarised in Table 4.4.

Table 4.4: Different Types of Research Design (Adapted from: Easterby-Smith et al., 2008; Collis & Hussey, 2009).

Author: Easterby-Smith et al., (2008)	Author: Collis and Hussey (2009)
<p>1). Pure research: leads to the development of theory. With this type of research, there may or may not be any practical implications. The theoretical implications may adopt at least three forms: discovery, invention and reflection.</p>	<p>1). Descriptive research: which describes phenomena, as they exist. Usually there is an emphasis on quantitative data and statistical analysis. Descriptive research is primarily concerned with finding out what ‘is’ questions.</p>
<p>2). Applied research: intended to solve specific problems, identified, by customers or clients. The results of applied research are always reported back to the client to evaluate usability of the findings.</p>	<p>2). Analytical/ Explanatory research: is a continuation of descriptive research with an emphasis on answering the why and how questions.</p>
<p>3). Action research: should lead to change and that change must be incorporated into the research process itself.</p>	<p>3). Exploratory research: used to examine an issue or problem when the research is unique, or when there are a few studies that can be referenced to for information.</p>
	<p>4). Predictive research: which tends to generalise from the analysis by predicting a phenomenon basing it on hypothesised general relationships.</p>

Chisnall (1997) on the other hand, identified three most common research designs namely: exploratory, descriptive and causal forms of research. Exploratory research (also referred to as the initial research into a hypothetical or theoretical idea) starts with an idea or observation which one seeks to better understand and explore (Malhotra & Birks, 2007). Saunders, Thornhill and Lewis (2012: p. 171) consider this form of research as being valuable as it allows for inquiry, discovery and the development of insights as far as a specific topic is concerned. In addition to this, it allows researchers to learn about the boundaries and complexities of a problem. Exploratory research therefore attempts to develop a foundation upon which further inquiry can be built upon whilst providing a means through which to determine if what ‘is being

observed' might be explained by a current existing theory (Guba & Lincoln, 1994; Saunders, Thornhill & Lewis, 2012).

Once the foundation is in place using an exploratory inquiry, the researcher can use descriptive research (quantitatively or qualitatively) to explore and explain what is occurring while providing additional information about a topic. Descriptive research provides “*an accurate description or picture of the status or characteristics of a station or phenomena*” (Chisnall, 1997; Johnson & Christensen, 2008: p. 377). Such descriptive inquiry as labelled by Joppe, (n.d) can provide information about a population being investigated by describing the who, when, where and how of a situation, but not what caused it. Descriptive research consequently attempts to delineate a phenomenon in more detail by filling in the missing parts and expanding our understanding (Saunders et al., 2015).

Causal research on the other hand is mainly linked with understanding the cause and effect relationship between two variables. Respectively, determining the nature of the relationship between the causal variables and the effect anticipated and also ensuring no external variables cause variations in the outcomes. A number of authors, (*see*, Lincoln & Guba, 1985; 1994; Taylor, 2005) consequently propose that causal research should essentially be viewed as experimental studies. Nonetheless, there are a number of domains in which causal research can be applied. Within business and marketing disciplines for example, causal study can be used in the measurement of change and developing an insight into how specific changes may have on the status quo. Through such study, it becomes possible for market researchers to better predict hypothetical scenarios upon which decision can later be based (Taylor, 2005: p. 8).

This study being undertaken therefore, fits into exploratory research as depicted within Figure 4.3, since studying the factors responsible for determining, identifying and clarifying the behaviour of consumers are the major objectives of the inquiry and not intrinsically cause and effect.

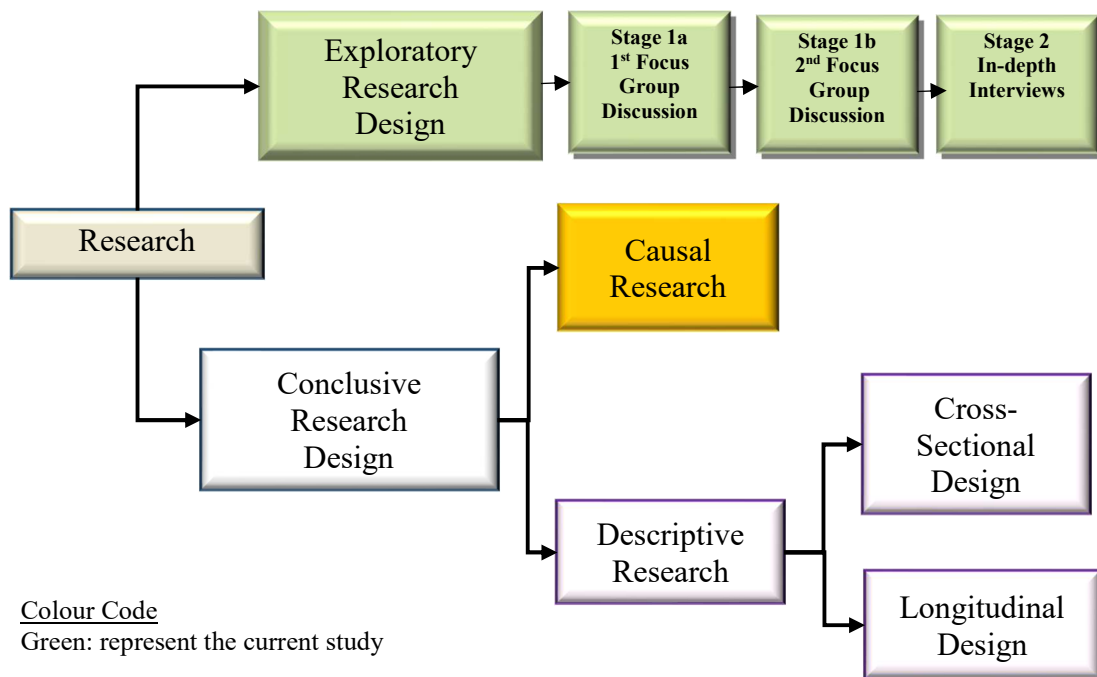


Figure 4.3: The Three Classifications of Research Design (Adapted from: Chisnall, 1997: pp. 38-38).

In light of this, the present study adopts an analytical/ explanatory research approach as it attempts to critically explore the extent to which gambling firms make use of loyalty programs and how these programs are utilised to influence customer engagement and behaviour. To achieve the objectives of this study, the researcher utilised multiple sources of exploratory qualitative methods that facilitated triangulation; mainly a literature review, focus group discussions and in-depth interviews (Bryman, 2016). Conducting a literature review allowed the researcher to examine and comment on data readily available and to acknowledge those responsible for published data as well as, gain access to relevant information for external validity (Silverman, 2013). Using focus group discussions and in-depth interviews was prompted from the requirements of the research design and literature review. The research design required personal and unrestricted views on the matter under investigation, based on the epistemological interpretivist philosophy that knowledge and reality vary widely depending on both respondent and situation. Thus, by using focus group discussions and in-depth interviews, the researcher accessed unique knowledge from the participants through multiple explorations.

This research essentially had three stages which followed sequentially (stage 1a followed by stage 1b (both of which were focus groups discussions) and subsequently stage 2 (in-depth interviews)). The reason why the current researcher convened a second focus group meeting was

to explore further and minimise “*the serious danger that a single group of 7 to 12 people will be too atypical to offer any generalizable insights*” (Babbie, 2013: p. 330). Therefore, the logic of this sequence shown above in Figure 4.3 was constructed so that data could be triangulated through use of multiple methods and the use of the same interviewer with access to more than one individual participant in a one-on-one setting at stage two. By using in-depth interviews as a point of triangulation, the research evaluated the potential unintended consequences of loyalty programs experienced by individual customers independent of others’ influences from a focus group setting in this case. Consequently, the flexibility in the structure of the methods for this study, allowed a sense of easiness throughout the process which helped to generate information that could otherwise have not been anticipated by the researcher. In addition, this sequential method allowed some of the participants to re-evaluate and reconsider their own understandings of their own specific experiences.

Initially however, the first stage (stage 1a) was intended to act as a pilot stage where the questions and content would be tested to ensure that they were simple to understand and more importantly, generate rich usable data. This adheres to the recommendations made by many authors (Hennink, Hutter & Bailey, 2010: p. 120; Saunders, Thornhill & Lewis, 2012; Silverman, 2013), who advocate the use of pilot studies. The authors go on to describe these as ‘small-scale studies’, the purpose of which is to ‘test the data collection tool’ (Hennink, Hutter & Bailey, 2010: p. 120). Doing so reduces any issues or problems that participants would likely experience with questions and content when partaking in the actual main stage of the research study. Ultimately, pilot studies enhance the validity and reliability of the data collection tools as well as the data that is subsequently collected. Mason (2002) similarly recommends that pilot studies can be carried out before the main study and that findings are subsequently analysed and reviewed to make further decisions about the subsequent study.

For this study however, the results and issues that arose from what initially was intended to act as a pilot study proved too rich to be disposed of. In this regard, as data collection progressed (at stage 1b & 2) (as shown earlier in Figure 4.3), data that emerged was not only similar to what was being uncovered but, proved extremely invaluable. As a result, the researcher merged these insights within the main research findings. These initial findings further predetermined the agenda for the succeeding focus group meeting and the subsequent in-depth interviews. Thus, individual in-depth interviews followed focus group discussions successively. This methodical approach was important because the research took on a largely interpretive nature

as the opinions and explanations given were mainly the researchers' inference arising from the chosen data collection methods. Bearing in mind, that in relation to qualitative paradigms, there is no objective reality, we should respect and accept that the interpretation of the researchers' answers involves a dose of subjectivity.

The justification for why a qualitative method approach was preferred for this research as opposed to quantitative is offered in section 4.8.2.

4.8 Schools of thought: Qualitative, Quantitative or Mixed Method

Creswell (2013) recommends that, when undertaking on research, those at the helm of the endeavour should explicitly acknowledge the underlying research philosophy before ensuring any selected method align with their philosophical stance. Researchers must therefore, be clear in their reasoning when justifying why they select qualitative, quantitative or, mixed methods. Similarly, Collis and Hussey (2009) stress that understanding assumptions relating to social science are key when selecting the research paradigm and, when highlighting the importance of philosophical assumptions. In developing the analysis of the applications of research paradigms however, Creswell (2008) provide the following assumptions of quantitative (positivist) and qualitative (interpretivist) methods to data collection analysis summarised in Table 4.5.

Table 4.5: Methodological Choices (Source: Creswell, 2008: p. 12)

Quantitative	Qualitative	Mixed Methods
<ul style="list-style-type: none"> - Experimental designs - Non-experimental designs, such as survey 	<ul style="list-style-type: none"> - Narrative research - Phenomenology - Ethnographies - Grounded theory studies - Case study 	<ul style="list-style-type: none"> - Sequential - Concurrent - Transformative

Clearly, the approaches available to address research questions are predominantly divided between qualitative, quantitative and mixed methods; or as other scholars have called them approaches to inquiry (Creswell, 2007), research methodologies (Mertens, 2014) or, strategies (Saunders et al., 2015). Hence, to define the scope of this study, it is important to first clarify the meaning of quantitative, qualitative and mixed methods.

Though somewhat different in approaches, qualitative and quantitative paradigms are not necessarily incompatible nor are they worlds apart from one another. The idea that they are diverse and incompatible often stems from common misconception (Clark, 1998: p. 1243). Likewise, Guba and Lincoln (1994: p. 105) comment on the ‘flexibility’ of both methods and their ‘suitability’ to the opposing research paradigms. The authors go further and make a distinction between method and questions maintaining methods are secondary considerations which can be selected once the primary paradigm has been established.

Bogdan and Biklen (2007) provide a simple explanation about the different goals of quantitative and qualitative research. They suggest that from the quantitative aspect, research is about accumulating and collecting hard facts and statistics related to human behaviour. These are subsequently verified and validated through the application of a specific theory which is later used to draw conclusions and generalisations about human behaviour. Alternatively, the authors inform us that the goal of qualitative research is to “*better understand human behavior and experience ... grasp the processes by which people construct meaning and to describe what those meaning are*” (p. 43). In contrast, a quantitative study is an inquiry into social or human problem based on testing theory composed of variables, measured with numbers, and analysed with statistical procedures, to determine whether the predictive generation of the theory hold true (Saunders, Lewis & Thornhill, 2009). The objective of quantitative work therefore lies in determining the extent to which ‘causal relationships’ exists between specific variables, by means of quantification, all within a framework that remains “*value-free*” (Denzin & Lincoln, 1994: p. 110, quoted in Clark & Creswell, 2008: p. 365).

A mixed method on the other hand sits in the middle of the continuum combining elements of both qualitative and quantitative approaches whilst claiming a pragmatic knowledge approach (Clark & Creswell, 2008). As the name suggests, a mixed method uses both approaches together so that the overall strength of a study is greater than either qualitative or quantitative research.

In this respect, some authors, (e.g., Miles & Huberman, 1994; Tashakkori & Teddlie, 1998) go further and raise important questions for researchers about separating quantitative and qualitative methods. They point out that far from being incompatible, quantitative and interpretative research are usually blended together by researchers. The authors also claim that both quantitative and qualitative work can be safe, or critical (in terms of being analytical, searching and significant), rigorous or unsound. Thus, both quantitative and qualitative data are

often used in studies and the combination of both perspectives elicits the need for better transparency around the rules and methods applied to qualitative analysis, a concept also highlighted by Donmoyer (2012). Similarly, Silverman (2015) cautions against thoughtless alliance with any one tradition (quantitative or qualitative) saying it is common to find particularly novice researchers who are often confused by which approach they should take.

It is however important to mention that this study nonetheless takes on the qualitative approach and the reasons for adopting this method is discussed further within this chapter.

4.8.1 Qualitative Research

Unlike its quantitative counterpart, qualitative research tends to eschew hard facts and numbers, instead preferring to interpret and study objects/subjects in their natural setting. Through a rejection of statistical data, this approach focuses on sense-making through meaning and insight. A phenomenon is thus interpreted within the context of ‘meanings attached to it by people and the environment’ in which it exists (Denzin & Lincoln, 2000: p. 3). Denzin and Lincoln’s key defining qualities are upheld in other definitions including those offered by Bryman (2003; 2015). Bryman claims there is a fairly wide consensus that qualitative research is a naturalistic interpretative approach concerned with understanding the meanings which people attach to phenomena (actions, decisions, beliefs, values etc.) within their social worlds. This is clarified by the author in assertions such as *“the way in which people being studied understand and interpret their social reality is one of the central motifs of qualitative research”* (Adler 1985, cited in Bryman, 2003: p. 8).

Other scholars, (*see*, Miles & Huberman, 1994; Denzin & Lincoln, 2000; Patton, 2002; Mason, 2017) similarly focus on the main facets of methodology as defining characteristics of qualitative research. These main aspects include the overall research perspective and the importance of the participants' frames of reference; the flexible nature of research design; the volume and richness of qualitative data; the distinctive approaches to analysis and interpretation; and the kind of outputs that derive from qualitative research. Data collection methods such as observational methods, in-depth interviewing, group discussions, narratives, and the analysis of documentary evidence are also associated with qualitative research.

From an academic and social perspective, Jankowicz (1995) and Mason (2002) emphasise that a qualitative research approach is applicable mainly when a researcher has one or more of the following objectives that need addressing:

- (a) To generate new theories or hypotheses,
- (b) Better understand any phenomenon about which little is yet known,
- (c) To gain new perspectives on things about which much is already known,
- (d) To gain more in-depth information that may be difficult to convey quantitatively,
- (e) Willingness to trade generalisation for detail.

Principally, Ader and Mellenbergh (1999) explained that qualitative research differs from quantitative research in that data is usually gathered using less structured research instruments and the results provide much more detail on behaviour, attitudes and motivation (like this present research). Ader and Mellenbergh observed qualitative research as more intensive and more flexible, allowing the researcher to probe since s/he has greater scope to do so. They emphasise that with qualitative research, the results are based on smaller sample sizes and are often not representative of the population, that the research cannot usually be replicated or repeated therefore giving it low reliability. Besides, with qualitative research, analysis for the results is much more subjective. Mason (2002) further explains that the process in question undergoes continuous refinement throughout the data collection and analysis process, continuously feeding back into the process of category coding. This process is carefully worded by Goetz and LeCompte (1981: p. 58) who state, *“as events are constantly compared with previous events, new topological dimension, as well as new relationships, may be discovered”* making qualitative analysis one of the most exciting and dynamic approaches to research. Earlier, Patton (2002) discussed the advantages that qualitative analysis provides a researcher, these are in turn summarised in Table 4.6 which include descriptions of the main advantages.

Table 4.6: Summary of the advantages of Qualitative Methods (Source: Patton, 2002)

<p>(a) Qualitative methods permit the evaluator to study selected issues, cases, or events in depth and detail. Data collection is not constrained by predetermined categories of analysis, allowing for a level of depth and detail that quantitative strategies cannot provide.</p>	<p>(b) Qualitative methods typically produce a wealth of detailed data about a defined number of people and cases data that need not fit into predetermined response choices that characterize most surveys, questionnaires, or tests.</p>
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Several proponents also agree that a qualitative approach brings unique attributes to the area of raw data collection (e.g., Gill & Johnson, 1997; Jankowicz, 1995; Easterby-Smith, Thorpe & Jackson, 2015). This is primarily due to the fact that unlike quantitative research, qualitative research is regarded as a “*do-it-yourself*” process as it is far from being prescriptive and rigid (Maxwell, 2012: p. 3). The approach affords researchers with a considerable degree of flexibility as well as allows for interaction and iteration between the various components of the research design. In the same breath, in the opinion of Mason (2002), it dictates and demands the following, which may prove difficult:

- (i) That the research should be systematic and rigorously conducted otherwise it would lose its value. Arguments and explanations must be concise and supportive of specific areas of research instead of providing descriptive claims that hold little substance.
- (ii) The researcher needs to be sensitive to the demands and as such, should provide academic guidance for the choice of direction of the research journey.
- (iii) Strategic, flexible and contextual qualities should be emphasised whilst conducting the research and the researcher needs to have the ability to address and acclimatise to changing directions as the research progresses.

In addition, Mason (2002) cites Seals (1999) who also states that qualitative research must be imbued with a degree of rigour which will allow such research to withstand any subsequent scrutiny. As such, it is necessary to provide the audience with ample evidence so that it does not take a position of being beyond judgement when scrutinised. Mason (2002) adds to this inasmuch that the detail in most qualitative research could be both a blessing and a curse to the researcher; data in qualitative research is raw data addressed and synthesized by the researcher and as such, can be very difficult to adopt a point of view that is pre-planned and are seldom pre-categorised.

Lincoln and Guba (1985) likewise warn that qualitative research, which is an approach that recognises the investigator’s subjectivity, requires that the “*biases, motivations, interests or perspectives of the inquirer*” are identified and made explicit throughout the study (p. 290). Jankowicz (1995) and Esterby-Smith et al. (2004) also agree on the complexity and excitement involved in the use of qualitative research methods when applied correctly by a researcher. They debate the fact that qualitative data has two facets as issues are not always clear and thus cannot be taken at face value and, has deeper details regarding the phenomenon under research. Easterby-Smith, Thorpe and Jackson (2015) further suggest that there are a variety of ways to

report the results of qualitative research and evaluation. Most common among them is the sense of story, which includes attention to detail, descriptive vocabulary, direct quotes from those observed or interviewed, and thematic organisation.

4.8.2 Rationale for adopting Qualitative Approach

Considering the underlined drawbacks and limitations of a quantitative methodology, the qualitative research approach was considered appropriate for this study to explore experiential meanings of those individuals within society, attributed to their use of loyalty programs when partaking in gambling activities. This assumption supports the main elements of the constructivist paradigm that argue that research can never be done from an objective stance; rather, research must be observed through interaction and direct experience of the people (Bryman, 2016). The experience of people will have both independent perspectives and most importantly, consist of multiple realities (Saunders, Thornhill & Lewis, 2012; Noble & Smith, 2015).

Thus, the decision to proceed with an inductive qualitative approach was driven by the characteristics of the context, given the nature of the gambling domain remains very active and fast-moving (*see* Griffiths, 2010; Forrest, 2013). Besides, gambling, although around for over hundreds of years (Ashton, 1898; Fleming, 1978; Schwartz, 2013), loyalty programs phenomena, within the industry, are still considered a relatively new concept which requires further exploration (Barsky & Tzolov, 2010). Correspondingly, Wardle et al. (2014) for instance, is supportive that the use of loyalty programs within the gambling sector is yet to receive scholarly interest and attention. Within the literature, it is also widely recognised that the gambling sector has very strong interactions with consumers without key factors considered that might influence consumers to desire to enter or maintain long-term relationships with their suppliers (*see*, Griffiths & Wood, 2008; Forrest, 2013; Baloglu, Zhong & Tanford, 2017).

But then again, the pace of change in the technological (particularly with CRM) domain does not imply that this study cannot be examined in a deductive quantitative way. Rather, there is a rare window of opportunity to qualitatively explore the why, what and how questions asked by constructionism and delve further into viewpoints, thus facilitating a deeper examination than quantitative methods would. In line with this view, Sheth (2017) similarly uphold that ascertaining the what, why, where, when and how individuals feel, is a process which cannot

be facilitated through the collection of facts, numbers and statistics. Qualitative methods instead offer better foundations upon which opinions and insights provided can be scrutinized and investigated.

Additionally, regarding the limitations of quantitative methods, Gummesson's (2017) main contention similarly relates to the ambiguity he associates with conclusions drawn from distributions, averages and probabilities. At best, the author considers these as generalisations and approximations which seldom offer conclusive results. Gummesson questions the extent to which such methods are rigorous as opposed to reductionist which ultimately alter and condense actual reality. This is evidenced further in claims made by the author insomuch that quantitative research *"is based on reduction of reality, instead of condensation of reality. The outcome easily becomes rigorously derived ignorance"* (p. 16).

Thus, quantitative approaches arguably confine participants by many obstacles that hinder obtaining detailed answers because not many suitable questions/ attitudes towards clients/consideration can be asked through numbers. More importantly, in a study such as the current one for instance, behaviours or experiences of individual loyalty program members may be observed over a period quantitatively. However, it would be arduous to know whether a given individual observed was or was not experiencing harm from loyalty programs engagements through figures or numbers. Besides, even behind figures and numbers, for a study such as the current one, dedicated to uncovering the factors which dictate consumer actions requires identifying and discovering the various feelings, prejudices and thoughts concerning specific companies and their provisions (Sheth, 2017: p. 7). What is more, the nature of the research objectives of this study required an in-depth exploration of data over a sample that was not necessarily large.

Therefore, the interpretivist qualitative approach facilitated the exploration of complex social processes by taking a holistic perspective on real-life events with all of their potentially rich and meaningful characteristics intact (Denzin & Lincoln 1994; Burnard et al., 2008; Myers, 2013; Neuman, 2013). Diligently designed and applied, this approach enabled the current researcher to better understand the 'needs, perceptions, judgements' underpinning human cognition as well as the factors which motivate study participants within this context (Mittal, 2015: p. 1). Thus, engaging this inquiry qualitatively honoured an inductive style, a focus on

individual meaning, and the importance of rendering the complexity of the situation under study.

4.9 Research Strategy

Saunders, Lewis and Thornhill (2009: p. 600) posit that the research strategy essentially represents the plan of the intended research journey, linking each stage or step with the actual study's research questions and objectives. As such, it could be said that a research strategy essentially serves as a roadmap whereby each objective and question is addressed through a set of specific action or 'route'. Even so, different research strategies exist with significant overlaps among them and the main consideration for any researcher would be to select the most advantageous strategy for a specific study (Saunders, Lewis & Thornhill, 2009). Yet, as far as Yin (2009: p. 5) is concerned, choosing an appropriate research strategy requires the following conditions:

- (1) 'The type of research questions asked,
- (2) The extent of control the researcher has over actual behavioural occurrences and,
- (3) The level of focus on current as opposed to historic phenomenon'.

Nonetheless, most authors declare that the most common used research strategies in business and management include experiment, survey, case study, action research, grounded theory, ethnography, archival research, cross sectional studies, longitudinal studies and participative enquiry (Easterby-Smith et al., 2008; Collis & Hussey, 2009; Saunders, Lewis & Thornhill (2009).

Generally, there are two main sources of data: primary and secondary and from these sources, information can be collected quantitatively or qualitatively as expounded by Creswell (2013). In this respect, though several methods of qualitative data collection exist, Easterby-Smith, Thorpe and Jackson (2015) outline five qualitative data gathering methods that typify or characterise qualitative research: focus group and group discussion, interviews, direct observation, participant observation; and secondary data or written documents.

As far as the present study is concerned, data collection methods adhere to the principle of triangulation; this refers to the use of more than one method when collecting data into a

particular phenomenon (Walsham, 1993: p. 18). The types of empirical data collection approaches used are focus group discussions and in-depth interviews.

4.9.1 Focus groups

There is a common assertion that focus groups are a popular research method for social researchers (Morgan & Kreuger, 1993; Richardson & Rabiee, 2001). Research by the likes of Kitzinger (1995) also suggests focus groups are used by numerous research organisations to harness opinion, consensus and support before policy is introduced. Morgan (1988) earlier observed that focus groups are under-utilised in social research, although Powell and Single (1996) argue that they, by and large, have a long history in market research and these authors identify the contribution that focus groups make to social research. With respect to this research, supported by prevailing literature, this study recognises the value of focus groups as a tool for detailed market research and considers any potential and limitations when evaluating this as a vital tool for research.

There are differing definitions however of a focus group in the literature, but features like, organised discussion and interaction are mentioned by Kitzinger (1994), social events (Goss & Leinbach, 1996) and, collective activity (Powell & Single, 1996). Powell and Single define a focus group as “*a group of individuals selected and assembled by researchers to discuss and comment on, from personal experience, the topic that is the subject of the research*” (p. 499). In a different view point, a focus group as stated by Thomas et al. (1995), is ‘a technique involving the use of in-depth group interviews in which participants are selected because they are a purposeful, although not necessarily a representative sample of a specific population, this group being ‘focused’ on a given topic’ (Rabiee, 2004: p. 655). Participants are selected on the criteria that they would have something to say on the topic, are within the age-range, have similar socio-characteristics and would be comfortable talking to the interviewer and to each other (Richardson & Rabiee, 2001).

Morgan (1996) enumerates three main features of a focus group: focus group discussion, employed as a method to gather data for the research; participation is interactive among participants (*complementary or argumentative*) (Bryman, 2016: p. 512) and, that the researcher assumes an active role in the group to promote group discussions suitable for data collection. Later, Morgan (1997) affirms the concept behind focus groups is that people get caught up in

the spirit of group discussion and may reveal more than they would in a more formal interview setting. It is also important to state that Morgan's three elements of focus group emphasise: eminence of a primary purpose for the study, and that it is not just a mere discussion, should allow interactive discussions and the role of an active interviewer.

Similarly, Krueger and Casey (2014) comment that a focus group interview method is designed to explore in a group setting what individuals think and feel about an issue. The goal is to get as much information on the table as possible and "*encourage interaction among the respondents and allow people to change their opinions after discussions with others*" (Morgan & Krueger, 1998: p. 6). Consequently, focus groups are often used in an exploratory capacity to help evaluate a programme of activities and to generate ideas for future research (Scott, 2011).

4.9.2 Rationale for using Focus Group Discussions for this Study

For this study, focus group discussions had an economic advantage as the method enabled the researcher to gain a larger amount of information in a shorter period. Focus group discussions also reflected the constructivist paradigm that views reality (ontology) as socially constructed (no single reality or truth) and knowledge (epistemology), that is socially constructed by, and between, the persons who experience it (Collis & Hussey, 2009; Bryman, 2016). When compared to individual interviews, which aim to obtain individual attitudes, beliefs and feelings, focus groups elicited a multiplicity of views and emotional processes in a swift manner within group settings. The method permitted exploration of specific themes in-depth and allowed participants to express their attitudes, feelings, beliefs, experiences and reactions in ways that would not have been feasible using other methods, for example, observation or, questionnaire surveys (Myers, 2013; Bryman & Bell, 2015). Thus, interactions brought out differing perspectives through the language used by the participants as group members communicated, created and shared social constructed norms and values that allowed collective engagement and participation (Homans, 1961; 1974; Klein & Myers, 1999).

Besides, focus group discussions enrich participants who benefit from dyadic interplay with the interviewer and their peers through "*complementary or argumentative*" interaction (Bryman, 2016: p. 512). Such experiences as well, generate new insights into an individual's own world view and research theme (Kvale, 1996; Malhotra, Nunan & Birks, 2017). Yet still, the

researcher acknowledged that, despite the ontological and epistemological stance of the researcher, on balance, the realities of all participants differed immensely due to their previous understandings, their own world view, social experiences and their cultural differences resulting from their varying situations (Crotty, 1998; Bryman, 2015).

4.9.3 Interviews

The qualitative research interview is a construction site for knowledge (Rossetto, 2014). Interviews involve a specific meeting time and place, building a rapport, assessing, through open-ended questioning the subjective values of the interviewees in relation to research topic (Myers, 2013; Malhotra, Nunan & Birks, 2017). According to Kvale (1996: p. 14), “*an interview is literally an interview, an inter-change of views between two persons conversing about a theme of mutual interest*”. A decade later, Kvale (2006) again writes that an interview is a more suitable method of data collection for capturing experiences and meanings of subjects in the real world whereas Rossetto (2014), describes interviews as a process which allows researchers to collect descriptions from participants situated in a given context. Applied to this study, experiential meanings of loyalty programs members, and employees in relation to gambling.

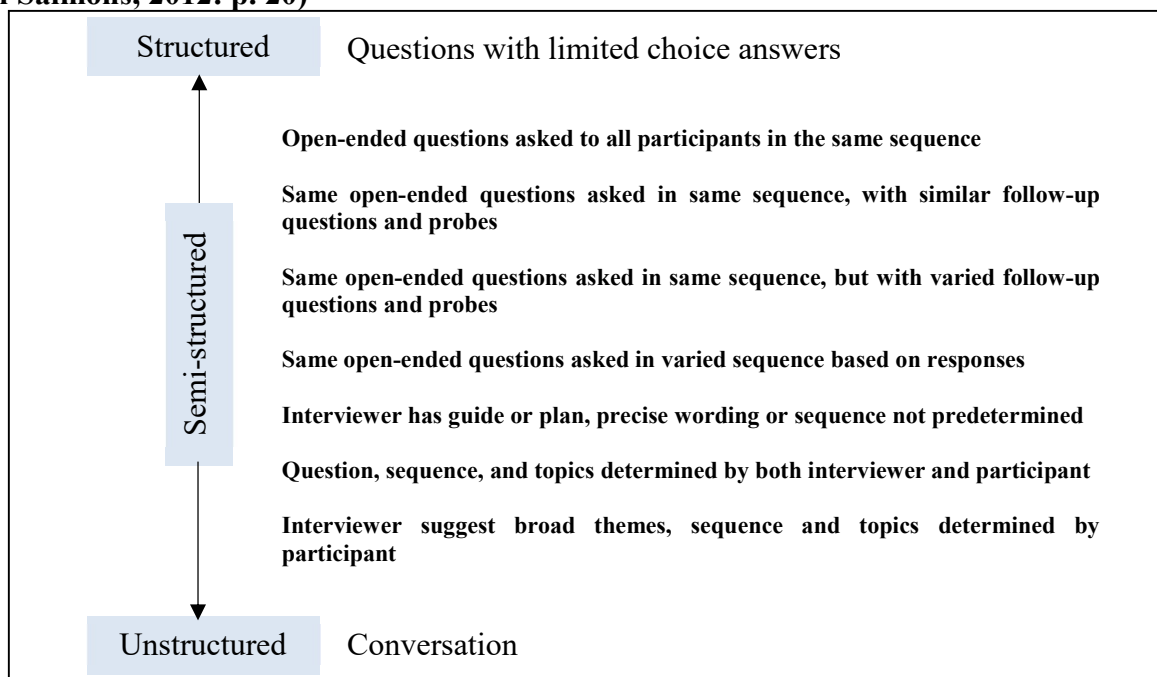
Previously mentioned by Nichols (1991) and subsequently echoed by Myers (2013), an interview not only provides fieldworkers an opportunity to deal with the topics of interest in any direction, rather it also provides scope to phrase their questions as they think best. Using interviews as a method involves collecting data from interviewees on what they do, think or feel towards a topic or an event (Collis & Hussey 2009; Gelling, 2015). A defining feature of interviews relates to researcher proximity; this is an essential feature as far as Perry et al. (1999: pp. 20-21) are concerned as detailed insight into a phenomenon being studied depends on psychological and physical closeness of a researcher and the chosen domain.

Qualitative methods such as interviews for that reason are believed to give a deeper understanding of a social phenomenon contrasting to purely quantitative methods, such as questionnaires (Silverman, 2006; Gelling, 2015). The goal of interviews therefore is to search for perspectives, experiences, beliefs, and/or motivations of individuals on particular aspects (Gelling, 2015). In the same strand however, Kvale (1996) warns that while an interview may be perceived as a conversation between two individuals, the relationship between those two people is not equal hence establishing rapport and trust from the start is crucial. Furthermore,

the behaviour of the person conducting the interview is integral to facilitating the latter (Nichols, 1991). Building a rapport or empathy with participants however, could be seen as a means to bias responses (Malhotra, Nunan & Birks, 2017).

Regarding interviews, various authors identify three types of interviews: structured interview, semi-structured interview and unstructured interview explained in Table 4.7 (Collis & Hussey, 2009; Robson & McCartan, 2016; Anderson, 2013; Easterby-Smith, Thorpe & Jackson, 2015; Bryman, 2016).

Table 4.7: A Concise Explanation of Interview Categories (Source: Salmons, 2010 cited in Salmons, 2012: p. 20)



Structured interviewing also known as a formal interview however, involves asking each interviewee the same set of standardised questions (Nichols, 1991; Mason, 2017). The researcher mainly depends on questionnaires based on a predetermined and standard or identical set of questions. With this method, the interviewer controls the interview in a consistent and orderly manner, with the interviewee seldom deviating from the interview schedule or probe beyond the answers received. Structured interviews (and other forms of structured data collection, such as the self-administered questionnaire) are often used in conjunction with a design that employs statistical sampling. This blend provides data that can be used to construct estimations about the whole population from which the sample was drawn.

There are many benefits to using structured interviews including easiness to replicate, as fixed set of closed questions are used to carry out the research and, it is also easy to quantify the results (Nichols, 1991; Robson & McCartan, 2016). Consequently, structured interviews decrease variability among interviewers and enhance reliability. Another benefit is that since questions are predetermined and structured, it is easy and quick to conduct these types of interviews in a short time and, samples obtained can be considered representative and generalised to a large population. Structured interviewing however has received some critique. The technique is considered to be time consuming if the sample group is very large and also, because the interviewer has to be present at each interview sitting (Punch & Oancea, 2014; McLeod, 2014). Another criticism is that highlighted by Punch and Oancea (2014) who claim that a structured interview makes it difficult for the researcher to examine complex issues and opinions. Thus, in the context of the present study, structured interviews as a method would have offered limited scope for research participants to answer questions in any detail or depth than with almost any other method. The next section provides the rationale for using in-depth interviews to investigate sensitive topics (for example, in the context of gambling consumers).

A semi-structured interview also referred to as in-depth interview on the other hand is an open-ended discovery-oriented method used to obtain detailed information about a topic from a stakeholder. Myers (2013) term semi-structure structured interviews as an interview guide consisting of a list of questions on a specific topic that the researcher endeavours to cover. This way, questions do not have to be followed in a strict rigid manner. Boyce and Neale (2006) describe in-depth interviewing as a qualitative technique which provides the researcher with an opportunity to explore existing perspectives and takes on a specific topic. The technique tends to offer an alternative to focus groups in the exploration of research areas which may be sensitive and require a degree of safety and privacy as far as participants are concerned. Oates (2006: p. 188) corroborates this and adds that this interviewing technique is also beneficial to participants themselves as they are able to speak freely and put forth their opinions without being confined in any way. In addition to this, the author adds that this technique is especially suited to a study, which prizes 'discovery' as opposed to 'checking' (p. 88). Table 4.8 highlights some the main advantages and disadvantages of in-depth interviews.

Lastly, open-ended or unstructured interviewing involves direct interaction between the researcher and a respondent or group (Salmons, 2012). These tend to be informal, not structured by a predetermined list of questions but considered more of an extended conversation (Collis

& Hussey, 2009; Robson & McCartan, 2016). Interviewing using an unstructured technique generally focuses on a small number of respondents to explore their perspectives on a particular idea, program, or situation, to explore in-depth a general area of interest to the investigator.

Salmons (2012), explains that unstructured interviewing differs from traditional structured interviewing in two important ways.

- (1) First, although the researcher may have some initial guiding questions or core concepts to ask about, there is no formal structured instrument or protocol.
- (2) Second, the interviewer is free to move the conversation in any direction of interest that may come up. Consequently, unstructured interviewing is particularly useful for exploring a topic broadly.

Earlier, Silverman (2006) expounds that unstructured interviewing is a spontaneous conversation, not a specific set of questions asked in a predetermined order. He recommends that the researcher should initially have a focus and intention to collect specific information about different aspects of the topic under scrutiny. Since each interview tends to be unique with no predetermined set of questions asked of all respondents, Silverman claims that it is usually more arduous to analyse unstructured interview data, especially when attempting to synthesise across respondents.

The main advantage of unstructured interviews however, is that the respondent may have more control over the conduct of the interview in that they are often allowed to discuss issues as they arise and not necessarily in an order predetermined by the interviewer. Other advantages that Bryman (2016) listed are flexibility as the interviewer can build rapport with respondents as well as the fact that more complex and sensitive questions are possible to be asked. Hence, the result of this more open-ended approach is the richness of data in which validity and depth can easily be defined.

Table 4.8: Advantages and disadvantages of in-depth interviews (Source: Anderson, 2013)

Advantages	Disadvantages
Valuable insights can be uncovered through in-depth interviews enabling the researcher to capture the real story from the people in the know.	Qualitative data is time consuming, indefinite and can be challenging resulting in a more difficult analysis, particularly for less experienced analysts.
Interviews conducted on a one-on-one basis can enable the respondents to open up more or reveal information that they may not in a group setting.	This type of method increases the possibility of bias especially if conducted by a less skilled interviewer.
The interviewer is able to address issues that may arise during the interview that could not have been anticipated and probe for more detailed information.	Given the length of each interview and the associated costs, the number of in-depth interviews required to reach a saturation point may be too high depending on the topic.
It is less time consuming because enough data can be collected faster than other research methods within a short period.	It is challenging to focus on conducting an interview and jotting notes at the same time and this can result in poor note taking.

4.9.4 Rationale for using in-depth Interviews for this Study

Authors (Yates, 2004 Boyce & Neale, 2006), assert in-depth interviews are a good way of exploring participants' subjective meanings. In view of that, because gambling by nature is considered controversial, sensitive and in some instances a taboo topic, in-depth interviews were deemed appropriate and beneficial to this study. As well, with this method, the researcher tailored questions regarding the subject to on-going concerns of the participants.

Hence, the researcher of the current study utilised semi-structured interviews to investigate what at most times is considered a sensitive and discreet activity (Gregory; 2003; Banks, 2017). As mentioned earlier, the researcher had a list of questions on the interview guide that needed covering, but the order in some cases varied depending on the flow of the conversations (*see*, Appendix 9, p. 341). Where a set of questions was used as an interview schedule, interviews were "*guided by the schedule rather than dictated by it*" (Smith & Osborn, 2008: p. 58). Thus, unlike structured interviews, which uses a predetermined list of questions or unstructured interview whereby interviewees are free to explore, the preferred semi-structured interview method allowed for some flexibility in terms of order and issues that were being discussed (Boyce & Neale, 2006; Saunders, Thornhill & Lewis, 2012). Semi-structured interviews also allowed for flexibility to ask related questions (not previously prepared) that emerged from the discussion with interviewees, which lead to more insight.

Interviews were also used not only to reveal and understand the what and how, but also to place emphasis on the why questions asked by constructionism. The aim thus, was to obtain individual experiential meanings vis-à-vis loyalty programs. Therefore, interviews permitted participants to speak their minds; as the primary purpose was discovery, rather than checking (Oates, 2006). Interviewees put forward a condensed view of their opinions, with the aid of the interviewer reflecting and summarising responses. This, in turn, allowed interviewees to describe their interpretation of their world (Brinkmann & Kvale, 2008). With interviews, participants also brought to the table issues the researcher had not considered prior to the meeting allowing for uncovering new knowledge. Nonetheless, Alvesson, (2003: p. 14) cautions assuming interviewees are knowledgeable and honourable truth tellers “*acting in the service of science and producing the data needed to reveal*” their experiences as well as/or the realities of a firm under study poses a risk of failing to appreciate and respect the interview-based situation.

The decision to select interviews was further shaped by fact that employees, (shop managers in particular), were naturally constrained by time due to their own hectic schedules. Their work commitments further meant that concentration and interview discussions were on many occasions interrupted to accommodate their work obligations. Therefore, using semi-structured interview questions not only helped to focus and maintain the flow of the conversation but also, reduced asking of irrelevant questions not pertinent to the issues under study (Braun & Clarke, 2013). Besides, in most instances, employees preferred questions asked to them in place of initiating the discussions. Further, betting shops opening hours as well, varied among, and across, betting firms which created an opportunity to conduct interviews at any time of the day during trading hours. Still, to ensure interviewees felt “*comfortable in the interview setting*”, interviewees in all instances determined the time of the interview and location (Salmons, 2011: p. 137).

4.10 Data Collection Methods for this Study

For the present study, focus group discussions and in-depth interviews were deemed most appropriate to investigate different economic, social and environmental issues associated with loyalty programs in a gambling setting. To enable the researcher to secure the information needed for both focus group discussions and in-depth interviews, a considerable amount of time and effort was devoted to the development and preparation in terms of carefully constructing

and formulating simple semi-structured questions that matched the research objectives in order to allow ease of understanding (Bryman, 2015). Semi structured questions using an outline interview guide retained flexibility for participants to shape interviews. Timing and location for both focus group discussions and in-depth interviews were arranged so as to be as convenient as possible to the participants in increasing the possibility of attending and successful completion.

To adopt and utilise instruments that allowed for the researcher to draw distinctions with comparative weights from both the customer and gambling firms' perspective, the researcher adopted the social constructive epistemological stance of qualitative research (Bryman & Bell, 2015). To create a discursive environment, an audio recorder was used to collect primary data. The recorder allowed the moderator/interviewer to focus on the interviews without having to focus too much on writing notes. This was important because most of the time, participants often provided answers to more than one question at a time. Where multiple answers were presented, the moderator/interviewer was still able to allow the conversation to flow freely. This in turn encouraged a natural relaxed atmosphere, which facilitated free flowing discourse. In doing so, deeper insights into the topic were uncovered. The degree of control and direction imposed by the moderator/interviewer depended upon the goals of the research as well as on her preferred mode of operation.

At the start of each discussion/ interview, all participants confirmed that they were enrolled in loyalty programs and that they were actively using loyalty programs both in EGMs and SSBTs, over the counter as well as at their respective homes when partaking in various gambling activities offered by several UK land-based gambling firms. Considering sincerity on both parts, although actively gambling may be construed as an imprecise term, both parties agreed to the meaning based on their own understandings. Actively, in the context of this study hence, meant participants gambled twice or more times per week. This is because active loyalty program customers in comparison to passive and situational loyalty program customers actively seek information to support a purchase decision (Jacoby & Chestnut, 1978). Hence, excluding passive and situational loyal program customers from the current sample study allows the researcher to extract rich arguments from apt participants. In addition, all participants were provided with invite letters and informed consent forms before participating (*see*, Appendix 10, pp. 342). Those who were willing and eligible to take part in the study signed the provided informed consent forms before participating in all discussions. Finally, for safeguarding

purposes and age verification, the researcher also checked and validated program membership using loyalty programs cards that participants and interviewees had brought along with them. This agrees with the legal requirement put in place by the Gambling Commission 2005 Act, which requires people who partake in gambling activities in a betting shop to be 18 years old and above. For that reason, persons under the legal age requirement were not allowed in places where discussions and interviews were being conducted.

4.10.1 Focus Group Discussion Process

With each focus group session, the moderator began by welcoming all participants to the session. The moderator then presented an overview of the topic, set ground rules and again reminded participants about ethical issues. The moderator also reminded participants of the expected length of the discussions. She again explained that their individual responses would remain anonymous; that the final research was for academic purposes, and that though the final thesis may end up in public domain, copyright would remain the exclusive property of the University of Salford. Participants were also informed that no comments, opinions, or inclinations expressed were to be attributed to individual participants. Henceforth, this reassurance aspect created a strong sense of anonymity and freedom for the participants to be able to speak freely.

For each focus group session, a starter activity titled Think-Pair-Share (*see*, Appendix 11, p. 346) (Kothiyal et al., 2013) using semi-structured questions was utilised as an icebreaker to help get participants into the ‘swing of things’, build trust between the researcher and participants and, “*strengthen group bonds*” (Salmons, 2011: p. 233). Participants were encouraged to be honest, forthright and discreet by not mentioning which gambling firms they were involved with until after the Think-Pair-Share ice breaker activity. The intention was to minimise bias and peer influence or “*group effect*” (Powell & Single, 1996: 504). As well, independence was required for the purposes of maintaining objectivity. This approach left participants feeling comfortable to engage and discuss their individual view(s) of loyalty programs with each other and also more willing to provide in-depth answers during group discussions. The activity further allowed the moderators to be acquainted with the participants more closely. This activity overall, allowed participants to relax “*into the situation*” (Bryman & Bell, 2015: p. 491).

As luck would have it, both focus group discussions had two moderators. The main moderator (who is also the researcher of the present study) facilitated and guided the discussions whilst the second moderator (also a researcher), took notes and prompted the main moderator to keep the meeting on course (Bryman & Bell, 2015). The reason for parallel note taking to audio recording was to avoid loss of information in case of technical failure. This as well, allowed for revisiting multiple answers that interviewees gave. To ensure the same issues were being addressed consistently and with the same rigour, the researcher of this study exclusively moderated both meetings. Moderation therefore allowed for the exploration of several areas that individuals would perhaps normally not discuss.

On several occasions, the moderator needed to probe for more details and deliberately attempted to move things forward when the conversation drifted or seemingly reached a minor conclusion. This was done specially to draw out differences in opinions, tease out a diverse range of meanings on the topic under discussion and to clarify what each participant stated as so to encourage in-depth analysis of opinions expressed (Anderson, 2013; Gelling, 2015). Thus, probing was used to encourage participation and discussion, and to allow full understanding of participants' world view(s) (Kvale, 1996, Malhotra, Nunan & Birks, 2017). This careful approach for allowing participants the opportunity to expand on their answers where needed, also provided them with the possibility to answer the questions with ease and in a detailed descriptive manner. This also allowed for interaction between the researcher and the participants, which in turn, helped to uncover new knowledge and deeper insights.

In addition, the researcher made sure not to express personal opinions and was watchful of her body language that would have indicated agreement or disagreement with any of the participants (Kreuger, 1988; Bryman & Bell, 2015). This was particularly important because up to 80% of all communication supposedly, between people, is non-verbal communication and body language (Gupta, 2013: p. 35). In that respect, the role of the moderator proved to be a demanding and challenging one and required her to possess good interpersonal skills and personal qualities. Said qualities cultivated participants' trust in the moderator and increased the likelihood of open, interactive dialogue during the sessions. Consequently, both focus group discussions lasted approximately 90 to 120 minutes. The length of time was considered adequate to capture the participants' voice and considered acceptable due to the diverse nature of participants (*see*, Table 5.1).

4.10.2 In-depth Interviews Process

As part of the in-depth interview process, the researcher showed a great amount of engagement and was passionate about pursuing her fieldwork. For instance, in preparation for interviews, the researcher on occasions, phoned interviewees one day before the session to confirm willingness to participate, going over some of the questions. Confidentiality was again, highlighted to interviewees, that they could withdraw at any time for no reason or, if in case conflict is perceived with questions, respective to answers. Often, the researcher met interviewees at convenient times and locations suitable to them, which involved travel upon several occasions. The researcher also conducted interviews at interviewees' work places, learning centres, etc. as this was their preference. In many other instances, to suit interviewees work shift patterns, rescheduling meetings particularly with Managers was a common occurrence. Therefore, to make this workable, observing time in terms of interview appointments was crucial. Yet despite the numerous cancellations, travel and rescheduling of meetings, the researcher remained consistent and passionate, repeatedly requesting and renegotiating interview meetings by explaining to interviewees the importance of their views and input to the study. This was necessary because if one is to yield the intended results, whilst maintaining passion, prolonged engagement and cooperation throughout qualitative data process is important (Bryman, 2015). Because of the researchers' own level of enthusiasm and prolonged engagement, in the end, 30 credible interviews were completed. It was also for those reasons that in-depth interviews lasted between 60 to 90 minutes. This corresponds to the views of Jacob and Furgerson (2012) who espouse to obtain rich data, interviews should last between 60 to 90 minutes.

4.10.3 Episodes that Helped to Shape Data Collection

There are significant episodes that shaped and helped prepare for conducting focus group discussions and interviews. These were through formal and informal consultations at different stages of the study. For instance, on one occasion, the researcher travelled by air to Dublin, Ireland, on April 4th, 2017 to interview a senior Market Place Manager (also operating as an area operations manager overseeing more than 50 betting shops) who was personally known to the researcher. He had a wealth of knowledge having worked in the gambling industry for over 40 years.

On another occasion, the researcher attended The Responsible Gambling Trust (RGT) Fourth Annual Harm Minimisation Conference in London from the 7th - 8th December 2016. The aim of the conference was to review and discuss research, education and treatment in relation to minimising gambling-related harm in Great Britain. The researcher met and spoke to some prominent researchers from within the gambling fraternity who gave their time and helpful advice on the current study. On the same evening of Thursday December 8th, 2016, the researcher attended another meeting in X (name withheld) organised prior, with the Gamblers Anonymous Northwest (GA) to listen into various perspectives about gambling and loyalty programs within the UK land-based gambling sector. Though the discussions from the outset were not meant to be included in the analysis, it was important to hear neutral views in a discursive environment from parties who were not part of the study sample but were abreast of loyalty programs arrangements.

In the same year, on December 19th, 2016, the researcher presented at the 1st International Marketing Conference (IMC) at the University of Salford, in Media City. This was later followed by another presentation for a doctoral paper accepted at the 50th Academy of Marketing Conference (AoM) titled: *Freedom Through Marketing: Looking Back, Going Forward* hosted by Hull University from the 3rd – 6th July 2017. Again, the researcher met and spoke to numerous fellow researchers, academics and other well-known researchers from within the marketing field who also gave their time and vital advice on the current study. Also, of value, were Doctoral Symposiums and annually held Early Career Researcher Conferences, such as Salford's Postgraduate Annual Researcher Conference (SPARC) in which the researcher often participated and also, presented. Thus, the credibility of the current study was enhanced further through discussing the current research with research peers, reviewing with colleagues as well as other academic community members from the University of Salford and other Universities who also provided scholarly guidance (Guba, 1981). These formal and informal dialogues offered invaluable insights from both academics and fellow scholars in the field of marketing and gambling that contributed to identifying appropriate interview techniques, shaping the research objectives and confirming some of the research questions.

That presented, the discussion in the next section addresses participants' profiles and an analysis of the sampling techniques adopted

4.11 Sampling for the Current Study

For any piece of research, sampling is important as various constraints would make it almost impossible to survey an entire population without drawing a sample from it (Bryman, 2016; Malhotra, Nunan & Birks, 2017). Sekaran and Bougie (2011) define sampling as “*the process of selecting items from the population so that the sample characters can be generalised to the population. Sampling also involves both design choice and sample size decision*” (p. 396). Consequently, there are many different methods of sampling as presented in Figure 4.4. (For other common sampling methods, see Appendix 12, p. 347).

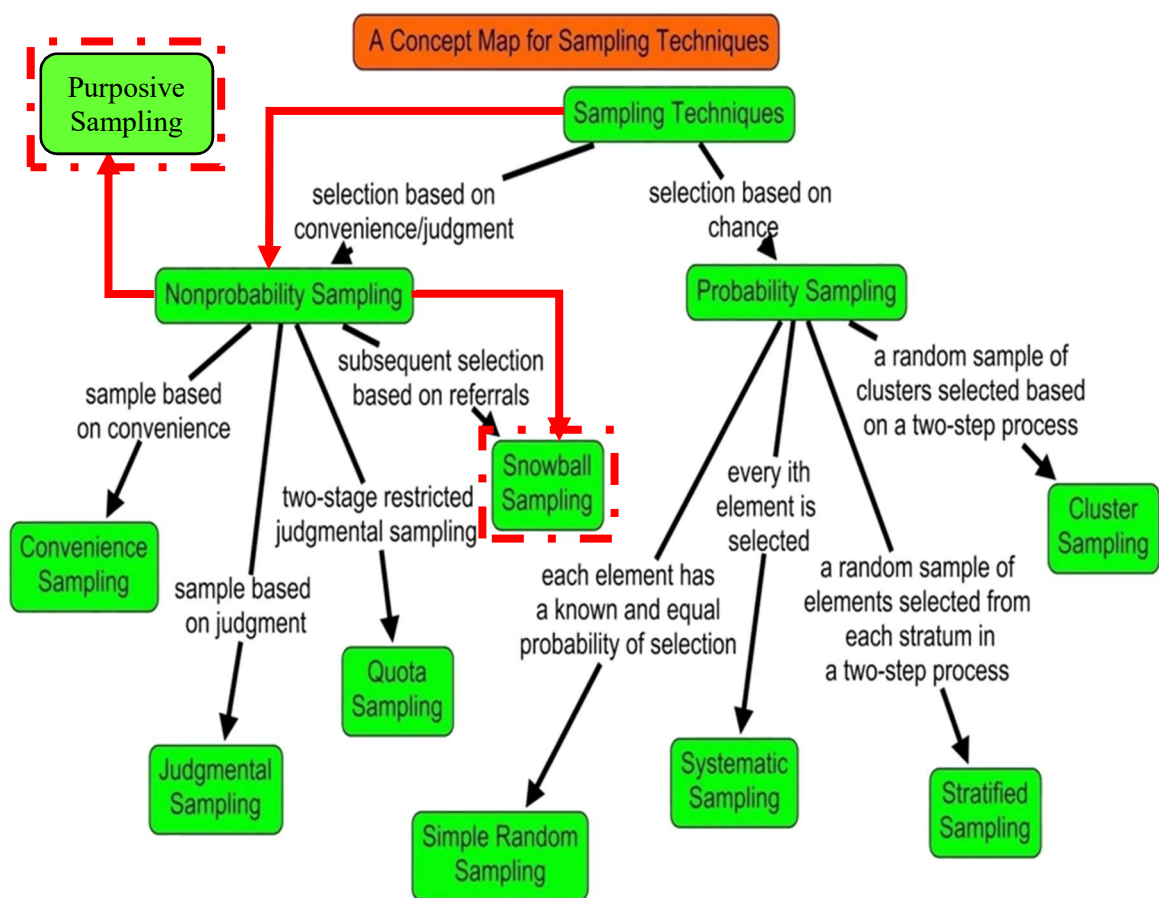


Figure 4.4: Diagrammatical illustration of different sampling methods (Adapted from: Malhotra, Nunan & Birks, 2017)

Malhotra, Nunan and Birks (2017) stipulate 6 steps in sampling design: 1) define the target population 2) determining the sampling frame, 3) select a sampling technique (s) 4) determine the sample size 5) execute the sampling process and 6) validate the sample. Meanwhile, Merton (1987) in earlier work, suggested that the sampling framework should be developed by identifying key population groups that are likely to represent different views of the topic at

hand. The population may be divided along several different characteristics (e.g., age, income, gender, marital status, ethnicity) and/or groups might be identified (e.g., single mothers or students) where these are thought to be relevant (Greenbaum, 1987).

To access the study population, the current researcher adopted Malhotra, Nunan and Birks' (2017) snowballing sampling method often used when working with target groups. Although snowballing sampling may not be representative of a larger population, it was useful since the population the researcher was trying to reach is not easily accessible (Babbie, 1998; Collis & Hussey, 2009; 2013; Griffiths, 2010). This is because gambling in some instances, and as mentioned earlier, is viewed as a discreet/elicited activity or vice, that people do not necessarily want to be seen engaging in openly (Reith, 2006; Banks, 2017). In addition, there is a lack of listed individuals who gamble, which made it more difficult to clearly identify people who met certain criteria (i.e., consumers who are enrolled in loyalty programs). Nevertheless, through careful design, with this method, known participants encouraged others to participate through referrals and to be interviewed (Malhotra & Birks, 2007). For that reason, participants were willing to participate in discussions because they felt more comfortable speaking among other members who had recommended them. This systematisation in turn encouraged honesty and commitment of other participants which enabled the researcher to gain adequate and relevant data. Besides, Malhotra and Birks (2007) state a snowball method "*results in relatively low sampling variance and costs*" (p. 414).

Illustrated in Figure 4.5 is the logical approach adapted from Neuman (2013) that helped to guide the snowballing recruitment process for this study.

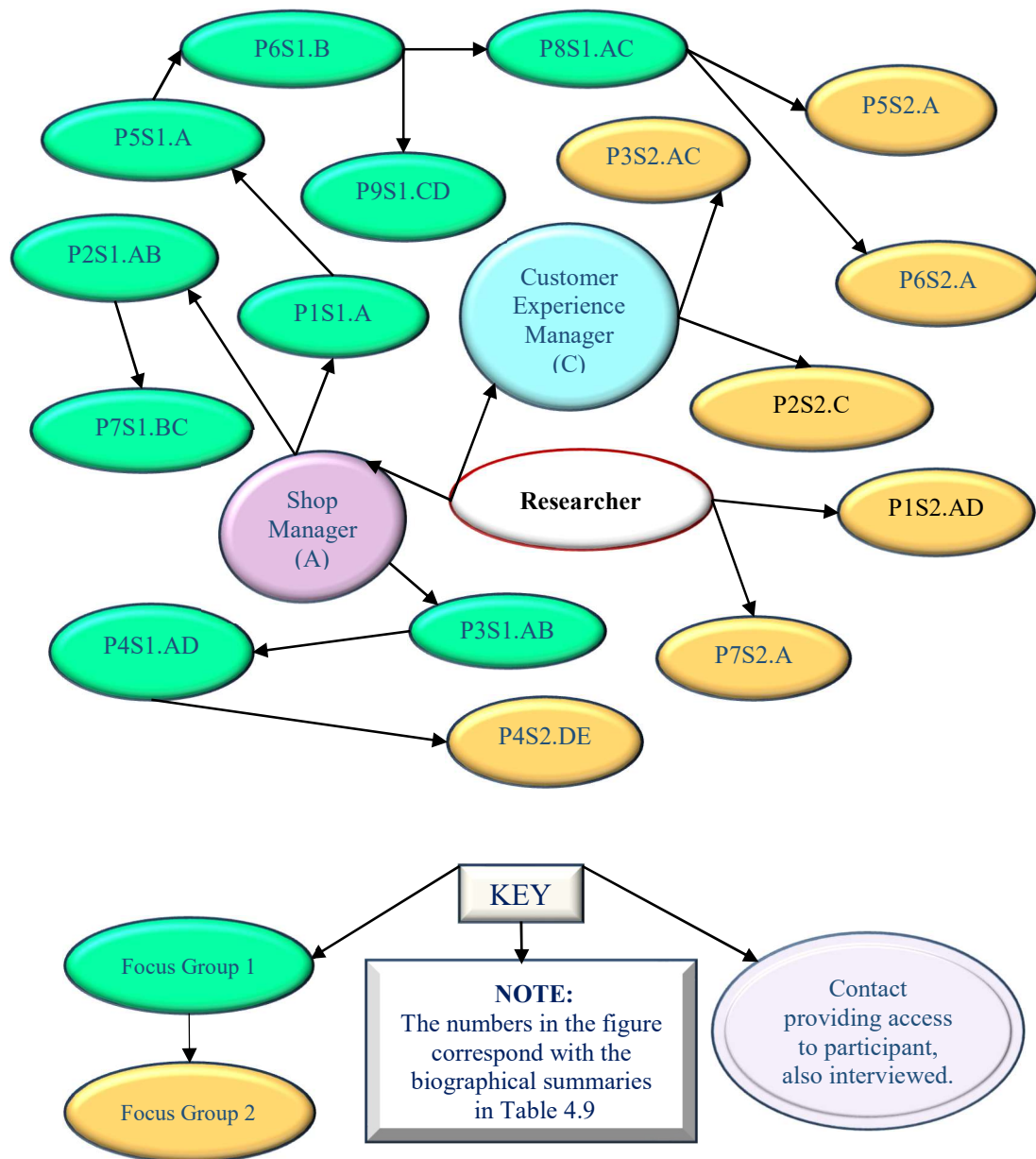


Figure 4.5: Snowballing Method for this Study (Adapted from Neuman, 2013: p. 274)

In the first instance, 3 individuals were referred to the researcher by a shop manager from organisation A (name withheld). Thereafter, the researcher approached them (prospective participants) based on word of mouth to gauge levels of interest in participating in what was initially planned to be a pilot focus group discussion. There was a noticeable immediate negative response observed. Understandably, the individuals regarded gambling issues to be highly private and not subject to discussion. With carefully guided explanation, assuring them that discussions were about loyalty programs in relation to gambling and that individual specific circumstances were not going to be subjected to scrutiny unless the individuals volunteered, the 3 individuals volunteered to share their personal loyalty programs' experiences.

Their recruitment (the original 3 participants), subsequently led to another 9 willing participants agreeing to take part in the focus group discussion. Therefore, in total, 12 people enlisted (key informants). “*A key informant is an expert source of information*” (Marshall, 1996: p. 92). However, of these 12 people, 3 opted out with the remaining 9 agreeing to hold the group discussion during the weekend of May 14th, 2016 at a local library in the (Y) area (name withheld) of Manchester. The atmosphere provided an appropriate mood for group discussions, so much so that the 3 that had opted out at the outset requested for inclusion for the subsequent meeting. This was politely accepted and welcomed as the issues under discussion were still on going.

Consequently, the 2nd focus group discussion consisted of 7 participants recruited using a similar snowball approach. The meeting this time was held at a local community centre on the weekend of June 25th, 2016 in the (Z) area (name withheld) of Greater Manchester.

4.11.1 Participant’s Profile and Sample(s) used for this study

For this study, the researcher selected customers from within the Greater Manchester boroughs as a research target participant group due to the diverse population. Focus groups consisted of a mixture of individuals from both male and female genders and encompassed a wide range of age, income, education and social strata levels. Focus group 1 had 9 participants and focus group 2 had 7 participants. 13 were male and 3 were female (*see*, Table 4.9). Triaging was utilised as homogeneity was crucial to maximising disclosure among focus group participants (Krueger & Casey, 2014). It is prudent to note that although there appears to be an imbalance in terms of gender, this is consistent with gambling studies and gambling literature illustrated earlier on in chapter 1 (*see*, Delfabbro et al., 2011; GC, 2018 and also, Appendix 3)

Table 4.9: Participants' profiles for focus group discussions 1 & 2 for this research study

Key descriptors: A, B, C, D (<i>Organisation</i>); M (<i>Male</i>); F (<i>Female</i>); F/T (<i>works full time</i>); PT (<i>Works part time</i>); S (<i>Student</i>); S/E (<i>Self Employed</i>); U/E (<i>Unemployed</i>)												
Participant	Marital status	Sex	Gambling Operator	Job Status	Age	Study 1	Marital Status	Sex	Gambling Operator	Job Status	Age	Study 2
Participant 1	Single	M	A	S/E	20-30	✓	Married	F	A, D	P/T	30-40	✓
Participant 2	Married	M	A, B	F/T	40-50	✓	Married	M	C	F/T	20-30	✓
Participant 3	Married	F	A, B	U/E	40-50	✓	Married	M	A, C	F/T	30-40	✓
Participant 4	Married	F	A, D	S/E	30-40	✓	Married	M	D	F/T	40-50	✓
Participant 5	Married	M	A	S/E	20-30	✓	Married	M	A	F/T	40-50	✓
Participant 6	Single parent	M	B	U/E	40-50	✓	Single	M	A	U/E	20-30	✓
Participant 7	Married	M	B, C	U/E	20-30	✓	Married	M	A	F/T	30-40	✓
Participant 8	Single parent	M	A, C	U/E	30-40	✓	×	×	×	×	×	×
Participant 9	Single	M	C, D	S	20-30	✓	×	×	×	×	×	×

In-depth interview recruitment as a complementary method involved purposive sampling. Alongside purposive sampling, dyadic data was used. In that respect, the study consisted of two parts: customers as well as employees. Using this sampling strategy also allowed the researcher to “seek out groups, settings and individuals where ... the processes” under study occurred (Denzin & Lincoln, 1994: p. 202 cited in Silverman, 2013: p. 141). Consequently, in-depth interview sample consisted of 14 customers (male and female) enrolled in loyalty programs with 5 gambling firms and 12 employees, (also male and female) working in diverse positions ranging from senior managers to cashiers of the same firms (*see*, Table 4.10). Thus, the recruited individuals for this study were considered information-rich, able to articulate and express their opinions, knowledge and experiences in a reflective manner (Patton, 2002).

Table 4.10: Interviewees’ profiles for in-depth interviews for this study

Participants’ position	Study 3 – in-depth interviews			
	Organisation	Age	Sex	Length of time as a loyalty program customer
Participant 1	A, B, C, D	33 – 37 years	M	9+ years
Participant 2	B	58 – 62 years	F	2 years
Participant 6	A	48 – 52 years	F	2 years
Participant 8	B, E	58 – 62 years	M	4+ years
Participant 9	D	28 – 32 years	F	1+ year
Participant 11	E	18 – 22 years	M	5 years
Participant 15	A, B, C, D	23 – 27 years	M	9+ years
Participant 17	C	23 – 27 years	M	5 years
Participant 18	A, B, C, D	18 – 22 years	M	6 months
Participant 19	A	23 – 27 years	M	3+ years
Participant 20	A, B, C, D, E	33 – 37 years	M	9 years
Participant 23	B	48 – 52 years	F	6+ months
Participant 24	D	33 – 37 years	F	1+ year
Participant 26	C	63 + years	M	5 years
Shop Managers	Organisation	Age	Sex	Length of service with the Firm
Participant 3	A	43 – 47 years	F	11 years

Participant 12	D	48 – 53 years	F	15 years
Participant 13	E	58 – 62 years	M	5 years
Participant 14	C	38 – 42 years	M	16 years
Customer Experience Managers	Organisation	Age	Sex	Length of service with the Firm
Participant 4	A	41 – 46 years	F	3+ years
Participant 7	C	23 – 27 years	M	4+ years
Deputy Shop Managers	Organisation	Age	Sex	Length of service with the Firm
Participant 5	A	42 – 47 years	F	20 years
Participant 10	D	18 – 22 years	M	2+ years
Cashiers	Organisation	Age	Sex	Length of service with the Firm
Participant 16	A	63 + years	F	32 years
Participant 21	B	18 – 22 years	M	3 years
Participant 22	A	18 – 22 years	M	3 years
Participant 25	C	23 – 27 years	M	1+ year

Purposive sampling was used to target specific industry type to fit in with the chosen sample. Although there was an element of a judgement approach, purposive sampling in particular, was used to recruit employees' who were either known personally to the researcher or accessed through set-ups. This approach to sampling dictates that the parameters of the population being studied, are critically analysed and thought through (Silverman, 2013: p. 148).

Table 4.11 provides a descriptive overview of employees that took part in the study considered to possess the very insights that this intended study sought to capture and were deemed as being the most appropriate sources of information to represent gambling firms. Customers ascribed to loyalty programs on the other hand, are served by the said employees.

Table 4.11: Brief explanations for Employees' Inclusion in Purposive Sample

Job Title	Participant Profile	Justification for Using Participant
Shop Managers	Shop Managers, also considered as front-line employees, are responsible for the day to day running of all business matters and managing employees in a betting shop. In some firms, a shop manager manages between 3 – 6 betting shops. A betting shop consists of 7 to 10 frontline members.	Participant engages with clients' face-to-face on a daily basis, has experience and understanding in the focus of loyalty programs, reviews in store electronic data regarding general business transactions, sees the response rate of loyalty program enrolment and the success of using them. They also, have expertise working with digital channels directly on a day to day basis, does analytical research on competitors, local business market environment.
Customer Experience Managers	Customer Experience Managers primarily aim to offer bettors with a unique, memorable and positive customised experience. Customising the experience stimulate positive feelings towards the service and firm. They, likewise perform front-line activities.	Participant oversees Responsible Gambling Interaction (RGI) with all customers and more so, customising the experience to those enrolled in loyalty programs across different stages of the relationship. Participant also, engages customers in the success of using new gaming activities, over the counter betting, EGMs (FOBTs) and SSBTs). They can offer information to management and, on new products and services, provide deep insights into what clients' preferences are, assess whether clients' preferences are changing and why, and suggest new approaches to the digital marketing team and Directors. Thus, participant has expertise working with digital channels and is directly responsible for promoting loyalty programs and usage.
Deputy Shop Managers	Deputy Shop Manager's role situates between Shop Manager and Cashier position. Similar to a Shop Manager, they are aware of all promotions and advertisements that affect products and services and likewise, performing front-line duties is part and parcel of the job role.	They work closely alongside shop managers and have an understanding of what works well across different sections of the shop. In the absence of a shop manager, it is the duty of a Deputy Shop Manager to run the business, market new products and services and, is also responsible for shop level accounting and banking transactions.
Cashiers	Cashiers interact with customers on daily basis for solving queries, processing transactions and handling money.	Part of the cashiers' role is to interact daily with customers, communicate company policies and procedures, marketing and selling of products and services, opening customers betting accounts and enrolling customers into loyalty programs as well as processing and settling bets using computerised systems.

4.11.2 Limitations to Sampling for this Study

Any and every sampling method has its own set of limitations. On Lincoln and Guba's (1985) assertion, we find that qualitative data collection is one of the most demanding methods in research. Lincoln and Guba draw attention to focus group discussions, pointing out that issues such as the use of cameras, the practicality of how to record and how long to interview in terms of duration can prove difficult to both the researcher and participants. Furthermore, some researchers may feel unwelcome by the society being interviewed because they may perhaps feel disturbed and that the researcher in some cases is considered to be prying into their private lives openly among other group members (Thompson, 2012). Other limitations renowned amongst scholars include problems regarding the factor of time, gender issues, ethnicity, age, cultural misunderstanding(s) and social status; all of which can become serious barriers to the researcher using this type of method (Sommer & Sommer, 2002).

In that respect, the main limitation observed with snowballing sampling method particularly in regard to this study, was the fact that data redundancy was reached much faster than had been envisioned. This was perhaps due to that fact that participants were of similar backgrounds, self-selected or friends/family with/to each other. In addition, the researcher restricted the area for data collection for customers enrolled in loyalty programs (that is, only customers who lived in the North-West of England). This occurred because it was not possible to sample a larger geographical area due to time constraints which would not allow for completion of the entire research study if it were a wider geographic area to be sampled. In that sense, the difficulty was that with a limitation of the sample area, the restraint perhaps affected the study by eliminating or indeed excluding customers who may have had vital information or experiences that assuming, would have contributed to this study. To mitigate the impact of the snowballing phenomenon however, individual in-depth interviews with participants took place as a follow up in order to probe deeper into the research domain (Gelling, 2015). Thus, purposive sampling was used as a complementary method in order to counter the weaknesses of snowballing, as the researcher had already anticipated these eventualities.

With in-depth interviews, each episode also ran the risk of not sampling a sufficient number of people of interest to provide desired information, coupled with the difficulty in deciding where, with whom, and when to conduct the interviews. One way to overcome the problem of in-depth interviews however was by listening carefully to a participant and showing interest in what they were saying. Only through listening, did an in-depth understanding build up from where there

was need for a deeper line of questioning. The researcher was respectful and curious about what participants were “*saying or not even saying*”, making a systematic effort to hear and comprehend what was being expressed (Bryman & Bell, 2015: p. 491). This approach also encouraged participants to say more than they had planned to. A good recording device was also essential for these types of interviews so that the moderator could capture holistically what was being said by the participants and interviewees and be able to listen to the transcripts several times after interviews had ended (iterative process) (Strauss & Corbin, 1998; Petty, Thomson & Stew, 2012). The voice recorder allowed for the cross comparing of common themes discussed. It was also imperative for the researcher to have possessed a high tolerance for ambiguity and to be extremely flexible when conducting in-depth interviews to accommodate participants’ needs.

In addition, the moderator/interviewer made a set of notes summarising key points or observations from each interview. Furthermore, the researcher constructed semi-structured questions to work with during interviews, which kept her focused in investigating the subject matter. Questions were influenced and obtained from the vast literature review and centred upon the research aim and objectives. Conceivably, the knowledge and experience of the researcher minimised the limitations, the researchers’ position is perhaps most aptly surmised by Mills (1962: p. 11), mainly “*I have tried to be objective, I do not claim to be detached*”. To add to this claim, Darlington and Dobson (2013) affirm, “*research can never be value free, or even completely impartial*” (p. 287). As such, the researcher of this present study claims impartiality grounded on the thoroughness in its methodology, the drawing together of the findings based on factual participants’ inferences and because of the manner in which information was dissected to help answer the research objectives.

Another riposte to the above limitations is the fact that the moderator/interviewer (who is also the researcher), has previously worked in the gambling sector for 7 and half years and is familiar with the industry in general. This level of knowledge and experience assisted in approaching potential research participants and placing all study participants at ease during discussions, which helped to gather the much-required data. Prior to the field work research period, the author attended several research training events organised by Salford Postgraduate Research Training (SPoRT) to learn how to design and carry out interviews in the field. During said training, numerous practical sessions were held.

Offered within the next section are justifications for the chosen sample group as well as why snowballing and purposive sampling were used.

4.11.3 Justification for selecting and recruiting participants for this study

Due to the pervasiveness of loyalty programs within betting shops and limited research in this field, the land-based gambling sector was considered appropriate for the study sample. Besides, betting shops were chosen because these establishments have high personal contact between employees and customers and were considered information-rich sources of data who met the current research criterion. Parties involved in the dyadic relationship know each other and consequently, stable relationships are generated, which creates reciprocity, continuity and loyalty also known as interdependence within the SET (Thibaut & Kelly, 1959; Oliver, 2014). It was for those reasons that participants were specifically recruited using a purposeful sampling method whereby the researcher wrote memos mapping out “*possible sources to sample theoretically*” (Birks & Mills, 2015: p. 11). This, in keeping with the recommendations provided by Birks and Mills proved to be useful in creating an audit trail which was later used to make decisions.

Furthermore, availability, willingness and accessibility of respondents, whilst considering statistical information also influenced the researchers’ judgement on who to approach for information as participants as well as the part they could play in informing the study. Still, in all this, the researcher made a deliberate effort to remain impartial.

4.12 Data Management for this Study

One of the remarkable features of qualitative research is the generation of large amounts of data (Easterby-Smith et al., 2008). When this occurs, the handling of data can become a challenge. To overcome this, the researcher uses NVivo 11 to store the collected data, which includes both focus group discussions and, in-depth interview data. Within NVivo 11, individual interviewee folders are created and labelled with pseudonyms represented as numbers (*see*, Appendix 13, p. 348).

4.13 Data Analysis for this Study

Scholars, (Glaser & Strauss, 1967; Gill & Johnson, 1997) claim that the most common strategy for analysing qualitative data is constant-comparison. This according to Goetz and LeCompte (1981: p. 58) “*comprises combining inductive category coding with a simultaneous comparison of all social incidents observed*”. As social phenomena are recorded and classified, they are also compared across categories (Janesick, 1994). Hence, the process of examining, categorising, tabulating and interpreting the evidence to support, reject or amend a theory or to generate a new theory is called data analysis (Yin, 2009).

Qualitative data analysis allows for ‘content to be subjectively interpreted using a structured system. This system allows for data to be classified using specific ‘codes’ which denote a particular theme or pattern’ (Miles & Huberman, 1994; Hsieh & Shannon, 2005: p. 1278). Bruner, Goodnow and Austin (1972) explain this as an attempt to create or find common ground, or a consensus amongst consumers on intersecting positions appropriate to individual experiences with suppliers. This interpretation received backing from Gill and Johnson (1997) who define qualitative analysis as any technique used to analyse data in a way other than the use of statistical formulae as in contrast to quantitative analysis that uses numbers to provide answers. Gill and Johnsons’ explanation centres on the fact that qualitative analysis usually involves the technique of coding or creating categories/classifications from raw data. The difficulty of qualitative data analysis however, is reducing data from multiple sources to meaningful conclusions (Easterby-Smith et al., 2008; Creswell, 2013; Collis & Hussey, 2013). Myers (2013) moreover cautions that, though the distinction between the stage of data collection and analysis is very clear with positivist research, it is not the same with interpretive research. Myers asserts the assumption of interpretive researcher would have an impact on what kinds of data are to be gathered or questions asked. That would stimulate the outcome of data analysis.

On this, various authors agree that there are general procedures for analysing qualitative data categorised as: data reduction, data display and conclusion drawing and verification (Miles & Huberman, 1994; Saunders, Thornhill & Lewis, 2012; Miles, Huberman & Saldana, 2014). Data reduction involves selecting, focusing, simplifying, abstracting and transforming the data gathered to focus on emergent constructs. Data display is organising and compression of data to make visible the themes that run through it. Conclusion drawing and verification lastly,

involves the researchers' interpretation of data, developing meaning out of data, identifying patterns and themes and using strategy to develop theory. Figure 4.6 is a diagrammatical illustration of how the process was conducted for this study.

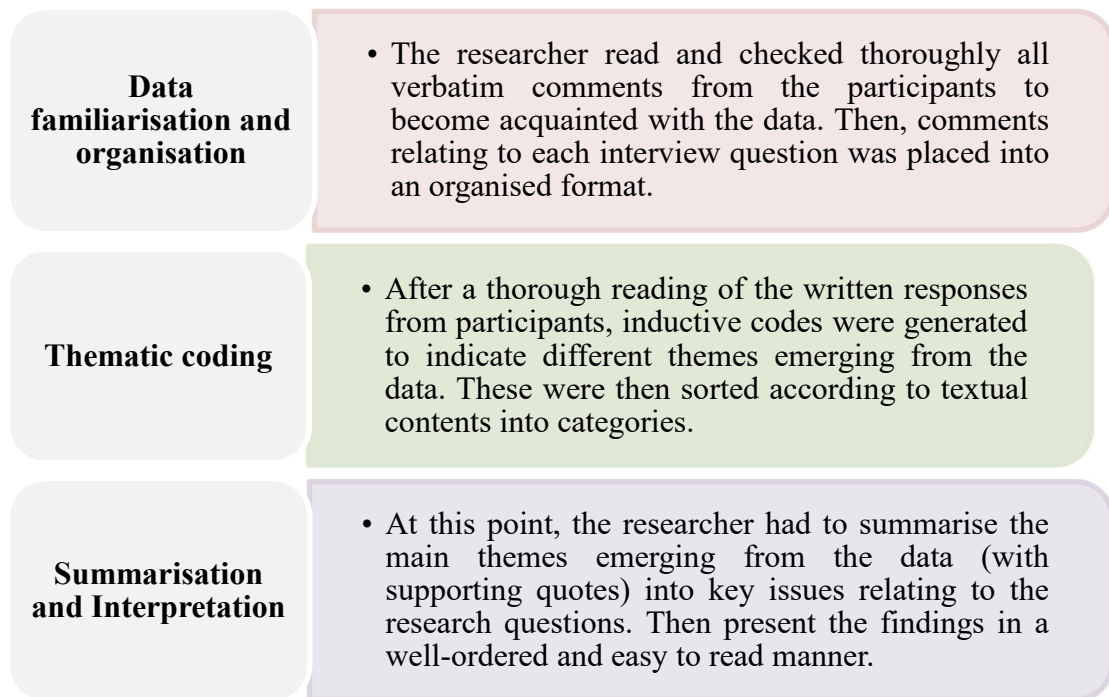


Figure 4.6: Overlapping Stages in Qualitative Data Analysis for this Study (Adapted from: Collis & Hussey, 2014)

For this study, the researcher firstly adopted NVivo 11 to organise and analyse data more systematically and critically while maintaining anonymity. The researcher entered the collected data from the discussions into Nvivo program for qualitative thematic data analysis with strict confidentiality and anonymity principles adhered. Articulated information saved in Nvivo 11 contained pseudonyms while real names were held on separated data stick in confidence by the researcher. This process helped to ensure that the information provided by the respondents if published in a non-attributable format would still prevent the private information or assertions of interviewees from getting to the public domain identified. Of the essence, was that each interview was analysed individually and later holistically (*see*, Appendices 14-16, pp. 349-351). Data would be kept securely for the duration of the study and destroyed upon completion.

Mindful of the role of literature in guiding data analysis, participants' views were analysed using the inductive thematic analysis approach described by Bryman (2016). Firstly, data was scanned carefully to identify meaningful elements of text relevant to the research objectives. Secondly, elements dealing with the same issues were grouped together in analytic categories

and given provisional names. Initially, some elements were included in more than one category before reorganising them in Microsoft word. Thirdly, data was further reviewed systematically to ensure that names, definitions and an exhaustive set of data to support each category was identified. The inductive thematic analysis using Nvivo 11 resulted in 28 nodes which were later grouped into 2 overarching categories consisting of sub-themes and sub-sub themes (*see*, Figure 5.1). Issues said in focus group discussions and interviews, which did not relate to the categories or add to the research questions were dropped from the analysis. The analysis was exhaustive in that 95% of the data were allocated to one category.

To ensure the exact narration of interviewees was captured word for word (Creswell, 2013), the researcher once more, carefully reviewed the transcribed data manually using Microsoft Word. For more insights from research participants (*see*, Appendices 17-18, pp. 352-359). As such, this included crosschecking the transcripts, grouping them and identifying patterns and themes (to ensure reliability) (Janesick, 1994). Data was organised to confirm similarities and differences between and among group participants and interviewees, and that the theories were apt and, noted (Liamputtong, 2009). Transcribing, classifying and organising data, and reducing it to key themes was done in an iterative process (Strauss & Corbin, 1998; Petty, Thomson & Stew, 2012). The iterative process was performed repeatedly until no new data emerged and the theory stabilised (reaching saturation). Throughout the process, the researcher was absorbed in the data and the emerging theory, drawing on personal and professional experiences that enabled her to identify key themes as they emerged during data collection and analysis. The researcher, (also the analyst), made reflections of her understanding during both focus group discussions and in-depth interviews to check accuracy of data interpretations (which is also referred to as a recycling process) (Stiles, 1993).

As previously illustrated in Figure 4.3 two focus group discussions were conducted. Both focus group data was coded for analysis. Regarding in-depth interviews, in total, 30 in-depth interviews were conducted across the Greater Manchester boroughs of Oldham, Tameside, Trafford, Salford and, Warrington area in Cheshire. Of those 30 conducted, 26 were thematically coded, analysed, and used in the study. Thus, as part of the quality assurance process considered for this study, 4 interviews involving 3 customers and 1 senior management employee were discarded and not included in the final analysis. The 3 interviews from customers were discarded because interviewees withdrew mid-way through the 1-1 interviews sessions, so the interviews were incomplete and did not yield data for analysis. Reasons for

withdrawing varied. For example, one participant withdrew so she could pick up her child from school after the school had phoned to inform the child was unwell. Due to the location (since she resided in X, in Cheshire), rescheduling the interview proved problematic. The other 2 participants gave not much detail for withdrawal. Speculated, perhaps, they felt uncomfortable to disclose issues about themselves; unsure that if revealed, it would damage perceptions of them, or, not ready to revisit their experiences. Their wishes thus, were respected.

Another interview with a senior management was discarded during data coding. This occurred after the researcher re-contacted the interviewee to clarify important issues voiced during the initial recorded interview. For fear of identification due to the senior position that they held within firm X (name withheld), the participant in question during the phone call requested omission of their views from the study. Despite assurances of anonymity, there was hesitation expressed for their inclusion. Accordingly, the researcher of this study adhered to their request since the right to opt out at any point during data collection was explained to all interviewees at the outset as is clearly stipulated by the College Research Ethics Panel (REP) of the University of Salford (*see*, section 4.14,). The reasoning behind this centre on ethical factors, and the importance placed on respecting interviewees' wishes (Brinkmann & Kvale, 2008). Though their removal dealt a big blow to the study due to the wealth and richness of data extracted from the said individual, these were nonetheless discounted. All that considered, in the end, it was felt that 16 focus group participants plus 26 interviewees sufficed to supply varied and detailed accounts for the purposes of this study.

4.13.1 Dependability and Trustworthiness of this Exploratory Study

As mentioned earlier, one of the key limitations of qualitative research is that it not only deals with human beings and their activities but also is also heavily dependent on the individual skills of the researcher. In addition to this, it also has a propensity to be easily influenced by the researchers' own personal biases and idiosyncrasies (Myers, 2013; Mason, 2017). Particularly, this study also recognises the challenges of focus group analysis. As Morgan and Krueger (1998) have argued, "*the complexity of focus group analysis occurs at several levels. When a question is asked, two people may answer using different words, yet mean the same meaning*" (p. 6). In view of that, it was important to refine interpretations in observable data to make sure emergent themes were coded appropriately. This was vital to avoid ambiguities in the coding process (*confirmation bias*) and, to warrant emerging themes captured real participants and interviewees' views/ opinions correctly (Guba & Lincoln, 1981; Bryman, 2016; Mason, 2017).

Thus, from a constructivist perspective, the researcher provides insightful, solid and depth accounts of participants' narrations conveyed into the study situation to contextualise the present research study participants' own meanings.

Initially, the researcher coded both focus group discussion and interview transcripts. To check for consistency and accuracy of the coding process, the researcher requested another experienced researcher (to act as a research collaborator) to review some of the transcribed data and assign their meaning over emergent coding outlines. The coherence and replicability of the themes were established by the researchers' collaborator who then coded both focus group discussions and 5 randomly picked in-depth interview transcripts. This process ensured codes were valid, mutually exclusive and, exhaustive (Miles & Huberman, 1994). In the event of inconsistent coding and category system, minor modifications were made. The differences were reconciled by sitting down, posing stimulating questions for consideration, and discussing patterns and language, ensuring coded data consisted codes that were rational, readable and unambiguous (Miles & Huberman, 1994). In the end, a good category of reliable and consistent paralleling themes emerged from the data. Thus, the level of agreement on the selected transcripts was with a high level of inter-coder reliability (of 95%) (Seale & Silverman, 1997).

The researcher also discussed some of the interpretation of the themes with Supervisory team. Although, Armstrong et al. (1997) point out that different researchers may code the themes that were identified differently due to the complexity of qualitative data. This problem has also been recognised by Burnard et al. (2008: p. 431) who similarly says that *"this process is arguably more subjective than the process normally associated with quantitative data analysis, since a common belief among social scientists is that definitive objective view of social reality does not exist"*. This is however not unexpected given that different researchers can have divergent experiences and subjective of perspectives which might affect the way they are identifying themes emerging from the qualitative data. However, what is ultimately of value is to ensure a significant level of concordance between the researchers' coding structures (Barbour, 2001).

On the issues of credibility, Noble and Smith (2015) argue qualitative research has been subject to intense scrutiny as it has tended to eschew scientific rigour; issues therefore emerge relating to transparency of both findings and the analytical procedures used. It is not uncommon for stauncher critics to reduce qualitatively grounded research to *"being merely a collection of personal opinions subject to researcher bias"* (Sandelowski, 1993; Rolfe, 2006 cited in Noble

& Smith, 2015: pp. 1-2). Consequently, validity and reliability are discountenanced within qualitative studies because the difficulty in proving rigour when conducting qualitative research and the lack of unity of standards by which qualitative research is surmised remains such a challenge. Still, it is important to declare that in terms of legitimacy, qualitative research offers multiple realities through participants and interviewees' perspectives (*truth value*), trustworthiness through which the researcher arrives at comparable findings (*consistency*). Additionally, qualitative methods offer prolonged interaction with participants/interviewees whilst fundamentally interconnected with the researchers' philosophical stance, experiences and perspectives (*conformability*) and, findings applicable in other settings or groups (*applicability*) (Miles & Huberman, 1994; Noble & Smith, 2015).

In light of this, to ensure credibility between pre-existing investigations in other areas of CRM and gambling, the researcher of this study crosschecked research questions against other relevant articles as stated in the literature review. The fact that interview questions were the same for both customers and employees, also provided the researcher with an additional opportunity to drive the study to the right conclusions (Strauss & Corbin, 1998; Petty, Thomson & Stew, 2012). Thus, having a stable sample and structure produced more possibilities for comparisons and credibility through spontaneous reactions and honest in-depth self-reflective answers from interviewees. Moreover, the sample size for this study offered the author added opportunity to check truthfulness and credibility through comparisons and repeatability of the findings free of bias. In addition, prolonged engagement in the field for data collection, researcher reflexivity and peer debriefing were procedures implemented to guarantee data dependability and trustworthiness (Lincoln, 2015).

In relation to trustworthiness of interpretations (or validity), the researcher used a range of participants' and interviewees' quotes and expressed findings tentatively rather than in law like statements. Concerning axiology, the "*researcher openly discusses values that shape the narrative and includes his or her own interpretation in conjunction with the interpretations of participants*" (Creswell, 2007: p. 17). This is in recognition that qualitative research quest is not to predict or generalise, but rather to explore and increase understanding of human experience within the context of the research (Bogdan & Biklen, 2007).

Explained next are the ethical issues that the researcher adhered to for this study.

4.14 Ethical Considerations

The researcher considered ethical issues in detail and sought advice from the research supervisors consistent with the policies endorsed by the University Ethics Committee. Issues considered included informed consent, anonymity, checking whether the researcher has permission to use voice recorder during focus group discussions and in-depth interviews, and always treating participants with respect, consideration and concern. As noted within literature, interviewing is a “*moral inquiry*” therefore, certain safeguards and moral issues need to be considered (Brinkmann & Kvale, 2008: p. 260) although Gregory (2003) argues that individuals have different points of views when it comes to moral outlooks, as he describes it. He asserts that some people may not be afraid to voice their opinions, feelings, concerns or points of view on topics, while others prefer to remain discreet. In this setting, Gregory as a result is positing that it can prove more challenging especially when it comes to conducting research with individuals who might need consented approval, hindering limitations on different types of research especially with sensitive populations.

Thus, concurring with Gregory’s ethical point of view, some organisations such as gambling firms recruited in this present study operate on the basis of being discreet, especially when it concerns issues involving their customers and gambling practices. Most importantly, the delicate nature of exploring gambling activities vis-à-vis loyalty programs and seeking views on organisations’ practices meant paying particular attention to confidentiality and anonymity (Blumberg, Cooper & Schindler, 2005; Bell & Bryman, 2007). This was all the more relevant because employees probed about the prevalence, usage and experiences of their respective organisation’s CRM strategies in some cases could have led to their adverse reproach from employers. It is therefore important to organisations such as these that confidentiality and anonymity of clients’ information, as well as preservation of their data be maintained.

For these reasons, ethical approval for this study was required because the research necessitated the holding of focus group discussions and in-depth interviews. The approval was received from the University of Salford College Ethics Panel before starting data collection (*see*, Appendix 18, p. 358). This approval procedure considered the practical implications of the research topic and how that affected the planning of the project in terms of data collection and storage, confidentiality of information collected, preserving anonymity of participants and interviewees, obtaining consent forms and ensuring that all participants and interviewees were not harmed or

adversely affected before, during or after the research project. It is prudent to note that the Salford College Ethics guidance on informed consent, agreement to audio-recording, emphasis on confidentiality, availability of transcription to research participants if/ where requested (*see*, Appendix 19: p. 366) and freedom to opt out of the research at any time without question greatly aided in the ethical considerations taken by the researcher as part of the study.

4.15 Summary of Methodology Chapter

This chapter has outlined the research paradigm, research methodologies, strategies and research design used in the study, including procedures and data collection tools, data analysis and participant profiles. As already established, the research design for this study is interpretive in nature. It has a relativist philosophical basis analysed largely through qualitative methods, mainly using thematic analysis via Nvivo 11. The chosen methodology and the choice of data collection methods assisted the researcher in collating data that was used to verify or disqualify the assertion that there could be some potential harmful effects to consumers subscribed to loyalty programs that are being offered by the UK land-based gambling sector. The gambling sector has very strong relational interactions with consumers without key factors considered that might influence consumers to desire to enter long-term relationships with them. Furthermore, the chapter also briefly described the several stages involved in the design and development processes of inquiry as well as the ethical considerations for this study.

Presented next is the findings, analysis and discussion chapter.

Chapter 5: FINDINGS, ANALYSIS AND DISCUSSIONS

5.1 Introduction

The research design discussed in the previous chapter proposes the elicitation of data from the research participants through interviews, which is then thematically analysed to identify key themes and constructs. This process and the subsequent dialectic with the data is presented in this chapter of the thesis, which looks to better understand the implications of loyalty programs within the UK land-based gambling sector. With this in mind, the themes that emerged during analysis are inductively identified using an emic (the research participants' point of view) rather than an etic (outside perspectives) approach.

During the interaction with the primary data, the chapter will concurrently examine the extent to which these findings reflect the theory and academic opinion offered within the body of literature and the extent to which the present findings echo, contradict or, add to those offered by previous studies. To address the research aim, questions were formulated that answered the research objectives as presented next.

- (1) Do employees of, and customers to gambling firms, perceive loyalty card programs in the UK land-based gambling sector the same way, why and how?
- (2) How does understanding of loyalty card programs among employees in betting shops influence customer relationship management implementation?
- (3) To what extent does the knowledge of how customer relationship management strategies operate influence actors' engagement and behaviour in the gambling firm- customer relationship?
- (4) How/ in what ways does a loyalty card program bring about unintended or undesired behaviour amongst customers in a land-based gambling setting?

- (5) What are the effects of loyalty card programs and program incentive designs in relation to gambling and gambling related harm?
- (6) In what ways can loyalty card programs be designed and employed to limit and overcome negative implications as far as customers are concerned?

To appreciate the zealous nature of LCPs better, we need to understand the types of consumers who use and digest them. To interpret the experiential meanings from individuals directly involved with LCPs and the perception that customers and employees have towards the way in which Customer Relationship Management strategies practiced under Social Exchange Theory and Relationship Marketing are implemented within the UK land-based gambling section, the study begun with an exploratory qualitative approach.

To adopt a balanced view of LCPs in the land-based gambling sector, the current author determined that the views of both ‘Actors’ in this dyadic relationship should be considered. As such, these findings expound and scrutinise the viewpoints of both customers and employees about the prevalence and usage of loyalty programs whilst also examining the various effects participants identified consequently. Besides, for both actors in this dyadic relationship, what ‘one gives may be a cost to them just as what one gets may be a reward to them’ (Homans, 1985: p. 606). Consequently, questions were posed to both and the contribution of both sets of actors involved served to further enrich this study. Surprisingly however, despite both groups of participants occupying very different roles within the study and society in general, the difference was minimal on the themes, and as it emerged, many contributors had some shared sentiments on most issues. Their views are used to illustrate and typify common perspectives and self-understandings in the study.

Nevertheless, it is not the purpose of this study to explain the marketing objectives of individual firms, but rather, to examine the influence of CRM practices such as LCPs on consumers in the UK land-based gambling sector. For that reason, this chapter presents the key themes which emerged during the course of the primary data collection; these in turn include, awareness, value proposition, potential exploitative tactics, and respective relationship constructs within the SET

and RM frameworks. Research participants' descriptors are presented in Table 5.1. Key themes that emerged from the analysis are illustrated in Figure 5.1.

Table 5.1: Key descriptors for participants and interviewees for this study

Organisations' pseudonym: A, B, C, D, E		
Some key descriptors for focus group participants (P) within text:		
P2S1.AB (<i>Participant 2, Study 1: Organisation AB</i>)		
P7S2.A (<i>Participant 7, Study 2: Organisation A</i>)		
Some key descriptors for in-depth interviews (Subjects) (S) within text:		
S1C.A (<i>Subject 1 Organisation A</i>);		
S3SM.A (<i>Subject 3 Shop Manager: Organisation A</i>)		
S7CEM.C (<i>Subject 7 Customer Experience Manager: Organisation C</i>)		
S10DM.D (<i>Subject 10 Deputy Manager: Organisation D</i>)		
S21CS.B (<i>Subject 21 Cashier: Organisation B</i>)		
<i>Organisation</i>	Firms' pseudonym for LCPs 1	Firms' pseudonym for LCPs 2
A	AA	AA 1
B	BB	BB 1
C	CC	CC 1
D	DD	DD 1
E	EE	EE 1

In keeping with ethical guidelines, in the sections that follow, the identities of the research participants have been protected. As a result, pseudonyms are used to denote individual research participants whilst quotes are used to directly represent the views and 'voices' of the research participants. Ellipsis dots signify a minor edit has been made to either minimise repetition or quotes needed to be made more readable. In some extreme cases, non-italicised square brackets are used to indicate substantive editing has taken place. Henceforth, LCPs are in specific reference to the

land-based gambling sector than online gambling. As well, going forward, focus group participants (P) and in-depth interviewees (Subjects) (S), collectively, are referred to as research participants and on occasions, loyalty 'program members' is used. The words LCPs and loyalty schemes in some cases, are used interchangeably.

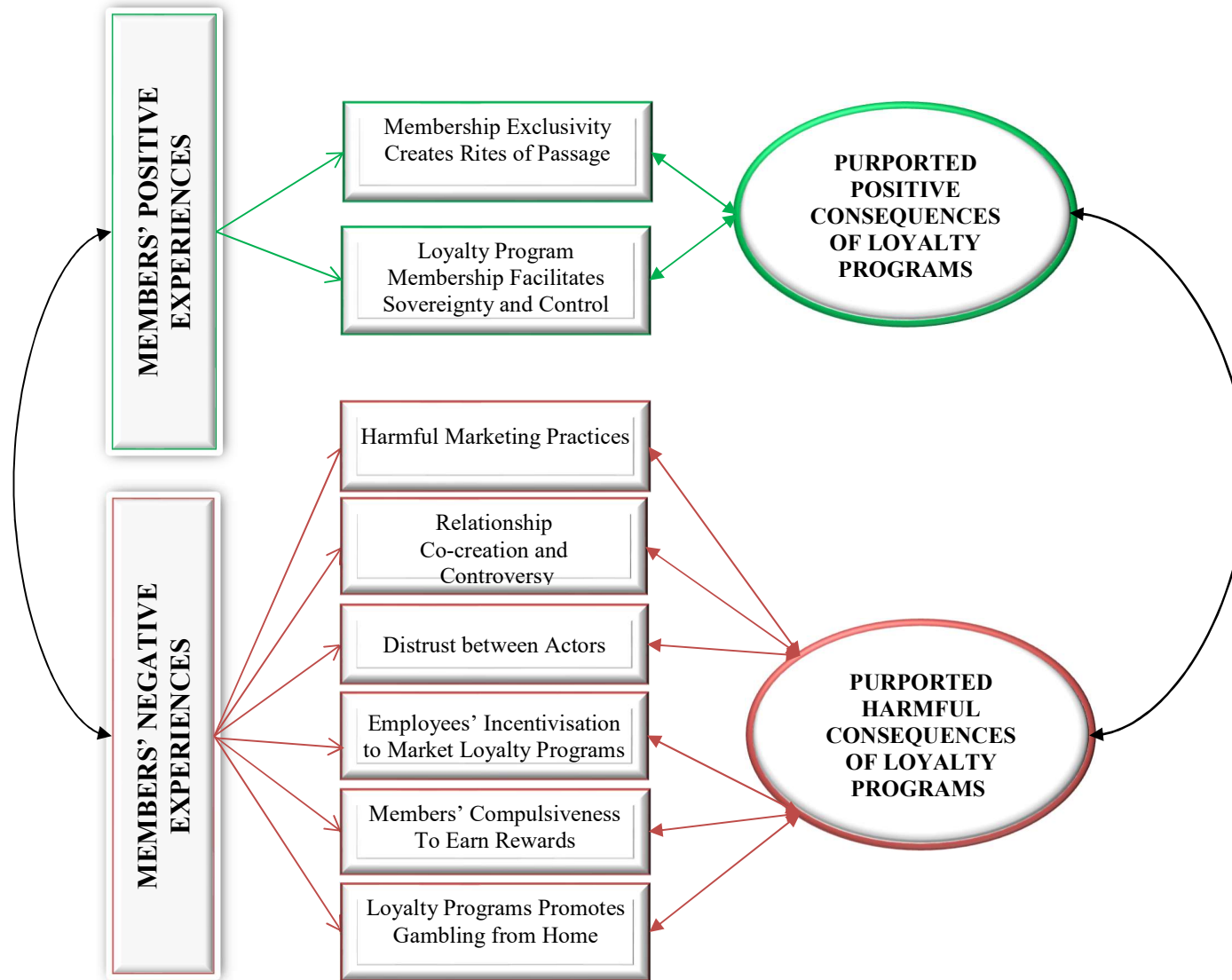


Figure 5.1: Proposed Framework Post-Thematic Analysis – Purported Consequences of Loyalty Programs

5.2 Purported Positive Consequences of Loyalty Programs

Consumption that allows individuals with a sense of enjoyment and fulfilment is seldom negative and tends to bring with it a range of psychological, emotional and physiological benefits. What follows is an interesting account of consumption within the present context of gambling as the role of loyalty programs are discussed in facilitating the former. More specifically, the forthcoming account relates to one of the first themes that emerged, one that has been entitled ‘Membership Exclusivity Creates Rites of Passage’.

5.2.1 Membership Exclusivity Creates Rites of Passage

While gambling activities to most, may be perceived as a discreet activity, contrary to popular perceptions, there exists an underlying sense of ‘community’ and ‘camaraderie’ that contributes to the development of a number of relationships among loyalty program members. Whilst this may in itself be somewhat grandiose a statement, research participants themselves relay the drastic ways in which their experience is augmented and enhanced through LCPs. This simply has not only an ‘insinuating’ customer perception but perhaps confirms the stature of loyalty card holders. Because of this, some research participants specifically singled out this one impression significant and relevant to them.

5.2.1.1 Customers’ Views

Rites of passage was acknowledged by many research participants who expressed different reasons some of which were feeling: ‘intimate, endorsed, accomplished and involved with their respective gambling firms as well as among their ‘peers’ (S6C.A; P4S2.DE); and ‘entitled to special or enhanced odds’ (S24C.D; S26C.C). Asked why that was significant to them, some research participants said, “*I feel that I get preferential treatment because I am a member*” (S15C.ABCD). Similarly, another participant specified that: “*you feel like power, you know what I mean?*” (P18C.ABCD); “*because you know you are gonna get a free go aren’t you, whereas before, we [as in prior to becoming a loyalty program member] didn’t have these free go’s*” (S6C.A), with others simply endorsing LCPs as “*a good incentive in a way*” (P2S1.AB; S19C.A).

LCPs as a reward strategy are understood as a unique incentive because they not only differentiate program members from non-program members but also, provide diverse overall experiences beyond value for money. Implicit in these claims also, is the reverence in privileges and repurchase exclusivity. This is considered as such because incentives in this context are only offered to loyalty program members as a reward for their re-patronage and involvement. Consistent with the social exchange theory, loyalty program members perceive self-importance, worthy of those accompaniments than non-programme members (Cropanzano & Mitchell, 2005; Ma, Li & Zhang, 2018). These findings echo those offered by Thomas et al. (2012: p. 124) who in their study also found that gambling firms provide bettors with incentives which were regarded as being both ‘socially and economically’ valuable, particularly to ‘certain groups of individuals’. Gambling firms would therefore “*capitalize more on special/preferential treatment benefits because relationship marketing is intended inherently to treat customers differentially*” (Peppers & Rogers, 2004, cited in Ryu & Lee, 2017: p. 71).

Interestingly enough, other research participants likewise, associated LCPs with the fact that, they facilitated earning rewards than those deprived of them:

“Because if you have loyalty card, ... the more points you get, the more better odds you have than someone who hasn’t got a loyalty card ... When they give you better odds, you want that better chance of winning” (S24C.D).

“Coz it is nice to get the preferential odds and erm, you know the different offers that they do, which if somebody else [a non-program member] just walks in [betting shop], they wouldn’t get that. Or when you sign up as a new customer online, you would always get the same ... you generally get offers” (S17C.C).

To a consumer, rites of passage is important because as a token of membership of the LCPs’ fraternity, the person transitions from being an ordinary customer, where being rewarded with program incentives is not the norm and adopts a new identity where s/he is now considered a member of the community. Building a sense of community is a fundamental element of reward programs as it helps to heighten commitment to the LCPs and the process of membership allows for an actual transformation to take place (McCall & Voorhees, 2010).

Highlighting other ‘positiveness’, another participant gave an intriguing version of their own experiences of transformation of status, re-incorporation into a new community and assumed identity which was characterised by ostentatious rites such as:

“am an important customer at E in terms of spend and profit and when I go into my shop, and as a loyalty card holder, am treated well with free drinks flowing, day trips to the race courses, I can ask for most prices or odds and they will ring up head office and give me them. I sit in the official boxes like at Aintree, Royal Ascot and places like that. Yes, some people might say that they do that to encourage me gambling, yes and no because I am not stupid, even I can see that to some extent, but I also enjoy the VIP treatment and the rest of it. How many people do you know who would sit in the official box at a racecourse or football match? The company values me, and I value the service I get. So, in this respect, the feeling is mutual. But whether I get out as much as they do out of me is for another day! But that’s not to deny that I probably gamble too much or less, am just saying that the feeling of importance makes you want to go that extra mile to show that you also appreciate what they do for you, do you get me? It’s natural to do that; don’t you think?” (S8C.BE),

The same person went on to add this,

“loyalty programs generally affirm community, solidarity, you start to feel important, recognised, like you’ve transitioned from an ordinary customer to a very important recognised person; it’s a club!”

In this extract, delineation between ‘ordinary customer’ and ‘important customer’ appears strong indicating that, after program enrolment, rites of passage are important because an elevation in status brings about feelings of belonging and acceptance. Exchange between, and among actors is not restricted to just money or other types of tangible wealth, symbolic views such as respect, approval and prestige are considered a social exchange outcome included in the exchange concept (Homans, 1961; Blau, 1968; Barbalet, 2017). Thus, feeling valued (non-material), in these types of scenarios is perhaps, the primary means by which status is achieved (Homans, 1958; Mimouni-Chaabane & Volle, 2010; Kumar & Reinartz, 2018). This is shown by the interviewees’ outward symbols of new ties such as “... I ... enjoy the VIP treatment and the rest of it. How many people do you know who would sit in the official box at a racecourse or football match? ... loyalty programs generally affirm community ... it’s a club!” Program members conform and belong to a new community that fits in with ‘norms’, thereby increasing feelings of affiliation, closer relationships, enhanced knowledge and, shared beliefs.

The current findings overlapped to some extent with Robinson's (2015) research on dark tourism. In his study, explaining 'friendship' and 'kinship' among tourists who expressed similar sense of 'community' experiences, he quotes the works of Stones (2009: p. 120) who informed us that "*the emotional experiences of these assembled social groups allow individuals to interact on the basis of shared ideas and concepts*" (Robinson, 2015: p. 204). One can thus, begin to understand the real pleasure, pride and 'emotional reward' the interviewees must experience not only from the outcomes but also, from participation and self-presentation in the exchange process itself (Homans, 1958; Bagozzi, 1975).

Accordingly, rites of passage to a loyalty program member is a test of commitment, and without real commitment, real change in status is not likely to happen. To help illustrate rites of passage and the change across multiple levels of a loyalty program member, as well as understand the formation of a new status within a community, van Gennep's (1960) anthropological viewpoint can be used to put the phases and effects into context. First is the stage of separation where the consumer leaves the status of an ordinary customer. Next, s/he enters an in-between period of transition phase of status ambiguity where they are neither ordinary customer, nor loyal customer. During the transition phase individuals complete the rites where s/he learns about LCPs and ways of thinking and strives to pass expectations and challenges of the terms and conditions of becoming a loyalty program member. Finally, s/he reemerges through the stage of incorporation into the new community that recognises his or her accomplishment (loyalty program member), with a new status as a knowledgeable and important customer or very important customer (VIP).

5.2.1.2 Employees' Views

Underwriting rites of passage, an employee tried to contribute to the discussion with a more balanced outlook. Looking at the same issue but rather portraying his view from an organisational perspective, his practices gives us a flavour:

"a loyalty program ... does really customise the experience, it makes the person feel like, it's a VIP experience, not everyone gets it or enjoy that. So, in return, they invest their time, money, loyalty and stuff like that. We give them one thing let's say a latte, they give back 3 – 4 things before they even realise. Customising the experience stimulates their positive feelings towards the service and us. They start to speak good about service, aww in that shop they give you this they give that and before long, their mates or family start coming along. They start to spend more in store. Sometimes you can get father, son and their sons' girlfriend all betting in your shop, its good! (S7CEM.C).

It appears program members not only need incentives such as reward points or rewards to stay loyal to gambling firms but, that the psychological feelings that customers receive in-store also build and enhance commitments and attachments to the firm. What is more, there will be other notable benefits from having satisfied happy loyalty program members such as referrals or word of mouth for gambling firms who recruit, retain and manage customers through such notable relational exchanges (Asiah et al., 2013). Hence, this research positions ‘emotional award’ as one important SET outcome through which loyalty program members can validate their own concept of self and are able to give the self-value and propriety.

However, it is reasonable to speculate some of the implications the rites of passage might convey to consumers. Firstly, this conception not only creates entitlement behaviours among program members but may also form high expectations that might be difficult to meet because of individual subjective judgements among consumers, not necessarily assessments of benefits (Gouldner, 1960; Zeithaml, Bitner & Gremler, 2013; Oliver, 2014; Wetzel, Hammerschmidt & Zablah, 2014). Secondly, the rites of passage can impair perceived fairness among partners in a relationship; in turn, create mistrust, and in some cases, damage previously established relations altogether. Thirdly, consumers could also start to over reciprocate and in the process over entrust (Kelley & Thibaut, 1978; Lambe, Wittmann & Spekman, 2001). More importantly, it could create alienation of non-program members from program members, as well as create resentment between, and among LCPs’ consumers and possibly towards employees (Samaha, Palmatier & Dant, 2011; Lacey & Sneath, 2006 cited in Tanford, Hwang & Baloglu, 2018). Feelings of anger or resentment can be found in the works of Wagner et al. (2009) and Steinhoff and Palmatier (2016), who in their study found that customers who never benefit from loyalty programs begin to feel resentful of others.

Still, from the current researchers’ viewpoint, whether the aforesaid benefits are factual or not, rites of passage is a positive consequence although, it could also be argued for naivety on the consumers’ part.

5.2.2 Loyalty Program Membership Facilitates Sovereignty and Control

Interestingly, another positive theme emerged from the discussion which was about consumer sovereignty. Some research participants suggested that they were using LCPs as a safeguarding measure, which allowed them to monitor their own gambling behaviours and other resources (e.g., money, time or skills) invested in the relationship. By safeguarding, the current researcher understands research participants meant that: they felt less vulnerable, safe, in control, and empowered to say no to gambling activities or as purported later by others, manipulation.

5.2.2.1 Customers' Views

Counteracting other research participants' views that LCPs were about coercion, manipulation, and a prime driver of amplified gambling consumption (see, sections 5.3.3–5.3.4), some interviewees provided revelatory explanations of LCPs as understood by them:

“I can control my habits because I use my loyalty card to watch how much am putting on or spending. Yes, if you have a £5 free bet, you know you have placed £500, so then I actually reduce betting!” (P4S1.AD)

“For me, I actually see it as a safeguard ... because when I see that I have got enough points, I know then that I have been gambling too much to reach a point where I can place a free bet on. I think that it is actually a good thing. But again, not everyone is like me. Maybe am just a bit more sensible?” (P6S1.B).

The views expressed above remain of particular interest given that participants appear to have found a sense of utility in the loyalty card, mainly the ability to maintain a sense of power and control within the relationship with their service provider. Indeed, these statements seem to relay that LCPs are viewed as providing consumers with a locus of control. This is especially interesting as this stands at complete odds with the very notion of a ‘loyalty scheme’ as within CRM context, they very much intend to prompt further action and spending on the part of the consumer.

On the contrary, here it emerges that these research participants’ associate words such as ‘control’ and ‘safeguard’ with their LCPs. Deducing these statements further however highlights the importance of avoiding generalisation given that the second participant actually goes on to recognise this behaviour as being unique to himself. This is echoed in statements such as *“but again, not everyone is like me. Maybe am just a bit more sensible”*. From this, it could be inferred that these particular participants have a high internal locus of control, as this has shaped the ways

in which they interact with their loyalty cards. Those with higher internal loci of control are more likely to take responsibility for their actions as opposed to those with high external loci; the second of the two groups are more likely to place responsibility on actors and constructs ‘outside’ of them and thus avoid responsibility (Rotter, 1966: p. 1).

Both interviewees display high levels of optimism from loyalty program arrangements in terms of autonomy, freedom, and empowerment in that they can ‘manage their behaviour through careful decisions’ (Burrell & Morgan, 2003; Toddington & Beyleveld, 2006 Palmatier et al., 2009; Carran, 2018). Additionally, the participants are also self-aware of their limitations concerning LCPs usage when gambling, as is also evident in the ensuing excerpts.

“I have a certain amount that I try and stick to, but obviously, if I win, it probably all goes back on it [loyalty card]” (S6C.A)

“I use my loyalty card to monitor my spending levels, it sort of helps me, and although I have been using it more and more recently, I don’t necessarily think that it’s because of the scheme, I think I have become more aware of how much am gambling that I can actually walk away from it. When I started and when the program started maybe, yes, I was quite excited, and I was betting quite a lot. But I soon realised that it’s not really a free bet though, is it? You place loads of bets before reaching a threshold to redeem it. So, once I realised that, I turned a corner and I made a choice not to allow the bookies to dictate what I can and cannot win” (P3S2.AC).

The aforementioned findings are significant in that they highlight new evidence of the cognitive affects and conative change experienced by LCPs members corroborated by the participant expressing internal justification of using LCPs stating *“but I soon realised that it’s not really a free bet though, is it? ... So, once I realised that, I made a choice not to allow the bookies to dictate what I can and cannot win”* and continue to feel rewarded and therefore produce conformity and affiliation to the LCPs.

It is logical to say research participants allude to the fact that the way in which LCPs are designed by gambling firms allow customers to experience not just the new ‘know-hows’ but also emerge with an empowering experience too that enables them to take ownership for their own actions. Since LCPs offer them temporary assurances about managing their own individual gambling habits or, patterns, this, to them, provides some level of certainty. It could further be inferred that personal responsibilities in return set the course for program members’ future actions in terms of

determining the levels of LCPs involvement in gambling activities, underscoring the importance of a facilitative role in self-behavioural management. As it appears, program members also express how they feel empowered to make informed decisions and rational judgement about their gambling involvement concerning LCPs: rationality in the choice made to gamble with loyalty cards and the ability to stop prior to developing a problem. This view is consistent with that of Wohl (2018), who in their study found that *“members of Finland’s Veikkaus Points earn rewards for learning about self-monitoring services, taking a self-assessment test and familiarizing themselves with how gaming revenue is used”* (p. 10).

Therefore, research participants’ expressions although perhaps naive, lend some support to Mill’s (1962) Harm Principle that defends an individuals’ autonomy asserting that unless distress is caused to others, *“in the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his body and mind, the individual is sovereign”* (Ripstein, 2006: p. 215). Still, whether such views simply mask the harm that others accentuate since some individuals are perhaps more capable of managing the negative effects successfully (e.g., **P3S2.AC; P6S1.B**) whereas others do not, is yet to be explored. All the same, most research participants were generally in agreement with the assertions about sovereignty.

Thus, distinguishing the operation of this CRM tool from what is obtained, LCPs designed to reward customers become part of the gambling culture and not questioned by program members who feel comfortable and relaxed to subscribe. The following quotes illustrate these attitudes:

“I was going in there regularly anyway, so it appealed to me because it gives you extra points, and also you can also do it at home which is ... that was my main appeal to me the most” (**S6C.A**).

“I was attracted because it’s easier for me to put a bet without going to the betting shop, because most of the time when I go work, I can’t go to the betting shop because by the time I finish, they are closed. So, it’s best I use my loyalty card with my computer and laptop to put some bets with it [loyalty card] from home” (**S26C.C**).

Unlike other leisure activities that require going out to socialise, gambling partaken in the comfort of a persons’ own home can be done discreetly, anonymously, alone and, at a time that suits them. Thus, the latter unarguably contributes towards creating a life-work-leisure balance in terms of managing time, efficiency and self, which perhaps is perceived a good thing and less disruptive to

one's life. Hence, research participants perhaps, enrol in LCPs with an anticipation of some utilitarian benefits. This understanding agrees with Griffiths and Wood (2008) who reason that gambling online at home offers players with anonymity, accessibility and interactivity, making it more tempting than gambling elsewhere.

Interestingly, providing a different view to the same argument, other participants were generally accepting to the fact that gambling firms *“are a business and they have to make money as well”* (**P2S1.AB; P3S2.AC**). More specifically, advocates reasoned that *“the bookies don't come to your house to ask you to go and bet or sign up for loyalty cards or programs. People are [expletive], stupid enough to engage in those types of behaviour”* (**P5S1.A**). The same person went further to add this,

“you choose to go and put those bets on and then lose or win, then start to chase the money! You can't blame Organisation A or C for that ... You are just saying blah blah blah and [expletive], like that because you don't want to take responsibility ... the customer has responsibility over loyalty programs ... it's not the job of the bookies to stop you ... using it [loyalty card]”.

Research participants acknowledged their own autonomy within the context of their relationship with betting shops, with some affirming that there was no compulsion involved as they willingly and voluntarily pursued relationship with gambling firms. In fact, **P5S1.A** was very critical towards those he viewed as being 'irresponsible'. One could go further and infer that this particular participant was savvy of business processes in general and had come to accept that businesses regardless of the context in which they operate, were going to take steps to market themselves, even if this means offering loyalty points or programs to customers in the gambling context. There was no moral responsibility or sense of duty apportioned to gambling firms in this particular excerpt, thus supporting wider societal trends. Proponents also seem to suggest that accountability concerning LCPs usage rests with the consumer, not the firm; and that as a consumer, the use of loyalty cards whilst partaking in gambling activities should be within their means. Such contempt rings true unfortunately.

Moreover, the research participants' views reflect those of Mulkeen (2013) and, Hancock and Smith (2017), who respectively, place responsibility on both consumers and gambling providers. These discoveries are also in agreement with previous other researchers (e.g., Heath & Heath, 2008

cited in Heath & Chatzidakis, 2012: p. 288) who say “marketing ‘needs’ to be this way for companies to sell ... as ‘a necessary evil’”. What is more, some research participants in this regard also seem to approve the sellers’ argument of ‘caveat emptor’ (“let the buyer beware”) (Tang, Hu & Smith, 2008: p. 155). Under the caveat emptor principle, ‘consumers have no recourse with the operator if the product does not meet their expectations’. Smith (2005: p. 247) for that reason argues that “consumers can (and should) act in their own best interest”. Forrest (2013) likewise, favours this concept, arguing that traditional welfare economics is underpinned by the idea that individuals have full authorship of their actions and thus remain the best judges insofar as their own welfare is concerned. This is rooted in the belief that only they are in a position to judge the ‘intensity of satisfaction’ they experience during the process of consumption (p. 6).

But then again, in the same breath, sovereignty statements were furiously opposed by other research participants claiming that accountability was left to a consumer’s individual discernment:

“They don’t make it easy because they put the responsibility on punters, like you have to read the messages on the terminals, exclude yourselves from betting shops, stop gambling if it’s not fun anymore blah blah blah! It’s always on the punters to look after themselves, never them! [as in gambling firms] ... I tell you what, when signing you on them [LCPs], before you even say boo you have a loyalty card in your hands. Just like that! But when you have problems, they don’t wanna know” ... In fact, all those messages in the windows about responsible gambling [expletive] are loads of [expletive]! Telling you when to stop isn’t necessarily asking you to stop is it? And who did they ask about the warning messages to put that warn customers when to stop gambling anyway? Does anyone listen or even adhere to those messages? It’s like telling a drunk that stop buying alcohol you have drank enough now, and they stop. Really?” (P7S2.A).

The above excerpt appears to be laden with a sense of distrust and frustration as the interviewee regards cautionary messages as nothing short of lip-service. The idea of personal responsibility appears lost on the interviewee mainly as he likens LCPs’ gambling behaviour to ‘drunken behaviour’. This is made clearer as he actually references alcohol and uses the analogy of simply ‘telling’ a drunk to stop drinking. Here, P7S2.A appears to view a punter as ‘under the influence’ and one which gambling firms are all privy to. For P7S2.A, gambling firms are not viewed as being conscientious in anyway as he asserts that support is rarely offered when needed. This is evidenced in statement such as ‘when you have problems, they don’t wanna know’.

In light of this, it seems gambling firms entrench warning messages in FOBTs and SSBTs that are intended to minimise prolonged usage and keep program members in check of their gambling patterns or behaviour. Consumers nonetheless, seem to ignore cautionary messages because they assume reminders are a waste of time. This level of understanding by participants pales the whole purpose of firms' displaying reminders aimed at managing or restricting excessive indulgence or implementing self-exclusions. The issue here could perhaps also lie in the rigour wherein gambling firms enforce those warning instructions to customers, versus businesses' interests on consumers who deliberately violate or choose to ignore guidelines. If this is occurring however, then the important question that needs asking is; what other measures have gambling firms put in place for LCPs members to mitigate this sort of behaviour from happening? This finding nonetheless, is supported by Pickering, Blaszczynski and Gainsbury (2018), who affirm self-exclusions "*places responsibility on the individual to refrain from entering nominated sites*" (p. 129).

Interestingly, other research participants on this subject, also felt that 'the autonomy, freedom, and power that they had was in fact, 'not enough'. They too, were dismissive of such 'self-directed' opinions labelling them imprudent beliefs, articulating firms in a way still 'encouraged gambling with loyalty cards through advertising and promotions', a medium they claimed to have 'no control over' (**P2S1.AB; P9S1.CD**). Thus, again challenging autonomy, many research participants appear to suggest that 'empowerment' or sovereignty is a benefit to the firm (**P6S2.A; P8S1.AC; S1C.ABCD; S2C.B; S8C.BE; S11C.E; S20C.ABCDE; S23C.B; S26C.C**) and that there is a lack of comprehensive or balanced information for customers to act 'sovereign' as well as, an absence of idiosyncratic alternatives for consumers (**S9C.D; P3S2.AC**), with others claiming that institutional forces such as advertising in a still way influenced them:

"err ... what with all them advertising put on TV? You can't just sit there and blame people for going to put a bet on! Maybe if (xxx) [name of the TV station withheld], and the other lot didn't make gambling with loyalty cards so normal and easy. Put this on, win that ... You have no right mate to sit there and call people stupid! [referring to P5S1.A]. I am sorry but its people like you who insult and take a mickey out of vulnerable people ... Some people can't actually resist adverts you know!" (P4S1.AD).

Research participants differed in opinion as far as responsibility was concerned. Though, few placed the onus on the consumer, some suggested that there was a degree of compulsion involved and it would be 'narrow-minded' to overlook this. More specifically, **P4S1.AD** refers to advertising

and the few barriers to taking part - both of which are regarded as making gambling 'easy'. **P4S1.AD** goes on to appeal to both logic and emotion and offers a persuasive discourse and unlike a previous participant (e.g., **P5S1.A**) suggests that firms fail to consider the vulnerability of consumers. This is evidenced in the reference to the volume of advertisements on television channels - *'the other lot'*. The appeal to logic is clearly seen in the use of words such as *'can't actually resist'* and *'mickey out of vulnerable people'*. The excerpt is also insightful as this particular participant recognises the lure and impact gambling advertisements hold, particularly as far as more vulnerable members of society are concerned. This particular quote has also been referred to given that it is robust with appeals to logic, emotion and ethics - as **P4S1.AD** indirectly seeks to apportion responsibility on gambling firms which he seems to regard as exploitative. **P4S1.AD**'s assertion is substantiated by Planzer and Wardle (2011, cited in Griffiths, 2016: p. 59) who assert, "*gambling advertising is an environmental factor that has power to shape attitudes and behaviours relating to gambling*" though the authors also admit that 'to what extent or level it influences require further probing'. And though the current research is not uniquely about gambling *per se*, disentangling LCPs from gambling is near impossible since the nature of this study is exploring LCPs within the land-based gambling context.

These findings also tend to qualify the conclusions of numerous other authors who found that gambling adverts provoke gambling knowledge and participation particularly among specific audiences including the disadvantaged and young people (*see*, Binde, 2009; Derevensky et al., 2010; Hing et al., 2014; GC, 2017). As noted previously, this is echoed by at least two participants (**P4S1.AD** and **P7S2.A**) who earlier had alleged that those who are 'vulnerable' are likely to be exploited by gambling firms. Of a similar view, Griffiths (2016), argues that gambling advertising was very much of the very 'problem' firms attempt to overcome. Griffiths go on to note that "*all relevant governmental gambling regulatory agencies should prohibit aggressive advertising strategies, especially those that target impoverished individuals or youths*" (p. 59).

Griffiths (2016) raises a valid point about prohibiting gambling advertising and there is a considerable merit to his assertion. Nonetheless, there is also short sightedness to the same argument because, it would be unrealistic to restrict gambling firms from advertising or, limiting them from openly promoting their products and services without infringing on insusceptible segments; a view also favoured by Forrest (2013). As Binde (2014) aptly also writes, marketing is

fundamental to every business for its growth and survival. Besides, conceivably, there would be the difficulty in identifying and isolating vulnerable consumers since gambling as this study has found, is a discreet activity that most people do not necessarily want to be seen partaking in openly (Gregory; 2003; Banks, 2017). Furthermore, program members are able to enrol with more than one gambling firm (*see*, table 4.10), as well as possess more than one loyalty card account with the same firm. This would add to the problem. This finding reflects that of Wardle (2016) who likewise, found similar loyalty program promiscuity practices among LCPs members. Conceivably, the notion of managing the ‘self’ in such multifaceted self-motivated settings is thus debatable.

For most people, these findings at face value, might appear simplistic and obvious because they simply validate existing conceptions of marketing, which is to create and fulfil customer needs and wants (Homans, 1958; Schwartz, 1992; Alvesson & Willmott, 2012). Yet still, selling dreams, life styles and fantasies, without making known or underlining the potential harmful effects, to loyalty program members, who seem to hold little understanding of any potential undesired effects, as this study discovers, seem to not only conflict with both the Gambling Act 2005 (enacted to protect individuals from being harmed or exploited by gambling) but also, the Advertising Act 2014 (meant to ensure a tighter control on marketing activities and promotions of gambling products and activities). Rather, it appears that these current approaches also engender what some researchers label as “*maladaptive gambling behaviours*” that were historically linked to problem gambling (Rosenthal, 1992: p. 74; Binde, 2014; Griffiths, 2016).

5.2.2.2 Employees’ Views

Because of such standpoints, a few employees appeared to be of the similar view upholding LCPs created autonomy, freedom, and power for their consumers. They, in the same way commented:

“Some [program members] do want loyalty cards because if then once they’ve reached £500 in a week, and they’ve never done that before ... then they think right, I need to stop. Some people can control it that way” (S4CEM.A).

“it [LCPs]allows them [program members], to ... log on online on the website D. com, they get an access to the account, they can review their spendings, plus, and it helps to monitor also the spendings of the people [program members]” (S10DM.D).

As those with a vested interest in LCPs, employee' were not as 'balanced' as those of the consumers as LPCs were largely viewed in a positive way. Hence, it comes as little surprise that terms such as 'control' and 'monitor' were used in this context as LPCs were very much viewed as something that provided an additional facet of control to consumers. Speculated, LCPs provision suggests gambling firms were merely meeting demand and loyalty card offerings was a reaction to wider sentiment in the market.

This study nonetheless, in the same breath, brings the usefulness of research participants' assertions into question. It questions the idea that whilst partaking in gambling activities, LCPs are used by individuals to monitor or govern behaviour, and, perhaps escape from the overbearing reality of gambling firms. The uniqueness of gambling as research has discovered signifies pleasure, sociability, thrill, and taking risks of valuables on a game of chance (Downs, 2008; 2009; The Productivity Commission report, 1999; 2010; Wardle et al., 2011; Forrest, 2013; McLeod, 2015; Binde, Romild & Volberg, 2017). Rather, this study argues that with the 'winning and losing sequence' of gambling, there is frequently no easy way of managing 'the self' (Parke & Griffiths, 2004: p. 407; Wood & Griffiths, 2007; Mulkeen, Abdou & Parke, 2017).

Returning briefly to the issue of autonomy however, and looking at the same issue but portraying a different perspective, another employee reasoned,

"the majority of our loyalty program members ... they don't set their limits or reminders to remind them of the time. People are instinctive and don't necessarily think it's necessary to set alarms" (S14SM.C).

Against the elaborated arguments discovered in this study however, it is reasonable to say that perhaps the opponents in this connection fail to recognise consumers' desires for incentives, which in most parts seems a driver for their intensified gambling consumption. In this setup, when the point of diminishing returns is passed, the receiving of incentives by the customer begins to generate nothing of value, rather it sought to create a desire to simply consume more (Blau, 1964; Lasch, 1979). Consequently, the effects could be that customers upon reaching point's redemption and subsequent receipt of rewards could become accustomed to 'remuneration' thereby overcommit to program usage and perhaps later, develop dependence. This is not something that

is being acknowledged by some of the employees, who despite having an understanding of the context and consumer behaviour, appear to neglect this issue.

These findings hence, are not only interesting but, present an apparent striking inconsistency to those of previous other researchers (Turner et al., 2005; Dzik, 2006; Nelson et al., 2008 cited in Moore et al., 2012) who found that the most common strategies used in their sample when it came to managing time and finances, included reminding oneself of the potential ramifications of continuing in such vein. An additional strategy also related to setting actual time windows in which they could gamble as well as placing a definitive cap on how much money could be spent during a session. The opinions offered by S14SM.C thus stand at odds with those cited above.

However, reasons as to why this may be, potentially relate to three main issues. Firstly, it could be perhaps because research participants in the current study are unaware of the RM aspect that should give them the responsibility to govern their own behaviours (mutual benefits) thereby, minimise harm. Hence, consumers do not assume the risks of any unfavourable LCPs outcomes upon themselves. Secondly, the current study uses an interpretive qualitative approach while the cited studies use a quantitative approach, an observational study, and other data analysis methods. Other factors that could have also contributed to discrepancies in the findings include study samples used, measurements of data interpretation including sampling methods.

5.3 Purported Harmful Consequences of Loyalty Programs

Having delivered all these positive effects, there is good reason to weigh them against the recognition that LCPs, in the context of this study, appear to have also generated some negative effects. As famously said, *“the road to hell is paved with good intentions”* (Stone, 2006: p. 211), and sometimes processes that were well-meaning can harm the very people they were designed for or, meant to help. Hence, a vital, albeit only a first step towards understanding the effects of LCPs among gambling consumers in a contextual manner.

5.3.1 Harmful Marketing Practices

Astonishingly, from this study, an unexpected discovery of harmful marketing practices surfaced. Indeed, both customers and employees suggested unsavoury marketing processes coupled with a

lack of transparency remain rampant within the land-based gambling sector. Misleading marketing tactics by gambling employees coupled with abridged information, and intricacies vis-à-vis reward threshold attainment were also categorised as major difficulties reported by many research participants. Employee-customer relationships also appear increasingly influential during program enrolment. These relationships are, in turn, shaped by, and shape, the setting in which program members conduct themselves between, and among peers, thereby creating a means of navigating those ‘spaces’.

5.3.1.1 Customers’ Views

Harmful as well as deceptive marketing practices were narrated in this way:

“We just got the membership sometimes because you know, go with the flow” ... We kind of signed up coz we thought that we had to, to be part of you know, certain bets and stuff but then we were told no you didn’t have to. But you’ll get all these rewards and things like that, which was like ugh, ok ... we didn’t realise how much money they [other program members] spent to get that reward” (S9C.D).

“it’s [LCPs], just across the board, it’s everyone. If you got to a betting shop, you probably would be asked to have one” (S24C.D)

Participants allude to a degree of compulsion which leads to their consent. This is particularly evident in the first line whereby the interviewee and their peers felt that they had no choice in signing up. That said however, the same interviewee does acknowledge the fact that later, the representatives of the company, did inform them they did not have to partake, though there remains a distinct sense of reluctance on the part of the interviewee. This is perhaps best indicated by the use of terms such as ‘*like ugh, ok*’.

To this extent, the interviewee’s described phenomena can be better explained using the ‘bandwagon effect theory’. The theory itself “*is a psychological phenomenon that a person’s behaviours, attitudes, and beliefs are influenced by other people*” (Nadeau, Cloutier & Guay, 1993, cited in Sun, Park & Peng, 2017: p. 14232), Besides, it has been argued that for some people, “*resisting consumption can be emotionally and socially costly*” since some consumers may feel alienated from “*social groups*” if not partaking in activities (Cherrier & Murray, 2007, cited in Thomas et al., 2012: p. 124). Within the SET, this view reflects social norms that govern behaviour

(Homans, 1961). This is especially evident in the statements offered above by the consumers who felt that they were almost expected to enrol into LCPs.

To the researchers' surprise however, customer's descriptions were further underlined by allegations that during programme enrolment, they were 'misinformed', given half-truths and, that facts were 'distorted' so that the information understood to them differed from that involved in the actual process of earning program incentives or points redemption. To their understanding, LCPs were unfairly sold to them whilst 'on the surface, the information that was given to them still complied with the practices'. Research participants also alleged inflated claims were made about the benefits of LCPs with no mention of specific terms, or 'potential' costs in the process. Consider the following sentiments reminisced by some.

"I would say quite a bit to be fair, a lot of my mates have a loyalty card or two. In fact, all my mates have got it [loyalty card]. It's hard not to, they [employees] always market them [loyalty cards] to you. So even if you don't want, in the end after being mithered and hounded, you go, alright then, give me one. Just to shut them up [employees] sometimes because it's constant ... Well, sometimes I do feel hounded yes because if I want something, I will go out and get it myself. And if I say no once, then leave will you?" (S15C.ABCD).

"At the time, it's difficult to refuse because you don't know yet what's going on. It happens so fast signing you up [program enrolment], you know?" (P3S2.AC).

Based on the above, the research participants highlight a number of determinants which play a part in shaping decision to enrol to a loyalty program: 'social and situational' determinants. Social determinants because of pressures from both peers and employees as well as attitudes towards LCPs that appear to influence consumers to enrol in LCPs. Situational determinants because of the environment in which the same said members seem to find themselves in particularly from exposure through harmful marketing practices, aesthetic elements of incentives, availability and, easiness of program enrolment. Besides it appears, consumer circumstances are shaped by the power and resources of gambling firms. This appears to be evident in the ensuing interviewees' accounts.

From the statements offered, it seems that the decision to enrol was rarely borne from a need within the customer. This in itself is noted by the participant who suggests that had if he 'wanted' the card, he would have simply "*go out and get it myself*". The latter part of this statement as well as the

use of words such as ‘*mithered*’, ‘*hounded*’ and ‘*constant*’ suggests that there is a distinct sense of coercion at least from the consumer’s perspective. The sentiments expressed suggest that these marketing efforts are viewed as a nuisance at best.

Whilst more succinct in their assessment, the second participant also paints a picture where firms barrage consumers leaving them with little time or chance to refuse. It seems so intense are these efforts, that the customer can hardly ever keep track of what is going on. This also suggests that the marketing process itself may not be very scrupulous as terms and conditions are not necessarily being explicitly being communicated to the consumer. Whilst this may seem a damning indictment this may be, participants’ statements offer evidence to suggest that the customer becomes so overwhelmed with information, that they end up signing up for something that they hadn’t given much consideration. It can further be deduced from the passages that pertinent and relevant information to aid the decision-making process at the point of enrolment are not necessarily being relayed, perhaps making it difficult for customers to process all available product material before making informed decisions or indeed, opportunity to opt out

Grimes (2008) highlights this particular phenomenon which he labels “*mere exposure effects*” whereby consumers are ‘unlikely to seek’ and “*utilise detailed information*” (p. 72). A good example of program enrolment simply because of familiarity or ‘exposure effects’ also seem apparent in the subsequent passage:

“at the start, I had no idea what they [peers] were on about ... but then I thought, well, everyone is talking so it must be a good thing ... I had no idea what they [loyalty cards] were about till I signed up for them, started using them, and even then, I don’t think I understood as much. The only reason I signed up for them is because they [employees], said that you win prizes, you get better odds, and all that [expletive], so I thought, I am not losing anything anyway, I might as well give it a go” (S8C.BE)

It is logical to suggest that, not only was effective communication somewhat compromised during program enrolment but that close relationships with front line employees perhaps compel consumers to feel pressured to obligate and enrol into LCPs. Thus, judging from the research participants’ views, coercive marketing powers were exerted on consumers by gambling firms upon which program members are dependent upon. Research participants’ description to a certain extent also reveal ‘reduced’ awareness of any potential undesired LCPs’ effects or risks which in

turn eliminates their need to “engage in detailed information search, purposeful processing and proactive dissemination” that would perhaps aid ‘rational decision making’ (Grimes, 2008: p. 70). Consequently, a lack of awareness and understanding by consumers, can lead to undesired effects where program members can be misled by gambling firms and potentially disingenuous claims made by employees. In turn, publicity messages would be tempting with program members acting on the promotions offered to them. Thus, the subsequent passage seems to convey inescapability from misleading practices.

“I used to go to the Belle Vue here in Manchester for years to watch dogs racing only every Thursdays with my mates as a social outing. They [employees] started bombarding me every time I went to put a bet on, telling me this that and the other and how I could get points and pay for my bets for free and get better odds blah blah yeah, so I then thought what have I got to lose, I bet on dogs every week anyway and it’s something for free in the end. So, to be fair, they [employees], registered me in the programs and gave me a loyalty card ... Err; I remember thinking to meself, oh wow! I wonder how this will work out, no [expletive] clue yeah, what is was all about or how worked!” (P2S1.AB)

Here, emerges strong and pronounced association between customers not knowing – not being fully informed, and having reduced understanding of potential harm. In light of the above, this level of ‘not knowing’ perhaps, left consumers with poor consideration during program enrolment, inadequate overview of the whole process and, a fixation on earning incentives regardless of the ‘potential harmful’ effects. In a way, this phenomenon perhaps also, presented itself as an influencing factor on usability related decision-making on the consumer’s part since “one can only reason about things of which one is aware” (Li, 2008: p. 2). In the same breath, it appears loyalty program members “indulge more easily in luxury consumption when they get “something for nothing” as in the case of a gift or LP reward.” (Fleming, 1978; Kumar & Reinartz, 2018: p. 190).

Nonetheless, such level of unawareness, eagerness and naivety among consumers to enrol into LCPs, although it “extracts short term revenue” from consumers, which is favourable to gambling firms; at the same time, engenders considerable ‘future commitments and exchange’ to program members (Shugan, 2005 cited in Ma, Li & Zhang, 2018: p. 301). Hence, the question that perhaps needs asking here is, under what conditions is presumed awareness preferable to informed awareness?

“they [employees], introduced me to this loyalty card. And I was like alright, what’s this? And they was like telling me ... it works out better in the long run, it’s cheaper and better rates” (S18C.ACDB).

“there’s adverts in there [betting shop], Yeah, because they [employees], offer me [loyalty card] you see. And it was all over the place, so I went oh, what is this? You know you get bonus as well and you get points ..., I got a card. So I asked, and I said, what’s that? So they [employees], said, it’s a loyalty card, so I got one” (S23C.B).

Interviewees’ remarks purport gambling firms used vague language to ‘entice’ customers to enrol into LCPs. The usage of descriptions such as ‘all over the place’ in reference to information offered by employees, suggests that, the quality of communication and information offered was either compromised or, possibly, information overload and message dynamics were hard pressed. From this excerpt, it also appears that employees are selective in their language and rather than provide a clear outline of what loyalty cards entailed, they tended to instead accentuate rewards and, used language that consumers simply did not understand. This particular insight does not seem novel or unique to the present study given that Williamson (1975: p. 47 cited in Samaha, Palmatier & Dant, 2011: p. 102) noted that it was not rare to observe *“calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse”* consumers within some business contexts. This perhaps may be the case as companies attempt to further their best interests.

Consequently, this may mean that if LCPs have any ‘unintended’, unwanted effects; that generate more harm than good, consumers had ‘diminutive’ understanding of any such potential undesired effects which potentially may have intensified undesired gambling behaviours. As well, employees’ ability to interact with customers in a mutual way, their technical know-how and relationship management ability to enhance experiences seem important in promoting LCPs. To mean, the social characteristic of the dyadic relationship took on significance. This could be because face-to-face interactions between customers and front-line employees contribute to LCPs’ appeal since such interactions build trust and commitments between ‘known actors’; thereby turning transactional episodes into long lasting relationships (Dwyer, Schurr & Oh, 1987; Kanagal, 2009; Kumar & Reinartz, 2016; 2018).

The incidence above is further discussed in a number of studies which note deliberate behaviours such as giving out *“half-truths”*, (Engel, 1974; Pollay, 1986 cited Heath & Chatzidakis, 2012: p.

284; Samaha, Palmatier & Dant, 2011; Nguyen, Simkin & Canhoto, 2015) misrepresentations and vague statements, about programme incentives tend to be commonly practised. Cruickshank (2000) similarly, mentions that, “*in the markets to supply banking services to personal customers [...] few consumers are aware of the terms and conditions of the products they hold, pointing to significant information problems*”. Indeed, the author is of the opinion that such tactics are not necessarily unique to any particular sector, but specifically points to the ‘printer’ market as being one such arena. Cruickshank thus elaborates that printer manufacturers commonly promote their ink-jet printers on the basis of low prices though rarely highlight more pertinent issues such as cost of ownership. The latter are crucial given that once consumers purchase this attractively priced printer, they commit themselves to high costs patented ink cartridges; the cumulative cost outweighs the initial price of the printer more than tenfold (Cruikshank, 2000: p. 506).

However, concerning misleading practices, giving out half-truths and, presenting overstated claims, Griffiths (2005, cited in Griffiths, 2016: p. 58) reasons that gambling firms in their defence counter argue by justifying that:

- “(i) the gaming industry is in the business of selling fantasies and dreams,*
- (ii) consumers know the claims are excessive,*
- (iii) big claims are made to catch the people’s attention,*
- (iv) people don’t really believe these advertisements, and*
- (v) business advertising is not there to emphasise ‘negative’ aspects of products”.*

Based on the above-stated assertion, LCPs could be argued as such.

That said, it is worth pointing out here that, in terms of gambling advertising, some good practices were noted in the field by the researcher of the current study throughout data collection. Specifically, responsible advertising practices stating ‘when the fun stops, stop’ cautioning customers to gamble ‘responsibly’ were visibly displayed in all betting shops accessed for this study. But, it is prudent to note that the warnings were not related to LCPs, rather, they were cautions about gambling in general.

5.3.1.2 Employees’ Views

Likewise, employees too did not particularly associate a positive role of LCPs’ practices. As such, some employees went as far as to claim that when LCPs were first introduced, it was for the

purposes of recruiting and encouraging customer retention, providing them with rewards for their custom and loyalty. According to them, ‘emphasis however, shifted and the focus for loyalty program recruitments deviated’. Management started to practice LCPs enrolment as a benchmark ‘to measure employees’ sales techniques’ and ‘the number of customers that employees were recruiting every week’ (S14SM.C; S22CS.A; S25CS.C). Thus, concerning these issues, some employees emphasised the effects of this change,

“ugh, we’ve got no choice really because they say you don’t force customers having a loyalty card, but if we don’t get so many in so many weeks, then we get into trouble for not signing people up, they [management], saying we are not doing our job properly ... if you don’t reach your target, they want to know why, what are your selling techniques, you are not selling properly, and do you need to go on a training course to learn how to sell properly? ... So, it’s like ... they word it so that you ask customers without pressuring them but in the next sentence, you are pressuring them into giving in till you give them one [loyalty card] ... So, they know how to word things these days so that that you don’t look like you are getting forced into giving them out, but actually you are” (S4CEM.A).

“we are measured on how many we get because we have to fill in an online form every time we sign somebody up with all the details and who signed up the card. And if a new customer places £20 in the account and bets that £20, we get free £20 in our wages for doing it ... If we don’t meet that target, we are taken in for a disciplinary meeting or stuff like that ... Some members of Staff if they agree with it, yeah they would go all out to get as many customers as they can” (S3SM.A)

It is interesting to note that both customers and employees voiced the lack of ‘choice’ where loyalty programs were concerned. As highlighted, front-line staff felt that they not often had a choice and would succumb to pressures from top management when it came to program enrolment. What also appear to have emerged is that employees were set targets as management dictated that they enrol customers, failure to meet set targets, meant that “... we get into trouble for not signing people up (S4CEM.A)” and, “we are taken in for a disciplinary meeting or stuff like that” (S3SM.A). Employees themselves also go on to acknowledge the discrepancies in the messages received from management as they state that they are told not to force customers to sign up customers, whilst also being expected to meet targets which if they fail to meet, may compromise their own jobs. Thus, employees express their lack of choice when it came to meeting targets.

In the same breath, it gives the impression that rewarding employees with incentives or money, acts as deciding factors between fairness and positive behaviour outcomes. Undeniably, actors can

be stimulated through various social exchange means (money in the context of this study) which would possibly create a trickle-down effect in this way. Consonant with SET, it has previously been found that *“people who identify with their employer are more likely to engage in unethical pro-organizational behavior, especially when they have positive reciprocity beliefs”* (Umphress et al., 2010 cited in Cropanzano et al., 2017: p. 14). Earlier, Reinartz et al. (2004) affirm this view by saying that to effectively implement CRM strategies, rewarding employees through reward systems is inevitable and vital. For instance, in return for incentives, employees will innovatively and actively recruit or engage loyalty program members, thereby reinforcing the obligation and reciprocity from consumers.

On this issue however, it is important to emphasise that, in the context of this study, the researcher did not find that rewarding employees to promote LCPs in a harmful manner amounted to influencing positive behaviours amongst employees. Rather, employee’s rewards simply generated more cynicism and resentment on their part. Perhaps employees perceive program engagement not as a voluntary or discretionary act, but one that firms exerted power upon (both on their part and on the part of the consumer), again suggestive of ‘calculated influences’. Thus, employees aligned with customers’ views when they likewise expressed that although consumers were not necessarily searching or keen to enrol in LCPs, schemes were highly promoted to all customers in betting shops albeit a few, approached this issue somewhat cautiously:

“the thing is I’ve got to remember is when you signing up, people won’t necessarily know about the BB, obviously not know about it, so we’ve got to pitch it to people as if that is something that they are wanting” (S21CS.B).

“if you [a consumers], would go to one of our shops, first time new customer or even a regular and I know you don’t have a DD card, so if you spin or use a function or a feature to spend over £50 which has to be authorised, when you come across those for authorisation, it will ask you if you want a DD card ... there’s an opportunity for me to ask you [potential consumer], ask if you want to register for one [loyalty card]” (S10DM.D).

For others, their widely held view was that, although loyalty program enrolments were not explicit as part of their job, their roles nonetheless include an implied expectation. Expressing their sentiments with almost a tone of frustration, an interviewee said that ‘it is expected of us by the organisation that each customer is offered or asked to sign up to loyalty schemes’ (S16CS.A), with others similarly saying;

“it’s company driven, because the CC 1 are quite new, so sometimes we would made to get told no ... amount of day, you were, meant to have given out six CC 1 or we have number, a target to meet each day, sometimes weekly, and say you should have done ten CC 1 today. How did you hand out? Or when they first launched the CC 1 this year, there was an incentive for customers to take the CC 1 because we as a company offered them [loyalty cards]” (S25CS.C).

“they used to try and make you force, well not force, but try and to get you to give them to each and every customer and you were meant to bring it up [in conversations] with every single customer had to know what the loyalty scheme was and how to make it known to everyone coz it was much easier to make everyone get a card ... we do it so we don’t get in trouble from Management” (S22CS.A).

In addition to this, rather than simply relay the benefits of such programs, one participant was especially forthcoming in their views inasmuch that the purpose of such cards was to ‘encourage online betting’ (S5DM.A). Other participants were even more explicit, suggesting that corporate greed was a driving factor in such a set-up as membership meant that, ‘customers can carry on gambling online from home’ (S4CEM.A; S14SM.C). Operated this way, firms can continue to “make profit” within and outwith restricted trading hours (S16CS.A; S21CS.B). The relationship between online betting and loyalty cards was also consistently drawn upon by employees, with some going as far as to notice that upon loyalty program enrolment, ‘customers would be seen less in person’ (S12SM.D).

As can be deduced from the preceding quotes, research participants offered different tones vis-à-vis LCPs that highlight some of the many reasons why LCPs are in high power and ubiquitous within the gambling industry. These statements also, ratify LCPs as integral constituents of RM and although some authors assert the benefits of LCPs are still debatable (e.g., Juran & De Feo, 2010; Voorhees, McCall & Carroll, 2014; Tanford, Shoemaker & Dinca, 2016), the prevalence of LCPs within the gambling industry in contrast indicate it as a fundamental platform for their business activities. More importantly, these findings seem to offer different views to those of Excell et al’s. (2014) who claim that uptake of loyalty cards in betting shops were low. Discrepancies between our current study and their studies on the other hand, could have resulted from various other reasons some of which include different data collection methods used and/ or variable study samples recruited.

In light of this however, it seems that employees' attitudes and positions seem stuck between customers and promoting LCPs with perhaps little support from top management because they feel that on the surface, they have to promote LCPs in an unfair manner whilst still complying with the "law or ethical principles" (Nguyen, Simkin & Canhoto, 2015: p. 124). Hence, unquestioned assumptions were put forward by employees as a basis for CRM approaches, which opposes to the positive sight of LCPs in general as underscored in the existing literature (*see*, section 3.5).

Contributing to the described scenarios, other employees, likewise gave other diverse tactics gambling firms use when they narrated the approaches in this way:

"so someone who has self-excluded, someone who has made it their mission to stop gambling, if they [gambling firms], realise that half way through err, like 3 months or something they haven't returned to the bookies or haven't used their CC 1 cards, they send them [self-excluded members] email with this and that" (S7CEM.C).

"they [gambling firms], always text customers with offers, obviously they've got text facilities to contact customers telling them you've got so many points or you know, get a £5 free bet or whatever, or there's a competition on the machines [FOBTs], and stuff like that. There's a lot of that goes on now. And they [loyalty program members] ... a lot of the offers that they send to customers are matched to the way they bet now on as well. So everything, I don't know, so they link or check to see what the customer usually bets" (S5DM.A).

From the above discussed scenarios, gambling firms are purportedly practicing harmful marketing approaches targeting people who had voluntarily self-excluded from gambling by gleaning customers' information gathered through LCPs' data. As is also clearly portrayed in some of the interviewees' assertions, gambling firms are being accused of harvesting, as well as using large amount of customer loyalty data to target customers including those who had self-excluded. In part, signifying "*institutional forces causing harm*" to exist (Joshi & Stump, 1999; Carrigan, Moraes & McEachern, 2013; Carrigan et al., 2017: p. 683). This study hence, attests to findings offered by Smith and Simpson (2014), who suggest that gambling firms tend to track and monitor customer data, be it the money they wager, or time spent undertaking gambling activities. These users are then offered incentives to ensure that they continue in the same vein. From the current researchers' opinion, this perhaps could be because vulnerable people as this study has learnt, are considered as easy to get to, and also impressionable (*see*, Monaghan & Derevensky, 2008; Lamont, Hing & Gainsbury, 2011). This view is supported by an employee who protested that customers who try to exempt themselves still found it hard to do so because of factors some of which are the

pervasiveness of LCPs within the land-based gambling sector and inescapability from harmful marketing tactics:

“I don’t see the point in that [self-excluding] because they can go to another shop and bet ... you can use it [loyalty card], in any betting shop [of the same firm]. So, what is the point of barring yourself from one shop then go to another shop and use it [loyalty card]? And unless they bar from every shop which they don’t do, it’s impossible. And then even if they did, let’s say get barred, say from a number ... 5 shops, there’s another 10 shops nearby that they [loyalty program members], could still go to” (S4CEM.A).

Designed and practiced as a fail-safe, self-exclusion aims to prevent individuals who choose to restrict themselves from gambling activities, those trying to quit, or succumbing to temptation (Pickering, Blaszczynski & Gainsbury, 2018). Nonetheless, the belief among program members as this study has discovered, is that using LCPs brings about autonomy (*see*, section 5.2.2). Hence, if an individual is sovereign; as has also been argued by various authors (e.g., Mill, 1962; Shankar, Whittaker & Fitchett, 2006; Toddington & Beyleveld 2006; Forrest, 2013), who communally claim a ‘person is self-determining’, then, averting customers would erode that self-same sovereignty. Moreover, it is tempting to say that of course, self-excluding systems put in place by gambling firms only mould consumer decisions insofar as they take its guidance, which then begs the question: will customers follow information they may well not fully understand or, in fact are oblivious to? (*see*, section 5.3).

Consequently, this present study stands at odds with the findings offered by Griffiths and Wood (2008) who for example found that loyalty cards were used as a basis to collect data which would allow for problem gamblers to be pinpointed. Perhaps, for the aforementioned authors, there was no mal-intent on the part of said companies as data was not used to promote gaming products to those already flagged through data analytics.

Strangely, on this same issue of self-exclusion, a customer’s view cited in The Guardian (2017) failed by the very system designed to help him was quoted saying:

“as an addict, I self-excluded a few times from websites but then I would move house and sign up again with a new address. I would get an email from another site saying here is a £50 free bet, and I convinced myself that wasn’t really gambling as it was free, so offers like that would lure me back in” (Customer, cited in Marsh, 2017).

That alleged, it is still important to point out here that, gambling firms display responsible gambling posters and messages in their betting shops. As well, during the fieldwork research period collecting data, the researcher found numerous gambling warning messages on posters, in-shop television screens and window displays in all betting shops. Still, such practices were perhaps captions at a point in time capable of being altered. To all intents and purposes, these principles and practices might not be performed the same way over a period. Then again, these sorts of behaviours by firms including other common procedures put in place such as self-exclusion measures, to help customers are perhaps the existing norms. In other instances, some employees gave out information and advice to consumers, warning them about their gambling patterns. Some employees did ask some consumers whether they wanted to take a break. This however, was not explicitly to LCPs, but in relation to gambling in general. The current researcher upon asking why the employee did not disallow the participant out right, the shop manager answered,

“we couldn’t physically go into a customer’s account and go we need you to stop or we think you should stop ... we can’t actually go and say this is it, you need to stop kind of thing ... because you can only tell them so much, you know you can only advise them on how to stop, or, but you can’t go over to a customer and go you need to stop which is I suppose you know one of the down side still working instore” (S13SM.E).

Then again, the same participant in the same breath added that,

“I think we monitor people who win, not people who lose ... if someone has won so much money off us, we can then go you know what, you are not betting with us anymore, or you’re not betting that much with us anymore ... it’s in the company’s interest, that’s the bottom line of it really, Just like any other business, if you’re losing money, you gonna wanna find out why, if you’re making money you carry on aren’t you. As much as that sounds terrible, but that’s the reality of it. You know that’s how business works, and we are just a business that works in that way and you know I think you’ll find pretty much every other gambling company will do the same”.

S13SM.E reveals a customer causing financial harm to him/herself or to those close to him/her is not considered burdensome unless such similar level of financial harm is affecting business profit. Thus, the employee is emphasising the fact that they would not in effect exclude a customer who is losing lots of money, but, they can terminate a ‘relationship’ with a customer who wins on a regular basis and is seen to be impacting on company profit. Such a view is also seen in the works of Grönroos (1994) who in the same way comment that it may be necessary to terminate relationships with customers and other stakeholders if networks perceive that being disassociated

from each other is more advantageous than staying in partnership. This line of thought is also consistent with the SET as the framework also asserts a partner with CLalt (dependence/independence) has greater power to terminate a relationship (Thibaut & Kelley, 1959; Kelley & Thibaut; 1978). Applying the RM concept however, such a notion does not reflect mutualism for the fact that ideally, both actors in a relationship should provide, and gain yield to, and from, each other (Berry, 1995; Buttle, 1996).

Regardless of the underlying ethical implications of such behaviour, employees' self-concept and the attributions being made about the true intent of LCPs promotions nonetheless show cynicism to the gambling firms' intentions to comply with requests to engage in unethical behaviours (Eagle & Dahl, 2015). Inferable, from employees' statements, they are also unlikely to believe management if they, as front-line employees are encouraged to use deceptive marketing tactics towards customers because, if incentives don't live up to expectations, they, at a functional level are the ones possibly left to deal with unsatisfied customers (Reinartz, Krafft & Hoyer, 2004). Based on that and given that enhancing the relational potential of marketing requires a more nuanced understanding of its role and function within society, successful RM tactics need to consider and address consumers', as well as the employees' scepticism, as to the exact purposes of CRM strategies within the land-based gambling sector to improve social welfare.

5.3.2 Relationship Co-creation and Controversy

In pursuit of more answers, another theme emerged from the data, which was the practicability of supplier-consumer relationship. With the level of popularity and usage of LCPs, intuitively, one would expect an increase in the level of a dyadic interactional nature to lead to an increase in relationship and value co-creation. Yet, this theme surprisingly depicts a lack of concern with, or rejection of, the existence of the relationship and its importance. And nowhere was this theme more evident than among consumers. In fact, gambling operator-customer relationship emerged as one of the most contested and passionate themes in this study.

Intrinsically, a common reflection among participants was that of sparse knowledge about the true meanings of LCPs. Discussions were furthermore dominated by sentiments depicting confusion vis-à-vis LCPs as some of the interviewees appeared unaware LCPs were deployed for building

meaningful long-term relationships with customers and that from the CRM perspective, theoretically, they were in an on-going relationship with their respective gambling firms despite Gummesson (1997), and Kavali, Tzokas and Saren (1999) expressing the need for both actors to be aware that an ongoing relationship exists since loyalty programs have been “*hailed as examples of Relationship Marketing [RM] in action*” (Palmer, 1994; Gilbert, 1996; Grönroos, 1996 cited in Hart et al., 1999: p. 542; Hunt, 1994; Meryl, 1999 cited in Wu & Lu, 2012). RM is regarded as a long term, voluntary, individual, human - business association involving a degree of emotional commitment, trust, intimacy, collaboration and interdependence (e.g., Grönroos, 1994; Gummesson, 1997; 2012). In line with this elaboration, customers are not passive objects of marketing actions but resources actively participating in the process (Strandvik, Holmlund & Edvardsson, 2012; Payne & Frow, 2017).

5.3.2.1 Customers' Views

Among those interviewed, a few had sparse knowledge of what RM was all about. Of those who were aware, one (**P5S2.A**), used to be a senior manager who had played a role in implementing similar CRM strategies at organisation X (name withheld) that owns a chain of coffee shops. A couple of other participants also indicated that they had ‘heard about the word somewhere’ but were not sure of what it was about (**P1S2.AD; P2S2.C**). The current researcher later found out that they had come across the term RM during the course of their jobs, as they were both waiters in the service industry. The remainder of the participants voiced unwillingness to be bound to long-term relationships with their respective gambling firms. When provided with the RM perspective, nearly everyone identified those with a transaction orientation with sentiments along these lines:

“No, I just did it for the points [enrolling in LCPs] ... Why would you want to create a relationship? I am spending all my life in there [betting shop], now as it is, why would I want a relationship? I only did it for the points, to get some money back” (S23C.B).

“Are you having me on? Relationship? There’s isn’t any mate! It’s gambling ... I just want to win some money. The only benefits I see from gambling with loyalty cards is addiction, poverty and arguments with the Mrs at home” (P5S1.A).

S23C.B and **P5S1.A** views echo those previously expressed by some authors (Barnes, 1995; Blois, 1995, cited in Buttle, 1996: p. 7; Gummesson, 1997; Kavali, Tzokas & Saren, 1999) whereby they asserted that customers do not always want a relationship and are sometimes not even aware of the existence of a relationship. This theme thus, depicts poor cognizance and an imbalance of mutuality

in this gambling-customer relationship since loyalty program members primarily link LCPs to purchasing patronage and potential or pending rewards. Accordingly, self-consciously, they subscribe to LCPs to achieve what is necessary and of value to them; not necessarily for long-term interactions or mutual benefits. Perhaps, this is indicative of reduced knowledge of what ‘constitutes a relationship’ as some authors claim RM concept to be (e.g., Buttle, 1996; Frow & Payne, 2009; Wirtz et al., 2013). Interviewees’ behaviours also appear to be highly goal-oriented and less inclined to embrace the relational concept. Consider the following passages:

“I just got a card and they just said about the loyalty points and what it entails for, but I wasn’t aware that it was a contract [relational], or something like that ... I just thought about loyalty points ... I just do it for my own benefit. So that I can get better odds than everyone else” (S24C.D).

“I think a lot of time, when you sign up to loyalty schemes, you think of more one sided as in how this is going to benefit me, not necessarily how it this benefiting me and the company” (S19C. A)

Peculiarly, other research participants commented in a similar fashion substantiating the foregoing points. They, likewise, expressed responses that demonstrated a narrower range of loyalty program purposes than long-term relationships indicating cynicism about the relational exchange aspect. And though gambling firms operate LCPs as a CRM strategy for mutual benefits, from the participants ensuing thoughts, customer value and design of services was being ‘discussed’ from a disillusioned position. Participants’ narrations seem not to reflect gambling firms being referred to as a ‘partner’ who was in a long-term relationship with the ‘customer’. Rather, gambling firms were largely seen as “them” and customers as “us”. Thus, the identification of “us” from “them” underscores difference, and, infers a separation. Two comments reflect this separation element:

“The bookies are generally selfish, so they will only want a relationship with me if it suits them” (P3S1.AB).

“I’ve never ever thought of it as a relationship. To be fair, no one explained the ins and outs of this loyalty card thing in that context, so am quite surprised and embarrassed by it all. So what I am saying is that no, I don’t know about the relationship bit and sorry I am not having any of that. Relationship? ... they [gambling firms], are [expletive], aren’t they?” (S1C.ABCD).

Generally, it appears although loyalty program members interact with gambling firms via LCPs, their intentions for enrolment is not to engage in relational behaviour. Rather, they, perceive CRM approaches as a ‘means to an end’, not a relationship as widely regarded in various literatures (Woodruff & Gardial, 1996: p. 65; Mimouni-Chaabane & Volle, 2010). Besides, research participants appear unaware of not only the relationship aspect itself that gambling firms assume exists between them and the consumers, but the perceived intrinsic value (e.g., meaningfulness) of the LCPs concept too. This resembles the notion of the comparison level of alternative (CLAlt) that is fundamental to SET whereby relationships occurring in the CLAlt climate are predicated largely on means-ends considerations, lasting so long as both parties derive instrumental benefits (Bagozzi, 1975; Thibault & Kelley, 1959).

These therefore, are interesting findings because they portray a lack of affective loyalty (Dowling & Uncles, 1997). Whereas in other studies, prolonged LCPs connections were found to lead to affective loyalty (see, Gómez, Arranz & Cillán, 2006) the same cannot be said towards gambling firms. This means that, LCPs in land-based gambling sector perhaps, can still only lead to a long-term transaction-oriented relationship, where the customer is only interested in the loyalty program because of the prospects of getting rewards, earning points or receiving awards. These findings sit well with Griffiths and Wood (2008) who likewise state that “*loyalty cards tend to lead to a calculated commitment rather than affective loyalty*” (p. 106), a view previously held by Dowling and Uncles (1997). These findings also align with Homans (1974) who says although the behaviour of participants in the exchange may have been reinforced by the rewards that the SET brings, the psychological process of reinforcement does not suffice to explain the relation that develops (RM).

Nonetheless, to move the discussion further, the researcher attempted to lighten the conversation and thus provide an academic framework for the discussions that LCPS were in operation for mutual benefits. This is consistent with previous authors (e.g., Lee, Tsang & Pan, 2015; Xie & Chen, 2013, 2014 cited in Tanford, Hwang & Baloglu, 2018: p. 108) who declare that “*a loyalty program is a systematic tool that motivates customers to engage in relational exchanges and cultivate lifetime relationships with businesses*”. Hence, to aid the researcher to elicit unbiased or fixed views from loyalty program members, draw out differences in opinions, tease out a diverse range of meanings on the topic under discussion, and clarify what each participant stated as so to encourage in-depth analysis of opinions expressed, the topic in point required a more informed

interaction rather than basic opinionated answers. This supposition however, was vehemently rejected by participants labelling to it as a farce. In their opinion, this was a way that they, as customers, were deceived into thinking there were mutual benefits when in fact they were not. Questioning the relationship postulation and dismissing the relational aspect, some interviewees' comments were as follows:

“when you say mutual benefits? Do you mean as in equal? Because even if you ask the big dog himself, [owners of gambling firms], he would never say that me and him or the bookies are mutual friends. You would be absolutely barking mad to think that the bookies and yourself [loyalty program member], can operate on mutual terms!” (S8C.BE).

“Who designs the relationship, me or the bookies? I thought the relationship was between the bookies and their company friends?” [e.g., competitors/suppliers/partners] (P1S2.AD).

This was furthermore illustrated by another interviewee who appeared to express great disenchantment and frustration. Counteracting the relational aspect, he offered a thought provoking and prescient notion.

“I am surprised that you think I am in an agreed relationship with the bookies! The shop manager does not know me as an individual. By that I mean truly knowing me as a person with my personal issues, but he knows me as a number as that is what he survives on. He is paid by my visits to his shop and my betting habits. That is all he cares for really. What relationship are you on about? ... I am sorry I don't see any benefits that such a relationship would have for me other than hooking me on if you call that benefits? Simple as! ... what do the bookies use to determine the relationship if I may ask?” (P7S2.A)

Research participants' arguments can be seen to echo Buttle (1996, 2009) who claims that most grocery retailers typically depend on large numbers of customers on their data base and as such makes it difficult for them to know customers at a personal level. This suggests that CRM strategies fail to identify *“individual differences, including the consumer's feelings about relationship marketing efforts”* (Noble & Phillips, 2004 cited in Turner, Parish & Holloway, 2010: p. 61). The current researcher speculates that this could perhaps be as a result of CRM being practised at multifaceted levels (i.e., functional, customer facing and macro levels) (Reinartz, Krafft & Hoyer, 2004; Payne & Frow, 2013) (*see*, Section 3.4.2). Perhaps expending different approaches to diverse customer segments is required.

The above accounts also bring to light the disparity between what literature covers in regard to mutual benefits arising from the existence of RM and what individuals perceive the same concept to entail because on the whole, it appears LCPs though “*hailed as examples of Relationship Marketing in action*” (Palmer, 1994; Gilbert, 1996; Grönroos, 1996 cited in Hart et al., 1999: p. 542; Tzokas & Saren, 2004; Buttle, 1996; Palmatier et al., 2006; Guenzi & Georges, 2010; Alshurideh, 2016), and that their goal is for ‘establishing and enhancing customer relationships’ (Moore et al., 2012; Steinhoff & Palmatier, 2016 cited in Ma, Li & Zhang, 2018: p. 301) as explained in literature, they are not recognised or understood in the same manner by research participants when asked to describe them from their own understanding or lived experiences. These findings also mirror those of Boukhobza (2005: p. 121), who in their study likewise found that the ‘majority of consumers disagreed’ they “*had a relationship with the retailer*”. This view furthermore reflects the beliefs of Barnes (1994, cited in Berry, 1995: p. 239) who maintains that relationships must be “*mutually perceived and mutually beneficial*”.

Thus, on the face of it, research participants give the impression of a lack of ‘mutualism’ and the eroded values of “*more win-win and less win-lose; more equal parties*” which is even more surprising considering “*all parties carry a responsibility and should “be active in a relationship*” (Gummesson, 1997: p. 267; Morgan & Hunt, 1994; Bull & Adam, 2011; Gummesson & Grönroos, 2012). Nevertheless, in this study context, it appears customers are not consulted on their willingness to “*become or stay a relational partner*” (Hennig-Thurau & Hansen, 2013: p. 14).

To add to the controversy however, another common thread among loyalty program members was that, if CRM approaches were meant for establishing and managing ongoing relationships, consumers were inconsequential in the design of the LCPs’ concept itself. They claimed that they were neither the target, nor the recipients, of the values of CRM strategies. As it happens, loyalty program members frowned upon the way LCPs were designed by land-based gambling firms. In their opinion, LCPs developments apparently, were not satisfactory due to firms’ lapses. Examples of such ‘lapses’ include a lack of customer input into LCPs’ design when formulating strategies. Participants thus identified this as a major problem.

“I have never heard of a bookies that invited customers to a meeting to help design, plan or facilitate future designs of mutual interaction. They dictate the realm of interaction and as such, I feel my opinion is irrelevant, as I cannot influence the level of interaction. It is absolutely absurd that the bookies think they are customer focussed when they do not involve customers” (P7S2.A).

The same person went to add on this;

“I can assure you that I am not one of those customers who feels the bookies have me in mind at all. Bookies’ guard and protect their interest first and my benefits are inadvertent rather than planned for ... operators do not give enough room for the relationship to be developed for both parties to benefit ... every customer will tell you that the bookies don’t have them in mind when designing the games or loyalty schemes. Never in a million years! I can’t choose what I want ... why do I have to accept what they offer and have no say in what I want ... What’s good in that?”

Similarly, other participants also explained how negligible they felt they were, when they expressed that they ‘were alien’ to the design of LCPs offered. Sounding rather frustrated, some participants summed up their views with these accounts:

“why don’t the bookies ask for my opinion so that they know what I want? The fact the bookies does not request for my opinions shows a selfish reason behind them [LCPs] as I cannot understand the designing of a loyalty scheme and yet not consulting the user. It’s a joke! (P1S2.AD).

“the bookies dictate the terms and conditions and they just expect me to tag along without questioning. This is totally unacceptable because at the end of the day, it is the consumer who has to sustain the scheme, not them. If this is a mutual relationship, why do I have to accept the points or vouchers and only when I meet those discreet conditions?” (P4S2.DE).

Loyalty program members yearn for chances to be involved in the relationship design and provide feedback for alterations on decisions that concern them. However, as seen from the aforesaid quotes, within this gambling supplier-customer relationship arrangement, consumers conclude an absence of ‘joint activities’ or ‘shared RM values’, signifying customer ‘neglect’. Participants’ held views are supported by Rubin (2003) who previously contended that several opportunities occur for consumers to participate in driving market forces, but the consumer is rarely consulted unless there is a direct lack of information that the operator might require in achieving their organisational goals. Furthermore, Narayandas (2005) contends that the internet clearly provides consumers the opportunity to actively provide input into business practices and planning, but consumers do not recognise the opportunity as there is no direct link to their perceived gain in the end process, with

others in recent years similarly arguing that the voice of the customer seems to be absent in modern-day RM (e.g., Kotler & Keller, 2012; Mende, Bolton & Bitner, 2013). Consequently, program members begin to feel cynical towards gambling firms as is evident in the next excerpts.

“The bookie’s strategies are a one-sided monologue, end of! I mean, the offers and services the bookies give us have no reflection of my needs and desires. I get the feeling that we belong to the bookies for the sake of the main needs we have and by this, I mean betting in the hope of winning some money. Other than this, the bookies have not come up with any services that excite me that they are thinking of me and what interests me as a customer whatsoever!” (P2S2.C).

It seems loyalty program members feel that gambling firms do not hold their views and values as being important. Besides, strong reciprocity as a potential move for gambling firms to show that they are constantly looking out for consumers’ interests appear rare in this customer-gambling firm relationship. It could therefore be argued that perhaps, this is an imperfect structure among what should be ‘interdependent actors’ (Emerson, 1976: p. 351).

5.3.2.2 Employees’ View

Conversely, some employees acknowledged the difficulty in formalising the relationship aspect, making the discussions even more complex and more open for real personal uncomplicated discussions without applying academic theories. For example, an employee contributed with this take,

“I don’t know if they’re [loyalty program members], aware but I think they, they are kind of almost forced to have a relationship ... I think, you do create a relationship between not necessarily us as the face of the company, but with the actual gambling itself ... they [loyalty program members], are so attached to these cards that when they lose it, its world war three for them, and its game over” (S25CS.C).

In this scenario, S25CS.C is clearly aware consumers are not necessarily loyal to the firm but rather, they are devoted to the loyalty scheme. This assessment is parallel with other authors who likewise assert customers “develop functional interest in the rewards being offered by the program than an emotional bond with the service providers” (Dowling & Uncles, 1997; Shoemaker & Lewis, 1999; Mattila, 2001 cited in Ryu & Lee, 2017: p. 71). As has also been argued by Henderson, Beck and Palmatier (2011), program incentives in most times, are unlikely to produce social relationships since customers perceive such awardings as ‘entitlements’ (Grimes & Medway, 2017; Ma, Li & Zhang, 2018), which inevitably deflates the myths associated with RM.

Contributing to this same debate with feelings of frustration however, some remarked:

“We take, they [loyalty program members] give rather we give then they take. They see bonuses as us giving. So, there’s a relationship, but is it a relationship? It is an existing relationship, but only one person is getting exploited” (S7CEM.C).

S7CEM.C felt that gambling firms reward loyalty program members with incentives while at the same time, manipulate them to encourage continued gambling. This goes without saying that by failing to provide the perceived program rewards, gambling firms inescapably engage in misleading behaviour as depicted in the next passage.

“Relationship? We don’t market it as a relationship anyway. We know it’s for that, but we don’t tell them. But, if they asked, I personally, I would probably tell them or explain. But, maybe not as detailed as you put it because I wouldn’t want to put them off. I would say in general, they receive like £20 bonuses, free credits etc ... Customers are more interested in playing on the games placing bets on the joint horse running in the next race, they are not necessarily in store knowing me, talking to me or me disciplining or policing them” (S14SM.C).

S7CEM.C seem aware LCPs are largely utilised to exploit program members while **S14SM.C** appear to acknowledge deception and evasion regarding LCPs intricacies altogether. Consistent with Russo, Metcalf and Stephens’ (1981) concept of manipulation, employees also appear to focus more on consumers’ beliefs about earning program incentives, yet with a discrepancy between those beliefs and the facts being presented. Conceivably, the avoidance to communicate clearly to program members the true loyalty program intentions may have been due to the fact that CRM strategies are not designed at a customer facing level (functional level). Rather, at this level of the business, the construct is mainly used for recruiting and systematically managing relationships (from inception right through renewal/termination stages) (Reinartz, Krafft & Hoyer, 2004). Assuming, another conjecture could be that perhaps, employees, like customers, simply receive directives from management rather than contribute to CRM designs (as previously discussed in section 5.3.1). This assertion is supported by Cropanzano et al. (2017) who says the dispossession of the exchange relationship results in employees becoming distrusting, less committed and feeling unsupported by the organisation.

For these reasons, the researcher of this study speculates that perhaps, the CRM structure is too complex to navigate for both employees and customers, and that the common result of this complexity is constrained participation. As has also been previously argued by some authors “*relationship marketing is powerful in theory but troubled in practice*” (Fournier et al., 1998: p. 44 cited in Turner, Parish & Holloway, 2010: p. 61; Nguyen, Simkin & Canhoto, 2015). Still, before designing LCPs, gambling firms perhaps, would need to assess and probe customer needs and wants so that patrons are fully considered in the program design for the simple reason that, it is important LCPs are understood by customers or potential program members as genuine CRM strategies, created for mutual benefits and not simply as a way of reducing customer independence. Hence, consideration as to how LCPs for customers may exist in a social context that provides a partnership approach, between customers and business, whereby assistance in helping customers to be fully informed and engage with risk-minimalisation strategies and behaviour throughout their gambling experiences. Promoted that way, LCPs perhaps, will not be judged negatively by both actors. Besides, value co-creation is what RM advocates for (Slater & Narver, 1994, Gummesson & Mele, 2010) whilst the SET advocates that matching the other’s contributions over time is the fundamental principle of exchange (Cropanzano & Mitchell, 2005; Verhoef, Reinartz & Krafft, 2010) a view consistent with Nguyen, Lee-Wingate & Simkin (2014).

Considering all that has been expressed by both parties, two kinds of exploitation in consequence exist in this dyadic relationship: “*firms exploit myopic or (unaware) consumers ... In turn, sophisticated consumers exploit*” these LCPs (Gabaix & Laibson, 2006: p. 505; Payne & Frow, 2013; Nguyen, Simkin & Canhoto, 2015; Cropanzano et al., 2017) (see, Figure 3.2). A consequence of such relationship disconnection however, could be this: if customers do not perceive RM as ‘relational contracting’, then perhaps long-term relationships cannot be fully realised. Furthermore, it could lead to clashes of values along with unparalleled views (Gummesson & Mele, 2010; Grönroos & Ravald, 2011). In turn, loyalty program members would find it difficult to exhibit loyalty. Hence perhaps the reasons for promiscuity of multiple card-holders (**e.g., P2S1.AB; P3S1.AB; P4S1.AD; P7S1.BC; P8S1.AC; P9S1.CD; S1C.ABCD; S8C.BE, S15C.ABCD; P18C.ABCD; S20C.ABCDE**), as the belief is that ‘loyalty is the outcome of a relationship built on shared values, trust and commitment’ (Cropanzano & Mitchell, 2005). By the same token, when viewed from the customers’ perspectives, “*processing and choice are seen as rational, cognitive,*

systematic, and reasoned” spheres of influence for LCPs enrolment (Andrews & Shimp, 2017: p. 160).

5.3.3 Distrust between Actors

To a customer, practising a culture of give and take would be considered as fair since participants consider and interpret value through fairness. Yet this theme presents the disingenuous nature of gambling firms. As such, in permitting LCPs as part of gambling activities, a common view among participants was that although to some extent LCPs offered some incentives, the benefits given in return by gambling firms nonetheless were disproportionate. This was because for most participants, redeeming points apparently requires unremitting effort on their part. Suggestive evidence on this theme also seem to point to the importance of receiving rewards simultaneously and commensurate with the effort of investment rather than anything else. This matter was therefore given high importance.

5.3.3.1 Customers’ Views

Among research participants, the consensus was that gambling firms used LCPs to manipulate customers. Typical evocative descriptions of manipulation were explicitly narrated in this manner:

“to me, a loyalty program is just basically a marketing technique. All loyalty programs’ aim is they basically say to the customer, right, if you behave in a certain manner, we are going to reward you with this. So, to me, that’s a form of manipulation because of the fact that they say you have to do this in order for me to reward you of this. So, you are thinking, well yeah, I want a reward. Even if you think from it as a child, you always want a reward. Even using the word reward, itself is a form of manipulation” (S19C.A).

“this may surprise you, but the main reason bookies have loyalty programs is to get and manipulate customers by inviting them into the so-called relationship and say, there you are now, hooked, gamble your way forward! It’s not about relationships as you said at the beginning, none of that rubbish; it’s about profit, keeping customers to themselves and away from their competitors” (S15C.ABCD).

The idea behind such narrations found immediate credence with other research participants who likewise, identified themselves with the described situation when they equally said that LCPs were used as *“a way to entice customers” (S2C.B; S9C.D; S26C.C)*, as a system for *“trapping customers” (P2S2.C; P4S1.AD)*, and as a ‘manoeuvre’ that affected them negatively (**P2S1.AB; P5S1.A; P6S1.B; P1S2.AD; P5S2.A**). For others, LCPs were being labelled as *“a scam”*

(P4S2.DE; P7S2.A), “deceptive”, “crafty” (S15C.ABCD; S17C.C; S19C.A; S20C.ABCDE), and a means “to draw you in” (S1C.ABCD; S8C.BE; S11C.E; S18C.ABCD; S19C.A; S20C.ABCDE; S26C.C). Others however, summed it up with a sense of wry humour saying, “if businesses had an arse, it would be the bookies” (P9S1.CD) to which other participants surprisingly agreed with (P1S1.A; P1S2.AD; P2S2.C). Other notable experiences repeatedly mentioned by research participants were that ‘incentives could only be achieved after meeting a certain criterion’ and that in all instances, LCPs used ‘scheduled or delayed’ reward payments (future payments) (P4S2.DE; P7S2.A; S11C.E; S19C.A) and that, “rewards only occur now and then, you don’t win all the time” (P6S1.B; S8C.BE; S15C.ABCD; S17C.C; S20C.ABCDE; S23C.B; S24C.D; S26C.C). Incentives set at scheduled intervals effectively stimulate repeat behaviours which perhaps lead to increased participation and development of habitual patterns of LCPs usage.

This tendency to reward consumers at scheduled intervals hence, can be better explained using the operant conditioning theory hitherto explained by Skinner (1953). The operant conditioning theory states behaviour or pattern is shaped and maintained by its consequences (McLeod, 2007; 2015; Pavlov & Watson, 2017) and that, the behaviour is “reinforced to some degree by the behavior of the other” (Homans, 1958: 597, 598, cited in Barbalet, 2017: p. 2). Reinforcement is claimed to be at the heart of all gambling strategies because of the unpredictability of betting (Parke & Griffiths, 2004; Binde, Romild & Volberg, 2017).

Another interviewee correspondingly complained differently based on the reciprocity premise:

“if the benefits are meant to be part and parcel of the relationship, why do I have to fulfil these ‘certain criterias’ before the bookies gives me? Shouldn’t I just be given? After all that’s the type of account [loyalty program], I hold which entitles me to those benefits”
(P4S2.DE)

It appears gambling firms ‘discreetly’ include programs’ terms and conditions for accessing benefits (restriction of freedom, or confinement). Research participants’ quotes also seem concerned with the way LCPs were being deployed by gambling firms which according to them was directing the flow of interaction and consumption to consumers in a one-way fashion. That’s to some program members, gambling firms not only engage in a process of learning to behave in a

way that is acceptable to society, but that they also manoeuvre in a subtle way, fashioning consumers to behave contrary to their own interests to the firm's own advantage.

From the land-based gambling firms' viewpoint however, intermittent wins brought on by the inconsistency in payments of incentives generates situations of arousal and excitement to play further which perhaps increases the probability of sustained gambling among program members (operant conditioning) (Skinner, 1953). This perhaps is in anticipation of winning (betting on a game of chance) (Thompson, 2015; Binde, Romild & Volberg, 2017). Practised this way, it is to the benefit of the firm. Viewed from the participants' perspective however, 'redemption entails unremitting effort' since customers have to "*jump through hoops to receive a reward*" (Blattberg, Kim & Neslin, 2008: p. 566 cited in Dorotic et al., 2014: p. 339; Smith & Sparks, 2009: p. 543). Research participants' held beliefs are supported by numerous other authors who say, "*while occasional wins are possible, the reality is that odds invariably favour the "house" and that most people lose in the long run*" (Blaszczynski et al., 1999: p. 4; Rickwood et al., 2010). Likewise, Livingstone et al. (2018) point out that the "*system benefits gambling proprietors at the expense of gamblers*" (p. 59). However, the important issue we have to remember here is that, LCPs unlike gambling, are not a game of chance, but tools deployed under RM to generate loyalty and provide mutual benefits between, and among parties within a dyadic relationship (Buttle, 1996; Alshurideh, 2016).

Returning briefly to the issue of manipulation or coercion however, it refers to 'inhibiting rational thought in an individual through controlling actions, thoughts or events' (Engel, 1974 cited in Heath & Chatzidakis, 2012: p. 284) or as Molm (1997: p. 1) simply puts it: '*one actor's dependence is the source of another's power*'. Her contention is that those who control rewards over others have power over them derived from others' dependence on them for obtaining things they desire (e.g., rewards in the context of this study) or avoiding things they dislike (e.g., unreciprocated exchanges). Thus, for a few participants, an illustration of this power dependence was described in this way.

"These people [gambling firms] don't care about customers, they just want money, end of!"
(P1S1.A)

“They give me a loyalty card, and they say spend £500 to get a £5 free bet They dress it up but all they want really is customers’ money. They just want the [expletive] money from people ... Those customers especially who are new fall more for it more than existing ones” (S20C.ABCDE).

Such sentiments suggest that inexperienced program members are more susceptible to firms’ advertising malpractices, or detriment due to naivety or novelty. This lends some support to numerous authors who assert firms manipulate customers by ‘exploiting their ignorance’ (e.g., Gummesson, 1997; Molm, 1997; Miles, 1998; Payne & Frow, 2013, cited in Nguyen, Simkin & Canhoto, 2015: p. 6).

That said, participants’ interpretation just the same, could be argued for as epistemic benefits (knowledge and knowing). Viewed this way, for a novel customer, this type of value, or exploration, may in fact be important and beneficial to them because the product’s or service’s ability can induce inquisitiveness, enable imagination and, satisfy a quest for new knowledge (Mimouni-Chaabane & Volle, 2010). It could therefore be argued that LCPs present *“people with potential solutions to problems they recognise”* (Eagle & Dahl, 2015: p. 31; Andrews & Shimp, 2017). To that extent, gambling firms are merely performing their duty, which is to satisfy *“pre-existing demand”* (selling dreams, fantasies or lifestyles) (Witkowski, 2005, cited in Kjellberg, 2008: p. 158; Binde, 2014). That said, on this subject nevertheless, some research participants voiced angry sentiments alleging that:

“It’s [loyalty programs], a big con, that’s a con, huge, the betting industry is a con. Everyone who is a part of it knows that, and if the betting industry was to deny it, they are lying ... that is what exactly they are for. Loyalty programs? Is to entice customers. That’s just like, that’s just like me going to an area where people are recovering and saying two for one on crack, do you know what am saying? That’s exactly the same thing” (S9C.D).

“You wouldn’t give a loyalty card to a drug addict or smoker, would you? I haven’t yet seen a loyalty program for people who smoke or drink, so how come the bookies are allowed it? (P7S1. BC).

Program members infer employees in betting shops used manipulation techniques to lure customers to enrol into LCPs whilst ‘pretending’ that it ‘was an ongoing’ relationship’. This, they said, was the reason ‘customers were induced to subscribe, or use’ the firm’s LCPs services. According to them, LCPs were about persuading, coercion, manipulation, convincing, and most importantly,

leading consumers to subscribe to LCPs that were not needed, all in the interest of gambling firms. Their views thus, seem to oppose the sources of loyalty programs' benefits to the consumers highlighted in Section 3.5.3.1 of this report.

Ideally however, LCPs are about voluntary relational exchanges (RM), not coercion. That way, both parties willingly establish long-term mutual relationships. All the same, it is argued that to, achieve successful social and relational exchanges, both customers and gambling firms should be committed to benefit to and from each other. It is also espoused that power, within the contextual setting of social exchange should not be used in an 'authoritarian manner' wherein those under the 'power structure' are subject to hard rule, but instead should be used in order to induce mutual benefits between actors involved as part of the exchange (Ap, 1992, cited in Nunkoo, 2016: p. 591).

Like the research participant's held views however, a reporter in The Guardian newspaper underscored similar practices condemning:

"I'm absolutely aghast that they use these hostile techniques in order to suck the life out of people. If we were to offer free cocaine to an addict, they'd find it very difficult to decline. The betting industry knows this, and they are by token doing exactly the same thing" (Busby, 2017).

Such judgements are also consistent with other previous research findings (e.g., Chen & Percy, 2010: p. 674) who claim, *"some industries are popularized by marketing programs that entice consumers"* by rewarding them with incentives.

Returning to the same issue under discussion, the main sentiments articulated by one interviewee after another was that of resentment, misgivings and despair. Understandably, in a gambling context, resources such as money, fairness, honest information, influence, and shared aims appear pertinent.

"what they offer you is not necessarily what you ... you expect to get you don't really get anyway ... You can get less than what you expect, especially from a betting shop that earns millions every bloody second ... coz the more you go there you know, you see like rewards that you will get from them, and then you would want to bet to a certain amount to get that reward. So you are just wasting more of your money to get to that point" (S9C.D).

The same person protested further, this time with a level of anger and hostility.

They call it a loyalty card? But I don't see them being loyal to their customers, by enticing them to lose everything they have because their winnings aren't always fair! The amount you have to put in to receive a winnings is not fair, it might be you know for the owners, multi-millionaires you know, but it's pennies they are expecting us to put in but, you know, for hard earned you know families who are on like minimum wage or something or some on benefits, those pennies going like that could feed a whole family".

Expressing similar unhappiness, others also that said that “*you have to first reach a point where it hits you and then you start to realise it's not worth it ... Let's be real, it's not a free bet at the end of the day*” (P3S2.AC) with another interviewee claiming that, “*it took a bit of time for me to realise actually they [LCPs] were just a lot of bull; but by then, I was betting quite a lot it was unreal*” (P3S2.AC).

From the above excerpts we see that consumers initially enter the ‘relationship arrangement’ with a sense of trust. However, this rapidly diminishes over time as they begin to reap the negative effects of entering such an ‘arrangement’. Ultimately, incentives require huge upfront spending and commitment and, consumers whilst savvy of this fact now, did not initially anticipate this when entering the ‘agreement’. As indicated above, the consumers do reach a point where they question the extent to which reciprocity is an illusion. This is perhaps best evidenced in questions posed earlier by S9C.D who questions the extent to which firms are being ‘loyal’. Here the interviewee infers that she was of the belief that loyalty was a two-way concept, however this appears far from the case as far as gambling firms are concerned. This leads one to question where the ‘blame’ is likely to lie- as consumers appear to enter this relationship with a degree of naivety ‘misled by the prospect of an effortless win’. These findings thus, reflect Shugan’s (2005) beliefs who previously said that, “*many loyalty programs are shams because they create liabilities rather than customer assets by generating short-term revenue from customers while producing considerable impending cumbersome obligations to the customers*” (cited in Lacey, 2015: p. 104). It can hence, be suggested that this, in a gambling context, poses the challenge in implementing a relational approach since firms appear to focus more on loyalty program members’ revenue flow than reciprocity.

In essence, rewards and costs being equal (trade-off) (Zeithaml, 1988), customers engage in interactions with gambling firms morally with the expectations of simultaneous reciprocation. Expectations characterise a “*quid pro quo mentality*” (“*something of value in exchange of something of value*”) (Bagozzi, 1975: p. 33) of the salient of the ‘give’ and ‘get’ grounded on ‘belief and openness’ (trade-off) (Zeithaml, 1988; Kumar & Reinartz, 2016; Cropanzano et al., 2017: p. 1). However, as is also explicitly recognised in the subsequent excerpts, disappointment and mistrust seem apparent in the participants’ statements. Evident also in the comment is how expectations change in retrospect after consumption:

“I probably put on more than I take back to be honest! ... I need to place bets worth £500 to get a £5 free bet. And that’s the minimum you can put on to get a free bet back. And that doesn’t guarantee a winner mate, so to be fair, am actually losing most times than winning”
(P2S1.AB).

“What frustrates me more to this day is the fact that the free bet or vouchers has one outcome only, betting again in the store. They don’t give many options, do they?”
(P3S2.AC)

P2S1.AB expression, seem to suggest that, for a loyalty program member to qualify for an incentive; a consumer would require sustained loyalty card usage and risk large sums of money through their loyalty card accounts. From the own researchers understanding, in order to win a £5 reward for instance, a customer needed to have wagered £500, to win a £10 reward, a customer would have risked £1000, to win a £20 reward, a customer would have staked £2000 and so forth. The customer would then have to redeem the reward on a bet within the betting shops (**P3S2.AC**), and if the free reward wins, the customers is paid the returns or if the free bet loses, the customer walks away with nothing. Therefore, in theory, the reward is not free after all since the customer requires to spend large sums of money upfront to earn points. This in return engenders disenchantment among program members (proposal of aggression) (Homans, 1961; Cropanzano et al., 2017).

Sounding cynical, other participants remarkably, appeared surprised that after joining the scheme, program incentives were not only inconsistent but dissimilar too compared to other retailers that offered similar types of arrangements (**S6C.A; S9C.D; S19C.A; S26C.C; P2S2.C**). The dissimilarity was summed up in this way:

“How come it’s different with the bookies? If I go to Superdrug or Tesco with my points’ card, I get the benefits of the product as well as earn points. So am not losing anything, Am being rewarded for my custom. But with the bookies, I have to spend so much before I can get anything and there is no guarantee that I will get a winner anyway. So, it’s a lose-lose!”
(P3S1.AB).

From the services industry context, the current findings show that being exposed to other CRM practices in other firms offers program members room for comparison and review. Hence research participants seem to compare their experiences with other businesses that operate similar LCPs (e.g., Tesco, Shell, Boots, Superdrug, and many others) where loyalty program members benefit from LCPs simultaneously (i.e., accruing points whilst owning or consuming the product or service). In the land-based betting environment however, the impression is that consumers are set with no alternative rewards rather than gambling (rules of conduct, service) (CLAlt) (Thibaut & Kelley, 1959; Sprecher, 1998). Thus, perhaps, encouraging consumers to gamble further. This in turn, affects consumer expectation and experiential meanings since program members build their beliefs and expectations around acquiring incentives instantaneously, based on their previous experiences from other loyalty schemes offered by numerous other retailers as well as from their previous experiences. Expectations are attributed to the product itself, the content and individual characteristics as well as anticipation of fairness (Wirtz et al., 2013; Nguyen, Lee-Wingate & Simkin, 2014; Oliver, 2014). As expectations are not just beliefs, the present study reveals beliefs nonetheless engender their comparable expectations. Besides, *“customers are not experts in the product categories involved and therefore depend on advice from service employees”* (Evanschitzky et al., 2012: p. 630). Hereby, it is important for the gambling firms to understand customers’ expectations and thereby explain and clarify the misunderstandings and the unrealistic expectations pertaining to the same.

Judging by the above interviewees’ narrative, what counts in the customers’ contentment is inextricably linked with reliability in providing consistently the promised loyalty program incentives. This is because, within relational climates or exchanges, outcomes ideally, should be relative to the rewards obtained from a relationship minus the costs incurred (cost-benefit ratio analysis) (Palmatier et al., 2009) (SET) (Thibaut & Kelley, 1959; Blau, 1964). Besides, such fundamental concerns are norms by which exchange fairness is weighed (Tanford, Hwang & Baloglu, 2018). In turn, creating an atmosphere of mutual benefits (RM) (Morgan & Hunt, 1994;

Gummeson, 2015). And because social exchanges between or among parties are efforts by interdependent actors, customers “*expect companies to do what they are supposed to do ... they expect fundamentals, not fanciness, performance, not empty promises*” (Parasuraman, Berry & Zeithaml, 1991: p. 40; Sprecher, 1998; Aggarwal & Larrick, 2012; Hollmann, Jarvis & Bitner, 2015). Such, however, seem to lack in this dyadic relationship.

Nonetheless, loyalty program members’ views need to be viewed with caution because what is being stated implies all efforts exerted by the loyalty program members is lost. Such propositions seem inaccurate since in some instances, customers earn free bets or awards that they can use to gamble with, they receive good customer service, enhanced odds, and elevated status which must also be considered as winning.

5.3.3.2 Employees’ Views

In a twist of events, mistrusting conceptions voiced by customers were no surprise to some employees who in the same way, provided a very clear picture, which does not correspond directly with the presentation of LCPs’ values and rules, making their argumentation in their eyes even more valid and reliable.

“they [loyalty program members], see it more of oh, it’s a free reward or its free free free but, nothing is free you see. The free masks exactly what the CC 1 card entails or what it does. They, [gambling firms] see it as a compensation, it’s a disguise isn’t it? It’s a disguise, they give a reward, or they give you [loyalty program member], bonuses, or this, but it sounds free, doesn’t it” (S7CEM.C).

Contributing to the same discussion but with a rather blurred explanation, another employee offered the following viewpoint:

“they [gambling firms], keep pestering them [loyalty program members], for special offers they have for online bets or we will give you [loyalty program member], free bets, but then, it’s on specific things or games that you [loyalty program member], can bet on anyway” (S4CEM.A).

In this study, delineation of CRM procedures and practices between employees and customers is strong yet more so, what is also particularly unique and extraordinary about this study finding is that employees seem to openly admit to processes that place consumers at a disadvantage.

But then again, on this same issue, another employee was quick to defend the firm that he was working for by shielding the above-portrayed views with a rather different perspective. He categorically stated:

“we need to keep customers in the business ... whatever you say about the gambling industry, whether you think its fair/unfair whether its ethical whatever, it’s a business and it’s exactly the same as Tesco having a club card, it’s exactly the same as Sainsbury’s having a nectar card, it’s a loyalty scheme to keep the customer paying to you ... I think that must be the main reason I think you know, you know at the end of the day to ran a business, you need customers to keep coming back, and that’s obviously the sole, if not the sole reason, but it’s the main reason why you know, people are keeping customers you know by keeping them in loyalty card accounts” (S13SM.E)

The same person added this:

“Lets not forget, people who come in store and gamble do it on their own accord to start with ... I know you’ve got to say that ... the biggest problem gambler in the world came in and put out his first bet on of his own accord”.

S13SM.E is conceptualising the gambling service sector as a setting wherein consumers have a choice whether to enrol or not in LCPs as well as, gamble with or without using them. Thus, self-determining. Viewed this way, the contention is that social activities classed as unsavoury or unwarranted should not solely be inculpated on the system (e.g., LCPs in this case). This view also aligns with Palmatier et al. (2009: p. 6) who claim that, *“when people do something of their own accord, they act on free will”*. Cafaro (2005: p. 154) simply put it as, *“locate evil squarely within people”*. Unfortunately, such contempt rings truth. However, the truth to such statements is only true insofar as, informative marketing of LCPs is disseminated to enable rational consumer decision making. As is being portrayed by consumers however, this could be disputed since abridged information that taps into underlying motivations for customers’ loyalty program enrolment are seemingly used by gambling firms.

Besides, inasmuch as **S13SM.E** conclusively’ ideates customers ‘place bets on their own accord’, there are considerable shortcomings of such a static view in that, the interviewee seems not take into account the issue of ‘unawareness’ established earlier on in section 5.3 and the ‘state’ that consumers find themselves in when enrolling in LCPs threefold: the ill effects of lure, lack of informed decisions, coupled with a deficiency of knowledge among customers which might lead

to its own form of dependency. There is also the issue of contention regarding the novel way this issue is being approached by some employees purely because such objectiveness and naivety perhaps underestimates the longer-term repercussions of dangling incentives to consumers. As has also been argued by other authors (O'Malley, 1998; Wood & Neal, 2009), 'dangling' out rewards and providing targets at which various benefits can be achieved inherently encourages excessive consumer purchasing behaviour and, "*relational based loyalty in the long run*" (Morales, 2005; Palmatier, Jarvis, Bechkoff & Kardes, 2009, cited in Henderson, Beck & Palmatier, 2011: p. 257). Furthermore, LCPs, as has this study has discovered, appear driven in a harmful manner by gambling firms rather than sought after by customers. Besides, Sheth and Sisodia (2015), upholds that when firms "*mislead, misinform, or otherwise take unfair advantage of customers, or knowingly engages in activities that have a harmful effect on society*", it is unethical marketing. Besides, it could further be claimed that gambling firms in this position "*gain at customers*" expenditure rather than "*yield with them*" (p. 6).

That said, some authors argue that there is no manipulation when consumers can decide independently what to do (*free will/choice*) (Burrell & Morgan, 2003; Toddington & Beyleveld, 2006; Carran, 2018) or "*pursue an activity they wish to pursue*" because "*...there is value in freedom, in being able to spend your own dollars in the way you desire to spend them*" (Thompson & Schwer, 2005: p. 64; Palmatier et al., 2009). Besides, research participants' views would also perhaps be disputed by O'Shaughnessy and O'Shaughnessy (2002) who maintain that if there were to be any changes on consumption, it must be inherently rooted in within the expression of the people themselves and thus manifest in a manner that erodes coercion. Coercion itself is only but a process that results in minimal levels of compliance and is ultimately not compatible with a value system founded upon freedom of choice and liberty. At best, this would be considered as firms influencing consumers rather than manipulation. Influence is consistent with part of the research aim of the current study.

5.3.4 Employees' Incentivisation to Market Loyalty Programs

Perhaps the most unforeseen yet striking theme to emerge from the research participants was the process of accessing rewards which most research participants said was in a way deployed to incentivise uptake.

5.3.4.1 Customers' Views

Program members alleged that consumption through provision of bonuses that inherently extend resources was a commonly practiced phenomenon. This general notion among loyalty program members was formed by, and embedded with, the presupposition that the more they utilised their loyalty cards while gambling, the more likely they were to win bigger or, better incentives.

“When you are getting close to getting the prize, you have to gamble more ... Because you want the prize, don't you?” (S23C.B).

“If let's say I have already put on £400 worth of bets and I know that I've only got a couple more to win back a free bet or reward, then I will throw on a tenner just, so I can get my free bet” (S1C.ABCD).

This was typical with other research participants, who declared similar views with fascinating insights.

“Once you put a bet on with the loyalty program, you have to play until you get free points, otherwise it will always be at the back of your mind that I could have gotten a free bet, this that and the other ... It's like throwing money in the bin, you just wouldn't do that, would you? So, once you start, you have to finish it off!” (P8S1.AC).

“When you see that you only have a few bobs left to get a free bet or something, sometimes you will put on more just because of that. So yeah, and I mean why not? If you are in the bookies; gambling, I don't see why you wouldn't, do you?” (S2C.B)

Admissions to gambling involvement owing to LCPs seemed to resonate with a few other research participants who correspondingly, presented similar views when they also claimed that ‘the more you gamble, the more rewards you get’ (S19C.A; S24C.D; S26C.C) with others simply declaring that ‘they give you a loyalty card, and they say spend £500 to get a £5 free bet’ (S20C.ABCDE; P2S1.AB; P3S2.AC). Another interviewee expressing sentiments that depicted “*cross-customer effects*” (Henderson, Beck & Palmatier, 2011: p. 257), added the following revelatory experiences based on her own experiences and self-understandings.

“well, obviously because I see someone else get the reward, you know, you spend that little extra coz you want the reward, you want the reward, but once you get the reward, you want a better reward don't you; so, you start spending more and more and more and then it just gets worse and worse and worse” (S9C.D).

It is logical to say that from the interviewees' point of view, the belief is that a customer spending more money acquires more points, which equates to receiving a reward. So, in the expectations phase, a positive outcome ('certain benefits') and a high consistency of expectations is the objective and, the perceived reward is sought. Therefore, the idea of joining a loyalty program in the first place was meant to lead to a more rewarding effect or outcome. Research participants thus, are both forward-looking (utilitarian) and back-ward looking (reinforcement) in their determination of next action. Such conceptions perhaps naive, still, imply LCPs incentivise to play again.

In that case, these findings seem to disagree with Pez, Butori and Mimouni-Chaabane (2017: p. 72) who in their study found that *"the points threshold required to access the benefits on the programs has no effect on the pressure felt by customers"*. The current findings rather, align with Hull (1932, cited in Wohl, 2018: p. 2) who says, *"the desire to gamble should increase alongside proximity to a reward"*. In addition, our findings are supported by Dorotic et al. (2014) who affirm that the presence of an opportunity to redeem a reward, is likely to affect consumer behaviour, and that, *"in the post-reward periods, members tend to purchase more often [...], and they increase their purchase amounts per purchase"* (p. 347). Such level of understandings is also evident in the ensuing passages.

"I was offered a free £20 bet, so I went back and back for more kind of ... sometimes, when I am close to the limit, I tend to put on more and more just so that I can get a free bet and start again. Definitely, I use it [loyalty card] more now if am being honest" (P2S1.AB).

"Err, usually, when I win stuff and things like that, I think I tended to bet more. Rewards, points and all that [expletive]! So, I would say a bit of both, it's kind of damned if you do and damned if you don't really. What I noticed with me was that before redeeming the points, it's the chasing of the money to get a freebie, then after redeeming the points, excitement to start again. Adrenalin kicks in, it's a vicious circle ... Imagine for instance I have been laying bets of a fiver at a time, and I know I only have a couple quid left to qualify for a freebie, there has been times when I have put a bit more just to get the free bet. The next big win always tends to egg you on" (S1C.ABCD).

For loyalty program members, it appears point's redemption is of importance, more attractive, and, ultimately, the goal of involvement. Thus, with program usage, earning rewards is unmistakably crucial and, collection and redemption are probably the most memorable components of a loyalty program membership. Thus, two can be drawn from the above quotes regarding LCPs: in the first excerpt (P2S1.AB), the use of LCPs in terms of influencing behaviour is clear and the incentives

obtained are seen clearly as personal rewards or treats. In the latter case (**S1C.ABCD**), the distinction drawn between anticipation and purchasing behaviour is notable. Implicit in these descriptions of compulsive commitment and behaviours is the belief of self-gifts and hedonic benefits linked to reward (Mimouni-Chaabane & Volle, 2010; Dorotic, Bijmolt & Verhoef, 2012; Kumar & Reinartz, 2018). Furthermore, it appears that, anticipating receiving awards and redeeming points exert significant influence and encourage gambling involvement. Within the literature, the former is understood as points' pressure mechanism (see, Taylor & Neslin, 2005; Kivetz et al., 2006; Kopalle et al., 2012). Interestingly, Eagle and Dahl's (2015) views regarding institutional forces that shape consumer behaviour also seem to ring true in this case given that consumers appear to develop habitual patterns of LCPs usage and increased gambling participation to earn rewards. Such habituation among LCPs members conceivably, create faulty beliefs related to the probability of winning rewards simultaneously.

For the same reason, research participants appear to indicate highly deliberate behaviours with loyalty program engrossments for some larger goal or opportuneness for winnings or better incentives. Parsimoniously put, research participants are conscious of their decisions prior to program involvement, making logical and rational choices to engage in specific behaviours based on carefully assessed information available to them:

“Well, you get points, so with points obviously you get free, free go's which is good. And obviously the more you use, the more points you get. So, it [loyalty card] encourages you to use ... yeah, because you want to do it more to get that incentive, you know like your free bet ... The more points you get, the bigger you put on you know to make it quicker, you go quicker, so yeah you work faster because you know like, once the races have gone normally, I would have a “flutter” then go, whereas now, its ugh, get some points, ugh, get some points!” (S6C.A).

“If I only have a bit of money to put a bet on to receive my points, damn right I will place more bets” (P4S2.DE).

There is a high level of excitement in the former passage to a point **S6C.A** uses the words “*ugh, get some points, ugh, get some points*” twice to express as well as emphasise the point she is trying to make. Note too within the quotes that whilst **P4S2.DE** places significance on the ‘points’ that LCPs offer that subsequently convert into rewards, for **S6C.A**, there are no particular incentives in mind so long as players can win ‘free go’s as she termed it, or, allowed freedom of action sometime

in the future in terms of what might be obtained. This thus, shows a stark difference of held views according to individual situation and intent.

Nonetheless, overall, deliberate behaviours and rationality of anticipated incentives among program members appear to be clearly utilitarian, (e.g., points, vouchers, or money) (Dorotic, Bijmolt & Verhoef, 2012) whereas others profess more hedonic dimensions, (e.g., excitement, fantasy) (Reinartz, 2010; Binde, 2014; Kumar & Reinartz, 2018; Yoo, Berezan & Krishen, 2018). In either case, this is what could have become: in pursuit of loyalty program incentives, customers over-indulge in gambling activities and in the process, harmful effects or, as other scholars within gambling studies label them, “maladaptive” behaviours, develop (Rosenthal, 1992: p. 74; Binde, 2014).

5.3.4.2 Employees’ Views

The theme concerning incentivising uptake resonated with many employees when they in the same way acknowledged the consequences of permitting LCPs’ usage when they offered the following explanations:

“to encourage customers to participate more often and frequently, bookmakers looked at other methods of rewarding customers to actively gamble, through vouchers and lucky draws. But this can only happen to punters who participate actively in gambling, otherwise if they only do it here and there, on and off, then their behaviour is not rewarded as such. At the end of the day, we are here to make money as a company, so we are not gonna give out freebies to people who don’t actively gamble. Of course, the down side to that is that rewards can only be spent here in store. So, I would say yes, in that respect, loyalty programs can increase the spend of a consumer because this is all at the end of the day what we want them to be rewarded for, their purchases or behaviour. Also, it’s a way of somehow tying them down with the stiff competition that is out there on the high streets” (S14SM.C).

“obviously you have to engage with the game for it to give you a reward, so in the process of you using the card and it’s registering all the information that you are giving it, I think then, particularly after maybe you know, losing or stuff like that then it rewards you with a free £50 free spin or free £50 this or £10 this or, it just gives you free rewards or lost bonuses that it gives you and stuff like that” (S7CEM.C).

It seems that although consumers in some cases were inactively seeking to subscribe to, or utilise LCPs, the level of drive exerted by organisations to engage customers through harmful practices is high. Understandably, for the organisational goals to be accomplished, actors must be motivated

to enrol in order to gain rewards in social exchanges (exchange context) (Gouldner 1960; Lawler & Thye 1999; Palmatier et al., 2009).

Remarkably, Smith and Simpson (2014), highlight similar practices to the one raised by **S7CEM.C** whereby loyalty program members who had incurred large losses in the process of betting were being rewarded with free bets:

“loyalty program members with heavy losses are known to have received monthly personal letters from casino CEOs or dedicated handlers wishing family members well, thanking recipients for placing trust in the casino, offering complimentary tickets to casino entertainment, overnight hotel stay and limousine transport, and coupons for \$500 in matched bets should they choose to gamble while there” (Smith & Simpson, 2014: p. 323).

Following on that, it also appears that there is lack of clarity and information that would allow consumers to understand or, know how the CRM system generates incentives. Instead, employees appear to use selective marketing tactics and focus on the promise that higher LCPs' investment yields larger returns as is also explicitly expressed in the next excerpts:

“am not sure exactly how it, [loyalty card] works for the gaming machines [FOBTs and SSBTs], but I know that if you put your CC 1 in and you get a reward, it will come from the gaming machine, so you win like 50 spins or 50 free spins get £20 free credit and you've got to play that on a Company C gaming machine” ... they [loyalty program members] may throw like £5 or £10 on the machines, but some of them do gamble hundreds of pounds to feed the machines in the hope that they are gonna activate the reward on the CC 1 ... we tell them the more money you play on the gaming machines [FOBTs and SSBTs], you get a chance to build up points and you earn money as well and blah blah blah and you can monitor your bets. It's kind of oh, if I keep gambling and use my CC 1, am gonna get something back in return” (S25CS.C).

Based on the intimation within the preceding account, promoting and accounts of LCPs portraying extravagant unrealities about winning also seem fundamental. The promotion of such extravagance was further highlighted by other employees who likewise said:

“Everyone who put a bet on for a £1 you got 1 point, £2 got 2 points, so on when you get 500 points, you got a £5 free bet, 1000 points got you a £10 free bet plus special offers that they sent you as well [via texts or email]. They would reuse it in the shop for a free bet, and then start collecting points again for the next free bet” (S3SM.A).

“Err, I think it’s like they have a pound they spend and they get 1 points, okay, and the 10 points it’s like a £10 or something like that. And that’s how much you earn. You have to spend 10 times more to actually earn that amount in a free bet. So if you spend 500 quid, you get a fiver free bet that kind of thing ... they, [loyalty program members], have to actually gamble more ... basically the case of we will give you more money the more money you spend. But what we are giving you isn’t actually worth what you are spending money on. So you spend £500 and we will give you a fiver and then you will give that fiver back to us but you can only spend it here” (S22CS.A)

The foregoing quotes indicate that in pursuit of points and rewards (why), loyalty program design and structure (what), exacerbates gambling behaviour among consumers through continued gambling because of restriction and lack of choice (since members can only redeem points, free bets and vouchers through gambling) (how). This assessment is based on the statements given by employees who say customers *“would reuse it in the shop for a free bet” (S3SM.A)* and also purport that *“will give you a fiver and then you will give that fiver back to us but you can only spend it here” (S22CS.A)*. When viewed from SET viewpoint, such narrations indicate a lack of comparison level for alternatives for program members (CLalt) (Thibaut & Kelley, 1959), which perhaps, contributes to detriment (costs), whilst increasing the interest to continue LCPs usage. This particular finding thus, extends our theoretical knowledge about LCPs particularly within a land-based gambling context and reinforces our current thinking about the unintended effects that can manifest from LCPs depending on the industry practiced in as the present study’s discoveries to some certain extent, can claim to reveal the why, what, and how effects of LCPs.

All things considered, assessments for four basic constituents of influence on behaviour in this dyadic relationship that drive loyalty program members have been recognised: *“customer purchasing behavior, customer referral behavior; customer influence behavior, and customer knowledge behaviour”* (Kumar et al., 2010 cited in Lemon & Verhoef, 2016: p. 73). First, most participants appear to unveil modified habitual patterns of loyalty program usage when gambling (*customer purchasing behavior*). Second, the level of endorsement between, and among, employees and consumers either through word of mouth (explicitly) or via observational learning from others (implicitly) and personal choices, seem apparent (*customer referral behavior*). Third, gambling firms’ marketing tactics, power and ability to engage irrespective of their personal or financial liabilities also seem to influence conducts (*customer influence behavior*), And fourth,

overwhelmingly, erroneous beliefs linked to probability of winning and opportunism' (*customer knowledge behaviour*).

5.3.5 Members' Compulsiveness to Earn Rewards

With all these converging views unearthed, another opportunity was available to probe opinions for further data. Departing from previous studies in the field and going beyond the typical known gambling problems and behaviours prevalent in prevalent literatures (e.g., compulsive and pathological gambling) (*see*, Productivity Commission, 1999; 2010; Rickwood et al., 2010; Delfabbro, 2013; Gainsbury et al., 2015), the researcher with carefully crafted questions and sensitivity managed to probe research participants of any specific changes that they may have experienced or noticed, since loyalty program enrolment.

It can thus be claimed that probably the most, unexpected yet poignant theme, to emerge from the present study, was the different types of harm specifically associated with LCPs. Whether directly or indirectly, most research participants (that is both customers and employees), professed to have personally experienced undesired effects, or noticed some level of harmful effects from LCPs be among their friends, or indeed among those within their close circles. Because of that, this theme was fascinating because unwittingly, LCPs as most studies suggest, are inherently designed to reward consumer attitude and behaviour in a positive way (e.g., Liu, 2007; Meyer-Waarden & Benavent, 2009; Chen & Percy, 2010; Meyer-Waarden, 2013; Xie & Chen, 2014; Alshurideh, 2016). Literature regarding LCPs also place emphasis on the benefits rather than 'undesired consequences' (*see*, section 3.5.3). Hence, more often, LCPs are not evaluated based on unintentional effects.

5.3.5.1 Customers' Views

A common thread present amongst research participants was that of 'harm' which was returned to throughout the conversations with most members expressing undesirable effects purported to have developed after enrolling in, and with repeated use, of LCPs. Upon research participants' self-confessed opinions, they, apparently, did not have any preceding or known uncharacteristic issues with gambling prior to LCPs enrolment. Intriguingly, reference to their 'abnormal' or 'amplified' gambling behaviours often implied that there was a 'normal' or 'lesser' gambling pattern prior. Sometimes, this assumption on what was, or was not normal, was directly stated.

“I wasn’t like this before I signed up for the card, and I have been gambling for years! So, I really don’t understand how I have ended up to where I am right now, and I can honestly say it [loyalty card] triggered my impulsive gambling habits that I thought I never had ... I would say after [enrolling in the loyalty scheme], because like I said before, I have been gambling for a long time now and prior to that, I was placing bets on for my fella. It was never a problem for me. And I was never even tempted to place that many bets on for myself neither; till I got a loyalty card for myself” (S2C.B).

For **S2C.B** the purported harmful effects seemed quite distressing when she added this.

“I was just a normal working woman looking after her family. Then about 2 years ago, I said to my best friend, hey, I signed up for a loyalty card at (Company B). She said to me, steer clear mate, they are bad news. And I said oh no this and that and the other ... such and such a body won loads of money on a free bet. My mate warned me. You know what I said? I’ve already started putting money on, so let me just carry on and get my money back and I will stop I promise. Now, am addicted it’s unreal. I can’t put a bet on without the card [loyalty card], and, I now go to the bookies everyday religiously ... just to get the points. My friend says am a loyalty program gambling addict”

“it [loyalty card] did to me ... when I first started out, I didn’t really put that much on it, I didn’t. Whenever my team was playing I did put 2 or 3 quid on and they [employees] introduced me to this loyalty card. And I was like alright, what’s this? And they was like telling that, you have to win so much stuff etc. Every other week, there’s something different on it [offers] and, I ended up winning a bit more money because of it. So, it proper drew me in ... that loyalty card made me a gambler! That’s all am saying. Am not too bad but yeah, I bet more now because of it. Am not gonna lie” (S18C.ABCD).

On the face of it, these views represent an original and interesting opinion in that, there appears evidence in the interviewees’ quotes to suggest LCPs in a gambling setting can to some degree, create detriment by propelling a ‘leisure’ loyalty card program consumer towards augmented elevated gambling patterns and compulsion. In particular, the former passage (**S2C.B**) is strong on LCPs modifying behaviour and attitudes towards gambling since the interviewee allude to the fact that she (**S2C.B**) had been frequenting betting shops for a long time without problems prior to loyalty program enrolment. Thus, both tangible and intangible indicators of some form of undesired effects some of which are financial harm, significant amount of time invested in unprofitable activities, and social harm is being associated with LCPs. For **S2C.B**, it emerges that LCP’s led to a ‘snowball’ effect as far as gambling patterns were concerned, one which appear unembellished that she goes on to use the word ‘addict’ twice. In the first part, she acknowledges that it is

noticeable, and this effect has been that she is ‘now an addict’, which in turn has not gone unnoticed by those close to her.

What is even more interesting is the fact that she is not only being perceived as a gambling addict, rather one who has specifically been aided and abetted by LCPs, hence her usage of the term ‘*loyalty program gambling addict*’ in reference to herself and goes on to say that “*I now go to the bookies everyday religiously*”. Inferring she is investing substantial resources. The latter excerpt (S18C.ABCD) is also especially helpful in providing details of harm as the interviewee seem to place the focus uniquely on LCPs rather than gambling alone, that as much as anything, contribute to the alleged harm. And although harm is indirect and diffuse, research participants seem to trace harm directly to loyalty program usage particularly where the interviewee states: “*that loyalty card made me a gambler! That’s all am saying*”.

On these accounts, an underlying discord is noted that make people differentially sensitive to the effects of LCPs vis-à-vis gambling, which then results in differences in their evaluation of detriment or, compulsion to engage (commitment). Accordingly, commitment in this setting has been construed as participating “*beyond the purchase of a product or a service - that a customer can undertake in order to collect a reward or points*” (Rehnen et al., 2017: p. 307).

Contributing to the same line of discussion, other participants similarly expressed their views claiming how they were spending more time owing to LCPs than they did prior to program enrolment. Purporting the hypnotic nature of LCPs convergent or concurrently, some opined:

“Truthfully, I was gambling genuinely once a week on the actual dogs at the race course, but then, when I got them cards [loyalty cards], from once a week, I slowly started going more and more and even started going to bet in the bookies. I now even go to play virtual dog races in the bookies [virtual dog races are cartoon races on EGMs] ... Something I never used to do before I got them loyalty cards. Never! See what I mean?” (P2S1.AB).

“When loyalty programs got introduced, it was game over for me ... because I was chasing all my money trying to win it back through them stupid rewards and points. At least that way, I would have gotten something back” (P5S1.A).

Participants seem to allude to the fact that they are able to gamble excessively beyond what they had intended to, invest more resources than they allege they would have done normally, in order to

earn incentives than they could afford to (harm). In this scenario therefore, redemptive winning or earning incentives becomes the primary determinant of choice, whilst originally the probability that chance actually will happen was perhaps the initial primary determinant. Consistent with Abbott, Palmisano and Dickerson (1995 quoted in Blaszczynski & Nower, 2002: p. 488), punters who spend vast amounts of time, money or indeed frequently visit betting shops are classed as ‘excessive’ or ‘abnormal’ gamblers. Terms such as ‘excessive’ are used to describe individuals who gamble amounts far beyond their actual means, and this is likely to cause ‘financial strain in the face of mounting gambling related debt’ (Dickerson et al., 1997: pp. 6-7).

Deciphering the foregoing interviewees’ viewpoints, excerpts are also especially helpful in providing details of different forms of harm that are by and large, neglected in various LCPs discussions. This turn out to be a unique finding because as it appears, LCPs are being placed at parity with problem gambling (see Sections 2.3.6–2.3.7). The current findings also reflect the views expressed by Forrest and McHale (2016). Forrest and McHale maintain that within the context of gambling, not all consumers of the product are rational and capable of maximising their own well-being within the constraints of their budgets. These findings are furthermore supported by Simpson (2014: p. 320) who point out that,

“it is not surprising that the synergistic effects of EGM design and loyalty programs produce players who consistently wager more than intended ... For some, such over-spending will involve the reallocation of money designated for other purposes—food, housing, utilities or car payments—losses of this nature are, by definition, unaffordable and create financial crisis”.

Our current findings are also parallel with Baloglu, Zhong and Tanford (2017), who found similar influences among members of casino loyalty program in Las Vegas. Even though their study included ‘switching costs and trust’ as variables and also, results measured quantitatively, they found that *“activities to reward points and recognition help keep customers on the premises”* (p. 862). Baloglu, Zhong and Tanford’s findings therefore reinforces our findings.

As if this was not difficult enough to fathom, participants also differed in how they described ‘addictiveness’ since some focused on the actual levels of gambling participation or involvement, whilst others were more concerned with the actual detriment experienced from LCPs. For others however, compulsion was in terms of ‘functioning’ or inability to stop gambling also uniquely

referred to as ‘chase money’ within the gambling circles. Chasing money indicates gambling to try to win back the money lost when gambling’ (Lesieur, 1977: p. 1). Thus, in congruence, although expressed differently, some framed their compulsive experiences this way:

“My betting got worse after signing up for them cards, without a word of a doubt. Without a word of a lie!! Because even now if I don’t have money, I still go in the bookie to give my card to other punters who are throwing money around and it goes on my card. Then when I reach a fiver or sometimes even a tenner, I place a bet on and if I win, that’s the start then. I never think, oh I came with nothing now that I’ve won let me go home, nah nah nah! It’s like I came with nothing, I lose nothing!” (P8S1.AC).

It appears LCPs are a huge success for both consumers and gambling firms, but therein lies the problem: at the outset, consumers seem unaware of the potential undesired effects engendered by these same programs. A possible explanation could be that, once one becomes a loyalty program member and thereafter steps inside the betting shop, ‘more money is spent’ (Evanschitzky et al., 2012: p. 625; Smith & Simpson, 2014). Consistent with the SET, such tactics might also induce customers to develop overly reciprocal tendencies due to dependence (Kelley & Thibaut, 1978). This current study finding is supported by Griffiths (2016) who says gambling addictions “[more specifically], rely on constant rewards. A person cannot be genuinely addicted unless they are receiving constant rewards” (p. 2). The author maintains this happens because behaviour is being reinforced. And though Griffiths was not referring to LCPs per se, his observations support the current study finding in that the interviewed research participants receive rewards through LCPs’ usage that reinforces behaviour.

On that account, the present findings seem to offer a different take to those of Lal and Bell (2003 mentioned in Reinartz, 2010) who in their study said, “loyalty programs do not change behavior as much as they reinforce already existing behaviour” and that “several research studies have found that the increase in customer spending due to loyalty programs is surprisingly low” (p. 419). As seen in this study, the opposite is evident. And though gambling in isolation perhaps is intended to bring benefits for the greater good (e.g., recreational, social, financial, jobs etc.), as some research suggest (e.g., Wirtz et al., 2013; GC, 2017), this study reveals more negative than positive effects of LCPs. Thus, the current finding is important because it furthermore appears to stand at odds with Sharp and Sharp (1997, 1998, cited in Gómez, Arranz & Cillán, 2006) who in their study “did not find evidence to demonstrate an increase in depth or purchase frequency in consumers

through the incentives offered by loyalty programs” (p. 390). Contrariwise, insight into interviewees’ regrets for asymmetry and prominence on their gambling involvement concerning LCPs are evident as also clear in the ensuing comments.

“with a loyalty card, I was beginning to put a lot more bets on I think looking back now. And the problem with those betting terminals [FOBTs and SSBTs], in the bookies doesn’t help neither because you put your loyalty card into the machine [FOBTs and SSBTs], and you just carry on playing without even noticing how long you’ve been on them.” **(P2S1.AB).**

“You see, there is always something at the back of the mind once you put one bet on the loyalty card because then you think if I don’t bet to get my points, I am going to lose the money that’s on it. You don’t think about it as points, it’s always in money. So, you carry on till you get it back. But once you get it and you win ... the excitement grows, so you start again. You wouldn’t throw away money in the bin, would you? That’s how it feels if you don’t use them points” **(P5S2.A).**

Program members quoted above remained consistent in their belief that it was the LCP that led to undesired behavioural changes and in particular compulsive gambling or ‘addiction’ as specifically expressed by some research participants. A look at the opinions and transcripts reveal that participants consistently recognise loyalty card membership as a catalyst to more problematic behaviour. This behaviour itself tends to follow a specific trajectory whereby the individual firstly becomes preoccupied with loyalty program incentives and as a result devotes increasing amounts of their resources to gambling activities disregarding all else around them.

Nonetheless, numerous writers, (e.g., Ferris, Wynne & Single, 1999; Wardle, 2015; Browne et al., 2016) caution that harm is subjective and very much remains a ‘grey area’ so to speak. Hence, defining it on subjective value judgement can make it difficult for service providers and those monitoring service usage to distinguish between different levels of harm (e.g., problem gambling from gambling problems). Besides, harm can be regarded as intrinsic, (hidden) (e.g., family neglect, anxiety), or extrinsic (visible) (e.g., marital discord, financial distress, or physical abuse) (Browne et al., 2016; Griffiths, 2016). Hence, the author of this study postulates that, it is still difficult to fully recognise or understand the extent of harm caused or, the number of people affected by LCPs. Besides, it would require making a distinction on the individual level since harm in this study appears asymmetrical amongst loyalty program members.

Returning briefly to the compulsive nature of LCPs, other interviewees went on to expand on this assertion of harm with specific reference to their spouse's compulsive behaviour who apparently, use loyalty cards in betting shops. Looking and sounding rather distressed, they described their unique situations in more graphic terms;

“he’s [her husband], just completely addicted to it [loyalty card] completely, and there’s no stopping him in the betting shop ... you can’t prise him off from a betting shop ... because like it starts with you know, obviously you wanna get your reward, you wanna get your points, you wanna get your vouchers, you just. you wanna win, ... it affects you, financially it affects you, physically it affected me because is if I was to say anything or you know, I would get physically abused for it you know because am commenting on his you know on his addiction to betting and then obviously am telling him about his-self and then he gets aggressive because am trying to prise him off from the machine and because all his money is still in that machine and he’s waiting for the machine [FOBT] to break even so it releases his rewards. Do you know what am saying? So, then he will start getting physically abusive to me in the betting shop ... I’ve had a machine [FOBT] ... been thrown towards like you know when you push it down, he tried to push it on me because he’s got his money in and am telling him let’s go” (S9C.D).

“I share my husband with the bookies, what does that tell you? And that’s thanks to them loyalty programs I must say, my other half is into them [LCPs] a lot. They [LCPs] are the worst thing that happened to him let me tell you. But whatever I have said to them [employees] about him, they never listen” (P1S1.A).

Here, we have a distinct case of the detriment LPCs are purportedly causing because as far as these testimonials seem to suggest some form of engrossment from LCPs emanates. This is particularly enlightening where **P1S1.A**'s says, *“my other half is into them a lot”*. Experiences of harm appear disruptive in nature, revealing some level of family strife that seem not to blend in well with everyday life, disrupt domestic harmony and, promote conflict between partners to mention but a few. This is further compounded by the involvement of physical harm **S9C.D** attempts to voice out. What could be regarded as being even more interesting relates to the fact that **P1S1.A** views her spouse as being addicted to the loyalty card as opposed to gambling itself. Whilst indeed it is prudent to note that these are individual interpretations and accounts, and that issues surrounding locus of control also exist, this does not diminish in any way, the apparent distress loyalty cards are perceived as causing.

Thus, two major underpinning factors, when exceeded, LCPs have the ability to usher in a wave of complexities. These are mainly to be the disposable income and time thresholds as often, these are set-aside for social and family purposes. When redirected towards unprofitable activities, considerable alleged harm is able to emanate from this action. Besides, as noted, these harms seem to span the spectrum of participants from loyalty program members through to families. Viewed from the SET perspective, research participants' evaluations would be considered as costs (Thibaut & Kelley, 1959; Blau, 1964) also closely associated with 'social costs' (Walker & Barnett, 1999: p. 189; Thompson & Schwer, 2005). Social costs "*occur when the actions of one person impact the welfare of another who has no direct control over the actor*" (Walker & Barnett, 1999: p. 189).

As it turns out, harm in the described scenario could be supported by Mill's (1962) Harm Principle since a gain in negative welfare seem apparent. This thus, is an interesting discovery considering the manifestations of such undesired effects in literature are largely in isolation to gambling and only associated to problem gambling, commonly referred to as "*ripple down effects*" (*see*, Neal, Delfabbro & O'Neil, 2005; Blaszczynski, 2013; Productivity Commission, 2010; Wardle, 2015: p. 18; Browne et al., 2016; Hancock & Smith, 2017), not uniquely to LCPs per se.

However, there could be consequences in researchers and policy makers associating with, and focusing on, such 'ripple down effects' tales narrowly to problem gambling. Firstly, Policy makers disregarding LCPs effects within the land-based gambling context, might inaccurately over- or under- estimate the potential or indeed the harm that is being exclusively associated with CRM strategies by consumers. For instance, a program member who may have high involvement in LCPs at home but does not engage in or display harmful behaviours whilst in store. Alternatively, program members that are highly involved with LCPs but do not display extrinsic harm altogether, and vice versa. Hence, the current researcher opines such approaches could result in failure in identifying and addressing the purported harms accurately and effectively since the fixation is solely on problem gambling.

Strikingly however, **SS9C.D** and **P1S1.A** narrations made earlier, are like those of Nussbaun (2000) theory of human capability quoted in Orford et al. (2013: p. 70). Nussbaun in her cited work discusses two women who lived with their husbands who had some form of consumption addiction:

“Vasanti’s husband was a gambler and an alcoholic. He used the household money to get drunk. Eventually, as her husband became physically abusive, she could live with him no longer and returned to her own family’. ‘Jayamma’s husband usually used up all his income (not large in any case) on tobacco, drink, and meals out for himself, leaving it to Jayamma not only to do all the housework after her backbreaking day, but also to provide the core financial support for children and house”.

Sadly, such accounts perhaps underline the very arduous and perhaps troubled dilemmas that close family members or friends perhaps find themselves caught up in at the hands of a ‘conditioned’ loyalty program member who uses LCPs for gambling expecting to receive rewards (Homans, 1958: p. 598; Skinner, 1953). Perhaps, *“reward dependence creates the desire to make”* program members ‘give more’ (Molm, 1997: p. 130). Taken together, these narrations perhaps suggest another way of avoiding having to deal with other aspects of life such as family pressures, money lost, lost productivity or simply as an escape (*see*, The Productivity Commission, 1999; Moore et al., 2011; Binde, 2014; Hughes & Valentine, 2016; Carran, 2018).

5.3.5.2 Employees’ Views

Considering the above, exploring the same issues from the employees’ perspective reveals similar suggestions. Through discussions, it became increasingly evident that while the issues faced by program members were equally saturated amongst them, some employees were of similar views. The excerpts that follow, offer a relatively balanced outlook and provides an indication of the fact that employees tend to be attuned to the consumers.

“they [loyalty program members], put in their CC 1 and they spend £2000, within 30 minutes they leave, they’ve got nothing and they come back tomorrow, they put in their card and it tells them oh, you’ve got a free £50 spin, you’ve got a free £30 spin, or free £20 or £30 that you can spin... if we are talking, does it [loyalty card], do harm? Certainly, especially when it’s excessive, you win once, you want to win again ... Not achieving points is as good as losing, so customers just wouldn’t want to do that. They would want to carry on till they get a reward, right? Because that’s winning!” (S7CEM.C).

“I would say loyalty programs particularly on the machines [FOBTs and SSBTs], can encourage gambling. It’s at the click of the button and customers lose track of time or amounts of money because they are playing cashless! I have a guy in my shop who comes in at least three times a week. But when he comes, he spends the whole day betting on the machines [FOBTs and SSBTs], with his loyalty card. And I mean the whole day, from the time we open till close. He is a big customer who can place £500 bets in just one sitting. The machines allow you to place up to £100 per time. So, if he plays five times, he is gambling loads clearly. There was a day when he lost £18,000 in one day! ... He came back first thing the next day and started to chase his money again. And because he had lost so much the night before, the loyalty card automatically gave [rewarded] him a £50 free bet” (S14SM.C).

Some employees allege to have noticed practical difficulties among consumers investing substantial sums of money and other resources as unintended LCPs’ behavioural outcomes among some program members. The testimonies provided also shed light into the fact that while the financial and emotional costs of loyalty program commitment are high, there are perhaps other resources to take into consideration that could also have an impact on individual program members. Resources such as emotions, effort, family relationships and quality of life that exist outside the world of LCPs. Besides, the costs and risks invested in the relationship would be considerably higher on the loyalty program members’ side than the firm for the reason that consumers, (as pointed out earlier on in section 5.3.2), invest in social exchanges with the belief that the ‘more they invest their resources, the more they succeed in achieving rewards’ (e.g., S9C.D; S19C.A; S23C.B; S24C.D; S26C.C) (Gouldner, 1960; Homans, 1961). In addition, these accounts offer further insight into the relationships that then develop between punters and front-line staff. This is of some interest given that the previous sections revealed that employees played a part in consumers’ decision to join LCPs.

These findings are in agreement with Wardle et al. (2014) who in their survey of 4,001 program members, identified similar effects among people who signed up for a loyalty program from bookmakers. In their survey, they found that ‘loyalty program members were heavily engaged in gambling’ and “*machine play specifically*”. According to Wardle et al,

“72% of participants gambled at least twice a week on their most frequent gambling activity, with 26% gambling nearly every day ... Those who were economically inactive or unable to work because of illness or disability played more (16%) than those in paid employment (17%)” (pp. 7-9).

However, it is important to mention that, although Wardle et al. in their study identified gambling patterns among program members, they did not explicitly stipulate the ‘how’ or ‘why’ such diverse harm emanates from the said ‘heavy loyalty program engagement’. This study thus, in some way, can allude to have discovered some of the many factors that perhaps explain the situation as well as the types of harm threefold: Firstly, some research participants stress that, in pursuing incentives, LCPs amplify gambling patterns further by exacerbating the likelihood of continued gambling. In effect, they [LCPs], induce addiction by turning a normal recreational or non-bettor into a prolific gambler. Secondly, an assertion is made that due to naivety or novelty, some loyalty program members tend to more predisposed to unintended consequences. Thus, those who are new to LCPs are supposedly more susceptible to loyalty program engrossment. Thirdly, there appears to be evidence in the research participants’ aforesaid statements purporting to different characteristics of detriment generated to the individual loyalty program members and to those around them. In that sense, thus, revealing LCPs perhaps, create and contribute to undesirable behaviours which were previously purely associated with gambling. These findings therefore, are a contribution to new knowledge.

That said, there are perhaps several explanations for the inconsistencies between Wardle et al’s. (2014) survey and this current study that should be explained. For instance, their study used existing machine game play (EGMs) data specifically from problem gamblers and thereafter, linked the results to program members’ cards, whereas the current study uses an exploratory qualitative approach speaking to both ‘actors’ face to face prompting further data and clues. In addition, for the current study, the recruitment of research participants was not based on problem gambling parameters or restricted to machine game play. Rather, the recruited program members for the current study use their loyalty cards for both EGMs, SSBTs, over the counter betting and as later found, in their respective homes. On that account, the current research appears to have captured holistic experiential meanings using interpretivism approaches that perhaps could have not been discovered using positivist approaches.

In relation to the point raised earlier by **S14M.C** about EGMs, it is important to point out that as of May 17th, 2018, that the UK government in an attempt to reduce gambling related harm and hazard specifically linked to EGMs, was planning to pass legislation to reduce the maximum stakes on EGMs from £100 to £2 per spin (GC, 2018). However, whether the reduction will apply to

loyalty program members using SSBTs as well as those betting over the counter remains unknown. Of importance, such measures may work effectively in store, but the danger herein lies ahead for consumers who use LCPs in their own homes away from the intended restrictions.

Returning briefly to the discussion, employees nevertheless seem to acknowledge and recognise the impact LCPs appear to have on customers as evidenced in the ensuing passages:

“I think for some, at the start, they [loyalty program members], tend to place bets more because they are still new and trying to beat the bookies and win as many rewards as possible. But that excitement tends to die down after some time and they just gamble as normal. But for some, they really get in it [excitement of the LCPs] and those are the ones to keep a close eye on. Actually, I was recently discussing with one of my colleagues when we had this customer who got too much into playing on the machines [FOBTs and SSBTs], with the DD card. I thought how he comes in from the time when we open to when we shut, we thought something is definitely not right here, so I sat down with him and we had a conversation about it ... But that’s the odd one out that I’ve seen who really got into loyalty programs after signing up to them” (S12SM.D).

“it [loyalty card] can turn him [a customer], into a proper gambler ... because there is no limitation, they can for example have hundreds in their pocket and just keep putting money in the machine [FOBTs and SSBTs], and just go like they close themselves, say for example, we’ve got 4 machines, there’s two of them are in the corners in my shop and they can sit very far in the end, they keep on playing to himself. As a DD club card holder, he doesn’t even have to walk over every time to go get authorisation from the counter, so he can keep playing to himself as a DD customer ... So, he can just be like playing constantly. I had a person who was playing five hours nonstop, five hours nonstop ... There was another person comes through, non-gambler turns to a proper gambler, he was literally spending from one, three to even six hours. There was a case where it was literally six hours ... on one of the occasions, he literally just got paid a full wage and lost half of it” (S10DM.D).

Unlike non-loyalty program members who require authorisation to wager large amounts of money at a time, it appears loyalty card holders are exempt from such restrictions. For a program member, it appears that exemptions from having limits on amounts of money as well as the freedom to isolate themselves from social norms allows them to risk large sums of money and spend uninterrupted episodes on gambling activities without the need to interact with frontline employees. Thus, in the described scenarios perhaps, LCPs allow isolation and elimination of ‘community’ thereby eliminating social norms that govern behaviour (Homans, 1961). Social norms act as a constraint on simple rational economic behaviour; preventing choices that would normally occur in the absence of such a norm (Homans, 1961; McCall & Voorhees, 2010; Ivanic, 2015). As such,

in the absence of such norms, loyalty program members could potentially develop ‘compulsive’ behaviours that could lead to stronger LCPs commitment (Rickwood et al., 2010; Doorn et al., 2010 cited in Rehnen et al., 2017: p. 307).

In the same breath, it appears that for some loyalty program members, the availability of LCPs that enables them unrestricted rules whilst partaking gambling activities are in fact notable benefits. As far as this is concerned, the argument is that prohibition would ‘erode’ their freedom. Still, whether allowing LCPs within the gambling context is an added real legal benefit is open for debate.

In that respect, going by the various research participants’ held views, it can be claimed that the present study’s findings lend some support to the harm chain discussed earlier on in section 2.2.10. And although the difficult and challenging questions beyond the scope of this study is conclusively suggesting that harm emanates during preproduction and production stages, there is reason to legitimately claim that some ‘level’ of harm during consumer consumption and post-consumption stages does exist on an individual to individual basis. Considering the same argument but through a different lens, LCPs are perhaps designed in a manner that makes it arduous for program members to keep track of time, spending levels and ultimately induces a state of being in which reality pales in comparison to fantasy. This would therefore, argue for harm being generated at preproduction and production stages, although again, this perhaps might be by default, not intent.

On the flip side, the present study’s discoveries nonetheless find it difficult to support Mill’s (1962) sovereignty standpoint discussed earlier in section 2.2.10. Mill cited in Ripstein (2006: p. 215) claim that,

“the only part of the conduct of anyone, for which he is answerable to society, is that which concerns others ... In the part which merely concerns himself, his independence is, of right, absolute. Over himself, over his body and mind, the individual is sovereign”.

Individual sovereignty or indeed being answerable to oneself is being disputed in this customer-gambling firm setting of the current study due to the fact that; there seems to be some evidence to suggest some constituent of harm exists not just to the loyalty program user, but also, permeates across to those others around them. Thus, accepting Holtug’s (2002) critical view would also mean disregarding Mill’s (1962) Harm Principle completely. On the contrary, this study supports

Polonsky, Carlson and Fry's (2003) stance who desires "*firms and public policymakers to consider fully all who are harmed, as well as those who can address harm throughout the harm chain*" (p. 346). This study thus quotes Polonsky, Carlson and Fry (2003: p. 8) to reinforce the point that the study tried to explore; harm seems to occur in the whole harm chain of LCPs' design and practices from: "*pre-production, production, consumption and post-consumption*" stages (p. 8). This important empirical finding also supports Mulkeen (2013) who suggests that; the 'framework of responsible gambling dictates that gambling services providers, as well as those who use said gambling services and products', at the very least have an 'obligation to ensure that both what they do, and what they do not do, is not ultimately responsible for harm and thus irresponsible' (p. 4).

5.3.6 Loyalty Programs Promote Gambling from Home

Although only referred to by a few research participants, another interesting theme to emerge was the use of LCPs away from a physical betting shop environment. In terms of this, research participants were of the view that gambling firms were oblivious to the problems induced by LCPs onto 'consumers' and indeed onto 'others' away from a physical betting shop setting. From parochial to self-constraining beliefs, accessibility to online gambling activities away from a physical betting shop were particularly questioned.

5.3.6.1 Customers' Views

It was purported that harmful effects eventuating from LCPs when partaking in gambling activities away from a physical betting shop environment indeed did occur. Research participants' explanation include personal experiences and other impacts on their lives and the lives of others close to them, signifying that problems stretched beyond the individual gambler. Accordingly, as far as this issue was concerned, some research participants unequivocally remarked:

"Surely I was addicted to gambling and loyalty programs didn't help ... I didn't switch off from gambling long after them bookies had closed! The fact that the loyalty card was linked to my bank account meant that I could still carry on betting from the comfort of my own home ... the bookies would close and I would go home and carry on betting online because they, [loyalty cards], give you that option if you register to gamble online as well ... Whatever you win can be paid straight to your account ... if I didn't have the loyalty card, I probably would have been gambling only when the bookies were open. But the loyalty card gave me the extra opportunity to carry on gambling from the four corners of my house" (S5S1.A)

“Betting online at home with the loyalty card has encouraged me to gamble even more and more because when you look at the odds, and what its paying out, and you are playing with plastic, you don’t think twice, ah, it’s a fiver, then a tenner and before you know it, you have spent 200 quid in a very short spate of time. It happens. Then I start to chase my money and by the time I log off, I could be 200 or 500 quid down. So that will stress me. Then I get into a bad mood and then have bad words with my Mrs and will find a way to win back that money by gambling more” (S15C.ABCD).

Research participants were alluding to the fact that being able to earn loyalty program incentives whilst gambling from an individual’s home has availed program members with an additional inducement. Perhaps, dependence on technology in a gambling setting to some extent, has allowed some customers to become more exposed or indeed susceptible to harm as is evident in the above excerpts and CRM know-how equips gambling firms with *“powerful resources to do this”* (Nguyen, Simkin & Canhoto, 2015: p. 22). And although gambling firms in their defence may contest that CRM strategies are not the same as gambling, resolvedly, LCPs are deployed purposefully as an incentive to reward customers who partake in gambling activities, as is also evident in the ensuing quote.

“Gambling in itself is not a bad thing I don’t think, and I know this from experience as I have been in this game since I was young. But since loyalty cards came into place, my life has been hell on earth ... when you are gambling at home, alone, at night, ... there’s no one watching you is there? So, you just gamble as much as you can. Sometimes, you are pissed [intoxicated], and don’t even know what you are doing till you sober up in the morning ... That’s the problem; loyalty programs, not gambling! It’s the accessibility and convenience them reward cards come with [loyalty cards] ... because I can hide behind the loyalty card you see, no one sees me throwing money around; betting, do they? It’s coming straight from my bank onto my loyalty card” (S2C.B).

The same person went on to add this,

“All this betting online nonsense with loyalty programs is just destroying homes. Deceit and lies covering up bad habits, that’s what I do ... for how long can I live like this with this secret? ... It’s a secret I don’t want to keep forever ... but am not prepared to risk my relationship or family neither, so am in a catch 22 ... I’ve now lost 4 of my best mates and on top of that, I still owe money to them. Do you see what I mean? If losing friends, being in debt and suffering in silence living scared of losing someone you love is not harm, then I don’t know what is. Am not a free person, I am in a prison without walls you see”.

Collectively, **S15C.ABCD S2C.B** and **S5S1.A** seem to associate detriment with LCPs due to ease of use and features that link bank accounts to LCPs, for gambling partaken inconspicuously in the

comfort of their own homes. Availability perhaps signifies the common view of why so many research participants had a loyalty card and were perhaps perceiving elevated gambling involvements. Two relevant issues to consider in these instances: CRM strategies that facilitate gaming from home in a gambling context are in a way a big success to both consumers and gambling firms and yet, the product is having adverse effects on consumers' welfare. Unbeknown, gambling firms are conceivably unaware of the latter (technological detriment); hence, their 'subjective state of understanding' only acknowledges the success of CRM strategies but dismisses the dimension regarding the adverse effects of their loyalty program arrangements. Understandably however, where these undesired effects are subsets of other factors (e.g., psychologically susceptible persons) triggered by something else or transformation of other conditions, then, the researcher of this study cannot legitimately attribute all these harmful effects to LCPs in isolation. Even so, research participants' statements would still require further exploration in order to confirm their assumptions rather than be taken on face value. Simultaneously, it is still sensible to claim that these discoveries illuminate some levels of unintended consequences that conflict with true RM intentions.

5.3.6.2 Employees' View

Echoing with, and building on, describing the situation in more explicit terms, some employees professed that LCPs had certainly created additional avenues for customers to gamble outside their working environment (betting shops) and that in return, had made it more difficult for employees to monitor customer behaviour. Others, equally concerned, stressed expending loyalty cards particularly away from betting shops, 'removed' the ability to monitor customers out of their control (**S5DM.A; S4CEM.A; S21CS.B**). A sense of apprehension among employees is almost palpable in the ensuing citations.

"To be honest, am worried that gambling in store is being taken away from betting on the counter to online betting. I know customers like that; the value the loyalty card gives them in that they can now gamble in the comfort of their own homes. But, my worry is, who is actually watching these people? We can't! If they are not right in front of us, how can we monitor or implement responsible gambling? It's hard to police people who have been given freedom to gamble at will wherever they want" (S12SM.D).

“there’s nothing to stop them [loyalty program members], there is no limits, there’s no or... unless they set up limits on their loyalty card which they can do online, to say I only want to spend no more than £50 a day or a week, but if you [loyalty program member], leave it without a limit, it’s unlimited. You can literally spend £10,000 in one night and nobody will stop you. You can spend your life savings” (S3SM.A).

What is being put forward is that, in general, employees in a betting shop to some degree, have a duty of care to monitor consumers. Employees were also inferring to the fact that in store, where customers engage in gambling activities with or without a loyalty card, there were certain limitations such as traditional barriers of control through trading hours, as well as social norms that govern behaviour (Homans, 1961). The difficulty in the scenario being presented however, is that customers expending loyalty cards online on their own, in the comfort of their own homes, where no one monitors them was proving to be a big challenge as is also evident in the succeeding quote.

“What is more worrying is that customers now gamble more and more online than in retail shops So, that has taken away the responsibility of shop staff to monitor customers. If you are gambling in your own home 4 am in the morning, how am I to monitor that? Because what you do online, I can’t see that information even if you came back in store the next morning. You see? So that for me has created problems. I know the company wouldn’t want to stop doing that because the whole point is to encourage people to gamble when we are shut, but that has for sure created its own problems. Linking the loyalty card to an online account is not something that I support to be truthful” (S14SM.C).

To put it simply, using loyalty cards at home has created disconnects, with procedures put in place being counter-productive since employees are unable to process information that can be readily utilised at the point of consumption. This in a way suggests how useful in-store customer data would aid shop staff to make informed and prompt decisions to help customers, which says a lot about the contribution front-line employees working at the functional level of CRM make when it comes to interacting with customers and the difference that they could perhaps bring to CRM practices (Reinartz, Krafft & Hoyer, 2004). This hence, is an important practical contribution on how to operationalise loyalty programs.

However, it must be mentioned that although in some ways, employees were expected to monitor consumers, it appears no formal system is in place that stipulates that employees must monitor members’ behaviour vis-à-vis loyalty program usage. The current study thus, quotes Hancock and Smith (2017) to reinforce the point that it is attempting to establish: *“gambling has spread to*

internet platforms lacking consumer protections” (p. 1152). More worryingly, a recent report by the GC (2017) suggests that, *“the majority of online gamblers (97%) play at home”* and that on average, *“online gamblers have four accounts with online gambling operators”* (p. 4).

5.4 Summary of Analysis, Findings and Discussions Chapter

This chapter has presented the empirical findings of this study gathered from customers and employees of the land-based gambling sector. The discussions are a resultant of the research objectives that have been addressed through research questions. However, summarising what this study has found in a succinct and comprehensible fashion is almost impossible. But perhaps a few conclusions can be drawn.

- (a) Within the land-based gambling sector, on one hand, research participants endorse CRM strategies arrangements because LCPs provide program members sovereignty. This allows them to engage in conscious, deliberate, and voluntary activities as well as equip them with new knowledge about self-management. How LCPs are used astutely all reflected consumers’ freedom and self-rule.
- (b) Rites of passage among research participants reflect conditions for changes and changes in social structures as well functioning. Rites of passage facilitates individual, collective and cumulative experiences, shared ideas and concepts.
- (c) On the other hand, RM is regarded as a selfish gambling firms’ initiative with only the gambling firm’s interest as the objective behind the initiatives. There was a general distrust for the motive of gambling firms’ initiatives in relation to CRM practices,
- (d) Gambling firms do not engage the consumer when designing schemes or initiatives that govern RM,
- (e) Customers are not willing to enter into long-term relationship arrangements without their consent or knowledge,
- (f) LCPs can create harm and that the level of harm stretches beyond an individual loyalty card program member,
- (g) Among loyalty program members, LCPs modifies normal gambling behaviour into intensified gambling behaviour; hence, the findings of this study deem LCPs as decisive tools for fuelling unintended gambling behaviours among consumers,

- (h) Unethical marketing practices also contribute to both program enrolment and undesirable gambling involvement among LCPs users.
- (i) The research findings also concluded that in a gambling setting, there were no mutual benefits within RM.

Concluding from various research participants' quotes however, there was a stark difference of opinion among research participants about LCPs and the differences varied depending on individual experiential meanings, the pre-usage expectation in comparison with other retailers and detriment which obviously has a great impact on their level of evaluation. It has been gathered from these opposing views, that there are also conflicts between corporate interests and the interest of the consumer. In the same vein, where some employees implied LCPs were not 'by design' meant to reward every loyalty program member with a loyalty card, (e.g. **S10DM.D**; **S12SM.D**; **S13SM.E**; **S25CS.C**), nearly all consumers still felt that the information provided by gambling firms could be improved. Thus, the question here is whether the portrayed level of ambiguity given by employees to loyalty program customers led to the assumption on the customer's part that 'increasing larger bets needed to produce the desired incentives' (*see*, section 5.3.2).

At a rudimentary level, program members desire gambling firms to play fair and, that gambling firms deliver what they promise in terms of rewards. Discussions also revealed that customers expect not only comparable rewards for their money, and their invested resources, but high quality of service too in return for their efforts. With such understanding, the supposition is that if the outcomes were fair, consumers would be satisfied (Parker & Mathews 2001; Cropanzano & Mitchell 2005; Aggarwal & Larrick, 2012; Asiah et al., 2013). Fairness also referred to as 'justice', balances on an iterative 'give-and-take' process (Homans, 1958: p. 606; Rawls, 2009, cited in Tanford, Hwang & Baloglu, 2018: p. 108). By reciprocating through what research participants would accept as 'proportionate incentives', gambling firms perhaps would be perceived as reciprocating to loyalty program members for doing business with them, which in return would create more obligations of reciprocity on the customers' part. Besides, satisfied customers are more likely to build long lasting relationships with land-based gambling firms, lessening a search for alternatives, which can lead to defection (Reicheld & Sasser, 1990; Ritzer & Smart, 2001; Baron et al., 2010; Hollmann, Jarvis & Bitner, 2015). Beyond everything, it is suggested that those who believe the reciprocal exchange of valued benefits can occur, are perhaps willing to establish and

commit to exchange relations with a firm. Further, this study endorses Ma, Li and Zhang (2018) to say that the combination of LCPs and gambling is perhaps, a ‘two-edged sword’ (pp. 300-301). Whilst there is evidence of numerous benefits such as social, economic or psychosocial depending, at the same time, the current findings also reveal costs consumer associate specifically with CRM practices in the land-based gambling

It is also important to point out here however that, within SET and RM, there are no contracts made between actors. In effect, ‘no guarantee for reciprocal’ rewards despite investing valuable resources (e.g., time, money, effort, or shared aims) (Nunkoo, 2016: p. 590). In its place, obligations act as psychological contracts. Members are expected to undertake certain responsibilities and adhere to the principles of reciprocity (SET) (Gouldner, 1960; Ritzer & Smart, 2001; Zeithaml, Bitner & Gremler, 2013) and mutualism (RM) (Berry, 1995; Buttle, 1996). Another important point to consider is that exchange is not always an overt agreement or equal (Blau, 1968). In effect, neither party is under an obligation to deliver the relational exchange facet (Blau, 1968; Cropanzano & Mitchell, 2005). Effectively, reciprocity in the consumer-gambling firm relational exchanges, is largely based on trust (Morgan & Hunt, 1994; Hoppner & Griffith, 2011). This is because, in the absence of a contract, commitment, mutual trust and flexibility have a critical role in the development of exchanges (Cropanzano et al., 2017). To simply put it, “...rules and norms of exchange are “the guidelines” of exchange processes” (Cropanzano & Mitchell, 2005: p. 875). Nonetheless, because there is an element of expectation as illustrated by consumers that binds their beliefs of action to program rewards, achievement of a true sense of a mutually beneficial and reciprocal relationship might prove to be difficult for both customers and gambling firms in a relational scenario such as this.

The next chapter presents conclusion, recommendations and some suggestions that came out of this study.

Chapter 6: CONCLUSIONS, RECOMMENDATIONS AND STUDY LIMITATIONS

6.1 Introduction

This thesis explored how loyalty LCPs are employed within the UK land-based gambling sector, and central to this study is the dyadic relationship that customers and employees are involved in. The previous chapters sought to draw comparisons between the literature and primary data analysis as a means of determining the extent to which practice mirrors theory as part of the current study.

Having done so, this final chapter will focus on conclusions and recommendations. More specifically, understandings into CRM practices and their implications for the land-based gambling sector will also be considered along with the extent to which the present findings can be used as a basis for further inquiry. Contribution to knowledge and practice are also reviewed. This chapter will also revisit the research objectives in order to determine the extent to which they have been met. List of references and appendices conclude the thesis.

6.1.1 Conclusions

To gain a holistic view and provide proposals for future policy making, this study critically explored the extent to which land-based gambling firms make use of LCPs and how these programs are utilised to influence customer engagement.

It was important to gain a deeper understanding into the characteristics of customer relationship management strategies (CRM) that influence loyalty card programs (LCPs) usage among program members. To evaluate outcomes, the study drew on the structure of interpretative epistemology contributions recommended by Walsham (2006). In this respect, Walsham advocated that the first point of consideration be the intended audience, in order to ensure that a piece of research is developed with their needs in mind. It is subsequently necessary to reflect upon the intended body of literature that the study will contribute to, before contemplating whether the research has indeed offered any new perspectives and insights to the existing body of work. Lastly consideration is given to how the work is likely to be used by others.

To achieve the main aim, the following research objectives were consequentially central to the research ethos and guided the level of depth and realm of the study.

- (1) To explore how loyalty programs, influence customer commitment and, understand experiences among program members within the land-based gambling sector.
- (2) To examine the extent, and in what ways, loyalty card programs lead to unintended behaviour among land-based gambling consumers.
- (3) To explore the potential individual and collective effects of loyalty card programs on consumers in the land-based gambling sector.
- (4) To provide recommendations to facilitate socially responsible customer relationship management strategies in the land-based gambling sector.

The study sought to build on existing studies (again, *see*, Appendix 1, p. 324) that have previously investigated LCPs in other sectors, the majority of which have used quantitative methods. As has also been discussed in sections 1.2, only a limited number of studies have explored the unintended consequences of LCPs, specifically in the UK land-based gambling context. Thus, given the commercialisation of gambling, understanding CRM strategies from a qualitative standpoint was important. The current study hence, adopts an interpretive paradigm that accommodates the exploratory nature to gain an in-depth understanding of individual experiential meanings of LCPs members. In addition, Klein and Myers' (1999) interpretive research evaluation principles as a guide, was utilised to outline the research. Using qualitative data collection methods, along with a dyadic data provided deeper insights about the factors that customers and employees consider both important and burdensome from their perspectives, as well as those that they consider should be priorities for gambling firms.

By way of focus group and in-depth discussions, a detailed understanding of the discrepancies between research participants' beliefs, and what is practiced by land-based gambling firms – which somewhat would have been difficult to establish through quantitative methods was realised. Focus

group discussions and in-depth interviews also allowed the researcher to understand the extent to which land-based gambling firms practiced CRM strategies without adequate knowledge of the unintended or potential harm to their loyalty program members. Thus, interviews were robust in capturing the dynamic intensity of the involvement and contribution of SET alongside RM in the daily operation of CRM activities. By understanding loyalty programs and their potential unintended effects among consumers, gambling firms, policy makers and the Government could minimise the purported harm and appreciate its benefits. The study thus, will allow for informed decisions on policy that could be implemented within the UK land-based gambling sector.

This study hence, concludes as follows:

Objective 1: To explore how loyalty programs influence customer commitment and, understand experiences among program members within the land-based gambling sector.

This research found that although RM is a popular business concept, it is still not clearly defined, thereby contributing to the lack of existing consensus within the research and academic fraternity. The actual use of the term RM itself to most research participants within the land-based gambling sector is also absent. This suggests that RM is still largely an academic concept, or an ambiguous term that is used to embrace many other marketing concepts. RM concepts seem to be pursued by land-based gambling firms consciously or otherwise, without addressing the way they view, conduct or interact with their customers. This lack of understanding of RM forces marketers in attempting to create relationships with consumers, without really understanding what it means or how these relations would be managed and/or indeed, monitored.

As stated by numerous scholars, RM is a long term, voluntary, individual, human - business association involving a degree of emotional commitment, trust, intimacy, collaboration and interdependence (e.g., Grönroos, 1994; Gummesson, 1997; 2012). To elaborate, customers are not passive objects of marketing actions but resources actively participating in the process (Strandvik, Holmlund & Edvardsson, 2012; Payne & Frow, 2017). Hence, the need for both parties to be aware that an ongoing relationship exists (Gummesson, 1997; Kavali, Tzokas & Saren, 1999). For those reasons, establishing LCPs should place greater responsibility on gambling firms to ensure customer understanding and awareness of the on-going relationship.

Whereas gambling firms have good intentions when drawing RM approaches, the needs of the consumer when determined seem to be ignored, thereby forfeiting the purpose of linking the customer in the first place. In this regard, this study has discovered that customers are not consulted when creating or forming relationships with them. Hence, where customers do not want to be engaged in something they would define as a long-term relationship, they would rather have a more transaction-based approach than a relational approach. These particular views echo those previously expressed by some authors (Barnes, 1995; Blois, 1995, cited in Buttle, 1996: p. 7; Gummesson, 1997; Kavali, Tzokas & Saren, 1999) who asserted that customers do not always want a relationship and are sometimes not even aware of the existence of a relationship. The research study has also shown that the degree of customer orientation influences gambling firms' relationships with its customers. Although a lot more is now known regarding the nature of customer/operator relationships and what ordinary modern patrons expect from their service providers from such relational exchanges, how to deliver and sustain these, within this specific sector would need further exploring.

As stated earlier in chapter 5, some research participants indicated that there were constraints within the CRM structure. The purported constraints included issues such as the powerlessness to contribute to the relational arrangements due to the design of the LCPs structure coupled with directives apparently channelled from management to employees and not vice versa. This lack of cooperative processes has been attributed to inadequate information connected with individual customer dynamic needs, preferences, lack of customer input into CRM strategies, and poor knowledge of a customer's lifetime value (Reichheld & Markey, 2006). RM within the land-based gambling sector is considered a one-way process (from the service provider to the customer), therefore restricting and reducing the degree of personalisation in any communication process and service delivery. This was rooted in the fact that management were perceived as uncaring and detached from consumer interests. In consonance with Sheth (2017), loyalty program members opine that they are simply statistics and nameless entities to gambling firms. Other research participants also cite reasons such as a gambling firm's greed, manipulation and as way of doing business. This study hence, indicates that customers lack positive views of management as far as they are concerned. Thus, in this scenario, for the majority of gambling customers, RM may not necessarily be an appropriate strategy.

Additionally, and in line with Samaha, Palmatier and Dant (2011), this study also brought to light another important finding relating to the unfairness and distrust between customers and employees. From a consumer's perspective, the findings indicate that despite repeated social interactions by means of the loyalty programs, unreciprocated exchange norms and unparalleled expectations emerge from the contested relationship. The application and practice of RM by both employees and customers continues to be hampered by the lack of knowledge, awareness as well as the practicality of the CRM concept itself.

It has thus emerged during the course of this study, that close relationships in the gambling sector are characterised by scepticism. Furthermore, it also comes to light that unless firms are willing to put appropriate RM strategies in place to enhance the purposive mutual benefits of engaging in such relationships, Fixed-Odds Betting Terminals (FOBTs) and Self-Service Betting Terminals (SSBTs) will further weaken these already contested relationships. The research findings also indicate that gambling firms concentrate less on individualised client service. Due to lack of Comparison Level for alternatives (CLalt) (Thibaut & Kelley, 1959), and limited choices offered as rewards, the study outcomes indicate that mutual benefits can be attained for both parties if gambling firms commit to gaining an in-depth insight of consumer needs. Following this, these needs are to be translated into a set of relationship benefits and thereby supply requirements to facilitate the provision of the ensuing relationship arrangement. This study hence, has contributed to understanding issues which customers consider important to them (value), (Palmatier et al., 2006; Henderson, Beck & Palmatier, 2011; Yoo, Berezan & Krishen, 2018) from the relationship remain scant at present.

In addition, loyalty program members maintain gambling firms use delayed reward practices that require unremitting effort on the loyalty program members' side (McLeod, 2007). It is also important to consider the findings that suggest gambling firms do not adequately communicate about incentive processes. This tends to be down to unclear terms at which customers can earn benefits and rewards. As a result, clients do not get as much from the relationship as the firms do. This important imbalance that emerges addresses a key assumption in multiple variations of relationship marketing of the win-win (mutual benefits) relationship between the client and gambling firms. In particular, the current study upholds the calls of Leenheer et al. (2007) and Voorhees et al (2014) to explore the economic, psychological and sociological mechanisms for

resulting in a RM win-win outcome or, the imbalances of outcomes that is where the client gains significantly less compared to the firm and that gambling firms make greater profits and taxpayers get higher tax receipts than individual persons enrolled in LCPs for gambling purposes. Therefore, a lack of communication seems to contribute to this imbalance of gains between gambling firms and loyalty program members.

Consequently, land-based gambling firms should perhaps focus more on improving, as well as investing in customer participation in loyalty program design, as this would enhance satisfaction and comparable trade-offs (Zeithaml, 1988; Beck, Chapman & Palmatier, 2015) or operate with what Bagozzi (1975: p. 33) calls “*quid pro quo mentality*”. Furthermore, gambling firms should also reciprocate by giving out valuable information that is not readily available to consumers. More importantly, firms should state the investment required (e.g., money, time, effort, risk) as well as consider the unearthed drawbacks of CRM and incentives processes in the long run.

That said, from the customers’ perspective, there are positive LCPs’ influences among research participants such as claims about rites of passage, sovereignty and power. Power in the context of customers’ perception of LCPs can be theorised as the ability to control the resources for involvement (e.g., time, money, effort) whilst securing rewards simultaneously. These resources determine loyalty program members’ willingness and ability to enter an exchange process with gambling firms and in return, influences their perception of LCPs. Besides, because a loyalty scheme creates social interactions that take place during the exchange process which enhances the experience between employees and customers and among customers, and also, connects them to their community, this exploration culminating with a stronger sense of self-management, extends to society to which they are a part of. Thus, on general terms, research participants’ narrations fit into Asiah et al’s. (2013) definition of programme satisfaction: “*members affective state as a result of cumulative evaluation of experience with the loyalty programs*” (p. 38). And, despite the fact that diminutive knowledge amongst individuals interviewed seemed to be a barrier at the outset, the fact that some individuals did not experience negative effects from LCPs but view it as a potential way of self-management in itself is a positive experience for consumers from this study although this again, may be down to consumers who have a high internal locus of control. Still, acknowledging benefits such as sovereignty and rites of passage and other incentives brought to light within the current research, remain integral (Parke & Griffiths, 2004).

In addition, there is also evidence to suggest that some loyalty program members would want to have or, would value transparent and meaningful relationships with their respective gambling firms. Hence, designing relationships that offer customers value and meets individual expectations by gambling firms would likely create desire to maintain mutual relationships with customers. For those reasons, the current study suggests that unless gambling firms include customers in the design, implementation and maintenance of these relationships, the development of RM within the gambling firms sector will succeed only where gambling firms are conscious of the supportive nature and processes involved in the offering of relational benefits to consumers (confidence benefits, social benefits and special treatment benefits) (Gremmler & Gwinner, 2015; Lacey, 2015). This study also shows that the co-creation and management of customer value increasingly represents a source of competitive advantage in the current market place (Allaway et al., 2011; Bull & Adam, 2011; Kandampully, Zhang & Bilgihan, 2015). The big question is whether gambling firms are willing to involve customers in the co-designing of such long-term win-win relationships.

In conclusion to research objective 1, this study discovered most customers appear cynical about gambling firms, unsatisfied with their relations because of a lack of co-operation, and interdependence. This conclusion is based on the fact that while consumers are encouraged to join LCPs' arrangements, the incentives "*offered to them are supplier specific*" (Tzokas & Saren, 1997: p. 111, cited in Tzokas & Saren, 2004: p. 129). This study also concluded that although RM maybe fundamentally vital for customer retention purposes, not all business circumstances may be suitable for this strategy. Hence this study has identified a gap in the relationship between gambling firms and loyalty program members. More specifically, this schism is characterised by two main factors: a lack understanding of what customers perceive as relationship value and, strategies on how firms deliver or are able to communicate this. To this extent, the present study has brought to light the inequalities that exist in the academic description of RM from the viewpoint of the consumer. Additionally, the related literature reveals that RM has quantifiable positive benefits which bare long-term effects on the relationship between the consumer and the supplier. And although CRM strategies are seen to profit businesses directly and the benefits easily pinpointed for the businesses, the same cannot be said for the consumer. Rather, consumer benefits are elusive and as established in this study, come with inadvertent consequences. Thus, the benefits are perhaps context based

and should not be generalised across industries. Because of this, a considerable amount of research is required to bridge the gap in understanding.

Objective 2: To examine the extent, and in what ways, loyalty card programs lead to unintended behaviour among land-based gambling consumers.

The researcher of this study recognises that in searches for answers vis-à-vis CRM processes from both parties, assessing the genuineness of LCPs' arrangements is perhaps based on subjective experiences and circumstantial evidence. Thus, the converging lines of arguments are pointing to differences between, and amongst research participants and these contradictions are both intricate and multifaceted, blending positive and negation thinking relating to LCPs practices. For example, some research participants infer enrolling into schemes is not solely due to customer's individual interest or demand, but rather, other factors such as interpersonal relationships, rewards acting as stimulus, 'financial appeals' and, 'institutional forces' contributing to this phenomenon (Thomas et al., 2012: p. 124; Eagle & Dahl, 2015). Simply put, there appears to be a distinct sense of manipulation at play on the part of the gambling firms. This study also discovered that gambling firms habitually use tangible reinforcers such as prizes, VIP special treatments, money, and other desired incentives to motivate and increase customer repeat participation behaviours. In addition, incentives (free bets, free draws and vouchers) rewarded/ awarded to customers can only be redeemed through continued gambling in store or online. This, in a way, not only restricts freedom of choice and action but also, creates dependence (CLalt) (Kelley & Thibaut, 1978; Molm's 1997; Nguyen, Simkin & Canhoto, 2015).

Inferably, where there is lack of reward variety for program members, this inevitably contributes to the development of undesirable maladaptive behaviours; again, raising the question of whether program members in question are "*sovereign or subject*" (dependence) (CLalt) (Kelley & Thibaut, 1978; Slater, 1997: p. 32). In consequence, it has been discovered that firms to some extent either intently or, by proxy, exploit patrons because they rely on the benefits and services that gambling firms offer in betting shops (e.g., low risk, accessibility, sense of community, rewards) (Gwinner, Gremler & Bitner, 1998; Smith & Simpson, 2014). This is informed on the basis of evidence collected from both consumers and employees that the combination of lure and rewards are thought to provide the ideal components for the compelling nature of LCPs.

The qualitative exploration of the use of the LCPs has also generated an interesting pattern of findings surrounding the rites of passage from initiation of normal customer to reincorporation of inhabiting in a LCPs' community. In particular, portions of the thematic analyses showed that employees are expected to play an important role in fostering the customer's sense of community, as well as connection to the rewards they receive for whom they are (in terms of their identity as a LCPs member) and the lack of the same rewards from whence they came (in terms of having been identified as a non-program member). At face value, for a consumer, these types of benefits were found to be important because they perhaps, increase trust in the provider, diminished the perception of risk, and enhanced knowledge of service expectations exchanges (Berry, 1995; Henning-Thurau, Gwinner & Gremler, 2002). Besides, loyalty program members enrol and indulge when they receive free incentives (Kumar & Reinartz, 2018).

It also seems that, more concerted attempts are made at recruiting customers to encourage loyalty cards usage when partaking in gambling activities both in store and, from their individual homes. Both members purported this was heightened for monitoring customer spending and gambling patterns to the benefit of land-based gambling firms. What also appears to have emerged as far as program incentives are concerned is that failure to communicate adequately, or lack thereof, between employees and consumers, was one of the key issues that perhaps, created misunderstandings in how LCPs operated. Of note, research participants' claims also indicate loyalty program members are at liberty to supersede safety measures put in place by gambling firms, thereby self-defeating; indicative that such strategies perhaps lack effectiveness both when users are gambling in store or from home. Such exclusions as well, render employees and in-store behavioural monitoring and management strategies futile. This hence, is an important practical contribution that aids our understandings into how CRM is institutionalised within the land-based gambling sector.

Looking through a constructivist lens, there appears to be something sinisterly wrong with the types of approaches by gambling firms. Although the researcher wondered as to whether this was not only unethical practices but, a corporate social responsibility issue too (Kavali, Tzokas & Saren, 1999; Carrigan et al., 2017), pursuing this line of argument was out of scope for the purpose of this study. However, to negate such, gambling firms should perhaps collaborate with other businesses operating in dissimilar business environments such as food, drinks, entertainment and, general

retail. Providing program members with alternatives rather than gambling would be seen as enhancements rather than manipulation as claimed earlier by most research participants.

Thus, these findings though interesting are somewhat surprising as they highlight potential gaps to be explored through future academic inquiry. The current findings are also inconsistent with other studies which pointed to a growing practice amongst some gaming companies whereby data sets generated through loyalty cards were being used beyond promotional and marketing activity. More specifically, companies apparently, 'were increasingly using these data sets to identify problem gamblers and identify related behavioural trends' (Griffiths & Wood, 2008: p. 107). Perhaps, Griffiths and Woods' observations are dutifully practiced in other gaming companies other than betting shops because, it is clearly portrayed by the research participants' citations in this study that land-based gambling firms within the UK are in effect being accused of using electronic customer data to target customers. Noticeably absent also from Griffiths and Wood supposition, is the level of harm that these LCPs appear to generate among program members as palpably discovered in this study. And although the same authors suggest "*Responsible Gaming Cards or Player Cards*" that encourage "*awareness of personal gambling behaviour*" and also, help manage gambling behaviour especially among vulnerable players should be utilised than loyalty cards that reward behaviour (p. 107), the present study uncovered no evidence of such type of practice or approach. If such cards indeed do exist, both customers and employees seem oblivious to them which again points to the issue of unawareness. However, protecting vulnerable players would be consistent with The Gambling Act, 2005.

In spite of the narrative presented thus far, there are still some unanswered questions. For example, though some research participants expressed anger, resentment, and dissatisfaction with LCPs, (proposal of aggression and approval) (Homans, 1961), there was little evidence to suggest that they would easily want to terminate their relationship with gambling firms. In reality, some study participants were supportive of the CRM concept. For instance, the divergent and conflicting views are that whilst some claimed LCPs engendered harm, others unveiled feelings of satisfaction from the same; some program members perceive LCPs as 'a means to an end' (Woodruff & Gardial, 1996: p. 65; Mimouni-Chaabane & Volle, 2010); others unveil feelings of satisfaction from their gambling involvement via LCPs, whereas in other cases, some express unfairness and dissatisfaction altogether. Again, this is because, the current findings show some research

participants to some degree described manipulation and its social effects from their held view, whereas others appeared not to criticise the unintended consequences of these approaches as such. Rather, they appeared to concentrate more on issues such as environmental variables, delayed rewards and, cognitive processes as well as the functional aspects of day-to-day marketing settings, coupled with existing manipulative CRM systems (McLeod, 2007; Nguyen, Lee-Wingate & Simkin, 2014; Eagle & Dahl, 2015). The differing perceptions among customers about marketing however, would perhaps require longitudinal studies to further examine and understand how they originated and, why they exist.

All that considered, the decision to remain in a relationship could be placed on two factors: cognitive (accessibility and convenience) and conative (perceived switching costs) (both monetary and non-monetary) (Edward & Sahadev, 2011; Henderson, Beck & Palmatier, 2011; Baloglu, Zhong & Tanford; 2017) not purely out of choice, moral responsibility, or affective loyalty (emotional, commitment, satisfaction and trust) (Griffiths & Wood, 2008). Conversely, from the consumers' perspective, staying could also have more to do with self-interest (i.e., rewards, social, and preferential treatment benefits) (Gwinner, Gremler & Bitner, 1998; Dorotic, Bijmolt & Verhoef, 2012; Ma, Li & Zhang, 2018). Consumer inertia (e.g., habit) and perceived risk are also just some of the factors that perhaps influence loyalty program members to stay with respective gambling firms that offer a sense of identification and security (confidence benefit) (Lacey, 2015; Pez, Butori & Mimouni-Chaabane, 2017). This study thus, proposes these as being some of the possible reasons loyalty program members choose staying rather than terminating the relationship. This assertion sits well with other previous authors who in the same way say that, on condition that one's outcomes exceed CLalt for a given exchange relationship, the party in question will have a degree of dependence on the relationship because it affords greater rewards than can be achieved outside of the relationship (Thibaut & Kelley, 1959; Molm, 1997; Ryu & Lee, 2017).

Considering the level of customer service and the inherent interactional aspect within the land-based gambling setting, customers also develop favourable views towards gambling firms (Austrin & West, 2005: p. 312). Besides, in some cases, loyalty program members appear to be dependent on gambling firms because they have limited choices and options that would prompt them to switch (CLalt) (Thibaut & Kelley, 1959; Palmatier et al., 2006). Whatever the case, further studies would be required to explore why customers settle for the status quo despite the unearthed misgivings.

Thus, the findings of this research are paradoxical because this study has not shown that society is worse off with LCPs permitted in the land-based gambling sector because, even though some research participants expressed adverse effects, others were generally of the view that LCPs were a benefit to them. Hence, such permutations make it difficult to arrive at irrefutable results.

Objective 3: To explore the potential individual and collective effects of loyalty card programs on consumers in the land-based gambling sector.

Astonishingly, research participants of this study individually and collectively associated some level of harm exclusively to LCPs. The undesired effects were demonstrated to be related in three possible ways: psychologically, economic compulsivity and systematically. Psychologically factors related to the said undesired effects as research participants claim to have noticed pre-occupation with gambling thoughts and concealment. Economic compulsivity was highlighted since some participants seem to provide the impression that they had in effect noticed elevated levels of gambling involvement, including instances of increases in actual gambling participation, loyalty program usage or purchase levels, as well as substantial intervals of time spent betting to accumulate points or qualify for a reward. Effects were found to be related systematically as some research participants seem to allege that resisting or steering away from gambling activities since LCPs had created some form of ease of access on their part and dependence was challenging (CLAlt) (Thibaut & Kelley, 1959). This according to them [research participants], subsequently influences their ‘decisions’ and ‘conducts’. From existing literature however, (e.g., Reichheld & Sasser, 1990; Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2007; Dagger, David & Ng, 2011; Melancon, Noble & Noble, 2011), these varied revealed harms appear not to have been explored in detail or indeed most studies do not shed much light upon. Yet still, regarding these factors, it is sensible to empathise that there may be a correlation, rather than a causation linking LCPs and harm.

Based on the empirical data generated by this study, there is perhaps an indication that LCPs and gambling are perhaps mutually incompatible and that CRM approaches might not be suitable for some business sectors. As we have noted, literatures on RM or CRM place emphasis on the benefits rather than recognise harmful behaviour as an intended behavioural consequence for loyalty program members (*see*, section 2.6.2) and the aim is to reward consumer attitudes, behaviour, build

long-term relationships and loyalty, for mutual benefits (Grönroos, 1994; Alshurideh, 2016). Besides, in the described context, though the win-win might be to the individual, the benefits are not necessarily transferable beyond the individual loyalty program member. Therefore, since more often, LCPs are not evaluated based on unintended alleged harmful effects, these findings are an important contribution to new knowledge (Nicholson et al., 2018).

Hence, there is some significance to these findings given that, research participants infer that in a gambling environment, there is no getting away from harm particularly for loyalty program members. In effect, loyalty program members are exposed to two sources of unintended harm simultaneously: LCPs and gambling both of which though not by design intended to create detriment, have been discovered to pose undesired effects (harm). This is an important theoretical contribution that helps us to understand CRM in that the intended effects perhaps differ industry by industry. For the same reason, the current study findings therefore, are inconsistent to what, and how, the extant literature discusses CRM strategies in terms of purpose in at least two major respects. Firstly, there seems to be some evidence that indicate LCPs deployed under the CRM concept to some degree, are being associated with gambling-related harm by loyalty program members. Secondly, LCPs, again, though primarily designed to reward consumer purchasing behaviour, inadvertently effect harmful consequences to a program member and, to those around them (ripple down effects). And although these findings should be interpreted with caution, they are rather interesting, in that they undermine the popular assumptions that CRM strategies practiced under RM are intended to reward behaviour and attitude for mutual benefits. To mean gain value, not detriment. Conversely, to negate the purported harms, gambling firms at minimum should endeavour to market CRM strategies responsibly because afterall, the tools are good for building and preserving long-term exchanges (Homans, 1958; Macneil; 1980; 1983). The aim now should be how gambling firms can go about finding ways in which to mitigate the purported harm.

Then again, this study found that most loyalty program members were rational and responsible for their program involvement vis-à-vis gambling actions (Theory of Planned Behaviour) (Ajzen, 1991). In this way, some of the effects related to costs incurred were foreseeable and allowed for by individuals in the willingness to enrol in LCPs (Theory of Reasoned Action) (Ajzen & Fishbein, 1980) for gambling purposes (private costs) (Collins & Lapsley, 2003). On the contrary, program members were not aware of the potential harmful effects at the outset. This then raises issues that

need considering within the RM concept twofold: firstly, the belief that RM is at the heart of the marketing philosophy in terms of mutualism where harm is being purportedly occurring. Secondly, as researchers, we are also forced to examine ethical issues of retaining customers through legal, economic, and technological bonds where harmful CRM practices seem rampant to the firms' benefit.

Objective 4: To provide recommendations to facilitate socially responsible customer relationship management strategies in the land-based gambling sector.

This study provides empirical evidence that should encourage researchers, firms and, policy makers to consider the marketing practices of LCPs to ensure consumers are protected from potentially engaging with harmful practices present in the land-based gambling sector. The key findings of this study highlighted issues that must be addressed to negate the undesired consequences of LCPs on land-based gambling customers. In this section, the researcher proposes key approaches/initiatives in form of recommendations for policy makers, the government and gambling firms towards tackling those issues that have been identified in previous chapters.

Due to the unique nature of gambling which has both passionate proponents and strong challengers, combined with a world-wide liberalisation of gambling by the UK government (*see*, Gambling Act 2005; Forrest, 2013), it is important for legislators to take into considerations consumers' opinions. The latter plays an important role in ensuring that new legislation is put in place and, that policy makers are making informed decisions and choices. That way, gambling firms will still be able to operate with full benefits whilst curtailing the harm that is being purported among loyalty program members. From this study, relevant lessons can be drawn for future discussions on LCPs in various other sectors.

In order to engage with these dynamics, policy makers require a policy practice framework that moves beyond working with gambling firms to recognise a) the differential weight of influence that LCPs within land-based venues bear in shaping the behaviours of loyalty program members and b), the impact that extra-familial settings can have on the ability of employees to become protective as well as proactive in observing and reporting potential harm to establishments. The proposed policy practice framework / initiatives intended to assist LCPs in the gambling sector are

conducted more responsibly are thus presented as recommendations now summarised in Table 6.1 and discussed thereafter.

Table 6.1: Key issues to consider for responsible LCPs in the gambling sector

Key issues identified	Recommended Approaches/Initiatives	Responsible Actors
- Insufficient awareness of the negative effects of gambling (<i>see</i> , Section 5.2)	- Though harm is well established in literature, from the gambling context, there is a need to create awareness on the possible negative effects of LCPs to help customers in making informed choices	- Gambling firms - Government - GC
- Low compliance to the gambling Act 2005 (<i>see</i> , Section 5.2.2)	- Improve policy compliance amongst firms with LCPs.	- Government - GC
- Conflicts of interest between gambling firms and customers (<i>see</i> , Section 5.3.1)	- Create an autonomy ombudsman to oversee all LCPs activities	- Government - GC
- Loyalty programs create harm (<i>see</i> , Section 5.3.4)	- Regulating LCPs through shared database systems - Establish a special fund for victims of gambling addictions	- Gambling firms - Government - GC
- Lack of communication and customer input into LCPs design (<i>see</i> , Section 5.3.5)	- Engage with customers in designing LCPs	- Customers - Gambling firms

Create awareness on the Potential negative effects of Loyalty Programs to help Customers make informed Choices

As has been discovered in the present study, the most common form of communication in a betting shop is face-to-face interaction between frontline service employees and customers. This study reasons that the consequences of abridged information and lack of communication could be the main factor in causing difficulties in operationalising mutual relational exchanges for both gambling firms and their consumers. As such communication consisting of timely and truthful

exchange of information (also explained as the amount, frequency and quality of information shared between exchange parties), should be considered as a fundamental element of CRM arrangements in the gambling firm/customer relationship.

In the context of the UK land-based gambling companies, consumer engagement should therefore refer to the company actively coming in direct interaction with the customer to educate them and create awareness of their products and services offered by them. Thus, gambling firms should endeavour to communicate with their customers and not just advertise LCPs, but also keeping all customers informed with up-to-date news concerning their overall welfare including potential harm from loyalty program engagement. These could be done in several ways, e.g., organising seminars and workshops, social media, displaying posters in store or online, develop and create awareness forums/events to promote openness, word of mouth, and active discussions at different locations for stakeholders including customers, employees and gambling firms. Such activities should be a collective responsibility of the Government, GC and gambling firms. These stakeholders should work together to launch national campaigns that would perhaps display warning messages of potential risks or harm, just like food, alcohol and cigarettes or, de-market loyalty programs.

Then again, Griffiths and Wood (2008) however, doubt the application of a loyalty card which will reduce harm, extending this to key stakeholders such as regulators, owners and consumers, arguing that these latter groups are unlikely to view such an initiative as being credible (p. 107). Although this may be true, the current study suggests otherwise. In effect, the current study advocates that through meaningful frequent communication and stricter monitoring of gambling calculated via loyalty program usage, both at home and instore, LCPs could become useful tools for preventing potential harm from occurring. This study hence seems to oppose the views of Griffiths and Wood (2008), and Wohl (2018), who say that LCPs in the “*gambling industry may be antithetical to harm-minimisation strategies*” (p. 2). Rather, this study suggests that if LCPs are deployed correctly, as a corporate social responsibility approach, there is a possibility such an approach could make a positive difference to consumers.

Improve Policy Compliance amongst Firms with Loyalty Programs.

Evidence from the literature and findings from this study appear to indicate land-based gambling firms are not complying with the provisions of the Gambling Act 2005 as well as the Gambling

(Licence and Advertising) 2014 Act. To address the perceived low level of compliance with the policy, the GC should introduce stricter penalties for both firms and loyalty program members. Such penalties can be in form of financial fines or withdrawal of gambling licences from companies that are found wanting. With this approach, the government can enforce regulatory policies to safeguard and protect consumers' interests and population at large.

Create an Autonomy Ombudsman to oversee all Loyalty Programs activities

In chapter 5, another important finding illustrated by the current study was the conflict of interests which often arise between customers and gambling firms. Unlike other sectors such as banking (overseen by FCA); schools (overseen by Ofsted); Telecommunications (overseen by Ofcom) and many others, the challenge is that the GC that is responsible for gambling appears to self-regulate and self-govern, thus perhaps taking on “*multiple & conflicting roles*” (Hancock, Schellinck & Schrans, 2008: p. 56). This suggests the need for an independent party to oversee issues of conflict(s) in the loyalty program space. The Government therefore, through the GC, should create an autonomous ombudsman to oversee all LCPs activities, not just gambling. This will minimise potential conflicts of interest. Furthermore, customers will be able to make direct complaints or report practices that incentivise overconsumption of gambling activities or engender harm. In doing this, gambling firms will still yield benefits while minimising harm.

Regulating Loyalty Programs through shared Database Systems

In section 5.3.4, it was discovered that LCPs are being associated with creating harm to loyalty program members due to a disconnect between data base systems amongst, and within firms. Thus, the argument here is that, if there was a system that could be accessed by shop staff before and after loyalty card usage to indicate or flag up consumption that occurs away from betting shops, it would create opportunities to observe customer behaviour and allow for proactive actions at a functional level. Hence, intrinsically, what was put forward was how useful in-store customer data would aid shop staff to make informed and prompt decisions to help customers. Such systems would not only permit employees to present their observations, provide critical ideas, information and feedback to management, but allow for dialogue with program members and interaction with colleagues from other shops within the firm.

This study therefore suggests that gambling firms should adopt shared LCPs database systems such as those in the banking sector or the NHS (Summary Care Records) (SCR) (nhs.uk) to help locate and manage numbers of loyalty cards possessed by individual customers within respective gambling firms. This way, program members with an active account could be restricted to only 1 or 2 cards across gambling firms, thereby reducing potential harm and promiscuity of multiple card holders (as seen in Table 4.10) (Davies 1998; Griffiths & Wood, 2008; Wardle et al., 2014; GC, 2017). Creating a comprehensive hub of readily available customer data that can be easily shared upon request or presented to employees working in a face-to-face role in a betting shop environment without needing to contact anyone else, would perhaps bridge this gap and eliminate the aforesaid problems. Firms should also place online betting limits for program members rather than place the responsibility on the consumers' discernment.

In addition, as was suggested by one interviewee (**S9C.D**) (*see*, Appendix 20: p, 367) firms should adopt software systems such as those found in UK local council libraries that are timed, so that customers can only spend a restricted amount of time on electronic gaming machines (EGMs). Electronic gaming machines could hypothetically be equipped with software that monitors and thereupon, terminates loyalty program member sessions or, offer shorter sessions with no extensions unless at the discretion of a shop manager. Limiting automatic extension to program members would ensure that where customers wish for continual player activity, they would have to seek authorisation; allowing for employees to assess customers or intervene periodically, in turn minimising as well as preventing potential harm from occurring. In addition, as an accepted practice, loyalty program members should be monitored by employees relative to the type of activity, money spent and duration of card usage during play.

Furthermore, land-based gambling firms should also spend more time and money to help address the needs of consumers that admit having experienced adverse effects from LCPs arrangements. Although existing evidence from the GC indicate that the gambling industry contributes money to worthy causes (GC, 2018), the GC should still encourage gambling firms to set aside a certain percentage (e.g., 1%) of the annual profit after tax to a special fund as part of Corporate Social Responsibility (CSR) (Carroll, 1991; Hancock, Schellinck & Schrans, 2008) initiatives towards providing healthcare supports, education through social marketing or rehabilitation programmes

for victims of problems resulting from loyalty program usage. This is another way that gambling firms could invest money and promote responsible consumption among loyalty program members.

To encourage ethical thinking, the Government should perhaps offer a stimulus for all stakeholders' participating to interact and engage with each other on this pertinent issue. Implementing ethical thinking and not just promoting individual CRM business models should be a collective effort among all land-based gambling firms. Whilst the proposed recommendations sound radical, some studies have shown that problems associated gambling in general, pose similar risks to tobacco, alcohol and drugs (McMillen, 1996; Banks, 2017) with the earlier suggestive costs of problem gambling ranging between “£260 and £1.16 billion” (Thorley et al., 2016: p. 5 cited in Manthorpe Bramley & Norrie, 2017: p. 336) (*see*, section 2.2.10).

Engage with customers in designing Loyalty Card Programs

In regard to customer engagement, it was discovered that gambling firms rarely engage with customers when designing their LCPs. This perhaps, might be the reason why customers' welfare and concerns are not captured in the existing CRM structure within the land-based gambling sector. Since CRM is a whole process by which relations with customers are built and maintained, there is need for dual creation of value: customers need to participate in CRM to reap value from firm's CRM initiatives. This in turn will help equip loyalty program members with knowledge of the benefits and potential consequences of LCPs. To achieve this, gambling firms should promote loyalty program members to reach out with questions, comments or concerns through weekly/monthly newsletters, thereby encouraging a two-way flow of communication. Taking an active interest in what loyalty program members want, would show that their opinions matter; thereby building long-term lasting and trusting relationships. This is because, whether in the spirit of business or otherwise, frequent and relevant communication has the capacity to facilitate meaningful dialogue which fosters trust, cooperation and reliability, all of which remain pivotal to sustaining and managing long-term stable relationships (RM) (Czepiel, 1990). Specifically, Asiah et al. (2013) posit that it is only 'through regular contact' with customers that firms will likely 'grasp' the full extent of consumer expectations (p. 6).

Since gambling firms currently operate LCPs using online mediums, in future, they could involve social media for customer-led interactions and depart from the status quo of “*value creation*

through exchange” to “*value creation through use*” (Payne & Frow, 2017: p. 13). Value through use facilitates customer participation, which in turn is crucial to the creation of mutually beneficial relational outcomes (Payne & Frow, 2017). Thus, the need to capture customers views/opinions and desires across all the phases of LCPs design: from LCPs development to post sales services and support. Inclusivity is thus viewed as being core to the facilitation of a relationship that is fair and equitable within this context. Besides, given that RM is not just about focusing on customer acquisition and retention but also building mutual long-term beneficial relationships (Berry, 1983; 1995; Pan, Sheng & Xie, 2012), managers should perhaps find ways wherein both hedonic and utilitarian value can be co-created along with potential harm illuminated through customer participation. This is simply because such worthy approaches in the long run can contribute to long-term relationships (Morgan & Hunt, 1994; Taleghani, Gilaninia & Mousavian, 2011) and return on investments (Mattila, 2006; Lusch & Vargo, 2014; McCall & McMahon, 2016). By creating an understanding of, and ability to, embrace interdependence, both actors need to be able to accept responsibility for that mutual creation. In addition, gambling firms should reach out to customers first rather than encourage consumers to enrol for continual gambling purposes. Thus, gambling firms should be seen to proactively preserve and improve social equity, the well-being of their customers by highlighting any potential harm that LCPs may have. This is not difficult if firms adhere to the Gambling Act of 2005 which advocates to be seen not to do harm. The need for improving communication and customer engagement in this context cannot be over emphasised.

Concerning reward design and incentives offered to program members, gambling firms should perhaps differentiate as well as personalise program incentives so that when loyalty program members spend certain amounts of money pursuing incentives, firms should not encourage them to redeem rewards in store on gambling (see, Appendix 21: p, 375). Rather, they could provide consumers gifts of value that benefit their lives outwith dyadic relationships (i.e., gambling) and cater for dynamic needs of customers, providing them with something that would benefit their families and society (hedonic consumption) (Kumar & Reinartz, 2018). Gambling firms could also partner with retailers in other sectors so that rewards can be varied. Thus, customers should be encouraged to select rewards or events of their choice that are roughly relative in monetary value to spend elsewhere away from gambling settings. For example, access to local events and experiences, going to local football matches, the cinema, concerts, or offer family events that provide fun within the community. Practised in this manner, gambling firms would be making a

connection with their community which would be recognised as an effort to minimise harm whilst at the same time building win-win relationships.

6.1.2 Contributions of the current Study

With any research study, there is the need to first and foremost address contribution (Corley & Gioia, 2011; Nicholson et al., 2018). As postulated by Mintzberg (2005 quoted in Corley and Gioia (2011: p. 17), “*theory is of no use unless it initially surprises—that is, changes perceptions*”. The current study thus, offers a twofold contribution: knowledge and practice. Firstly, this study offers originality which is incremental of our knowledge and understanding on a given topic (LCPs in this context). Secondly, this study is revelatory as it reveals LCPs can engender ripple down effects yet, in other previous studies, this discovery appears to not yet have been ‘seen, known or envisioned’ (Corley & Gioia, 2011: p. 201 cited in Nicholson et al., 2018: p. 208). Thirdly, the current study offers utility also explained as practicality or usefulness of theory which managers and service providers could use or apply directly to the problems they may be encountering during their day-to-day practice (Nicholson et al., 2018).

6.1.2.1 Theoretical Contribution: Social Exchange Theory and Relationship Marketing Co-Existence Models

To the current researchers’ knowledge, it appears that extant studies have not yet conducted research on the undesired effects of LCPs using SET and RM theories tandemly and more specifically, in a land-based gambling context and, although CRM concepts have and continue to experience abundance of research especially in the services industries (see Section 2.2), in the UK land-based gambling sector, it is still in its infancy. This study thus, extends previous studies on the understanding of LCPs in the services industry and, contributes to marketing literature by viewing CRM strategies as potential sources of detrimental effects, develops original knowledge and, applies two co-existing marketing theories to a gambling context (“*new context*”) (Nicholson et al., 2018: p. 208).

As the current study has also discovered, the UK land-based gambling firms under exploration seem to practice both Social Exchange (SET) and Relationship Marketing (RM). Unlike the claims of a paradigm shift (Grönroos, 1994; Gummesson, 1997), SET and RM are two approaches that

co-exist, with interchangeable and flexible roles, one approach being unable to exist effectively without the other. SET and RM in the context of this study also changes our perception of the two concepts by identifying a relationship between SET and RM as that of interdependent concepts rather than competing models, establishing the intersection, and arguing that SET and RM are integrated and can be considered inseparable in understanding the dynamics of LCPs particularly in the land-based sector. Whereas SET can be considered as transactional, RM is a holistic process involving interdependent actors. RM focuses on mutualism or a win-win actor's situation whilst SET on the other hand has elements that helped to capture what the RM mutual benefits are through rewards, costs and resources, and outcomes. This is because, without assessing or exploring the economic, psychological and sociological mechanisms for resulting in a win-win outcome or, the imbalances of outcomes to explain costs from both parties' contexts, the win-win maybe to the organisation or loyalty program member yet the benefits are not necessarily transferable beyond the individual consumer (Anderson & Jap, 2005; Nguyen, Simkin & Canhoto, 2015). Consequently, the SET captured mutual benefits through rewards, resources and outcomes.

Concurrently, SET and RM have provided a) clarity by providing participants' different meanings and understanding what loyalty program members obtain from CRM practices; b) both constructs were viewed from different perspectives even when there were (dis)agreement of meanings among research participants. For instance, some research participants perceive RM practiced via CRM by way of LCPs undesired effects as costs that can be prevented or reduced through individual ownership and sovereignty. To simply put, rewards viewed as exchanges but also as costs (SET), or as relationship (RM). Another perspective is that CRM practiced under RM, is a functional instrument, but focus is on ways to manage the functionality of mutual benefits generated (through LCPs' incentives). A further perspective is that which perceives LCPs as consequences of ways wherein incentive processes are designed and arranged, as well as, the relationship significance between employees and consumers through social exchanges (SET). Thus, the evolution of SET is necessitating an RM approach and as consumers demand more interaction and involvement, gaps in the revealed views between customers and gambling firms will have to decrease to close them, although there is a possibility that such gaps would never meet due to differences in aims and goals. Therefore, for long term relationships to be complete, relational parties must take into consideration both concepts within and outside the relationship that either complement or distort the co-creation of the relationship process.

This study also confirms that employing CRM approaches is an RM and Social Exchange interplay based on three facets: personal cognition, relationships between and among members, and gambling firms' effort to establish and maintain relationships through reward systems. SET also assisted in identifying a connection between relational benefits (perceived/achieved), and the causal value consumers attach to being in a stable long-term relationship with gambling firms (pecuniary and aspirational perspective) (Griffiths & Wood, 2008). More specifically examining the extent to which clients feel like they received value for their resources given to the firm etc. Yet more so with LCPs, the interaction between the firm and the client has multiple social effects. For instance, the client takes home this social exchange interaction and outcomes, and the relationship for example, yet goes home with added unintended effects that inadvertently affect those close to the program member. Therefore, SET and RM adds to theory by expanding the scope at which the two theories are typically investigated and that is: the exchange. This study hence, contributes to new theory by applying the existing SET and RM frameworks along with CRM operations within a gambling context to tease out its implications regarding customers and employees.

This study also makes another useful revelatory contribution to our knowledge base that extends beyond a narrow gambling paradigm by highlighting that literature on LCPs as well as the unintended consequences of LCPs within the UK land-based sector is sparse. Furthermore, the majority of studies as identified in Section 3.5.3.1 and 3.5.3.2, focus on the benefits of LCPs with few identifying the negative effects (*see*, Section 2.2) and, no existing evidence of scholarship that has discovered ripple down effects emanating from LCPs; not just to program members but also to family members, friends and society (*see*, Section 5.3.5). These noteworthy ripple down effects for example, include marital discord and family neglect, imbalances in the distribution and fulfilment of family roles and responsibilities, financial instability and deprivation which in turn lead to stress that could feed overt and covert conflicts or violence, pre-occupation with LCPs' thoughts which progresses into gambling addiction, amplified gambling habits and risk-taking behaviours and, unwillingness of the loyalty program members' capacity to change behaviour for the better. By revealing that some factors surrounding LCPs unintended consequences are embedded in distinctive social and familial settings, when the behaviour of a loyalty card member spills over to other people (social costs), they become victims as loyalty program members invest vast amount

of resources in gambling activities. Thus, research participants distinguish their experiential behaviours threefold: what it began as (prior to program enrolment), the impact LCPs have had on their lives (during program tenure) and the consequences (after program enrolment) on their lives and those of others close to them. This study hence, can claim that since no previous study seem to have explored or discovered ripple down effects, this study adds to new knowledge. Ignoring the found new knowledge or not accounting for these ripples down effect underrates any costs to society.

This study hence, has allowed us to view LCPs fourfold: the purported engendered harm - as an outcome allowing the focus to be on unintended consequences rather than causes, is both subjective and socially constructed, can happen to both loyalty program members and potentially, to those around loyalty program members without having to participate in LCPs themselves (“*ripple down effects*”) (see Figure 6.1). Interestingly, such effects in other previous studies were uniquely linked to problem gambling (e.g., Neal, Delfabbro & O’Neil, 2005; Wardle, 2015: p. 18; Browne et al., 2016: p. 36; Hancock & Smith, 2017). Therefore, there is new empirical evidence that imply that ripple down effect exists as a common phenomenon amongst some loyalty program members even if the transmission mechanism is not yet fully understood. This study also establishes that the spill over terms are significant but the underlying behavioural explanations for the interactions which lead to the discovered pattern of the ripple effects are still not entirely clear. Four plausible explanations might be distinguished; rites of passage, equity available to repeat purchasers moving towards incentives, spatial awareness and, arbitrage betting patterns in the determinants of rewards or incentives that potentially progress into addiction. Accordingly, this study not only contributes towards ‘changing’ LCPs ‘perceptions’ (Mintzberg, 2005 quoted in Corley & Gioia, 2011: p. 17) but also, enhances scholarly insights into LCPs members’ rewarded behaviour specifically within the UK land-based gambling sector.

This study accordingly, has implications specifically for policy makers in that the findings suggests the purported harm did not arise through accident but were built from LCPs’ initiatives and strategic choices of management and that it is the consumer within this dyadic relationship that seem harmed within the CRM processes and arrangements. Policy makers hence, need to be aware of the spin-offs of LCPs within the UK land-based gambling context to balance the trade-off between gambling firm’s desire to provide loyalty programs for gambling opportunities and the

desire to minimise or prevent potential harm to loyalty program members who use them in harmful quantities. Consequently, policy makers should also perhaps begin to look beyond problem gambling widely discussed and addressed within literature and extend horizontally so as to include LCPs phenomena that are historically outside the boundary of gambling, and vertically so as to include potential harm.

The other contribution included an erosion of mutual trust and respect between the interdependent actors as well as suspicions about the dyadic relational exchange. By their own accounts, both actors within this dyadic relationship seem to find it difficult to trust each other. This study therefore, has developed an awareness and an understanding that CRM strategies within the land-based context can potentially create distrusts. In line with Nicholson et al. (2018: p. 208), these findings thus, challenge the “*assumptions that relationships are wholly positive*”. Our findings thus, raise questions for practitioners and theorists regarding LCPs practices within the UK land-based gambling context since such harmful effects seem to compete against the RM ‘mutualism’ concept and the eroded values of “*more win-win and less win-lose; more equal parties*” (Gummesson, 1997: p. 267; Morgan & Hunt, 1994; Bull & Adam, 2011; Gummesson & Grönroos, 2012). By implication, the loss of trust has ramifications for both firms and consumers since RM practices should be mutual and long-term. Consistent with Nicholson et al. (2018), this is a revelatory contribution.

Consequently, researchers and theorists will perhaps need to redefine the loyalty program concept. This nevertheless, would not sit well with the RM mutual benefit notion from which CRM and specifically, LCPs stem from (*see*, Section 3.4.2). These findings could also potentially raise questions for other industries such as fast fashion, extreme sports and the cosmetic surgery industry that may perhaps pose similar unintended harmful consequences. Then again, it could be argued that with the said industries, harm is much more visible and that there is also an element of physical consumption and self-limitation that is unarguably absent within a gambling context since gambling as an activity, is based a game of chance coupled with psychological consumption. Hence, most harms are concealed (Reith, 1999; Stevens & Young, 2010; Wardle, 2015; GC, 2018).

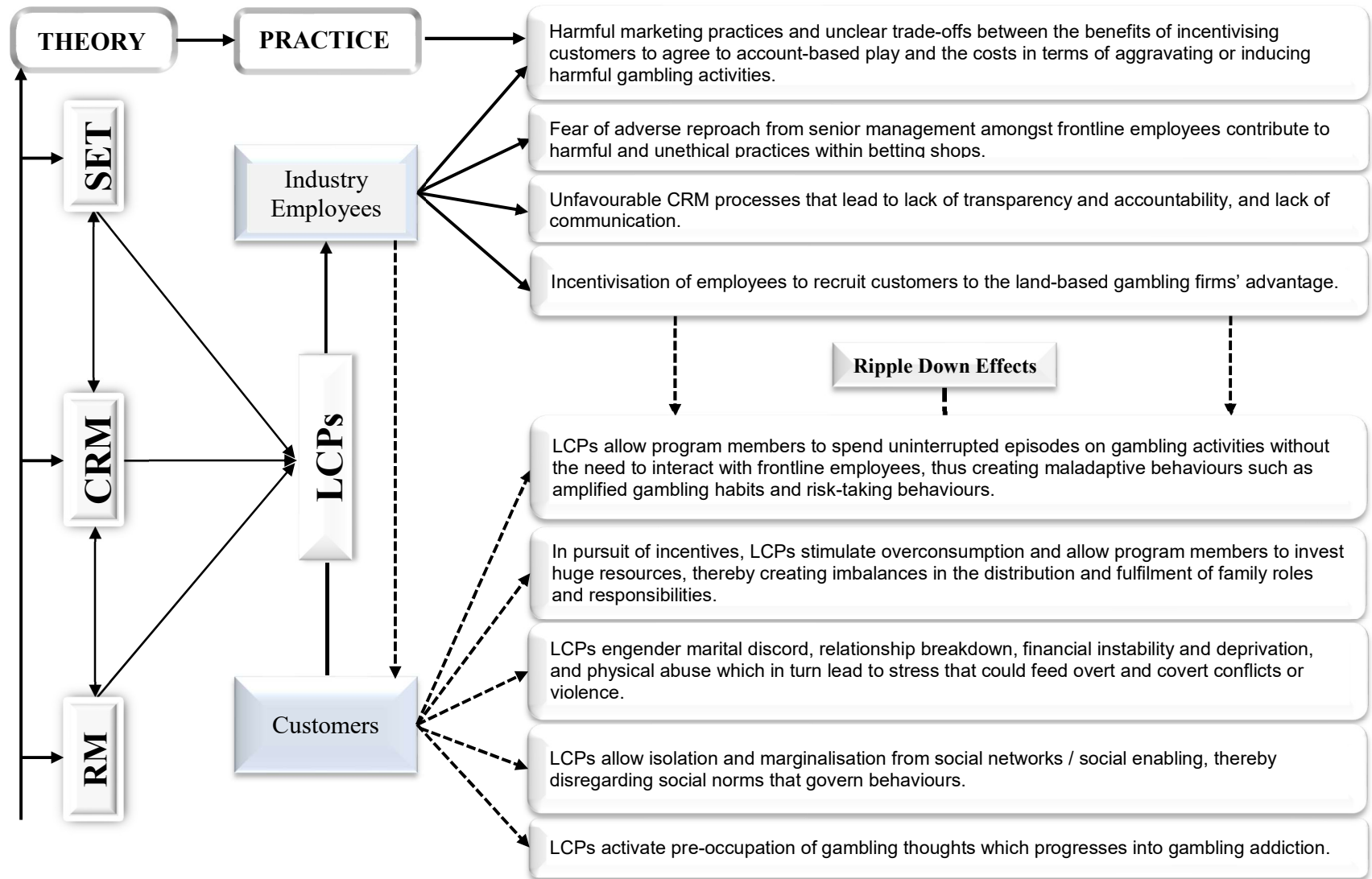


Figure 6.1: Theoretical Contribution – The Ripple Down Effects

6.1.2.2 Practical Contribution

This study confirms that engaging in CRM approaches remains a form of social exchange. This is because the UK land-based gambling firms affirm to practice relationship marketing whilst also, claiming to implement the approach. Yet, practical contributions suggest that awareness of relationship marketing is low in this gambling-customer relationship arrangement. Thus, understanding how SET and RM processes occur in the gambling sector can help policy makers in developing effective approaches that could improve LCPs deployment and, prevent potential harm. The study has also provided valuable strategies to improve land-based gambling firms needs. The projected structure of the study has also offered detailed instructions to assist the concerned parties (i.e., the government, betting shops, GC and, consumers) as well as highlighted the CRM challenges faced by land-based gambling firms. Therefore, this study has presented optimum solutions and opens ways for further researches which can be constructed to reduce or prevent the purported harm. Additionally, the explored land-based gambling firms have an opportunity to access the findings and utilise them to their benefit.

Considering the research findings highlight the role of CRM strategies and potential contributing factor of undesired effects associated with LCPs and purported consumer risk and harm, these significant findings could mean that policy makers will perhaps have to re-examine the role and effects of CRM strategies within the UK land-based gambling sector. More importantly, if the purported undesired effects associated with LCPs are ascertained to be true, regulators will have to step in and reconsider existing laws that govern gambling specially regarding LCPs, and therein lies an opportunity to design new LCPs initiatives by gambling firms through software developers. Because of its close contact and accessibility with the grass root level of consumer base, the gambling industry has the resources and infrastructure to contribute and change the landscape of LCPs. Policy makers adopting a proactive approach to reduce potential harm would also be seen as a support to the purposes of the GC 2005 Act.

Thus, in terms of adopting CRM tactics, gambling firms should collectively and unanimously understand how data driven activities could be monitored and managed safely. Employees should also endeavour to solicit detailed feedback from consumers that highlight key concerns that need

to be modified. This would also provide gambling firms with an idea of the competencies that shop employees should have. This includes incorporating relaying frequent and relevant information between and among program members and front-line employees who perform key roles during the process of relationship initiation, maintenance all the way to the relationship termination (Thibaut & Kelley, 1959; Reinartz, Krafft & Hoyer, 2004). This study hence, claims the proposed strategies significant considering Wohl (2018) suggests “*no research has directly examined the utility of rewarding either enrolment in responsible gambling programmes or responsible gambling tool use*” (p. 10). The recommendations hence, make an important practical contribution.

6.2 STUDY LIMITATIONS

It is important to acknowledge some limitations for the current study that may have directly or indirectly hindered the research process and limited the applicability of the research.

From the outset, this research was conducted in the North-West region of the UK. Hence, those living in other areas were not represented in this study. Whilst the results are robust and relate to the land-based gambling sector, the findings that emerge cannot be taken as reflective occurrences among or across loyalty program members. And although the findings are plausible, whether they constitute a general pattern or if differences exist in other industries, remains unclear. This research could therefore be extended to other areas or countries to confirm if the discoveries presented here apply on a wider platform. In addition, other gambling firms from different countries who practice CRM could be included in further research to conduct a comparative study that may assist in the development of a holistic understanding on the current studied phenomena.

This study used a qualitative methodological approach and dyadic data sampling for data collection. This method could be argued for being limited in terms of how many research participants were recruited and the way in which they were recruited. Some researchers might suggest that using questionnaires or surveys could have yielded a different outcome.

Since loyalty program members are not listed customers, there were difficulties in contacting the study’s target population. Consequently, all participants in both focus group discussions were either self-referral or recommended by other study members. Given the self-selected nature of construing

feelings, attitudes, beliefs or experiences, there is a possibility of bias and social desirability particularly during deliberations among focus group participants. This however, was mitigated by asking participants for the same information in different terms. Besides, to encourage confidence among participants, the researcher also stressed anonymity that participant data would not be revealed or viewed by other people other than the researcher.

The views are interpreted purely based on the face value of research participants' quotes which offer limited knowledge about how either firms or customers characterise the status or strength of the exchange relationships which both parties are involved in.

The aforementioned limitations being noted, this study has several strengths and to minimise the above limitations further, the following areas of future research are proposed.

6.3 NEXT STEPS: SUGGESTIONS FOR FUTURE RESEARCH

The current research is grounded in interpretive assumptions that outline multiple and socially constructed reality. It could thus be used as a starting point for future research on CRM practiced by various businesses in different sectors. Using a larger sample and other data collection methods, future studies could extend the scope of this thesis by focusing on why customers settle for the status quo despite the unearthed misgivings. Though CRM strategies are seen to profit businesses directly, consumer benefits are rather elusive and, as established in this study come with inadvertent consequences. Hence, other research is required to bridge this gap.

The inclusions of more interaction terms could also contribute to future research. For example, the interaction between loyalty program members and employees was not analysed herein due to limitations of timescale for this research. In addition, from this study, several themes emerged, each of which can be explored further as major topics of research. In particular, rites of passage need further in-depth research to ascertain why transitioning from one stage to another is considered important by some consumers because the importance of transitioning and its effects could conceivably vary sector by sector. As this area of study must be advanced in future research, those potential subtle events and cognitive processes that facilitate the customers' movement into LCPs membership will be uncovered. Perhaps, adapting van Genneep's (1960) anthropological

perspective, the process of identification and internalisation would make an interesting future research topic. Specific industry case studies possibly, would be suitable for further research. Furthermore, underlying theories of loyalty programs despite extensive data and some existing research conducted by some researchers (e.g., Henderson, Beck & Palmatier, 2011), need further exploring. In addition, considering the empirical evidence presented thus far, the current researcher desires to deepen Polonsky, Carlson and Fry's (2003) Harm Chain Process. Research can be carried out to investigate the application of risk reduction and harm minimisation strategies by adopting a multi-stakeholder approach (i.e., public policy, voluntary sector and consumers) in the pre-production stages of LCPs through some form of feedback mechanisms.

The current study explored loyalty program and employees' perspectives. This could be argued as limiting it to a grassroots level. To understand why senior management drive CRM strategies at functional level, research could take account of them in future studies or, the gambling firms' owners in the sample since they are the architects of CRM arrangements to gauge their attitudes perceptions, beliefs, reservations or limitations. Equally important, obtaining customer and senior management views on how best to deploy loyalty programs, and manage its potential related pitfalls associated with the CRM structure is another interesting research that could be pursued further. Taking on such an approach would include exploration from a corporate social responsibility perspective. Perhaps using a mixed method approach, the ideas of trust and power that comprise the SET could be integrated and explored further within the land-based gambling industry.

That said, borrowing the words of Henderson, Beck and Palmatier (2011), understanding "*loyalty programs' overall effect on consumer behaviour is complex, partly because the effects of status, habits, and relationships on consumers' behaviour occur simultaneously and over time*" (p. 270). Next research should aim to partner with firms that could innovate the current LCPs design and systems and perhaps design a model that could eliminate harm throughout the harm chain; that perhaps emanates by default, rather than planned. This, thus, could be explored further either collectively or individually by key stakeholder or potential partners.

On another very important note, this study contributes to addressing the gap in literature concerning the unintended consequences of LCPs and lack of customer participation in LCPs design: value co-

creation and mutualism. Some key findings and conclusions drawn from this research could be used in other sectors that may pose comparable environments of harm for analysis or policy reform (e.g., the beauty and cosmetic surgery industry). Longitudinal data could be made on similar topics, gathering data over a five-year period to measure variables and changes over time. Since this study did not identify different gambler types, instead limiting selection parameters to consumers who actively gambled 2 or more times per week, a comparative study using distinguished study samples could be conducted for further exploration. As well, perhaps using daily, weekly or monthly datum from loyalty program members could also allow capturing seasonal effects and impacts of LCPs and the purported exacerbated harm. This is of importance because harm minimisation strategies can be designed and targeted at different points.

6.4 The Glitches and Smiles – Researchers’ Reflection on the Study

From the very outset, this study was addled with ups and downs. The first of these challenges related to the development of a well-defined scope or context. Interestingly, at the beginning of this study, I pursued one topic, then another. It soon became clear that the research topics were unsuitable and unrealistic. Thereafter, it took several months of meetings with both supervisors for a semblance of a picture to emerge. After careful consideration, I reflected on my own previous work experiences, both in the banking and gambling industry. From that, the current research topic though still not refined, was born.

My reflection on ontological, epistemological and methodological approach.

Upon reviewing various works and having decided to focus on land-based gambling firms, it quickly dawned on me that collecting data was not going to be an easy task. There were no readily available listed people enrolled in loyalty programs and even if they were, I was unsure people would agree to discuss matters of sensitive and personal nature.

I was aware of the fact that complementary that social sciences have been understood to produce knowledge about human actions and activities although understanding human actions and activities can also depend on the researchers’ view of the world (Kuhn, 1970). Thus, deciding to adopt one ontological position over others meant a likelihood of an impact in which the research was to be undertaken, more so, from the potential research participants’ own held view (Kvale, 1996). Methodologically, since I was going to approach the study with pre-existing understandings

(Creswell, 2013), this also meant that the approaches to be employed were typically underpinned by my own ontological and epistemological assumptions.

Nevertheless, as the study progressed, gaining an in-depth understanding on the topic in hand, I grew more confident in my own philosophical stance. Of importance, during data collection, I consciously remained objective throughout the study, more so during data analysis stages. This, of course, was achieved because I had adopted an interpretivist-social constructivist philosophy which emphasises that, the nature of reality is constructed, interpreted and experienced by actors through interactions with each other and with other wider social systems (Lincoln & Guba, 1985; Maxwell, 2012). To borrow the words of Crotty (1998), for me, this was both “*limiting as well as liberating*” (p. 58).

The glitches

Sadly, PhD in my experience, has been an isolating and lonely long road to travel. Trolling through vast literatures and studies in order to arrive at the right literature for the study proved more difficult than I had envisioned. To put it mildly, tedious and overwhelming at most times. Determining information to find out from the extensive available works in order to write a literature review that did not read like I was trying to cram it with as many papers as I could, was quite daunting. In fact, at first, the research felt like I was drowning in information.

To add to this, during data collection in the field, conducting this study was particularly challenging because I constantly experienced mixed emotions. Sometimes, feeling vulnerable to meet potential research participants who would have been strangers, in places that suited them. I had no control over their surroundings. These feelings were particularly poignant and more noticeable during in-depth interviews. These were times when it was just me and them.

Further, some interviewees expressed issues that were emotionally draining and on many occasions; thought-provoking. It appeared that for some interviewees, discussing personal issues was more or less a ‘therapy’ whereby they, perhaps, felt comfortable talking to me, a total stranger to them, who was impartial, non-judgemental and listening to their own stories and experiences in an objective manner. Yet for me, encountering such episodes meant returning home or, going back into the field created anxiety and helplessness. For these reasons, some interviews were scheduled concurrently whilst others had time lapses to allow reflection, self-composure and re-engagement.

Added to that, was the large sums of data that had been collected. Analysing it using an iterative process was laborious as it required listening to recordings multiple times to make the

right linkages and gather a better understanding of the research problem. Making comparisons between the meanings of individual accounts and multiple statements in order to create categories and themes and, describing multiple held views as a whole was also particularly demanding.

The Smiles

Despite the aforementioned, it is important to acknowledge the benefits this study enabled me as a researcher. Focus group discussions were particularly enjoyable. I was given an opportunity to listen to people's own unique experiences and hear multiple views at the same time, in a safe environment due to group settings (Collis & Hussey, 2009; Bryman, 2016). Among participants, group discussions brought so much laughter and intriguing moments. During in-depth interviews, being in the field collecting data allowed me some breathing space away from the day to day PhD writing and isolation. I travelled to areas to meet and talk to a diverse population that perhaps I would never have met. I was able to reach areas that I probably would not have visited if it was not for interviewing research participants. This, above everything else, is considered a privilege. Beyond this, gaining new knowledge through literature review, data collection, data analysis, attending and, presenting at different conferences was particularly empowering overall. I know that through this study, I have developed, and I now view the world differently.

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APPENDICES

Appendix 1 Selected Loyalty Program Studies

<p>Study (1) In What Context Sample Main Findings Source Authors</p>	<p>Angers in France Retail - Hypermarkets & supermarkets 2.476 holders and non-holders of the 4 loyalty cards “Loyalty cards mainly attract existing customers and affect their visit frequency more than penetration (the recruiting of new clients)”. The authors observed a stronger “excess loyalty” effect for the loyalty program than recorded. This was in spite of the competitive price promotion. The loyalty programs appeared to insulate the loyalty program brand from the effect of promotion. / Sharp, B. and A. Sharp, 1997. Loyalty programs and Their Impact on Repeat-Purchase Loyalty Patterns. International Journal of Research in Marketing 14 (No. 5), 473-486.</p>
<p>Study (2) In What Context Sample Main Findings Source Authors</p>	<p>Fly Bu2ys, the largest consumer loyalty program in Australia and one of the largest in the world. Retail fuel, department stores, and supermarkets was gathered 745 households was drawn from the Adelaide metropolitan area “There is a trend towards excess loyalty for Fly Buys brands. Findings have shown that a particular loyalty program does bring about substantial change in repeat purchase loyalty and/or market share.” / Wright, M., Z. Kearns, A. Sharp and B. Sharp, 1998. Predicting Repeat-Purchase from a Single Shot Survey. In: 27th EMAC Conference Vol. 5. Stockholm: Stockholm School of Economics</p>
<p>Study (3) In What Context Sample Main Findings</p>	<p>South Africa Apparel (clothing) A total of 308 shoppers at various shopping malls in the Gauteng province in South Africa were included in the survey using convenience sampling. “From the descriptive statistics presented, it is clear that members of the loyalty programs have higher mean scores than non-members for each of the questions. This implies that on average, loyalty programs members report being more committed to the retailer; are more concerned about not being able to purchase from the retailer in the future; buy most of their clothes from the retailer; would recommend the retailer to their friends and are likely to buy even more clothes from the retailer in the future and are likely to continue to use the retailer as one of the stores that they purchase from. The descriptive statistics appear</p>

Source / Authors	to support the literature by demonstrating that members of loyalty programs do in fact demonstrate more loyal behaviour than non-members” M du Toit and M. C., Cant. loyalty programs Roulette: The Loyal, The Committed, and The Polygamous International Business & Economics Research Journal – December 2012 Volume 11, Number 12
Study (4) In What Context Sample	USA Apparel clothing (Convenience stores) A random sample of 1000 consumers was extracted from the program using two criteria: (1) The consumer joined the loyalty program in its first year of operation, and (2) the consumer made at least two purchases which started in 2002 over a two-year period. The inferential analysis clearly indicates that customer perception of loyalty programs influences purchase behaviour of customers, the attractiveness of the store and store loyalty. The inference from the correlation indicates that monetary benefits considered for the study do influence purchase behaviour which in turn increases profitability. When it comes to non-monetary benefits, emotional behaviour may have a positive influence on purchase behaviour, but not the other factors like preview of merchandise and updation on store events. It is clear that monetary benefits like saving money, enjoy discounts, free gifts, free parking and offers from partner business do show association with store loyalty. The findings conclude that “repeat customers spend more than the average customers and need to be encouraged to come back”.
Main Findings	The study shows that consumers who were heavy buyers at the beginning of a loyalty program were most likely to claim their qualified rewards, but the program did not prompt them to change their purchase behaviour. In contrast, consumers whose initial patronage levels were low or moderate gradually purchased more and became more loyal to the firm. For light buyers, the loyalty program broadened their relationship with the firm into other business areas. Consistent with these results, the number of purchases that loyalty program members made increased from 4.98% to 8.11% of total transactions by the end of the two-year period. When this ratio is calculated for dollar sales, loyalty program members accounted for 73.66% of total sales at the beginning of the program, which increased to 88.91% after two years. In contrast with the transaction ratio, the dollar amount ratio suggests that these consumers spent much more in each transaction than nonmembers.
Source / Authors	Yuping Liu (2007). The Long-Term Impact of loyalty programs on Consumer Purchase Behaviour and Loyalty. Journal of Marketing- October 2007.
Study (5) In What Context	Singapore and The Netherlands 20 retailing stores

Sample	333 respondents of which 150 are Singaporean and 183 Dutch. The division between cardholders and non-cardholders is 75 and 75 in Singapore and 97 and 86 in The Netherlands
Main Findings	Impact of loyalty-card possession on both behavioural and attitudinal loyalty is significantly higher in Singapore compared to The Netherlands. One potential reason for the positive relationships between loyalty-card programs and behavioural as well as attitudinal loyalty in Singapore may be found in the Asian economic crisis that took place during the late 1990s. This crisis may have induced increased price consciousness and sensitivity to price reductions. Hence, Singaporean customers may have become behaviourally and attitudinally loyal to stores that make them save them money in one way or another.
Source / Authors	Corine Noordhoff Pieter Pauwels Gaby Odekerken-Schröder, (2004)."The effect of customer card programs", International Journal of Service Industry Management, Vol. 15 Issue 4 pp. 351 - 364
Study (6)	USA
In What Context	Grocery Retailing
Sample	The study was conducted in a midsize U.S. city. Eight small to medium chains dominated the environment. The test site was one of the larger chains in the area containing over 25 stores. The first phase of the study involved a random sample of 5500 households who shopped at the test chain. The second phase of data collection sample contained survey responses and purchases for 776 households.
Main Findings	The results show that rewarded customers exhibited an average increase in weekly sales over their baseline of in Year 1 and in Year 2. The change in sales levels for non-rewarded customers was not significantly different from zero in both years. These results have high face validity - the rewarded customers experienced an increase in sales and the non-rewarded customers did not. The figure shows that although rewarded and non-rewarded customers start out roughly matched on sales levels (as noted earlier), rewarded customers purchase more during the program-period (due to points pressure), and then maintain that difference in the post redemption period. If there were no rewarded behaviour effect, the difference in sales between the two groups would have returned to the pre-program period level. Instead, the difference was maintained. The rewarded customers maintained their high purchase rate although there was no longer any points-pressure motivation to do so. This is consistent with a rewarded behaviour effect.
Source / Authors	Taylor, G., A. and Neslin, Scott A. (2005) The Current and Future Sales Impact of a Retail Frequency Reward Program. Journal of Retailing, 2005, 81 (4), 293-305]
Study (7)	Bangalore, India.
In What Context	The Indian Retail sector (The Raheja chain)

Sample	A total of 200 customers were considered for the study
Main Findings	Data were used from a random sample of 1000 customers who were extracted from a convenience store chain's loyalty programs. The results of the study demonstrated that the loyalty programs had different effects on customers' behaviour depending on their initial usage levels. Customers who were heavy buyers at the beginning of the programme were most likely to claim the rewards they earned and thus benefited the most from the programme. However, their spending levels and exclusive loyalty to the store did not increase over time. In contrast, the loyalty programs had positive effects on both light and moderate buyers' purchase frequencies and transaction sizes, and it made these customers more loyal to the store. On the contrary, Meyer-Waarden and Benavent (2009) conducted a study in the retail sector in a French town to examine the impact of loyalty programs which target existing customers on repurchase behaviour in grocery stores. The study demonstrated that heavier, more frequent customers of a store enrol in the loyalty programs earlier; that buying behaviour changes only slightly after buyers join the programme, while small changes in loyalty appear to occur 6-9 months later (the average time expected to earn a reward) after buyers join. The results of Bowen and Shoemaker's study (1998) were further demonstrated by Liu (2007) who examined the long-term impact of a loyalty programs on consumers' usage levels and their exclusive loyalty to the firm over a two-year period.
Source/ Authors	Krithika, G., K. and Ganesh, L (2013). Perception of loyalty programs and their Influence on Purchase Behaviour, Store Attractiveness and Loyalty. International Journal of Advances in Management and Economics Vol.2 Issue 5 pp 107-114.
Study (8)	Abu Dhabi
In What Context	Airline Industry
Sample	10 different Airline members
Main Findings	52% of that survey agreed to purchasing travel tickets with the airliner that offered them loyalty programs in order to get rewards or other incentives. The majority expressed that because of the loyalty programs, they felt that they were valued and cared for by the organisations and felt like they had a relationship with the business and would recommend friends and family
Source / Authors	Juan Carlos Martín., Concepción Román., & Raquel Espino (2011). Evaluating frequent flyer programs from the air passengers' perspective, Journal of Air Transport Management. Vol 17, Iss 6, November, Pages 364–368
Study (9)	Istanbul – Turkey
In What Context	Specialised Restaurants in Istanbul – Food Service Industry

Sample	The study sampled 14 out of 50 well-known restaurants randomly and total of 250 questionnaires in 14 restaurants were distributed.
Main Findings	More than half of respondents were male and were married. An important part of the respondents were between the ages of 31 and 40, with some college education and above. Respondents were also asked how many times they had dined in the restaurant. Thirty-seven and six-tenths per cent of the respondents noted that they had not dined there before. Thirty-five and four-tenths per cent of the respondents stated that they had dined there more than 4 times. This may indicate that the customer profile of the specialty restaurants is quite different from other restaurants and may have more loyal customers than other types of restaurants because of the loyalty program in place. Diners also admitted that they frequented the restaurant because of the incentives offered due to their loyalty and that makes them feel special, valued and individualised and 32.9 respondents stated that whilst they they did not feel the sense of loyalty to the restaurant, they often frequented the place.
Source / Authors	Dogdubay, M., & Avcikurt, C. (2009). Customer loyalty in the Specialty Restaurants: An example from Istanbul. Article of Professors of Balikesir University, Tourism and Hotel Management School, (Turizm Isletmeciligi ve Otelcilik YO), Cagis Kampus/Balikesir/Turkey, murat dogdubav@vahoo.com and cevdet avcikurt@vahoo.com.
Study (10) In What Context Sample	Malaysian SME food manufacturers Food manufacturing industry A total of 400 card holders of loyalty programs from departments and superstores in the capital of Malaysia were sampled.
Main Findings	Findings – The study found that “all the loyalty programs service attributes (policy, reward, tangibility, information usefulness, courteousness/helpfulness and communication quality), with the exception of personalization, have a significant positive influence on perceived value. The positive relationship between perceived value-programme loyalty and programme satisfaction-programme loyalty was also significant. The result also suggests that programme satisfaction affects store loyalty only through programme loyalty” (p. 33).
Source / Authors	Asiah Omar, N., Aniza Che Wel, C., Abd Aziz, N., & Shah Alam, S. (2013). Investigating the structural relationship between loyalty programs service quality, satisfaction and loyalty for retail loyalty programs: evidence from Malaysia. <i>Measuring Business Excellence</i> , 17(1), 33-50.
Study (11) In What Context	United States of America Airline Industry

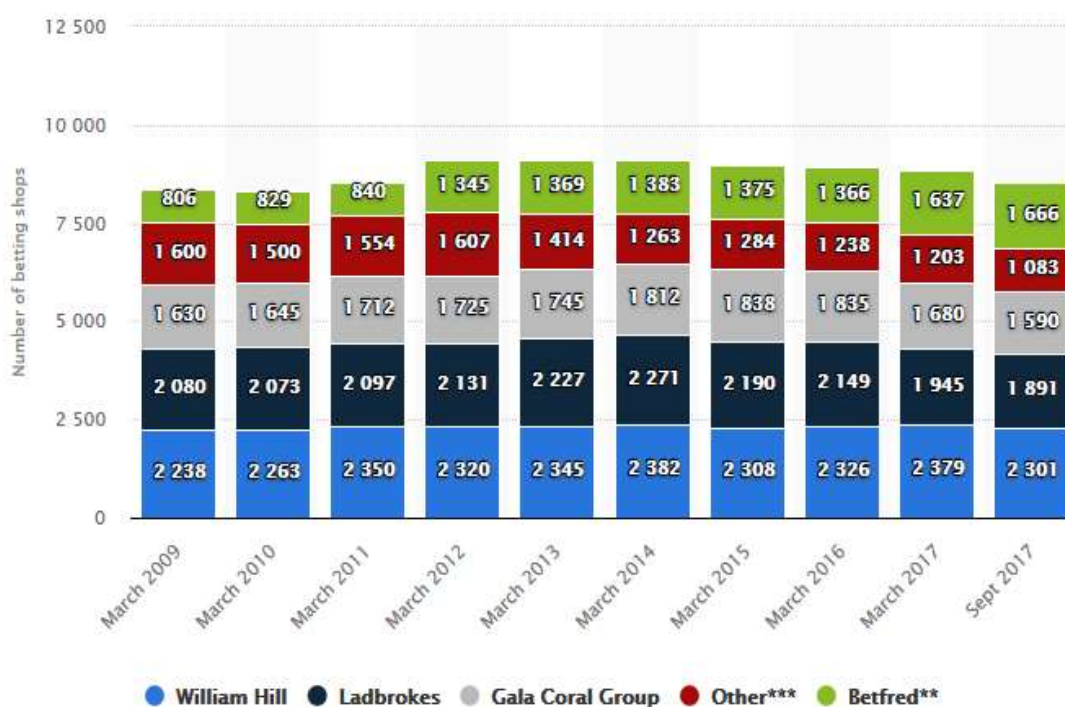
Sample	Two study samples were recruited for this research within the industry. Study 1 covered 22 publicly traded airlines in the United States trading over the course of 31 years (1975-2005) whilst in study 2, the researchers conducted an online survey of a convenience sample of 166 consumers for the same industry.
Main Findings	Data seem to indicate that there was a significant effect of attitudinal loyalty on loyalty program membership and that, that membership in an airline's loyalty program contributed positively to the frequency of flying with the airline. Their research findings suggest that, a loyalty program also directly affects consumer behavior beyond attitudinal loyalty, possibly in the form of pure economic incentives.
Source / Authors	Liu, Y., & Yang, R. (2009). Competing loyalty programs: Impact of market saturation, market share, and category expandability. <i>Journal of Marketing</i> , 73(1), 93-108.
Study (12)	United States of America
In What Context	Comparative studies between Airlines' frequent-flier Programs and proprietary sales activity data from a major retail company that operates department stores across Europe.
Sample	487 participants who were active members of actual frequent-flier programs completed the experiment. Of these, 49% were women, and 49% had attended at least some college and the average age was 43 years.
Main Findings	The study investigated whether customer demotion jeopardised loyalty with firms. The findings demonstrate that loyalty intentions scores were indeed significantly lower for demoted customers than those who were not. The research also suggests that membership condition information (such as spending levels) and customer spending information (e.g., product or service usage) increases perceptions of an internal locus of control (belief to have control over life's events).
Source / Authors	Wagner, T., Hennig-Thurau, T., & Rudolph, T. (2009). Does customer demotion jeopardize loyalty? <i>Journal of marketing</i> , 73(3), 69-85.
Study (13)	French grocery retailer – Carrefour is a retailer located in a major south-western French City called Toulouse
In What Context	Retail Industry (grocery retailing hypermarket and perfumery chain,)
Sample	In total, 3926 respondents were invited to complete a questionnaire for the study. 2,001 were loyalty card members of the grocery hypermarket and 1,925 were from the perfumery chain. The results indicate that the majority of shoppers were women: hypermarket (59 per cent) and the perfumery (70 per cent) aged between 25 and 44 years, from a wide range of professions.
Main Findings	The findings suggest that from an economic perspective, budget-optimizing shoppers were most motivated (intrinsically) by economic rewards in terms of purchase intensity (PI) and resistance to counter-persuasion (RCP), social-relational shoppers, were intrinsically motivated by their social relationships with sales employees and recognition as privileged customers, relational rewards influence

	while brand/store-loyal shoppers hope to gain reassurance about purchases information such as good deals and general information about the store or the brand. This combination of findings provides some support for the conceptual premise that loyalty programs rewards motivate customers to act to obtain a benefit within and also influences loyalty positively.
Source / Authors	Meyer-Waarden, L., Benavent, C., & Castéran, H. (2013). The effects of purchase orientations on perceived loyalty programs' benefits and loyalty. <i>International Journal of Retail & Distribution Management</i> , 41(3), 201-225.
Study (14) In What Context Sample	Las Vegas: United States of America Casino Loyalty - gambling “The quantitative sample consisted of 262 casino customers at a local Las Vegas casino ... mostly lower class African American and Hispanic residents who live nearby. As summarized in Table 1, nearly all respondents (97.3%) were reward club members. Most respondents have either become a member in the past 6 months (29.9%) or have been members for more than 2 years (45.4%). Fifty-seven percent were male, and most respondents were married (49.2%), followed by singles (40.6%). The majority belonged to middle-age categories (30-50 years old) and the \$39,000-\$45,000 income group. Most respondents had education of high school or less (49.4%), some college (23.2), or college degree (14.6%)” (p. 856)
Main Findings	“loyalty program is particularly significant to financial benefit because of its impact on casino visit frequency and time spent in the casino, which are critical to increase the spending on other revenue centers and revenue growth of a casino” (p. 863)
Source / Authors	Baloglu, S., Zhong, Y. Y., & Tanford, S. (2017). Casino loyalty: The influence of loyalty program, switching costs, and trust. <i>Journal of Hospitality & Tourism Research</i> , 41(7), 846-868.

Appendix 2 Number of Active Gambling Venues and Betting Shops by Operator in United Kingdom

Gambling Sector	At 31 March 2011	At 31 March 2012	At 31 March 2013	At 31 March 2014	At 31 March 2015
Betting	9,067	9,128	9,100	9,137	8,958
Adult Gaming Centre (AGC)	2,103	2,247	1,671	1,618	1,522
Bingo	695	646	680	707	640
Family Entertainment Centre (FEC)	293	295	362	379	316
Casino	149	146	144	147	146

Source: <http://www.gamblingcommission.gov.uk/Home.aspx>



Source: <http://www.gamblingcommission.gov.uk/Home.aspx>

Appendix 3 Participation Findings in Britain – Gambling Raw Data



Source: <http://www.gamblingcommission.gov.uk/Press/2018/Infographic-overall-participation>

Appendix 4 Selected Definitions of the Social Exchange Theory

Study	Definition
Homans, 1961: p. 13	"The exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two parties".
Dwyer, Schurr & Oh 1987; Ganesan 1994; Kaufmann & Dant 1992; Kaufmann and Stern 1988; Macneil 1980, cited in Brown, Dev and Lee, 2000: p. 53.	"Characterized by the exchange norms of role integrity, mutuality, solidarity, flexibility, bilateral information exchange, harmonious conflict resolution, and a long-term orientation".
Garbarino and Johnson 1999: p. 70	"Characterized by cooperative actions and mutual adjustment of both parties; a sharing of benefits and burdens of the exchange and planning for future exchanges".
Goetz and Scott, 1981, cited in Nevin 1995 p. 330	"A contract to exchange is relational to the extent that the parties are incapable of reducing important terms of the arrangement to well-defined duties"
Zaheer and Venkatraman 1995: p. 374	"Interfirm exchange which includes significant relationship specific assets, combined with a high level of interorganizational trust".
Macneil 1981, cited in Heide, 1994: p. 74	"In which the parties jointly develop policies directed toward the achievement of certain goals".
Noordewier, John and Nevin, cited in Ganesan, 1994: p. 3	"Expectations of continuity in a relationship which captures the probability of a future interaction between the retailer and vendor"
Dwyer, Schurr and Oh, 1987 cited in Morgan and Hunt, 1994: p. 21	"Which traces to previous agreements and is longer in duration, reflecting an ongoing process".
Gundlack and Murphy 1993: p. 36	"involves transactions linked together over an extended time frame".
Anderson and Narus 1990: p. 42	"the extent to which there is mutual recognition and understanding that the success of each firm depends in part on the other firm, with each firm consequently, taking actions so as to provide a coordinated effort focused on jointly satisfying the requirements of the customer marketplace".
Mohr and Nevin 1990: p. 40	"Involve joint planning between parties; the relationship has a long-term orientation, and interdependence is high".
Macneil 1983, 1978 cited in Kaufmann and Dant, 1992: p. 173	"Reflects the extent to which the exchange relationship is perceived as relatively more important to the parties than the individual transactions".

Appendix 5 Selected Definitions of Relationship Marketing

Author	Definition	Main Features	Context
Agariya and Singh (2011: p. 228)	An acquisition, retention, profitability enhancement, a long-term orientation, and a win-win situation for all stakeholders of the organisation	Acquisition, retention, profitability enhancement, long-term orientation, and a win-win situation	Literature review (general)
Lambert (2010: p. 4)	It is being viewed as a strategic, process-oriented, cross-functional, and value -creating for buyer and seller, and a means of achieving superior financial performance.	Buyer and seller value co-creation, retention	Business-to-business relationships
Meng and Elliot (2008: p. 509)	A strategy for retaining customers in order to remain in a highly competitive market.	Retaining customers	Business-to-consumer relationships (restaurant industry)
Peng and Wang (2006: p. 26)	Marketing activities directed towards building customer loyalty (keeping and winning customer) by providing value to the all parties involved in the relational exchanges	Customer loyalty	Business-to-consumer relationships (services industry)
Rao and Perry (2002: p. 613)	RM is not a paradigm shift but a marketing approach. It occurs when an organisation engages in actively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers or partners overtime. These can be exchanged with customers along with suppliers, internal units, the Government, and competitors.	Creating, developing and maintaining	Literature review (general)
Kim and Cha (2002: p. 323)	A set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing on retaining existing customer	Mutual benefits	Business-to-consumer relationships (hotels)
Parvatiyar and Sheth (2001: p. 5)	A comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service,	Acquiring, retaining, and partnering	Literature review (business-to business and business-to-consumer)

	and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value.		
Grönroos (1999: p. 328)	A marketing strategy to the process of identifying and establishing, maintaining, and enhancing, and when necessary also terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and this is done by a mutual exchange and fulfilment of promises.	Identifying, establishing, maintaining, enhancing, terminating, exchange and fulfilment of promises	Valid in all contexts
Harker (1999: p. 16)	A proactively creating, developing and maintaining committed interactive and profitable exchanges with selected customers (partners) overtime.	Creating, developing, maintaining	Literature review (general)
Ganesan (1994: p. 3)	A strategic orientation adopted by both the buyer and seller organisations, which represents a commitment to long-term mutually beneficial collaboration.	Commitment, collaboration	Business-to-business relationships (manufacturing)
Hakansson (1982)	An interpersonal and social process between buyer and seller, based on ongoing contact, mutual goals, trust and commitment	Interaction, network approach	Business-to-business relationships
Webster Jr., (1994); Bendapudi and Berry (1997); Kotler and Keller (2011)	Marketing that focuses on satisfying customer needs because it is critical to the firm's sustainability and success.	Customer satisfaction	Literature review (general)
Takala and Uusilato (1996)	Marketing that emphasizes on establishing, strengthening, and developing customer relations focusing on the profitable commercialisation of customer relationships, and the pursuit of individual and organizational objectives in long-term and enduring relationships with customers.	Establishing, strengthening, and developing	Business-to-consumer relationships
Peppers and Rogers	A one-to-one marketing is to give an enterprise the capacity to treat its customers as individuals and thereby develop a	Mass marketing, share of customer	Business-to-business relationships

(1995: p. 17)	continuing business relationship with them using the application of information technology		(purchasing and logistics management)
Evans and Laskin (1994: p. 439)	A customer-centered approach whereby a firm seeks long-term business relations with prospective and existing customers	Attracting and maintaining end-user customers, Customer retention	Business-to-business relationships (manufacturing)
Morgan and Hunt (1994: p. 22)	Marketing activities directed toward establishing, developing, and maintaining successful relational exchanges in supplier, lateral, buyer, and internal partnerships.	Relational exchange	Business-to-business relationships
Gummeson (1994: p. 5)	Relationships, networks and interaction.	Relationships, networks, interaction	Business-to-consumer relationships (consumer goods)
Shani and Chalasani (1992: p. 44)	An integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time.	Identify, maintain, build, network, individualized	Business-to-business relationships
Jackson (1985)	Marketing orientation that can be succeed by establishing and maintaining strong, long lasting relationships with customer.	Establishing, maintaining	Services business
Berry (1983 cited in Berry, 1995: p. 236)	Attracting, maintaining and -in multi-service organizations- enhancing customer relationships.	Attracting, maintaining, enhancing	Business-to-business and Business-to-consumer relationships

Appendix 6 Relationship Marketing Program

Continuity marketing programs.	One-to-one marketing.	Partnering programs
<p>Continuity marketing programs are aimed at both retaining customers and increasing customer loyalty through long-term special services that have potential to increase mutual value through learning about each other (Parties) (Bhattacharya, 1998).</p>	<p>One-to-one otherwise also known as individual marketing is based on the concept of account-based marketing, and this program is aimed at meeting and satisfying each customer's need uniquely and individually (Pepper & Rogers, 1995).</p>	<p>Partnering programs involve amalgamating relationships between customers and marketers to serve consumer needs.</p>
<ul style="list-style-type: none"> • Within the consumer mass markets, typical Continuity marketing programs include membership and loyalty card programs where consumers are often rewarded for their membership and loyalty relationships with the marketers (Richards 1995). 	<ul style="list-style-type: none"> • In mass markets however, one-to-one marketing information on individual customers is used to develop frequency marketing, interactive marketing and after-marketing programs to enhance relations with high yielding customers (Pruden, 1995). 	<ul style="list-style-type: none"> • In mass markets, Teagno (1995) classifies two types of partnering programs: Co-branding and Affinity partnering. With co-branding, two marketers join their resources and skills to offer innovative products and services to mass market customers. In Affinity partnering program though similar to co-branding, marketers do not create a new brand but rather use endorsement strategies.
<ul style="list-style-type: none"> • For distributor customers on the other hand, continuity marketing programs usually take the shape of continuous replenishment programs. These vary from just in-time inventory management programs to efficient consumer response initiatives that include electronic order processing and material resource planning (Law & Ooten 1993). 	<ul style="list-style-type: none"> • In order to develop relationships for distributor customers, programs take the shape of customer business development; hence one-to-one marketing programs require collaborative action and an interest in mutual value creation. 	<ul style="list-style-type: none"> • In relation to distributor customers, marketers and distributors join forces to manage inventory and supply logistics and at times also participate in joint promotional efforts.
<ul style="list-style-type: none"> • In business-to-business markets, Continuity marketing programs may be in the form of preferred customer programs or in special sourcing arrangements including single sourcing, dual sourcing, and network sourcing, as well as just-in-time sourcing arrangements (Postula & Little 1992). 	<ul style="list-style-type: none"> • In the environment of business-to-business markets, One-to-one marketing also referred to as key account management (KAM); require extensive resource allocation and joint planning with customers to meet individual needs 	<ul style="list-style-type: none"> • For business-to-business customers, Young, Gilbert and McIntyre (1996) programs involve co-design; co-development and co-marketing activities and these are still common in businesses today.

Appendix 7 Broad Interpretations of Customer Relationship Marketing

CRM is an application designed to help increase interactions with its stakeholders through a single or multiple touch points and the methods are primarily Web-based tools and Internet presence with the purpose of acquiring, retaining or cross selling (Baron et al., 2010; Lambert, 2010; Reinartz, 2010; Wu & Li, 2011; Tohidinia & Haghighi, 2011).
CRM is an integrated software and management practise system used to assist customers through the buying process including after sales service, (Theron & Terblanche, 2010).
CRM is a business strategy combined with technology to effectively manage the complete customer life-cycle (Barnes, Yen & Zhou, 2011)
CRM is an e-commerce application intended to assist customers to access information at their convenience sometimes performed with the help of human touch (Rembrandt, 2002).
CRM considered as an information technology application of one-to-one marketing and RM grounded on using high quality existing customer information to improve company profitability and customer retention (Agariya & Singh 2011; Wu & Li, 2011).
CRM is a data-driven comprehensive marketing strategy and process of acquiring, retaining and collaborating with selective profitable customers to create superior value for the company and for the customer (Payne, 2006).
CRM is a plan for turning customers into assets through value building (Payne, 2006).
CRM is a strategy to motivate valuable customers to become loyal and repeat purchasers (Meyer-waarden & Benavent, 2009; Reinartz, 2010).
CRM is a term for methodologies, technologies and e-commerce capabilities used by companies to manage customer relationships long term (Wu & Li, 2011).
CRM is a strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments (Payne, 2006).

Adapted from: (Nguyen & Mutum, 2012; Payne & Frow, 2013).

Appendix 8 Philosophical Perspectives

Issue	Positivism	Post positivism	Critical Theory et al.	Constructivism	Participatory
Ontology	Naive realism - "real" reality but apprehendable	critical realism - "real" reality but only imperfectly and probabilistically apprehendable	historical realism - virtual reality shaped by social, political, cultural, economic, ethnic and gender values crystallized over time	relativism - local and specific constructed realities	participative reality - subjective-objective reality, co-created by mind and given cosmos
Epistemology	dualist/objectivist: findings true	modified dualist/objectivist; critical tradition/community; findings probably true	transactional/subjectivist; value mediated findings	transactional/subjectivist; created findings	critical subjectivity in participatory transaction with cosmos; extended epistemology of experiential, propositional and practical knowing; cocreated findings
Methodology	experimental/manipulative; verification of hypotheses; chiefly quantitative methods	modified experimental/manipulative; critical multiplism; falsification of hypotheses; may include qualitative methods	dialogic/dialectical	hermeneutic/dialectical	political participation in collaborative action inquiry; primacy of the practical; use of language grounded in shared experiential context
Axiology	propositional knowing about the world is an end in itself, is intrinsically valuable	propositional knowing about the world is an end in itself, is intrinsically valuable	propositional, transactional knowing is instrumentally valuable as a means to social emancipation, which is an end in itself, is intrinsically valuable	propositional, transactional knowing is instrumentally valuable as a means to social emancipation, which is an end in itself, is intrinsically valuable	practical knowing how to flourish with a balance of autonomy, co-operation and hierarchy in a culture is an end in itself, is intrinsically valuable

Source: Neuman, (2007).

Appendix 9 Interview guide for Focus Group and In-depth Interviews

<p>V: Hello good morning/ afternoon/ evening, am Violet and I am conducting a study on loyalty programs within the land-based gambling sector. Thank you for coming to take part in my research today. If at any time you feel that my questions are not relevant or, you feel uncomfortable to answer, please let me know.</p>
<p>Q1: V: Would you mind telling me a little bit about yourself, and also, the company you have a loyalty card with (you work for)?</p>
<p>Participant / Interviewee:</p>
<p>Q2: V: Tell me about loyalty programs, how would you describe them? I know loyalty programs from a textbook. But, from your own understanding, what is a loyalty program?</p>
<p>Participant / Interviewee:</p>
<p>Q3: V: So, please tell me, why did (do) you enrol (enrol customers) in loyalty programs? How extensively are loyalty programs used within the UK land-based gambling sector?</p>
<p>Participant / Interviewee:</p>
<p>Q4: V: Loyalty programs, the main aim is to create and maintain a relationship between a customer and an organisation, what are your views on that? So, when you signed up (enrol customers) for the loyalty program, is that how you/ it felt/ feels?</p>
<p>Participant / Interviewee:</p>
<p>Q5: V: After enrolling (customers) in loyalty programs, did you/ have you observed any changes (in your customers)? What change did/ have you observe (d)? When? Why? How? Did the (their) change happen before or after redeeming the points or receiving rewards? What When? Why? How?</p>
<p>Participant / Interviewee:</p>
<p>Q6: V: Can loyalty programs, result in increases in the average spending? By that, I mean money, time, effort etc. Why? How?</p>
<p>Participant / Interviewee:</p>
<p>Q7: V: Have you (are there) observed any effects because of using loyalty programs within the land-based gambling sector? In your experience, what have you personally observed or experienced (among your customers) when using loyalty programs in gambling activities?</p>
<p>Q8: V: Can loyalty programs cause harm? By harm I mean financial, emotional or psychological, or any other undesired effects?</p>
<p>Participant / Interviewee:</p>
<p>Q9: V: If the power to change the gambling companies' decisions about loyalty programs is in your hands, or, if you were to be given an opportunity to change or propose something new to the betting shops or indeed the government within the gambling sector, what would it be and, why?</p>
<p>Participant / Interviewee:</p>
<p>Q10: V: Is there anything else you want to add on that I have not asked you or maybe you were expecting me to ask and you are thinking she should have asked me that question?</p>
<p>Participant / Interviewee:</p>
<p>Q11: V: Is it okay if I can contact you again should/ if I need to clarify something or as a follow up? Just for the duration of data collection.</p>
<p>Participant:</p>
<p>V: Thank you again for your time and, for taking part in the discussion/ interview today.</p>

Appendix 10 Invite Cover Letter for Academic Research



Dear Participant,

You are invited to participate in a research to explore loyalty programs effects on consumers within the UK terrestrial gambling industry. This research is conducted by Violet Justine Mtonga and is supervised by Professor. Sunil Sahadev and Dr. Morven McEachern (Salford Business School, College of Business and Law). The University of Salford, UK.

During this interview, you will be kindly asked to answer some questions regarding your experience with loyalty programs within the gambling industry. You have the right to not answer any question without giving a reason. You have the right to leave any question you do not wish to answer. You have the right to withdraw from the research without giving any reasons. As research results might be published, no information that might reveal your identity will be mentioned under any circumstances. Your participation will be completely voluntary.

Kindly take a look at the information sheet and consent form that is attached to this letter.

Your participation will be highly appreciated.

Sincerely,

Violet Justine Mtonga

Participant Information sheet



Research Project Title

Creating socially responsible loyalty programmes in the gambling industry – A Customer Relationship Management perspective.

Invitation paragraph

I would like to invite you to take part in a research project. Before deciding, you need to understand why this research is being done and what it will involve. Please take a minute to read the following information carefully. Feel free to ask questions if anything is not clear or if you would like more information. Take time to decide whether or not to take part.

What is the purpose of the study?

The main purpose of the research is to explore and understand the effects of loyalty programs on consumers and enable us to make better informed decisions about them.

Why have I been invited?

You have been invited because you can provide a comprehensive illustration on your experience and perception of loyalty programs. In order to achieve this, a number of focus group discussions and interviews will be conducted with different customers who were or are still participating/enrolled in loyalty schemes, members of staff as well as management from the retail gaming industry.

Do I have to take part?

It is totally up to you to take part or not. In case you agree to participate, we will discuss the study and go through the information sheet (which you will get). You will also be asked to sign a consent form and you still have the freedom to withdraw your consent at any time without giving any reason.

What will happen to me if I take part?

The interview will take at least 1 hour (approximately). You as an interviewee will be asked to sign the consent form. The interview will be recorded with your permission. *Your identity will be confidential* and no one other than the researcher (myself); will have access to these interviews.

What are the possible disadvantages or risks of taking part?

Research and Participant Consent Form



By completing this form and leaving your signature, you are indicating that you have read the information sheet and have made a decision to participate in the study.

Please note that under the Gambling Act (2005), the minimum legal age for gambling in Great Britain is 18 years of age. You are kindly advised that you therefore, **cannot** take part in this study if you are under **18 years**. In order to protect children further, any person under **18** will **not** be allowed to be present in the room during interviews. And if you are ‘lucky’ enough to look under the consent age, please do not feel offended if the researcher asks you to provide proof of identity to verify your age.

Thank you.

Title of Project: Creating socially responsible loyalty programmes in the gambling industry – A Customer Relationship Management perspective.

I confirm that I am over 18 years old	YES/NO
I confirm that I have read and understood the information sheet for the above study and what my contribution will be.	YES/NO
I have been given the opportunity to ask questions (face to face, via telephone and e-mail)	YES/NO
I agree to the interview being tape recorded	YES/NO
I understand that my participation is voluntary and that I can withdraw from the research at any time without giving any reason	YES/NO
I agree to take part in the above study	YES/NO

_____	____/____/____	Signature
Violet Justine Mtonga	____/____/____	VJM
Name of researcher	Date	Signature

1 copy for participant; 1 copy for researcher

Appendix 11 Think-Pair-Share Activity



THINK



PAIR



SHARE

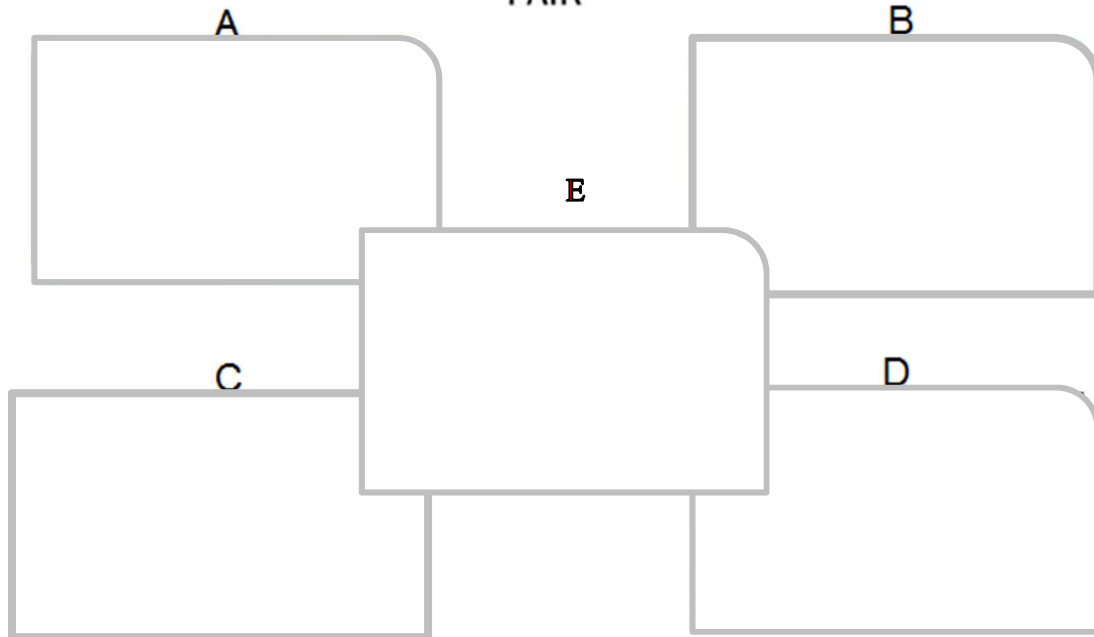
A

B

E

C

D



Before you read, Think Loyalty Programs! Circle and write down two things about them.

- 1.
- 2.

Pair

Compare and discuss your thoughts with a partner. Write down the ideas your partner has that you did not have.

- 1.
- 2.

Share

Now, Share the thoughts with the group.

Appendix 12 Brief explanations of different sampling methods

a)	Random sampling	is the purest form of probability sampling. Each member of the population has an equal and known chance of being selected.
b)	Systematic sampling	is often used instead of random sampling. It is also called an Nth name selection technique. After the required sample size has been calculated, every Nth record is selected from a list of population members. Systematic sampling is frequently used to select a specified number of records from a computer file.
c)	Stratified sampling	is commonly used probability method that is superior to random sampling because it reduces sampling error. A stratum is a subset of the population that shares at least one common characteristic.
d)	Convenience sampling	is used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth.
e)	Judgment sampling	is a common non-probability method. The researcher selects the sample based on judgment. The researcher must be confident that the chosen sample is truly representative of the entire population
f)	Snowball sampling	known as nonprobability involves locating information-rich 'cases' through which referrals are made among participants who share or know other people, who possess similar characteristics as theirs that are of research interest.
g)	Purposive sampling	involves choosing respondents known to the researcher either personally or through networks, who can contribute to the investigation

Source: (Silverman, 2013)

Appendix 13

Focus Group/In-depth Interview Audio Recordings uploaded into Nvivo 11/Transcribed data into NVivo 11

The screenshot shows the Nvivo 11 software interface with the 'Sources' pane on the left and a central table of 'Interview Audio Recordings'. The table has columns for Name, Nodes, References, Created On, Created By, Modified On, and Modified By. The 'Created On' column shows a date of 21/07/2017 17:41 for all entries.

Name	Nodes	References	Created On	Created By	Modified On	Modified By
VOC_112125-4052		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_112125-4053		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_112223-4054		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120103-4057		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120109-4064		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120126-4065		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120128-4067		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120222-4068		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120224-4069		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120330-4070		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120331-4071		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120331-4072		0	21/07/2017 17:49	VIM	21/07/2017 17:49	VIM
VOC_120331-4073		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120331-4074		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120331-4075		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120402-4076		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120408-4079		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120407-4080		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120408-4081		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120408-4082		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120408-4083		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120429-4085		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120429-4086		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120502-4087		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM
VOC_120520-4088		0	21/07/2017 17:41	VIM	21/07/2017 17:41	VIM

The screenshot shows the Nvivo 11 software interface with the 'Sources' pane on the left and a central table of 'IDI Transcripts'. The table has columns for Name, Nodes, References, Created On, Created By, Modified On, and Modified By. The 'Created On' column shows a date of 19/07/2017 11:07 for all entries.

Name	Nodes	References	Created On	Created By	Modified On	Modified By
Interview 1		9	19/07/2017 11:07	VIM	20/07/2017 17:05	VIM
Interview 10		10	19/07/2017 11:07	VIM	03/08/2017 14:55	VIM
Interview 11		12	19/07/2017 11:07	VIM	31/08/2017 14:05	VIM
Interview 12		14	20/07/2017 11:07	VIM	24/08/2017 15:40	VIM
Interview 13		9	15/07/2017 11:07	VIM	24/08/2017 15:55	VIM
Interview 14		15	31/07/2017 11:07	VIM	24/08/2017 11:44	VIM
Interview 15		11	20/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 16		4	5/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 17		0	0/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 18		0	0/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 19		12	20/07/2017 11:07	VIM	19/07/2017 15:20	VIM
Interview 2		6	7/07/2017 11:07	VIM	19/07/2017 15:30	VIM
Interview 20		5	5/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 21		0	0/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 22		5	5/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 23		6	6/07/2017 11:07	VIM	31/08/2017 14:11	VIM
Interview 24		6	6/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 25		13	24/07/2017 11:07	VIM	20/07/2017 08:01	VIM
Interview 26		6	10/07/2017 17:57	VIM	02/08/2017 13:48	VIM
Interview 3		1	2/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 4		4	4/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 5		3	3/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 6		3	3/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 7		4	5/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 8		4	6/07/2017 11:07	VIM	19/07/2017 11:17	VIM
Interview 9		9	15/07/2017 11:07	VIM	24/08/2017 12:20	VIM

Appendix 14 Emerged Nodes from the analysis process using NVivo 11

The screenshot displays the NVivo 11 software interface. The main window shows a list of nodes under the 'Nodes' tab. The nodes are organized into a hierarchical tree structure on the left. The main table lists the nodes with their respective sources, references, and creation/modification dates. The nodes are as follows:

Name	Sources	References	Created On	Created By	Modified On	Modified By
(Un)Awareness of Harm caused by Loyalty Programs by Gambling Operators		19	27/18/08/2017 08:45	VIM	31/08/2017 09:57	VIM
Addiction		21	20/07/2017 08:00	VIM	31/08/2017 18:54	VIM
Unintended Impacts of Harm from Loyalty Programs on Patrons		25	22/08/2017 13:18	VIM	29/08/2017 13:12	VIM
Exploitation characteristics of Loyalty programs within the Gambling Industry		28	17/07/2017 15:39	VIM	31/08/2017 18:54	VIM
Incentivising Uptake		28	22/08/2017 12:01	VIM	29/08/2017 12:56	VIM
Loyalty Cards Comments and Criticism within the Gambling Industry		29	17/07/2017 16:27	VIM	31/08/2017 18:54	VIM
(Un)Ethical Marketing		31	22/08/2017 14:44	VIM	31/08/2017 14:07	VIM
Acceptability, Availability and Ability to gamble online		25	20/07/2017 08:55	VIM	28/08/2017 13:01	VIM
Deprived areas		11	20/07/2017 08:55	VIM	29/08/2017 12:47	VIM
Target Market		5	22/08/2017 12:53	VIM	27/08/2017 20:01	VIM
Glamorised, Attractive & Modern		15	23/17/07/2017 13:48	VIM	31/08/2017 09:44	VIM
Normalisation and Permissiveness of Loyalty Programs		10	18/17/07/2017 13:37	VIM	31/08/2017 18:54	VIM
Rewards, Incentives, Free spins & Freebies		13	18/31/07/2017 13:16	VIM	25/08/2017 13:53	VIM
Misleading Expectations of Loyalty cards		25	03/08/2017 12:29	VIM	29/08/2017 12:44	VIM
Knowledge and Understanding of Loyalty programs		14	19/22/08/2017 12:18	VIM	29/08/2017 12:54	VIM
Denial of Users in reference to gambling problems and Self Awareness		17	40/22/08/2017 12:19	VIM	31/08/2017 18:54	VIM
Miscellaneous		6	6/23/08/2017 12:53	VIM	28/08/2017 13:09	VIM
Operator Implemented Practical CRM Strategies		18	24/28/08/2017 13:17	VIM	29/08/2017 12:54	VIM
User Proposals to CRM Strategy Solutions		18	25/22/08/2017 12:44	VIM	31/08/2017 18:54	VIM
Perception of Rewards System		25	34/17/07/2017 16:23	VIM	31/08/2017 17:21	VIM
Attitude, Interest and Relationship Awareness		26	53/17/07/2017 16:42	VIM	31/08/2017 18:54	VIM
Customer Expectations		17	38/30/08/2017 09:57	VIM	31/08/2017 17:20	VIM
Value of Relationship		24	37/22/08/2017 12:22	VIM	31/08/2017 09:23	VIM
Benefits - Rewards, Incentives, and Social Features		26	62/22/08/2017 12:03	VIM	28/08/2017 14:20	VIM
Empowerment and Sovereignty		12	13/22/08/2017 14:06	VIM	28/08/2017 12:05	VIM
Rite of passage		14	16/03/08/2017 17:03	VIM	28/08/2017 14:13	VIM
Satisfaction		17	32/18/08/2017 08:53	VIM	31/08/2017 18:54	VIM
WOM by Customers		4	5/03/08/2017 12:38	VIM	29/08/2017 12:48	VIM

Appendix 15 Screenshot illustrating document visible coding Using NVivo 11

The screenshot displays the NVivo 11 software interface for document visible coding. The top menu bar includes FILE, HOME, CREATE, DATA, ANALYZE, QUERY, EXPLORE, LAYOUT, and VIEW. Below the menu is a toolbar with various editing and analysis tools. The left sidebar shows the 'Sources' panel with a tree view containing 'Internals' (Focus Group 1, Focus Group 2, IDI Transcripts, Interview Audio Recording) and 'Externals' (Memos, Framework Matrices). The central area shows a table for 'Focus Group 2' with columns for Name, Nodes, and References. The table contains one row: 'Data - Focus Group 2' with 8 nodes and 20 references. The main text area on the right displays the content of 'Data - Focus Group 2', titled 'Focus group Discussion 2'. The text includes several paragraphs, with some segments highlighted in black. At the bottom, a code box is visible with the text 'Code At' and 'Enter node name (CTRL+Q)'. The status bar at the bottom indicates 'VJM 1 Item Nodes: 8 References: 20 Read-Only Line: 3 Column: 0'.

Name	Nodes	References
Data - Focus Group 2	8	20

Focus group Discussion 2

All participants - Yes

Subject 7 (Male): I am surprised that you think I am in an agreed relationship with the bookies! The shop manager does not know me as an individual. By that I mean truly knowing me as a person with my personal issues, but he knows me as a number as that is what he survives on. He is paid by my visits to his shop and my betting habits. That is all he cares for really. What relationship are you on about? You are having a laugh are you? I have never heard of the bookies that invited customers to a meeting to help design, plan or facilitate future designs of mutual interaction. The bookies dictate the realm of interaction and as such I feel my opinion is irrelevant as I cannot influence the level of interaction. It is absolutely absurd that the bookies think they are customer focussed when they do not involve customers in future relationships with their customers. Relationship? (asking almost with anger!). There is a lot of rhetoric that goes on about the bookies being "customer focussed" but I can assure you that I am not one of those customers who feels the bookies has me in mind at all. The bookies guards and protects their interests first and my benefits are inadvertent rather than planned for. I feel cheated.

Subject 4 (Male): That is true though! I get a feeling the bookies deliberately designs terms and conditions that benefit them rather than the customer. How can they claim there is a mutual relationship when they are the only ones who benefit from the arrangement? If it was marriage, you wouldn't stay in such an arrangement would you, unless it's an arranged marriage like some cultures do. I doubt any of the terms and conditions that the bookies make have been researched with me as a customer in mind as I do not find any benefits that directly reflect my position in the equation at all. It would be helpful if for once I was asked on what I want the terms and conditions to contain as that would effectively make me feel that my views are considered. It's a sham!

Subject 1 (Female): Who designs the relationship, me or the bookies? I thought the relationship was between the bookies and their company friends?

Subject 7 (Male): Well, what annoys me is that they offer you what they want; I can't choose what I want. Now, if you are saying that this is a mutual relationship, why do I have to accept what they offer and have no say in what I want or only when I meet those discreet conditions? What's good in that?

Subject 4 (Male): Bang on!! If these benefits are meant to be part and parcel of the loyalty program or relationship like you say, why do I have to fulfil these 'certain criteria' before the bookies gives me? Shouldn't I just be given? Yeah, maybe like offer a happy hour or something, that would be good. After all the scheme entitles me to those benefits, doesn't it! He he he (laughs with sarcasm).

Subject 3 (Male): No you nummy!! (Referring to subject 4). How? You are trying it on! They are a business and they have to make monev as well don't they?

Appendix 16 Screenshot illustrating document visible coding Using NVivo 11

The screenshot displays the NVivo 11 software interface. At the top, there is a menu bar with options: FILE, HOME, CREATE, DATA, ANALYZE, QUERY, EXPLORE, LAYOUT, and VIEW. Below the menu bar is a toolbar with various icons for file operations (Go, Refresh, Open, Properties, Edit), clipboard actions (Paste, Copy, Merge), formatting (Font, Paragraph, Styles), editing (Select, Text, Region, Find, Replace, Delete), and proofing (Spelling). The main workspace is divided into three panes:

- Sources:** A tree view on the left showing data sources: Internals (Focus Group 1, Focus Group 2, IDI Transcripts, Interview Audio Recordin), Externals (Memos), and Framework Matrices.
- Focus Group 2:** A table with columns: Name, Nodes, and References. The table contains one row: Data - Focus Group 2, with 8 nodes and 20 references.
- Text Editor:** A document titled "Focus Group Discussion 1 - 14th May, 2016". The text includes:

All Participants: Yes

Subject 7 (Male): They are good as long as people don't think that they can use them for paying stuff. Erm.. erm ... I mean like relying on them strictly. I am saying this because my neighbour does it. She sometimes calls my little ones to go and help out; it's like what the F...! She is a nightmare

Subject 4 (Female): (laughs)... Huh, I think it depends on the individual person, I mean I've got lots and lots of different loyalty cards for different shops because I love shopping and saving money. I have a card from Tesco, Shell, Debenhams, Boots, Starbucks, Air miles from BA, M&S, Ladbrokes, William Hill though he he he, huh..... my husband don't know that! Oh and Holland & Barratt.

Subject 3 (Female): Why so many?

Subject 4 (Female): I like shopping and saving at the same time.

Subject 3 (Female): But you can't shop and save everywhere can you? I mean how do you do that? Must cost more than the money is worth?

Subject 4 (Female): Well, I do shop from all these retailers, not always but whenever I can, so yeah I use them, why not? It's a good incentive in a way.

Subject 1 (Male): I think it's disgraceful; they are busy manipulating customers, innocent customers that is. I think that it is an absolute shame that the bookies would sink so low just to make money. This isn't about loyalty though is it; this is about them ain't it? Making money on vulnerable people.... (looking disgusted)

Subject 9 (Male): Yeah I agree. This must be a scheme to dupe customers! And have you noticed? The bookies are either near a pub, a bank or in some little shitty council estate where people are on benefits or something. Why is that? If the bookies were genuinely interested in big money, why are they not in places where the big dogs with massive houses and big dosh live eeh? Like where the footballers and them lot live? You tell me... I reckon it's because they deliberately target people on benefits, poor people who don't have much going on, that's why!! You can't spend your whole day in the bookies if have a got a job, can you?

Subject 8 (Male): I am sitting here just think how come this has been allowed to go on for so long? Families are being torn apart let tell you! It's heart breaking!

Subject 1 (Male): Well..... who asks those people their medical history or financial history maybe they are in debt or something or family history? Eeeh? Tell me? You are telling me its okay to sell loyalty programs to customers' without knowing their circumstances? And don't even try to tell me that it's not their job to ask, because it is! They ask you if you are under 18 and all that don't they, yet can't ask that simple question "is there anything else we should know?" Scam! Listen, all it takes

At the bottom of the interface, the status bar shows: 1 Item, Nodes: 23, References: 74, Editable, Line: 19 Column: 28.

Appendix 17 Coding Framework and Text Dissection Using Microsoft Word – Customers’ Views

CODES	ISSUES DISCUSSED	TEXT SEGMENTS/QUOTES
<p>Membership Exclusivity Creates Rites of Passage</p>	<ul style="list-style-type: none"> • Issue of understanding • Hedonic value • Utilitarian value • Emotive value • Positive consequences • Personalisation/ customisation leads to customer benefits • Mutuality / reciprocity in customer-gambling firm relationship • Preferential treatment • Social interaction in terms of the amount of time spent, and the frequency of communication among program members • Friendship and kinship 	<p><i>“because you know you are gonna get a free go aren’t you, whereas before, we [before becoming a loyalty program member] didn’t have these free go’s” (S6C.A),</i></p> <p><i>“loyalty programs generally affirm community, solidarity, you start to feel important, recognised, like you’ve transitioned from an ordinary customer to a very important recognised person; it’s a club!” (S8C.BE).</i></p> <p><i>“I feel that I get preferential treatment because I am a member” (S15C.ABCD)</i></p>
<p>Loyalty Program Membership Facilitates Sovereignty and Control</p>	<ul style="list-style-type: none"> • Sovereign consumer • Logical/ rational thinkers • Self regulation/ autonomy/ sovereignty • Creates rationalism • Free will/ liberty • Limitless • Calculated intents • Safeguarding tool • Empowerment • Consumer acquires new knowledge and understanding • LCPs create exploration/ inquisitiveness 	<p><i>“For me, I actually see it as a safeguard ... because when I see that I have got enough points, I know then that I have been gambling too much to reach a point where I can place a free bet on. I think that it is actually a good thing. But again, not everyone is like me. Maybe am just a bit more sensible?” (P6S1.B).</i></p> <p><i>“I use my loyalty card to monitor my spending levels, it sort of helps me, and although I have been using it more and more recently, I don’t necessarily think that it’s because of the scheme, I think I have become more aware of how much am gambling that I can actually walk away from it. When I started and when the program started maybe, yes, I was quite excited, and I was betting quite a lot. But I soon realised that it’s not really a free bet</i></p>

		<p><i>though, is it? You place loads of bets before reaching a threshold to redeem it. So, once I realised that, I turned a corner and I made a choice not to allow the bookies to dictate what I can and cannot win” (P3S2.AC).</i></p>
<p>Harmful Marketing Practices</p>	<ul style="list-style-type: none"> • Poor/ lack of communication • Lack of knowledge/ level of awareness • Lack of full and unbiased information • Unrealistic enticements • Customer enhancement vs. manipulation • Half-truths/ vague, or incomplete information, • Deceptive marketing practices • False advertising/ misinformed consumers • LCPs associated winning incentive whilst blurring costs • Hard sell / perpetuation by employees • Unescapable • Employees influence/ promote/ brand LCPs popular • Employees/ peers exert influence upon others’ decisions to enrol in LCPs • Used as a talking point among peers • Little support • Naivety/ lack of understanding • Dependence on employees for guidance/ dependence on other program members • Assuming logical consumers/ not fully informed consumers • Vulnerable customer groups • LCPs associated with ease of use online • Gambling firms gleaning consumer data for profiling and targeting purposes 	<p><i>“We just got the membership sometimes because you know, go with the flow” ... We kind of signed up coz we thought that we had to, to be part of you know, certain bets and stuff but then we were told no you didn’t have to. But you’ll get all these rewards and things like that, which was like huh, ok ... we didn’t realise how much money they [other program members] spent to get that reward” (S9C.D).</i></p> <p><i>“I was attracted because it’s easier for me to put a bet without going to the betting shop, because most of the time when I go work, I can’t go to the betting shop because by the time I finish, they are closed. So, it’s best I use my loyalty card with my computer and laptop to put some bets with it [loyalty card] from home” (S26C.C).</i></p> <p><i>“At the time, it’s difficult to refuse because you don’t know yet what’s going on. It happens so fast signing you up [program enrolment], you know?” (P3S2.AC).</i></p> <p><i>“I used to go to the Belle Vue here in Manchester for years to watch dogs racing only every Thursdays with my mates as a social outing. They [employees] started bombarding me every time I went to put a bet on, telling me this that and the other and how I could get points and pay for my bets for free and get better odds blah blah blah yeah, so I then thought what have I got to lose, I bet on dogs every week anyway and it’s something for free in the end. So, to be fair, they [employees], registered me in the</i></p>

	<ul style="list-style-type: none"> • LCPs are used to measure employee performances/ incentivising/ rewarding employees to enrol consumers in LCPs • Subjective promotion by employees • Maintenance of the relationship is highly dependent on the customer's actions to the firm rather than the firm • Wide spread • Rampant 	<p><i>programs and gave me a loyalty card ... Err; I remember thinking to meself, oh wow! I wonder how this will work out, no f...ing clue yeah, what is was all about or how worked!" (P2S1.AB)</i></p>
<p>Relationship Co-creation and Controversy</p>	<ul style="list-style-type: none"> • Inconsequential in the design of LCPs • Limited customer engagement in LCPs development • LCPs are self-serving to the firms/ Selfish initiatives • LCPs give a false sense of mutual benefits • LCPs are glamorised/ create fantasies • LCPs are used to conceal or obscure the true programme intention • Rewards can only be used for gambling again in store • Limited choice or alternatives to keep program members tied in • Inflexibility • Unaware • Non-existent; • 	<p><i>"Are you having me on? Relationship? There's isn't any mate! It's gambling ... I just want to win some money. The only benefits I see from gambling with loyalty cards is addiction, poverty and arguments with the Mrs at home" (P5S1.A).</i></p> <p><i>"No, I just did it for the points [enrolling in LCPs] ... Why would you want to create a relationship? I am spending all my life in there now as it is, why would I want a relationship? I only did it for the points, to get some money back" (S23C.B).</i></p> <p><i>"Hah, don't get me started! No way! I do not want to be trapped into such a relationship!" (P4S1.AD).</i></p> <p><i>"I think a lot of time, when you sign up to loyalty schemes, you think of more one sided as in how this is going to benefit me, not necessarily how it this benefiting me and the company" (S19C. A).</i></p>
<p>Distrust between Actors</p>	<ul style="list-style-type: none"> • Disproportionate returns • Redemption technicalities • Lack of fairness/ complex processes • Mistrust 	<p><i>"what they offer you is not necessarily what you ... you expect to get you don't really get anyway ... You can get less than what you expect, especially from a betting shop that earns millions every bloody second ... coz the more you go there you know, you see like rewards that you will</i></p>

	<ul style="list-style-type: none"> • Lack of reward variety • Deception coupled with a lack of understanding LCPs reward achievement Selling fantasies/ dreams • Manipulation/ Pretend/ Gimmick • Unrealistic LCPs presentations by employees leads to consumer inflated expectations • Poor/ infrequent rewards • Reward redemption deemed unfair and problematic • Misleadingness by employees • Comparability of rewards with other business sectors desired • Rewards not proportional to the resources invested • Rewards delayed • Relationship is non-existent • Glamorised/ lavish/ fantasies • Sham • Con 	<p><i>get from them, and then you would want to bet to a certain amount to get that reward. So, you are just wasting more of your money to get to that point” (S9C.D).</i></p> <p><i>“it took a bit of time for me to realise actually they [LCPs] were just a lot of bull but by then, I was betting quite a lot it was unreal” (P3S2.AC).</i></p> <p><i>“if the benefits are meant to be part and parcel of the relationship, why do I have to fulfil these ‘certain criterias’ before the bookie gives me? Shouldn’t I just be given? After all that’s the type of account [loyalty program], I hold which entitles me to those benefits” (P4S2.DE)</i></p> <p><i>“to me, a loyalty program is just basically a marketing technique; all loyalty programs’ aim is they basically say to the customer, right, if you behave in a certain manner, we are going to reward you with this. So, to me, that’s a form of manipulation because of the fact that they say you have to do this in order for me to reward you of this. So, you are thinking, well yeah, I want a reward, even if you think from it as a child, you always want a reward. Even using the word reward, itself is a form of manipulation” (S19C.A).</i></p>
<p>Employees’ Incentivisation to Market Loyalty Programs</p>	<ul style="list-style-type: none"> • Reward attainment unrealistic • Incentivising customer behaviour/ free bets/ • Inflated expectations • Miscommunication • Lack of transparency • Psychological ‘free bets’ 	<p><i>“If let’s say I have already put on £400 worth of bets and I know that I’ve only got a couple more to win back a free bet or reward, then I will throw on a tenner just, so I can get my free bet” (S1C.ABCD).</i></p> <p><i>“When you are getting close to getting the prize, you have to gamble more ... Because you want the prize, don’t you?” (S23C.B).</i></p>

	<ul style="list-style-type: none"> • Rewards redemption exhausts resources - gamble more before/ after redeeming rewards to win more incentives or freebies • Conditioning consumer behaviour • Compulsion to basic rewards • Cross customers effects • Imbalanced rewards of gambling versus consumers • Amplified views of free bets as incentives • Lack of reciprocity • Customer awareness of manipulation • Firms record customer data for marketing pruposes • Deception/ manipulation to the firms' advantage • Power versus reward • Lack of freedom and choice/ confinement • Loyalty programs are used to manipulate and entice customers • Ease accessibility to online gambling • Chasing money to win incentives • Spend more money to earn rewards / incentives • Loyalty programs have undesired features and service design that encourage/ amplifies gambling 	<p><i>“Well, you get points, so with points obviously you get free, free go’s which is good. And obviously the more you use, the more points you get. So, it [loyalty card] encourages you to use ... yeah, because you want to do it more to get that incentive, you know like your free bet ... The more points you get, the bigger you put on you know to make it quicker, you go quicker, so yeah you work faster because you know like, once the races have gone normally, I would have a “flutter” then go, whereas now, its ugh, get some points, ugh, get some points!” (S6C.A).</i></p> <p><i>“So, it [loyalty program], makes you wanna build up again anyway because you want money on your card then [loyalty card], you know (P18C.ABCD).</i></p>
<p>Members’ Compulsiveness To Earn Rewards</p>	<ul style="list-style-type: none"> • LCPs act as compensation after losses • Rewards perceived as something for free • LCPs’ does not set limits for consumers • Betting cashless exacerbates problems of addictions • Customer awareness of increase LCPs usage/ elevated levels of gambling; • Irrational behaviour 	<p><i>“it [loyalty card] did to me ... when I first started out, I didn’t really put that much on it, I didn’t. Whenever my team was playing I did put 2 or 3 quid on and they [employees] introduced me to this loyalty card. And I was like alright, what’s this? And they was like telling that, you have to win so much stuff etc. Every other week, there’s something different on it [offers] and, I ended up winning a bit more money because of it. So, it proper drew me in ...</i></p>

	<ul style="list-style-type: none"> • Reciprocity not present in the land-based gambling sector • Value misalignments • Use of directionary effort • Psychological, economical, systematic compulsivity • Addictiveness as personal impact • Unclear rewards • Divergent harm includes family strife, family neglect, abuse, accruing debt, • Unremitting effort/ lengthy process to accumulate points • Chasing losses/ actively encourages repeat gambling • Traditonal barriers control • Firms monitor those impacting on profit than those incurring personal losses 	<p><i>that loyalty card made me a gambler! That's all am saying. Am not too bad but yeah, I bet more now because of it. Am not gonna lie" (S18C.ABCD).</i></p> <p><i>"I was just a normal working woman looking after her family. Then about 2 years ago, I said to my best friend, hey, I signed up for a loyalty card at (Company B). She said to me, steer clear mate, they are bad news. And I said oh no this and that and the other ... such and such a body won loads of money on a free bet. My mate warned me. You know what I said? I've already started putting money on, so let me just carry on and get my money back and I will stop I promise. Now, am addicted it's unreal. I can't put a bet on without the card [loyalty card], and, I now go to the bookie everyday religiously ... just to get the points. My friend says am a loyalty program gambling addict" (S2C.B).</i></p> <p><i>"I share my husband with the bookie, what does that tell you? And that's thanks to them loyalty programs I must say, my other half is into them a lot. They are the worst thing that happened to him let me tell you. But whatever I have said to them [employees] about him, they never listen" (P1S1.A).</i></p>
<p>Loyalty Programs Promotes Gambling from Home</p>	<ul style="list-style-type: none"> • Loyalty Programs Promotes Gambling in a Sheltered Environments Lacks consumer protection • Convenience to bet online using LCPs at home, work, on the go • Linking bank card for convenience • Brings about social distancing/ concealment/ denial/ deceit/ of negative stigma • Elimination of social or firm monitoring 	<p><i>"Betting online at home with the loyalty card has encouraged me to gamble even more and more because when you look at the odds, and what its paying out, and you are playing with plastic, you don't think twice, ah, it's a fiver, then a tenner and before you know it, you have spent 200 quid in a very short spate of time. It happens. Then I start to chase my money and by the time I log off, I could be 200 or 500 quid down. So that will stress me. Then I get into a bad mood and then have bad words with</i></p>

	<ul style="list-style-type: none"> • Employees' lack of policing opportunity • Betting cashless exacerbates problems of addictions • Negative view of employees of online availability 	<p><i>my Mrs and will find a way to win back that money by gambling more” (S15C.ABCD).</i></p> <p><i>“All this betting online nonsense with loyalty programs is just destroying homes. Deceit and lies covering up bad habits, that’s what I do ... for how long can I live like this with this secret? ... It’s a secret I don’t want to keep forever ... but am not prepared to risk my relationship or family neither, so am in a catch 22 ... I’ve now lost 4 of my best mates and on top of that, I still owe money to them. Do you see what I mean? If losing friends, being in debt and suffering in silence living scared of losing someone you love is not harm, then I don’t know what is. Am not a free person, I am in a prison without walls you see” (S2C.B).</i></p>
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Appendix 18 Coding Framework and Text Dissection Using Microsoft Word – Employee’s Views

CODES	ISSUES DISCUSSED	TEXT SEGMENTS/QUOTES
Membership Exclusivity Creates Rites of Passage	<ul style="list-style-type: none"> • Sovereign consumer • Logical/ rational thinkers • Self regulation/ autonomy/ sovereignty • Creates rationalism • Free will/ liberty • Limitless • Calculated intents • Safeguarding tool • Empowerment • Consumer acquires new knowledge and understanding • LCPs create exploration/ inquisitiveness 	<p><i>“it [LCPs]allows them [consumers], to ... log on online on the website D. com, they get an access to the account, they can review their spendings, plus, and it helps to monitor also the spendings of the people [consumers]” (S10DM.D).</i></p>
Loyalty Program Membership Facilitates Sovereignty and Control	<ul style="list-style-type: none"> • Issue of understanding • Hedonic value • Utilitarian value • Emotive value • Positive consequences • Peronalisation/ customisation leads to customer benefits • Mutuality / reciprocity in customer-gambling firm relationship • Preferential treatment • Social interaction in terms of the amount of time spent, and the frequency of communication among progam members • Friendship and kinship 	<p><i>“some [consumers] do want loyalty cards because if then once they’ve reached £500 in a week, and they’ve never done that before ... then they think right, I need to stop. Some people can control it that way” (S4CEM.A).</i></p> <p><i>“it [LCPs]allows them [consumers], to ... log on online on the website D. com, they get an access to the account, they can review their spendings, plus, and it helps to monitor also the spendings of the people [consumers]” (S10DM.D).</i></p>
Harmful Marketing Practices	<ul style="list-style-type: none"> • Poor/ lack of communication • Lack of full and unbiased information 	<p><i>“so, someone who has self-excluded, someone who has made it their mission to stop gambling, if they [management], realise that half way through err, like 3</i></p>

	<ul style="list-style-type: none"> • Unrealistic enticements • Manipulation/ misleadingness • Customer enhancement vs. manipulation • Half-truths/ vague, or incomplete information, • Deceptive marketing practices • False advertising/ misinformed consumers • LCPs associated winning incentive whilst blurring costs • Hard sell / perpetuation by employees • Pervasive • Lack of knowledge/ level of awareness • Employees influence/ promote/ make LCPs popular • Employees/ peers exert influence upon others' decisions to enrol in LCPs • Used as a talking point among peers • Little support • Naivety/ lack of understanding • Dependence on employees for guidance/ dependence on other program members • Assuming logical consumers/ not fully informed consumers • Vulnerable customer groups • Manipulation/ misleadingness • LCPs associated with ease of use online • Gambling firms gleaning consumer data for profiling and targeting purposes • LCPs are used to measure employee performances/ incentivising/ rewarding employees to enrol consumers in LCPs • Subjective promotion by employees 	<p><i>months or something they haven't returned to the bookies or haven't used their CC 1 cards, they send them [self-excluded members] email with this and that" (S7CEM.C).</i></p> <p><i>"they [gambling firms], always text customers with offers, obviously they've got text facilities to contact customers telling them you've got so many points or you know, get a £5 free bet or whatever, or there's a competition on the machines [FOBTs], and stuff like that. There's a lot of that goes on now. And they [loyalty program members], get ... and a lot of the offers that they send to customers are matched to the way they bet now on as well. So, everything, I don't know, so they link or check to see what the customer usually bets" (S5DM.A).</i></p>
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	<ul style="list-style-type: none"> • Maintenance of the relationship is highly dependent on the customer's actions to the firm rather than the firm • Wide spread • Rampant 	
Relationship Co-creation and Controversy	<ul style="list-style-type: none"> • Inconsequential in the design of LCPs • Limited customer engagement in LCPs development • LCPs are self-serving to the firms/ Selfish initiatives • LCPs give a false sense of mutual benefits • LCPs are glamorised/ create fantasies • LCPs are used to conceal or obscure the true programme intention • Rewards can only be used for gambling again in store • Limited choice or alternatives to keep program members tied in • Inflexibility • Unaware • Relationship is non-existent; • Glamorised/ lavish/ fantasies • Sham • Con • Manipulation • Pretend • Gimmick 	<p><i>“I don't know if they're [customers], aware but I think they, they are kind of almost forced to have a relationship ... I think, you do create a relationship between not necessarily us as the face of the company, but with the actual gambling itself ... they [customers], are so attached to these cards that when they lose it, its world war three for them, and its game over”</i> (S25CS.C).</p> <p><i>“Relationship? We don't market it as a relationship anyway. We know it's for that, but we don't tell them. But, if they asked, I personally I would probably tell them or explain. But, maybe not as detailed as you put it because I wouldn't want to put them off. I would say in general, they receive like £20 bonuses, free credits etc ... Customers are more interested in playing on the games placing bets on the joint horse running in the next race, they are not necessarily in store knowing me, talking to me or me disciplining or policing them”</i> (S14SM.C).</p>
Distrust between Actors	<ul style="list-style-type: none"> • Disproportionate returns • Redemption technicalities • Lack of fairness/ complex processes • Mistrust 	<p><i>“they [gambling firms], keep pestering them [consumers], for special offers they have for online bets or we will give you [consumers], free bets, but then, it's on specific things or games that you [consumers], can bet on anyway”</i> (S4CEM.A).</p>

	<ul style="list-style-type: none"> • Lack of reward variety • Deception coupled with a lack of understanding LCPs reward achievement • Selling fantasies/ dreams • Unrealistic LCPs presentations by employees leads to consumer inflated expectations • Poor/ infrequent rewards • Reward redemption deemed unfair and problematic • Misleadingness by employees • Comparability of rewards with other business sectors desired • Rewards not proportional to the resources invested • Rewards delayed 	<p><i>“they [consumers], see it more of oh, it’s a free reward or oh, its free free free but nothing is free you see. They, [gambling firmss] see it as a ... the compensation, it’s a disguise, isn’t it? It’s a disguise they give a reward, or they give you [consumers], bonus, or this, but it sounds free, doesn’t it?” (S7CEM.C).</i></p>
<p>Employees’ Incentivisation to Market Loyalty Programs</p>	<ul style="list-style-type: none"> • Reward attainment unrealistic • Incentivising customer behaviour/ free bets/ • Inflated expectations • Miscommunication • Lack of transparency • Psychological ‘free bets’ • Rewards redemption exhausts resources - gamble more before/ after redeeming rewards to win more incentives or freebies • Conditioning consumer behaviour • Compulsion to basic rewards • Cross customers effects • Imbalanced rewards of gambling versus consumers • Amplified views of free bets as incentives • Lack of reciprocity • Customer awareness of manipulation 	<p><i>“we tell them the more money you play on the gaming machines [FOBTs and SSBTs], you get a chance to build up points and you earn money as well and blah blah and you can monitor your bets. It’s kind of oh, if I keep gambling and use my CC I am gonna get something back in return” (S25CS.C).</i></p> <p><i>“to encourage customers to participate more often and frequently, bookmakers looked at other methods of rewarding customers to actively gamble, through vouchers and lucky draws. But this can only happen to punters who participate actively in gambling, otherwise if they only do it here and there, on and off, then their behaviour is not rewarded as such. At the end of the day, we are here to make money as a company, so we are not gonna give out freebies to people who don’t actively gamble. Of course, the down</i></p>

	<ul style="list-style-type: none"> • Deception/ manipulation to the firms' advantage • Power versus reward • Lack of freedom and choice • Loyalty programs are used to manipulate and entice customers • Ease accessibility to online gambling • Chasing money to win incentives • Spend more money to earn rewards / incentives • Loyalty programs have undesired features and service design that encourage/ amplifies gambling 	<p><i>side to that is that rewards can only be spent here in store. So, I would say yes, in that respect, loyalty programs can increase the spend of a consumer because this is all at the end of the day what we want them to be rewarded for, their purchases or behaviour. Also, it's a way of somehow tying them down with the stiff competition that is out there on the high streets" (S14SM.C).</i></p> <p><i>"Err, I think it's like they have a pound they spend and they get 1 points, okay, and the 10 points it's like a £10 or something like that. And that's how much you earn. You have to spend 10 times more to actually earn that amount in a free bet. So, if you spend 500 quid, you get a fiver free bet that kind of thing ... they, [customers], have to actually gamble more ... basically the case of we will give you more money the more money you spend. But what we are giving you isn't actually worth what you are spending money on. So, you spend £500 and we will give you a fiver and then you will give that fiver back to us but you can only spend it here" (S22CS.A)</i></p>
<p>Members' Compulsiveness To Earn Rewards</p>	<ul style="list-style-type: none"> • LCPs act as compensation after losses • Rewards perceived as something for free • LCPs' does not set limits for consumers • Lacks consumer protection • Convenience to bet online using LCPs at home, work, on the go 	<p><i>"I would say loyalty programs particularly on the machines [FOBTs and SSBTs], can encourage gambling. It's at the click of the button and customers lose track of time or amounts of money because they are playing cashless! I have a guy in my shop who comes in at least three times a week. But when he comes, he spends the whole day betting on the</i></p>

	<ul style="list-style-type: none"> • Linking bank card for convenience • Betting cashless exacerbates problems of addictions • Brings about social distancing/ concealment/ denial/ deceit/ of negative stigma • Elimination of social or firm monitoring • Employees’ lack of policing opportunity • Customer awareness of increase LCPs usage/ elevated levels of gambling; • Irrational behaviour • Reciprocity not present in the land-based gambling sector • Value misalignments • Use of directionary effort • Psychological, economical, systematic compulsivity • Addictiveness as personal impact • Unclear rewards • Divergent harm includes family strife, family neglect, abuse, accruing debt, • Unremitting effort/ lengthy process to accumulate points • Chasing losses/ actively encourages repeat gambling • Negative view of employees of online availability • Traditonal barriers control • Firms monitor those impacting on profit than those incurring personal losses 	<p><i>machines [FOBTs and SSBTs], with his loyalty card. And I mean the whole day, from the time we open till close. He is a big customer who can place £500 bets in just one siting. The machines allows you to place up to £100 per time. So, if he plays five times, he is gambling loads clearly. There was a day when he lost £18,000 in one day! ... He came back first thing the next day and started to chase his money again. And because he had lost so much the night before, the loyalty card automatically gave [rewarded] him a £50 free bet” (S14SM.C).</i></p> <p><i>“they [customers], put in their CC 1 and they spend £2000, within 30 minutes they leave, they’ve got nothing and they come back tomorrow, they put in their card and it tells them oh, you’ve got a free £50 spin, you’ve got a free £30 spin, or free £20 or £30 that you can spin... if we are talking, does it [loyalty card], do harm? Certainly, especially when it’s excessive, you win once, you want to win again ... Not achieving points is as good as losing, so customers just wouldn’t want to do that. They would want to carry on till they get a reward, right? Because that’s winning” (S7CEM.C).</i></p>
<p>Loyalty Programs Promotes Gambling from Home</p>	<ul style="list-style-type: none"> • 	<p><i>“To be honest, am worried that gambling in store is being taken away from betting on the counter to online betting. I know customers like that; the value the</i></p>

		<p><i>loyalty card gives them in that they can now gamble in the comfort of their own homes. But, my worry is, who is actually watching these people? We can't! If they are not right in front of us, how can we monitor or implement responsible gambling? It's hard to police people who have been given freedom to gamble at will wherever they want" (S12SM.D).</i></p> <p><i>"It's quite high at the minute, that's something that the company is pushing more at the minute ... I think it's more so to get more customers online, obviously it's cheaper in the long run for customers to be betting online ... so it's easier for the company when they've got obviously customers betting online ... because now, it's all to do with the ... loyalty cards are mainly for people who gamble online. There isn't really much benefit in the shops anymore. So, they just want more and more people gambling online coz you can do it 24 hours a day instead of 12 hours a day in a shop" (S3SM.A).</i></p>
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Appendix 19 Ethical Approval Letter



Research, Innovation and Academic
Engagement Ethical Approval Panel

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University of Salford
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www.salford.ac.uk/

18 February 2016

Violet Mtonga

Dear Violet

RE: ETHICS APPLICATION SBS 15-12 Creating socially responsible loyalty programmes in the gambling industry: A Customer Relationship Management Perspective

Based on the information that you provided, I am pleased to inform you that your application SBS 15-12 has been approved.

If there are any changes to the project or its methodology, please inform the Panel as soon as possible by contacting SBS-ResearchEthics@salford.ac.uk.

Yours sincerely,

A handwritten signature in black ink that reads 'David Percy'.

Professor David F. Percy
Chair of the Staff and Postgraduate Research Ethics Panel
Salford Business School

Appendix 20 In-depth Interview Transcript – Consumer

Interview 9 with customer: 14th January 2017 (Female, Customer with D for 1 year+; Age 28 – 32 years: Lives in area XXX. Pseudonym coded as S9C.D

V: Hello, good afternoon, am Violet and I am conducting a study on loyalty programs within the land-based gambling sector. Thank you for agreeing to take part in the interview today.

If at any time you feel that my questions are not relevant or, you feel uncomfortable to answer, please let me know.

Interviewee 9: Ok thank you, I will tell you

V: Would you mind telling me a little bit about yourself, and also, the company you have a loyalty card with?

Interviewee 9: My name is X, am 28 years old, I live in XXX and I have a loyalty card with D

V: Okay, thank you very much for that information. So, tell me about loyalty programs, how would you describe them? I know loyalty programs from a textbook. From your understanding, what is a loyalty program?

Interviewee 9: A lot of customers use them and am always like oh you get these rewards and you get loads of like points, that will help with other bets and certain things, but it's never really interested us like that, but we just got the membership sometimes because you know, go with the flow, but, we normally tend to go to the betting shop to use them in the machines.

V: So, please tell me, what attracted you to signing up to a loyalty program, to membership in the first place? Why (did you enrol) you enrol customers in loyalty programs? And how extensively are loyalty programs used within the UK land-based gambling sector?

Interviewee 9: Mmm, just all the rewards that they offer, and you know the points that will accumulate you know, and things like that, but like I said, it's not like we are one of those who are like ugh, let's check how many points we got or things like that.

V: So, you just kind of use it on a day to day basis and then they give you points and rewards?

Interviewee 9: Yeah

V: okay, alright. So, you know loyalty programs, the main aim is to create and maintain a relationship between a customer and an organisation, what are your views on that? When (you signed up) enrol customers for the loyalty program, is that how you/ it felt/ feels?

Interviewee 9: Erm, no not really! Err, you put it quite well actually, no we didn't think of it like that. We kind of signed up coz we thought that we had to, to be part of you know, certain bets and stuff but then we were told no you didn't have to. But you'll get all these rewards and things like that, which was like huh, ok, but then, what they offer you is not necessarily what you what you expect to get you don't really get anyway, do you know what I mean? You can get less than what you expect, especially from a betting shop that earns millions every bloody second. Do you know what I mean?

V: when you say you get less, in comparison to?

Interviewee 9: them, what you the customer are getting out; getting yeah, it's not fair

V: right, I see

Interviewee 9: I just think it's all a con ain't it? Just to get customers in, err and I think you know, it's not good really, it's not good for the customers especially those that have or are addicted to it and the impact that it has on people's lives, you know, coz the more you go there you know, you see like rewards that you will get from them, and then you would want to bet to a certain amount to get that reward. So, you are just wasting more of your money to get to that point. If that makes sense?

V: yes, I see what you mean. So, is that how you felt with the loyalty membership card?

Interviewee 9: Yeah, and then we thought oh, this is load of rubbish because we did this this and this and we then didn't get this anyway, you know and now we are broke, and we didn't get our reward.

V: I see. Ok, so while we on that, from your own experiences, do you think that, err, I mean (did you) / have you observe any changes in your (customers) gambling involvement or patterns?

Interviewee 9: Yeah, a lot! yeah, because obviously you know like I said, to get to that reward, you got to do certain things and spend certain amounts to get there and obviously, it's not all the time that you can afford to get there. Do you know what am saying, and before you know it, you got no money and you still haven't reached the target to get that reward.

V: Right, okay, so err, so in your case, when did you see the change? Was it before winning the rewards or did it change after you got the reward? If I may ask, what changes did you

Interviewee 9: Well, it was a friend that received a reward argh, I can't remember what it was but a friend received a reward, anyway and we went arrgghh, we want that and then obviously that's when we signed up for the membership to you know, for the loyalty program then obviously, yeah, so you know we didn't realise how much money they spent to get that reward. Do you know what I mean? So, yeah

V: So, in a way it was a word of referral from your friend, and you signed up for it. But then in the process you said that realised that?

Interviewee 9: Yeah

V: And by then, you had already signed up for it?

Interviewee 9: Yeah

V: But then, did you say you didn't know how much you had to put on in order to get a reward?

Interviewee 9: in the process we realised that it wasn't worth signing up for because it cost me lot of money, and I mean a lot!!

V: So, let's come back, when and how did you see that your habit had changed. Was it before you received a reward or was it after you got the reward?

Interviewee 9: After! Well, obviously because I see someone else get the reward, you know, you spend that little extra coz you want the reward, you want the reward, but once you get the reward, you want a better reward don't you; so, you start spending more and more and more and then it just gets worse and worse and worse and then in the end, I stopped betting altogether because I had seen what it did to me and my family. Back then, it was my partner that introduced me to gambling, he used to gamble a lot though. A lot lot more than me. So,

V: You said your partner introduced you to gambling and that he gambles a little bit more than yourself. Did you mean he introduced you to loyalty programs or just gambling in general?

Interviewee 9: Gambling, yeah, so he's been gambling from young, he was, the betting shop because myself, am originally from XXX and so erm it's still D, but the betting shop in XXX, erm, they allowed younger people, he was like 15- 16 years gambling in the betting shop and they allowed it because you know, he's got the money to put in the machine, but he was just he's more on the roulette things like that on the machines, and yeah so it started from that and he's very good at predicting numbers and things like that so, that's where I started from watching him, you know putting a little fiver there, the from fiver went on to a tenner and then tenner went on to hundreds, you know, and so on. So that's how it started erm, he's just completely addicted to it, completely, and there's no stopping him in the betting shop. Like he can't walk past a betting shop without going in one even if it's just to try a £1 or even just to try thousands of pounds; he's got go. He can't walk past one.

V: When you say addicted, is that to gambling or loyalty cards?

Interviewee 9: to both I would say well, he gambles with loyalty cards obviously to win rewards, but also, win money, so yeah. We would be on holiday and that's the worst place coz you've got all these machines and

V: when you say in the arcades, is that at the beach like in Blackpool?

Interviewee 9: Yeah, and I would be like where's your dad gone, to the kids; oh, he is in that shop and it's the bloody betting shop! You know so, he's completely addicted to it, completely you can't prise him off from a betting shop and then soon as I say something, like you're spending all our spending money, you know, yeah, his excuses: yeah but if I win, will have more spending money, do you know what I mean? And then, a lot of the times he wins, more times he loses, do you know what I mean? But it's not like most times he don't win, because he's good at predicting like I said, err you know, so, yeah

V: So, let me clarify this, he plays the machines with a loyalty membership card?

Interviewee 9: yeah, yeah, yeah, always!!

V: I see, mmm, Thanks for sharing that by the way X. Are you ok?

Interviewee 9: yeah, it's fine

V: Ok. Right, so; lets come back to the discussion and talk about you. Can loyalty programs cause harm? By harm, I mean financial, emotional

Interviewee 9: Yeah, yeah financial, emotional physical and all the other 'cals' you can think of, sorry, but yeah; because like it starts with you know, obviously you wanna get your reward, you wanna get your points, you wanna get your vouchers, you just, you wanna win, that's why you go to a betting shop because you wanna win, whether its money or rewards, you just wanna win, and you know, mentally, it affects you, financially it affects you, physically it affected me because is if I was to say anything or you know, I would get physically abused for it you know, because am commenting on his you know on his addiction to betting and then obviously am telling him about his-self and then he gets aggressive because am trying to prise him off from the machine and because all his money is still in that machine and he's waiting for the machine to break even so it releases his rewards, yeah or his money, do you know what am saying? So, then he will start getting physically abusive to me in the betting shop

V: Physically abusive in the betting shop?

Interviewee 9: In the betting shop! I've had, a machine been thrown towards like you know when you push it down, he tried to push it on me because he's got his money in and am telling him let's go

V: I see

Interviewee 9: Well, this is like, this is a true story!

V: True story? Of course, it happened to you, it's not like you are talking about someone else. So, are you saying then that harm wasn't just to him mentally or physically, but he was abusing you?

Interviewee 9: Yeah, he's obviously he's spending all the money, like spending all the family's money that could be feeding or going to the kids on the table obviously, he's like, you know. I work, he works, luckily, I got my money separate to his, do you know what am saying? And it has to be that way, he can't access my money because we won't have no money if he did, do you know what am saying? Like we need like him supporting his family, he don't do that, he supports the betting industry, all because of them stupid rewards and the promises they give to people about winning, its wrong.

V: Is that how you feel that he's supporting the betting industry?

Interviewee 9: That's how I see it, you're supporting the betting industry, you ain't supporting your family because you're feeding the machines, not your kids! And if they give back it to you, what do you do? Go back and feed the machine again, so you haven't got no money left anyway because you know you won't! And then you lost it because you just want more.

V: You want more. Okay, so in that context, allow me to clarify this. In your situation, did loyalty programs create harm?

Interviewee 9: Yeah, definitely, definitely

V: Okay, so other than what you've just shared, what have you personally observed or

experienced when using loyalty programs in gambling activities? And my question is not to undermine what you have just explained.

Interviewee 9: So, like I said, erm. I've seen stabbings, I've seen like because like, because

V: Is this in XXX?

Interviewee 9: This is in XXX this one obviously because am from XXX, and it's in a deprived area also known as the ghetto of XXX, so one guy just went to change a bit of cash, err, and then go back to the machine to put more money in, and then, all you know, I think he got one of them, the reward tickets from the machines that you go and claim, so he was going to get, to collect his winnings and then he was gonna go back to the machine and then someone else went on the machine, and he was like no no no, that's my machine, and the other guy went yeah you just left the machine deh deh ded. And it kicked off stabbed him, face sliced urgh, horrible obviously I didn't want to see it, and then he touched his face and all the skin flapping and I was like oohhhh. So, that's another true story as well and am not even joking yeah, am not joking. Yeah so, I've seen loads of fights break out in the betting shop, outside the betting shop and its' all to do with betting and stuff. I've seen the machines in that shop got prised and chopped daily, I don't even know how they still worked

V: And that's because?

Interviewee 9: Customers are angry, they are angry, hitting the machines. Banging the machines, you know, fights break out or like someone is like naaah you you've had enough' like you've spent enough ... noooo, urgh, it's my money! I want my money!! People spitting at cashiers and all sorts

V: I see. But is that more because of gambling in general or would you still link it to loyalty programs?

Interviewee 9: Well, whatever it's about, it's just tedious but it gets people riled up, it's wrong! It's sad! And then obviously, all these people that are going crazy on the betting machines they've got families at home that are suffering because you're feeding the betting industry. And then you go home, angry and then take it out on the family because you've lost all your money.

V: You sound really angry X

Interviewee 9: I am very angry, because I actually, really, I've experienced it yeah. Obviously, it was fun at first; wining rewards and stuff like that. I can control myself, am not an addict, I know I am not because I know when to stop, so like I know if I go in there with a budget and I don't win money or a reward, I am leaving, you know? I know when to walk away whereas some people don't, and they will put everything they have and sell things. I've seen people sell things, people have lost their houses and... do you know what am saying just to put it, to feed the gambling industry. And then they call it a loyalty card? But I don't see them being loyal to their customers, by enticing them to lose everything they have because their winnings aren't always fair!

V: The winnings aren't always fair? Would you please expand on that?

Interviewee 9: No, like the amount you have to put in to receive a winnings is not fair, it

might be you know for the owners, multi-millionaires you know, but it's pennies they are expecting us to put in but, you know, for hard earned you know families who are on like minimum wage or something or some on benefits, those pennies going like that could feed a whole family. Do you know what am saying?

V: Am interested in the word enticing, do you think betting shops are enticing customers to gamble with loyalty programs?

Interviewee 9: Yeah, yeah that is what exactly they are for. Loyalty programs? Is to entice customers.

V: So, at one point during the discussion, you said loyalty programs are a big con

Interviewee 9: It's a big con, that's a con, huge, the betting industry is a con. Everyone who is a part of it knows that, and if the betting industry was to deny it, they are lying! Nooo listen yeah, they just make it even worse, because they know that it's a problem, they know gambling is an addiction on its own for some. They know all the issues that you know come with gambling. They have to, because you know that's their area of business. So, if they already know that, you know loyalty cards is just enticing more people to become addicts. That's just like, that's just like me going to an area where people are recovering and saying two for one on crack; do you know what am saying? That's exactly the same thing. You wouldn't that do that though, would you? They wouldn't do that.

Interviewee 9: They wouldn't!

V: But what do you think?

Interviewee 9: Because it's easy to give loyalty cards to poor people, if you're going around, across areas, betting shops are like local, aren't they? I seem to find that they are always in like mostly in more deprived areas or some shitty council estate than they are in rich areas.

V: Why do you think is that?

Interviewee 9: Because the rich don't really need it, they're already rich, whereas the deprived, err, you know they want the chances of becoming rich and these like people you know want the easiest way to get rich and that's an easy get rich scheme if it works, you know, but 9 times out of 10 it don't! And if it does work, 9 times out of 10 it works for an addict so then, they are just gonna put it all back in. So, then it don't! It don't work, it's just like a mind, err what's the word, I can't think of the word but yeah you know

V: Ok, please allow me to ask this, when you win a reward, where would you usually spend those rewards?

Interviewee 9: Arrgghh, you just end up spending it in the betting shop, that's it. You can't spend rewards or vouchers from the betting shop anywhere else. Well, as far as the company I am with anyway. Everything, from my own experience, is that everything you win with a loyalty card in a betting shop, it gets spent back in the betting shop just in order to try and get you to gamble more. That's what it is I think!

V: Right ok, right ok, thank you for that insight X, I really appreciate it. Erm ok, my next question is, if the power to change the gambling companies' decisions about loyalty programs

is in your hands, or, if you were to be given an opportunity to change or propose something new to the betting shops or indeed the government within the gambling sector, what would it be and, why?

Interviewee 9: erm, it would have to be something based on peoples, earnings, erm. I don't know, I don't know, I think, oh gosh that's a hard question. What would I change? Cut them out altogether, we don't need a loyalty card, it's just

V: get loyalty cards out? As in remove them?

Interviewee 9: Yeah, you don't need to get to, like basically for one, through loyalty cards the betting shops, in some aspect is losing out if the winnings are kept to the winner, yeah, if they don't put them back into the betting shop. But then obviously, they use loyalty cards to entice people to be spending more money ain't they? So then, it's a no-win situation, but if they were to lose loyalty cards, they won't lose customers, they won't lose money they wouldn't lose anything really. Coz customers will still be attending; but I just think loyalty cards should just be completely shut down for one, because you are encouraging an addiction.

V: Encouraging? That's what you think or it that what you've seen, an addiction?

Interviewee 9: yeah, that's what I've seen, that's what I've known especially with the kids' dad.

V: I see. Thank very much for the information. Is there anything else you want to add on that I have not asked you or maybe you were expecting me to ask and you are thinking she should have asked me that question?

Interviewee 9: No, not really, just the effects loyalty programs and gambling have on families you know. I think the betting industry don't realise what happens outside of the shop, outside that community once people have left the shop environment. People have made themselves homeless just because they've, you know they don't understand the extent or I feel like Staff should be trained in such a way where that, or all machines should be set in such a way where you, where you see someone that's getting frustrated or they are angry they shut down that game, but then you know to protect your Staff as well, because people get really angry if you just shut down the game

V: You mean because they would have been in the middle of winning and Staff are shutting it down?

Interviewee 9: Yeah, yeah, in the middle of chasing their money and stuff, but you know, there's a limit and I think or give an option, when someone goes in the betting shop, they put their limit first once you've reached your limit that you put on the machine, then you can't, you know, and you using like loyalty cards and stuff or membership, they would know your limit. So, if you put like say you put your loyalty card, if you had a loyalty card and then you've got a membership number, if you put your membership number in the machine, then put the limit that you want to spend on that day, and then the machine would detect. You know like when you go to a library, and then they say you've only got an hour on the computer, and then the computer would start to warn you and start to shut down. I think that should be the same. And that's your bets for the day, you cannot bet again for the day coz you've used your loyalty card. Unless you use someone else loyalty card which I doubt it coz they will be as addicted as you and they gonna wanna bet too so I doubt it. So, I'd rather

actually a different 10000 names under loyalty card, it would errh even things out a bit I think!

V: Mmm that's a very good idea! If the machine automatically shuts down, customers can't get angry at shop Staff, can they? Because it was warning them! Thank you for that idea. I will take it on board and try to suggest it. Is it okay if I can contact you again if I need to clarify something or as a follow up? Just for the duration of data collection.

Participant / Interviewee: No, I don't mind at all. Anytime, just call me or text, I will be happy to speak to you again. It's interesting what you are doing. Hopefully, you can achieve bringing some change, someone's got to and that someone could be you.

V: If change does come, it will be thanks to consumers like yourselves who have given invaluable time and suggestions. So, thanks again.

Appendix 21 In-depth Interview Transcript – Employees

Interview 7: 12th January 2017 (Male, Customer Experience Manager, C; Age: 23 – 27 years: Has worked for 4+ years for C in Area XXX. Pseudonym coded as S7CEM.C

V: Hello good evening, am Violet and I am conducting a study on loyalty programs within the land-based gambling sector. Thank you for agreeing to take part in the interview today. If at any time you feel that my questions are not relevant or, you feel uncomfortable to answer, please let me know.

Interviewee 7: Am sure I will be fine. But thank you for your concern

V: Would you mind telling me a little bit about yourself, and also, the company you have a loyalty card with (you work for)?

Interviewee 7: Err my name is X and I am 25 years old. I work for C and my position is CEM. So, Customer Experience Manager

V: Thank you for that piece of information. So, tell me about loyalty programs, how would you describe them? I know loyalty programs from a textbook. From your understanding, what is a loyalty program?

Interviewee 7: Err, we have something very similar to what you've just called it. I think err I am not sure if the criteria fit the err, loyalty program, but, it's a CC 1 card, a CC 1 card yes, so its developed to reward customers that play on the gaming machines, over the counter and stuff like that. Err. We usually call it a CC 1. So, it's I think a reward card. It sort of calculates their losses. So, let's say, if they've lost a particular amount today, then, it triggers something and then, they get like a free £10, £20, £30, I think I've heard it goes up to £50 if I remember correctly.

V: So, it's a CC 1? Right, so how do consumers, how do customers use that then?

Interviewee 7: Yeah CC 1. Because we had a different one at the start, I mean some 2 or so years ago. So, it's like, it's a CC 1, it's like a club card, like the one from Tesco it's something like that, in fact, it's exactly that.

V: ah okay, okay

Interviewee 7: But with this one, whenever you go on the gaming machine, you insert into the machine prior to using it and then once it's in the machine, it's basically recording all of the data but what, I think what the company uses the data for is to sort of like understand gamers behaviours and get a better understanding of their attitudes and self-beliefs when playing these sort of games and what not what err, yeah, their behaviours is like while they are playing.

V: So, they can't use that CC 1 over the counter, they can only use it in the machine?

Interviewee 7: Yes, it's only in the machine, not over the counter. But recently, they can use it on the go as well. We have two different cards, CC 1 is for the machine only and the other one called CC can be used over the counter etc.

V: So, then you get their full personal data?

Interviewee 7: No no no, like personal information, I think the only information that they give is email, but no you can either give your email or your number

V: Right

Interviewee 7: So that's about it really.

V: Mmm, so let's say out of 10 customers, how many in a group of 10 would have that CC 1 card?

Interviewee 7: Err, erm, I would say probably about 5 or 6 have a CC 1 card

V: Right, ok, right, that's interesting. So that's a good ratio or number. So, please tell me, why did you enrol (do you enrol customers) in loyalty programs? How extensively are loyalty programs used within the UK land-based gambling industry?

Interviewee 7: Do you know what, so okay, when they were introduced, just over two years ago, two years ago? Yeah, I think 2 years ago when they started, erm, when they were introduced, it was more, we were encouraging people to go on them, but now, it's not as bad as it was when we launched them. But, if people ask for them, we certainly do not refrain from offering to them. But from my understanding. Of the CC 1 card? Err, again, it gives the free money; it sounds free but does it? So, they come to the counter, they give their name, their number and an email address. Once that's passed on, they get a password and then they use that password to sign on to their CC 1 profile on the machine.

V: Right, ok, right, that's interesting. Did you say customers sign up to get free money?

Interviewee 7: Again, its, I don't see it as free, for me personally because, obviously you have to engage with the game for it to give you a reward, so in the process of you using the card and it's registering all the information that you are giving it, I think then, particularly after maybe you know, losing or stuff like that then it rewards you with a free £50 free spin or free £50 this or £10 this or, it just gives you free rewards or lost bonuses that it gives you and stuff like that, so, yeah I've seen it reward even when if they win honestly if I remember correctly. Yeah, I've seen it rewarding when they win. But it's one of those that it doesn't, it doesn't always reward you straight away. So, say if you've been playing this game for this amount of time, say if you spend £2000, in half an hour, say half an hour, £2000 and you walked away with nothing.

V: And people do that? Walk away with nothing?

Interviewee 7: Of course! I've seen it before, people spend more than £2000, I've seen actually a lot more worse. But, we can come to that later on if you want to ask later on, Err, so they put in their CC 1 and they spend £2000, within 30 minutes they leave, they've got nothing and they come back tomorrow, they put in their CC 1 card and it tells them oh, you've got a free £50 spin, you've got a free £30 spin, or free £20 or £30 that you can spin.

V: And why do you think does the CC 1 card do that then after somebody has lost so much money?

Interviewee 7: Argh again, I think, for me, it does to encourage them to play again, but that's personally, that's me. However, if we are speaking on the overall context of the things, I think

its just more sort of compensation scheme and if you think about it. Because that's what it is if you think about, Yeah, it's more like a compensation; Oh I've seen you've lost this this amount of money, thank you for losing that amount of money with us, here is free fraction of what you've lost, spin this, you might lose it still, but; you spin it anyways.

V: That's a very interesting perspective if that's how you perceive it. Anyway, loyalty programs, the main aim is to create and maintain a relationship between a customer and an organisation, what are your views on that? So, when you signed up (enrol customers) for the loyalty program, is that how you/ it felt/ feels?

Interviewee 7: what they are getting into?

V: Yes, what they are getting to, that the aim is to establish and develop an ongoing relationship with them?

Interviewee 7: Do you know what? In my experience, I've found that, huh, I'd say 3 out of 5 customers are very cautious about what they are giving away in terms of in a betting shop, so they'd like to know exactly what it is that they are giving away prior to actually giving it. And once they are given an idea particularly from someone else, if they hear someone else saying Oh, I've got this, did you see this or that reward, what not, then, they feel safe. But, prior to it being introduced, people will always be cautious about why am I giving out this information? Why do I have to give you my number? Why can't I just do this why can't I just do that and, yeah. It's ... they know what they are doing but a lot of them really, they just don't care. They see it more of Oh, it's a free reward or its free free free but, nothing is free you see.

V: So...

Interviewee 7: the word free masks exactly what the CC 1 card entails or what it does. They see it as a compensation, it's a disguise isn't it? It's a disguise, they give a reward, or they give you bonuses, or this, but it sounds free, doesn't it?

V: So perhaps, would you then say that, that is a mutual relationship?

Interviewee 7: Of course, yeah, yeah, again, it's you know, oh what am I getting for swapping my information with you? If you understand where am coming from? How does that establish a relationship between the two of us? Where does that leave us?

V: I see. Do you as an employee then, feel like you get to know your customers in the long run on a personal level because of the information that hold about them?

Interviewee 7: Erm, from, from, okay, so yes and no! Because, obviously you get to see okay a bit more, so let's say if they are going to disclose a name or something like that, you might see there briefly or, ... no because no matter what they give you, or it's like, it's not between you and them. It's between the company C and them. So, you know, something like the gaming machines manager and stuff like that. Gaming machine managers don't work in betting shops, so how does how he understand the customer other than a working relationship? We take, they give rather we give then they take. They see bonuses as us giving. So, there's a relationship, but is it a relationship? Because only part is getting exploited. Do you understand where am coming from?

V: Hmm, I see...

Interviewee 7: It is an existing relationship, but only one person is getting exploited.

V: and the one being exploited is who in your opinion?

Interviewee 7: Customer, often than is,

V: Or what has been your experience with this practice?

Interviewee 7: With the CC 1 card, I see, I generally see that customer do like actually using that, I think it makes them feel recognised, it gives something of you know almost being like a VIP sort of treatment. Err, it's like going into a casino and you know people give you freebies or okay... So, in casinos, this is a good example actually, have you ever heard of these like millionaires that go to Vegas, they actually give them money to spend, the casinos may actually give them money to spend in their Casino, even if they completely ran out. Knowing that on return, they come back and even spend more

V: Oh wow! That's interesting. So, are you actually giving that analogy?

Interviewee 7: Of course!! It is, again, it's an existing relationship. So, when you add a CC 1 something like, okay being from my position, because I invest in a lot of my customers, as my job title explains. I get to know them their likes and dislikes. So, give them stuff like a cup of tea, you know, knowing how to make it for them. I will go the extra mile; by making them a latte, a cappuccino, adding that on top of the sort CC 1 service, it almost customises the experience rather than just the cheap Oh can you put that on for me? Can you do this this again, a loyalty program, we call it a CC 1, does really customise the experience, it makes the person feel like it's a VIP experience, not everyone gets it or enjoy that. So, in return, they invest their time, money, loyalty and stuff like that. We give them one thing let's say a latte, they give back 3 – 4 things before they even realise. Customising the experience stimulates their positive feelings towards the service and us. They start to speak good about service, aww in that shop they give you this they give that and before long, their mates or family start coming along. They start to spend more in store. Sometimes you can get father, son and their sons' girlfriend all betting in your shop, its good!

V: That's insightful. So, coming back to the discussion, after enrolling (customers) in loyalty programs, did you/ have you observed any changes in your (customers) gambling involvement or patterns? What changes did you observe, would you mind sharing if it's ok with you? When? Why How?

Interviewee 7: Okay, what are my views? I've seen a mixed reaction, some don't care, and some genuinely don't care if they get a reward or not, some feel entitled. Some feel like they have to win rewards at all costs.

V: Is that so?

Interviewee 7: Like why is it not rewarding me or why the bonuses aren't coming through, is the card working. So, there's a mixed reaction in terms of what it does for you or who even cares about what it does for them. Because ultimately, eh most of them there, they do not like handouts whereas some do.

V: Are you to able to elaborate on that point a little bit more for me please?

Interviewee 7: The reward in a sense, because okay, looking at some customers, you get the ones, just like there's different err what's the word... category, gaming categories. You've got your roulette favourites; you've got your slot machine players and stuff like that. Now the slot machine players tend to be a bit more, they tend to like being in control. Sorry, the roulette, the roulette, roulette players tend to be more in control, they like being in control, they like knowing that whatever they do, is because of them and they are controlling everything, whereas the slot players are a lot more passive. They don't mind this, they don't mind that. They like to consume with time, so they will go with the flow. So, trying to get or ... will the roulette player feels the same way as slot player in terms of what bonuses are or the rewards are... is a bit of a yes and a no. The roulette player might feel a bit more self-entitled to something, whereas the slot player, slot players might feel Oh, its whatever, like I really care! I will just do it and just get out. So again, those types of stuff that's in my opinion, that's what a gaming machine manager would sort of look at and stats says; so, oh how can we actively engage more with these customers. What can we do to drive this game to succeed or this and that and that level of engagement is what in turn changes customers to now want rewards at all costs.

V: So, the gaming manager would

Interviewee 7: They do to sort of understand customers better. Because you can't it's all computerised, they can see, what goes on naturally, but they like to look at from the individual point of view rather than as a group. We can't see such information in store and that's why am questioning the relationship aspect. Because gaming managers unlike myself who works and deals with CC 1 customers face-to-face, are more interested in figures. See what am saying? So, relationship? I doubt that.

V: as a group. And the reason they do that?

Interviewee 7: how long they are staying on it, how they are doing it, how much are their stake on it, how quickly they are doing it. How much are they being rewarded, that kind of stuff. Basically, to target them better

V: With incentives or games? So, in that instance then, can loyalty programs, result in increases in the average spending?

Interviewee 7: Yes, you can start to stay on for a longer time, do it more quickly or frequently, put larger stakes. That type of thing. Impulsive etc.

V: So, if they found out that fell in that category of impulsive?

Interviewee 7: Err, okay, so the machines' managers, it's my understanding that they will review the information they get back from stuff in the cards, err and they'll say how can we monitor their behaviours? Or, how can we prevent them from developing a gambling problem or, how can we target them better with more other things? I think it varies. I don't deal with that part for the business you see. But caught up in the same flip coin, they use that information to say okay, so this person hasn't been gambling for the past 2 – 3 months why have they've stopped, so what can we do to kind of bring them back or you know. Am certain, am certain that they have used that information before because remember, err they require personal information such as the email address or personal phone number. I think, if I remember correctly, argh I haven't done a CC 1 card in a while now so don't quote me on

this, no in fact, you can quote me on this, unless you tick the box as to whether you can receive the marketing or not. If you don't, they will definitely contact you.

V: Okay, right...

Interviewee 7: So, let's say, they don't tick the box, so someone who has self-excluded, someone who has made it their mission to stop gambling, if they realise that half way through err, like 3 months or something they haven't returned to the bookies or haven't used their CC 1 cards, they send them email with this and that or erm, not sure that's how it goes because I don't see that side of the business, but am pretty sure that they do. Well, again, why would you require someone's' email if it's not for contact?

V: I see ...

Interviewee 7: I've had customers actually who have come in the shop and said they've had texts from C and stuff like that saying this or saying that, so again, you know they've received prompts. So am pretty sure they take on all the information they are given, basically customers that bring you know a lot of business to the shops and what not, they like to keep them, but at the same time manage their behaviour. So, it does a lot for both in terms of their turnover and revenue and as well as you know... what's the word? Eh, good ethical like ethical sort of reputation to some extent. We are a bit different to other gambling institutions on that at least I think. But I wouldn't say corporate socially responsible no

V: With that in mind, can loyalty programs cause harm?

Interviewee 7: define harm, define harm

V: In the context of loyalty programs? I could say harm, is generally something that is bad, so it could be psychological harm, it might be financial harm, or it may be physical or possibly emotional, mental, work related, so anything that has negative consequences can be classed as harm. An inconvenience.

Interviewee 7: For me, anything that would cause problems you know to a customer or even their family member should be considered and classed as harm. Yes, an inconvenience. You see, there are no guidelines of how much you need to bet or put in the machines to get a free bet, I think it's just the machine and luck. So, there are no guarantees that it will give you a bonus or it will give you a reward. However more often than not, particularly if you've been losing, it does. Customers don't know that bit you see. So, to answer your question; yes ultimately, it does. Okay, so let's go back to the point I made with customised experience.

V: okay...

Interviewee 7: Now building on customised customer experience, I had a customer, well, I've had two customers actually I won't disclose their names

V: yes of course not

Interviewee 7: ... yes, but they came in the other day when I had just started my shift and they said to me, this is really getting bad. Now, immediately, am prompted to do an RGI which is a Responsible Gambling Interaction with them. Now, obviously they say no they don't want to quit, but let's not focus on that. But what they really say is what's triggering it, so what this customer said to me err is Oh am addicted, and it's really bad. The first thing when I woke up,

I wanted to do is I wanted to come here. Now, initially when I first moved into that shop, he was one of the highest stackers; he would put on a lot of money on this and on that, now naturally, you work on customising the experience you know with the teas and your coffees, how do they like it, how rich do they like it, do you give them with a smile, with a joke or this, again you are just working on just creating an environment that feels safe, an enjoyable experience for them, where they feel they can love you and trust. It's actually in their mission statement, create an environment in which our customers, an experience, an experience which our customers can love and trust anywhere, oh yeah, love and trust, whenever, wherever and however they choose to gamble. Again, so let's go back to creating that experience for them, it's like adding all of that to it, you sort of fuel a response to it all for igniting that side of them, because again, the customer said to me he can't win rewards. The first thing when he woke up it was on his mind was gambling, he woke up and he just wanted to come there. Now, obviously when you customise, you give them a CC 1 card, you give them this, they feel like this is part of this club, again, it's such a nice service, do you understand where am coming from? So, is it responsible? Yes; is it doing harm to them, certainly because say! I know it says gambling should never be a source of income, should not always be a source of entertainment, but are you really entertained gambling all the time? No! I don't know of anyone that gambles for fun! I have yet met anyone who gambles for fun

V: Really?

Interviewee 7: can you ever get enough money? I will ask you that?

V: No, no

Interviewee 7: So, what's entertaining about losing money?

V: Hmm,

Interviewee 7: So, does it cause harm? For me if you ask me personally, does it have any impact on them, like does it cause any harm to them? I would say certainly!

V: And what sort of harm would you associate loyalty programs with? Being the Customer Experience Manager, in your experience, what have you personally observed experienced (among your customers) when using loyalty programs in gambling activities?

Interviewee 7: I mean, if somebody is waking up first thing in the morning thinking about gambling to win rewards? Yes of course; these could be people who are married, have kids etc. I've seen from my experience from the whole 4 years that I was there err, I've seen an Asian guy yeah, yeah, an Asian guy, I think he was Chinese actually, yeah, he was inside the shop and his wife was outside with a buggy, a child in her arm. She was screaming and knocking on the door asking begging her husband to come outside, to stop gambling; and he ran outside there to go and hit her. As in made an attempt to go and hit her, but she ran away.

V: What?

Interviewee 7: Yeah, yeah, so again, if we are talking, does it do harm? Certainly, especially when it's excessive, you win once, you want to win again. I've never seen anyone who doesn't like winning. If you show me a loser, and that person is content with losing I will show you a fool. So, does it cause, yes. Not achieving points is as good as losing, so customers just wouldn't want to do that. They would want to carry on till they get a reward,

right? Because that's winning!

V: And not just to the person gambling, like in this instance, the wife and the child

Interviewee 7: Yes, the wife and the kid. You know, gambling in general never mind loyalty programs has significant impact on their lives. One day you are up, one day you are down because gambling not only just promotes the idea of fast money, it makes the individual very impulsive, it makes their mood to fluctuate very very significantly. I've seen people come in, being the kindest person, over the next year, I've seen them become the most agitated, the most, again impulsive riled up person that they weren't initially particularly prior to, actually these CC 1 cards. So, does it? Certainly, some people can handle it, the frustration of not winning rewards after spending so much is what gets to people, that's what riles them. Those that do particularly get the machines, the ones you know that are having the CC 1 card you know stuff like that, because it personalises the experience.

V: okay, so its personalisation of the experience that contributes?

Interviewee 7: Once you personalise any experience, again; I guess, it brings you back. That's what you call customer retention isn't it?

V: Yes, in a way

Interviewee 7: so, with customer retention, when you retain those customers, to retain your customers, you need to personalise their experience. How do you personalise their experience? You train your Staff to do that, or you bring a member of Staff that really knows about the customers, how to personalise a customer experience. And for me, that's something I excel in. Unfortunately, it's taken me this long to see the significant impact gambling in general has on people's everyday lives. You get people that leave work, that lose their homes, their mortgages, their houses, I have seen it all! Let me give you a good example, a customer one-man, nice man actually ... kept coming, he would be very happy chirpy what not, and within the next say 45 minutes, he'll walk out not a word, literally slamming something or giving you dirty look on their way out, because they are angry. This may surprise you but, from my experience with customers that I deal with on a daily basis, loyalty programs, like gambling, can make you very impulsive, it fluctuates your moods. You can go from really high, to really low. Because not wining in both scenarios, can be very upsetting. And largely, I won't fix that. I've seen some customers in everyday for the past year and half. Every day that am in. I work 5 days a week, sometimes 6, I see them on each of those shifts.

V: Are loyalty programs or CC 1 cards kind of age related? Do you see a particular age segment that is more into playing with the CC 1 cards or?

Interviewee 7: I would say older, the older generation,

V: is it?

Interviewee 7: over 30s are ones who actually engage with CC 1 cards. The teenagers do seem to stay away from it or they seem to understand the danger that comes actually comes with staying. Not that they don't stay on the machines, but they just don't like the idea of us personalising the experience. Am not sure why that is

V: I would thought that it would be the other way round because the younger ones are more

into computers, technology so they would want to do that. So that's interesting that it's actually the middle age or much more mature customers. Okay, so let me just clarify this once more and we are nearly done. Loyalty programs from what you said, creates problems for customers, am I right?

Interviewee 7: Without a shadow of a doubt. It all part of winning, that's what I would say. Like I said, not winning rewards is as good as losing. Customers don't like losing, no one likes losing in general. So, for sure it does.

V: Right. I see. Okay, maybe one more question. If the power to change the gambling companies' decisions is in your hands, or, if you were to be given an opportunity to change or, propose something new to the betting shops or indeed the government about loyalty programs within the gambling sector, what would it be and, why?

Interviewee 7: Err, that's a really hard question because I've sat down, and I have actually thought about the exact same question, and there are no definitive answers. Err, I've certainly thought about how you know, there could be a cooling off period. So, you know, taking into account how many times they've been in within a period of a week. Err, so let's say if they've been in, you take into account how long they've spent on the machine. So, when we talk about that, again, I have to go back into understanding customer behaviour to find stuff like that, so. When you initially come into a betting shop, you come in with a wall. A filter almost that tells you, it's almost like a block, a mental block that you've put into place to stop you from going overboard. You go in there saying, this is what am going to spend and that's it, If I lose anything other over then, I am leaving. And that's what most of them always do, leave.

V: really, when they first start?

Interviewee 7: when they first start, initially, when they start, when they start, now the problem is once you've started, once you've gathered the taste of just how good it is when you do win rewards, whatever you had at the start; it starts to become all blurry, You no longer remember that; and you sort of want to push into that a little. Once you start doing that, now you've completely, you have taken away all the morals that took in there in the first place. So, now you are a victim to whatever a gambling, a gambling firm has to offer to you. So if they could get a program to sort of not only just keep in place that sort of mental blocks you know, that reminds people, okay this is how you started, I think you should continue like this because this is the effects of long term or, I think just overall, if you can remove the risks, the loyalty program does actually pose. People always know the risks but if they see it for themselves or if you explain it to them, I think again, it can limit just how much harm it does cause to people in the long run.

V: okay, so putting a cooling off period. Is that on the loyalty card itself?

Interviewee 7: Err, let me think, oh God that's a good question. I don't even know! It's a very good question and I have no answer.

V: Not to worry, that's okay. Is there anything else you want to add on that I have not asked you or maybe you were expecting me to ask and you are thinking she should have asked me that question?

Interviewee 7: Do you know what, am sure you have asked me all the questions. No, am happy with what you've asked so far. But, you know am always prepared to speak so. If there's anything else that you would like to know, please let me know and am more than

happy to explain.

V: Thank you so much, I feel like I've literally unpicked your brain, your expertise and knowledge. Your information will make such a difference to my research. You've come up with some information that I've not heard much so far, and I am glad that you agreed to take part, so thank you so much. I appreciate your time.

Interviewee 7: You are welcome, you are welcome!

V: In future, should I need to clarify something, can I contact you for a follow up? Just for the duration of data collection.

Interviewee: Of course, you can, or just pop into my shop again if you want. I will be more than happy to. Good luck with your data collection and the rest of your studies.

V: Thank you.