



Competition Commission Lapsed Pools Enquiry

Submitted to

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Competition Commission

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July 2007

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1 Introduction

The Office of Fair Trading referred to the Competition Commission (CC) the anticipated acquisition by Sportech plc of the Vernons football pools business from Ladbrokes plc. Sportech operates the Littlewoods football pools (Littlewoods) and the Zettlers football pools (Zettlers). Ladbrokes plc (Ladbrokes) through its subsidiary Vernons Pools Limited, operates the Vernons football pools business (Vernons). The CC commissioned ORC International to gather information on the behaviours of Littlewoods and Vernons lapsed pools players in an effort to determine why they stopped playing the pools and the general nature of their current gambling activity.

The fieldwork was conducted during June 2007. Interviewers called on a sample of 5000 lapsed pools players; 304 interviews were achieved.

This report accompanies a set of final data tables used in the analysis of the results.

2 Executive Summary

The majority of respondents in this survey were over 45 years old and male. The proportion of males outnumbering females increased when asked if the respondent played the football pools. In terms of occupational group, the highest number of responses was recorded in social grade E.

Of all respondents, National Lottery was the highest ranking in terms of the number of respondents engaging in the activity.

When asked if they had started a gaming activity or played more of an activity in the last 12 months, the majority (75 per cent) indicated they had not engaged in extra gaming activities.

Although respondents had ceased to play the named football pools, typically they indicated that they had reduced their other gaming activities rather than ceasing altogether.

The main reasons respondents gave for stopping playing the football pools was because they didn't win enough or had had a change in financial circumstances, or both. For example [X] per cent of respondents who indicated they played the Littlewoods pools less often or had stopped playing did so because they didn't win enough. 10 per cent said that the reason was because of a change in financial circumstances or they could no longer afford it. [X] per cent of respondents who had stopped playing the Vernons football pools or played less often indicated that the reason was because they didn't win enough. 23 per cent said that the reason was because of a change in financial circumstances or they could no longer afford it;

Finally, most respondents said they had not stopped playing either the football pools or the National Lottery in order to take up another gaming activity.

3 Sampling and Methodology

The research sample was designed to be representative by brand of football pools and distribution channel. Table 1 gives a detailed breakdown of the sample disposition and outcome.

The CC asked Sportech (Littlewoods football pools) and Vernons for the contact details they held of customers who had played the football pools in 2006 but had not played in the first five months 2007. The list of these apparently lapsed customers that was provided to the CC included Littlewoods customers whose bets were collected electronically by “poolscard”, Littlewoods and Vernons customers whose bets were not collected but who instead entered by telephone or post, and Vernons customers who entered via the Internet.

Table 1 – Sample Disposition

Disposition	Count	Per Cent	Definition
Appointment	2	0.0%	Appointment (Direct Contact)
Engaged	65	1.2%	Engaged
No reply	876	16.6%	No Answer
Quota failure	2352	44.4%	When a particular quota closes.
Refusal	174	3.3%	Refusal by person answering phone
Terminated	17	0.3%	Interview started but then terminated.
Unobtainable	258	4.9%	Number is not recognised
Completed	304	5.7%	Complete
Fresh Sample	44	0.8%	Fresh Sample
General Call back	71	1.3%	Call back (non-direct contact)
Other Outcome	24	0.5%	Other outcome
Respondent Moved	41	0.8%	Respondent moved or left company
Duplicate Number	2	0.0%	Duplicate number
Res/Business Number	2	0.0%	Residential or business number
Answer phone	510	9.6%	Answer Machine
Fax	3	0.1%	Fax Machine
Refusal by Respondent	514	9.7%	Refusal by Respondent
Language Barrier	2	0.0%	Respondent speaks another

			language
Appt. After Fieldwork Date	3	0.1%	Not available during fieldwork
Screening failure S1	28	0.5%	
Total	5292	100%	

The sampling unit was a single respondent identified by name, as advised by Littlewoods and Vernons.

We looked up missing telephone numbers by matching the other details of addresses with known telephone numbers. We did this to reduce bias towards those who had supplied a telephone number to the pools companies. We matched about 23 per cent of missing numbers in this way: out of 1788 missing records, 405 telephone numbers were added. Eight records could not be processed.

We used a computer aided telephone interviewing (CATI) script to administer the questionnaire. Respondents were assured that their answers were confidential and would not be attributed to them.

All interviews were conducted in line with MRS (Market Research Society) guidelines.

Quotas set and responses received

ORC International was contracted to achieve a set number of quotas from each of the groups (see table 2). Each of the quotas was met or exceeded.

Table 2 - Sampling Quotas

Group	Brand	Channel/Sub-Channel	Quota	Achieved
1	Littlewoods	Collected - Poolscard	[X]	[X]
2	Littlewoods	Uncollected - Direct	[X]	[X]
3	Littlewoods	Uncollected - Post	[X]	[X]
Littlewoods Total			200	203
4	Vernons	Uncollected - Phone, card-charge, DD	[X]	[X]
5	Vernons	Uncollected - Post	[X]	[X]
6	Vernons	Internet	[X]	[X]
Vernons Total			100	101
Total			300	304

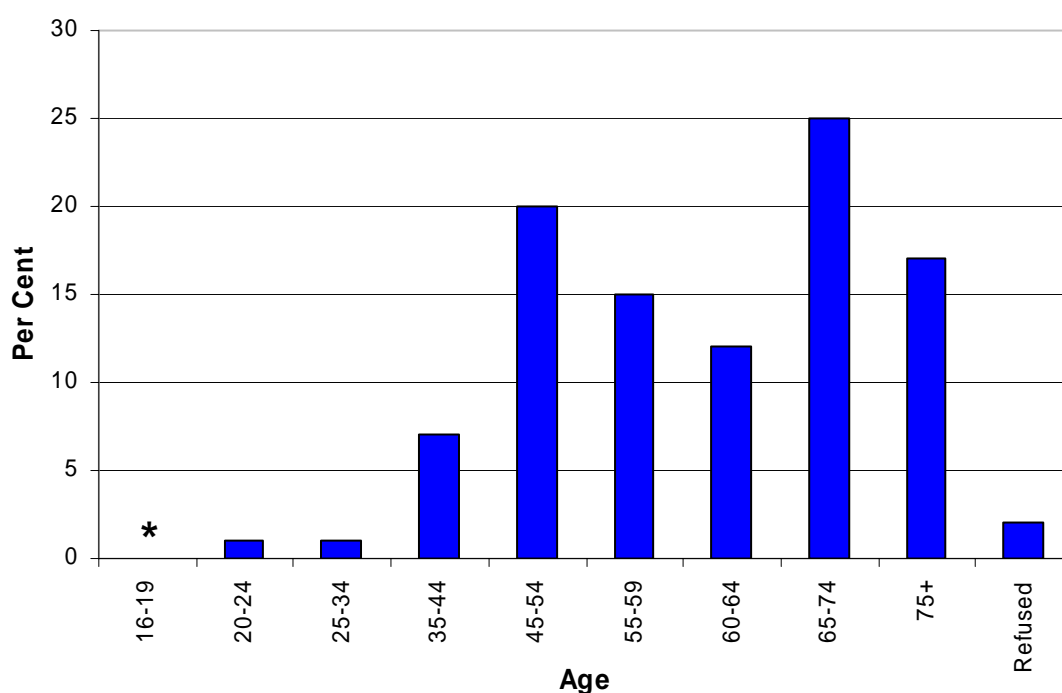
The sample quotas were designed to be representative of these apparently lapsed customers by method of entry within brand. It was also designed [X].

4 Respondent Profile

Age

Figure 1 gives a detailed age breakdown of respondents. Nine in ten (89 per cent) were over 45 years old. 25 per cent were between 65 to 74 years old and 20 per cent were between 45 to 54 years old. Only 2 per cent refused to state their age. There were similar age distributions of respondents indicating they had played the football pools in the last 12 months and of respondents indicating they had stopped playing the football pools in the last 12 months.

Figure 1 - Age Breakdown



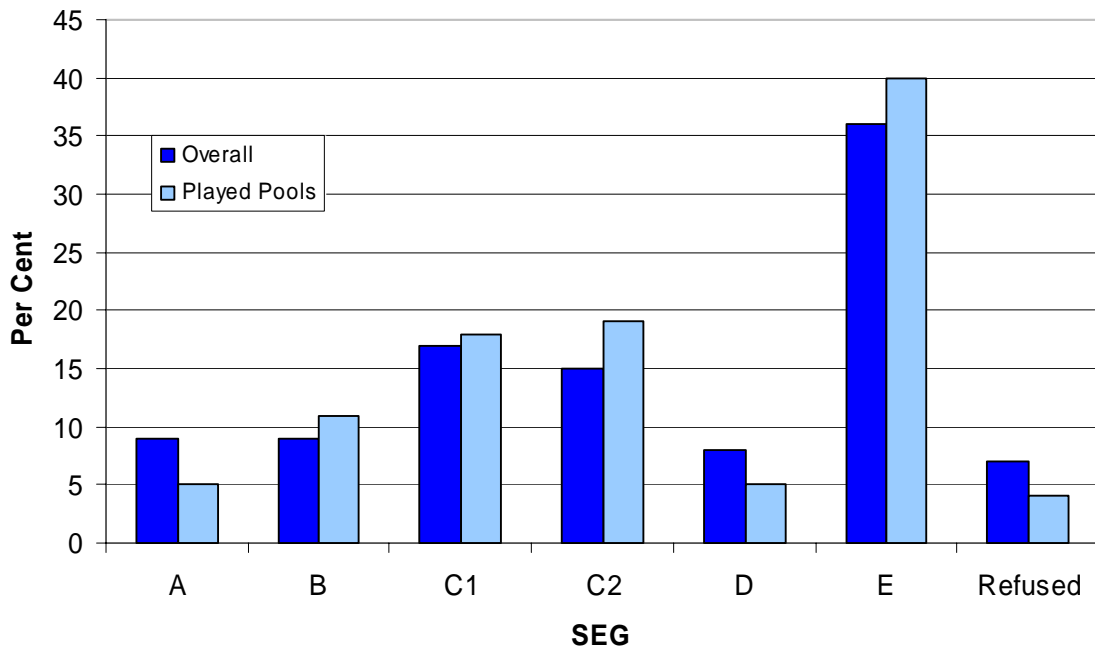
Base: 304 - *NB: 16 – 19 year old cell was less than 1%

Occupational Group

Figure 2 shows the breakdown of social grades across all respondents and across those who played the football pools. The highest number of responses was recorded in social grade E at 36 per cent. 17 per cent of respondents were C1; 15 per cent were C2.

Similar percentages said they had played one of the football pools in the last 12 months: 40 per cent were grade E; 19 per cent were C2 and 18 per cent were C1.

Figure 2 - Socio Economic Grouping: Overall and Football Pool Players



Base: 304

Gender

61 per cent of the respondents in the survey were male. Of the respondents indicating that they had played the football pools in the last 12 months, 73 per cent were male. However, 69 per cent of the respondents who indicated that they had played bingo in the last 12 months were female. The gender of respondents who had either used a casino or online betting was split evenly at 50 per cent each. All other activities were dominated by male respondents.

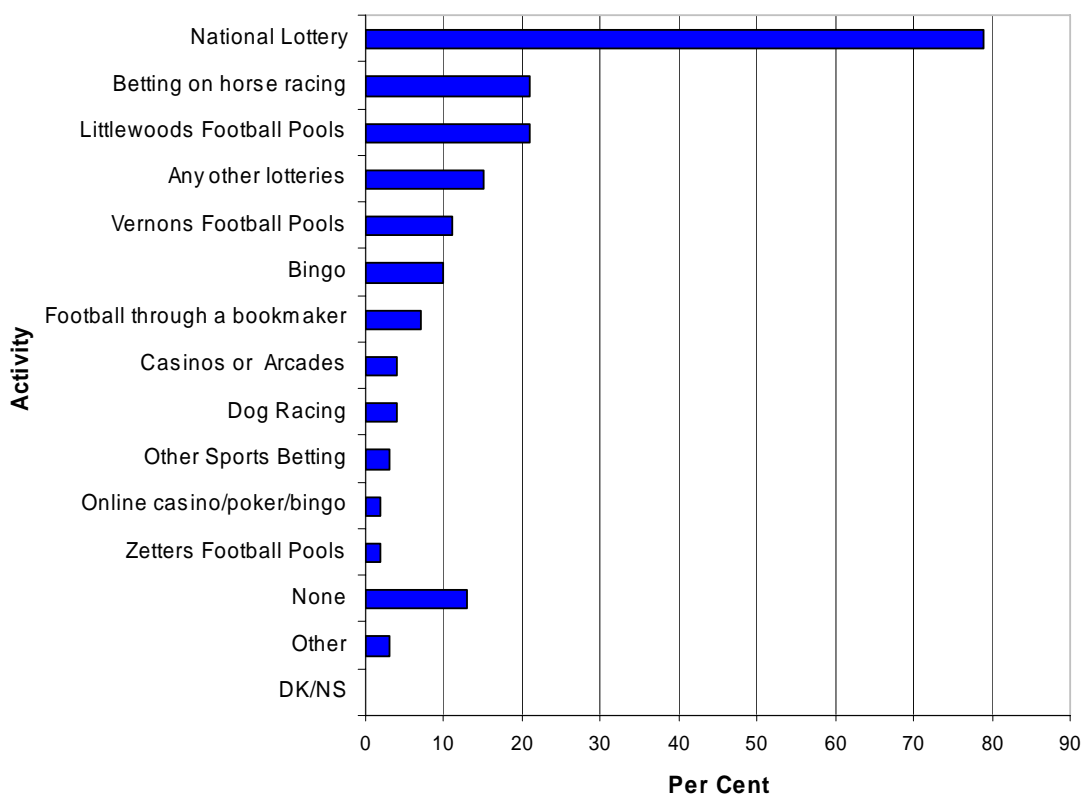
60 per cent of males who indicated that they had played the football pools in the last 12 months had done so weekly or more often. Those playing less than weekly were evenly split between males and females.

5 Results

Respondent Experience

When asked what activities respondents had participated in during the last 12 months, 27 per cent said that they had played one of the football pools in the last 12 months; that is, either Littlewoods, Zettlers or Vernons. National Lottery was the most popular choice by respondents with 79 per cent indicating that they had played the National Lottery in the last 12 months. Interestingly, 39 respondents (13 per cent) indicated that they not engaged in any of the options during the last 12 months despite the sample being drawn from a list of football pools players who had lapsed within 12 months of the interview.

Figure 3 Activities participated in during the last 12 months



Base: 304

Of those who said they had played Littlewoods football pools, the majority (78 per cent) said that they played weekly. This was also true of Vernons football pools players (64 per cent) and Zettlers football pools players (100¹ per cent).

¹ Please note the small sample size with respect to responses for Zettlers. 3 respondents in total answered this question.

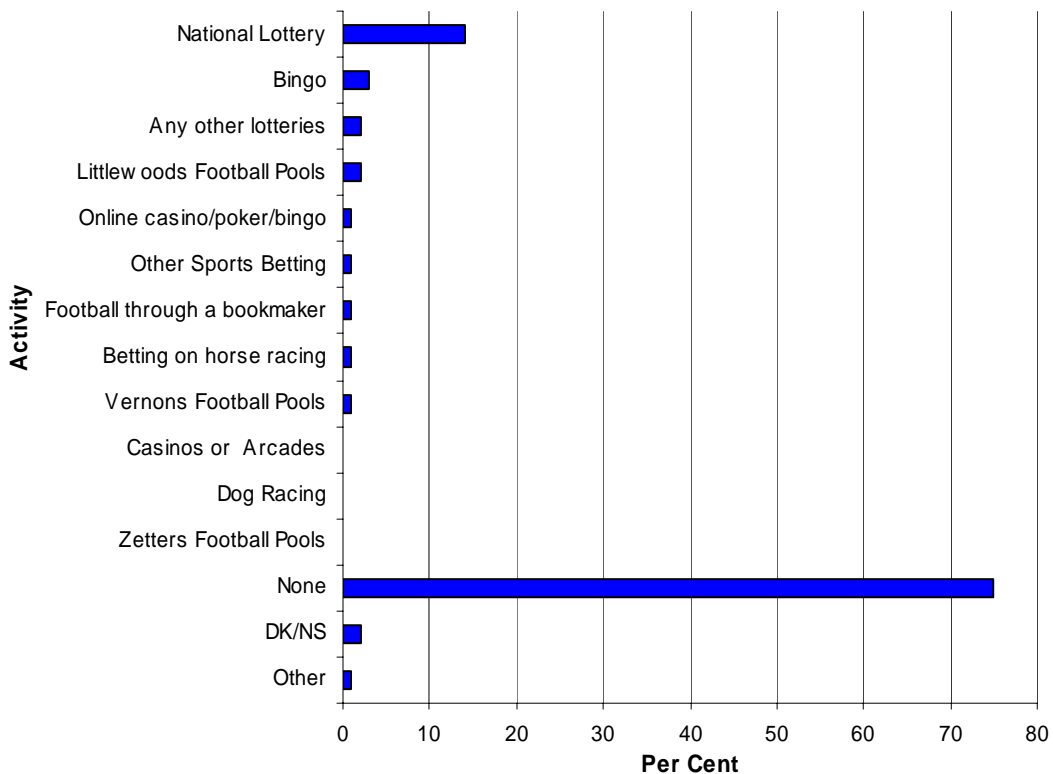
Comparatively, just 48 per cent of respondents who indicated that they played the National Lottery did so weekly. 35 per cent played more than once a week.

Respondents who indicated they had bet on horse racing, 53 per cent did so every 2 to 3 months or less often.

New or increased activity

When asked what gaming activities respondents had started or played more often during the last 12 months, 14 per cent said the National Lottery. Just 3 per cent said one of the named football pools providers; 2 per cent being Littlewoods football pools. 75 per cent said that had not started or played any activity more often.

Figure 4 Activities started/played more often during the last 12 months



Base: 264

Most of the 8 respondents, who mentioned a named football pools competition, played it more often as opposed to started playing. 80 per cent of people who mentioned Littlewoods football pools played it more often; just 20 per cent had started playing in the last 12 months. 2 of the 3 respondents who mentioned Vernons football pools played it more often.

72 per cent of the 36 respondents who mentioned the National Lottery indicated that they played it more often; 6 per cent had started playing the lottery and nearly a quarter (22 per cent) indicated that they didn't know whether they had started playing or simply played the lottery more often.

However, 5 of the 8 respondents who started playing Bingo or played Bingo more often did so for social reasons. 25 per cent of respondents played the National Lottery more or started playing the National Lottery because they felt there was more chance of winning. 14 per cent said that their main reason was because of the size of the prize.

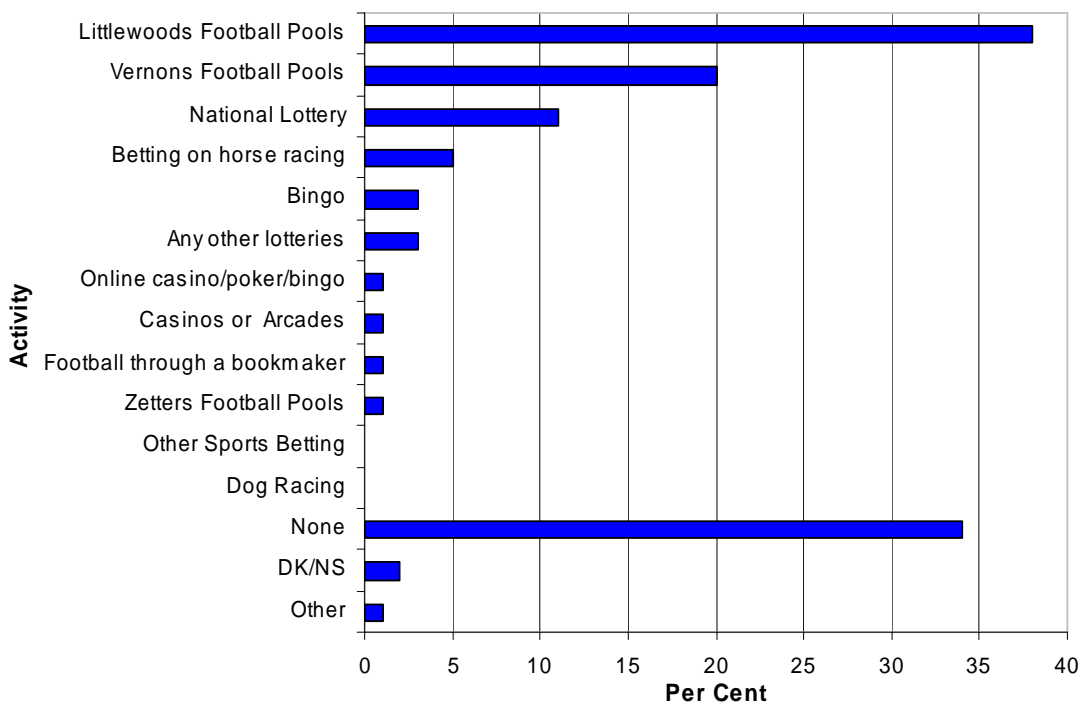
Activities stopped or played less

Respondents were asked if they had stopped any gaming activity or played an activity less in the last 12 months.

38 per cent said that they had stopped or played Littlewoods football pools less often. Of those, 83 per cent had stopped playing Littlewoods football pools altogether. 20 per cent had stopped or played Vernons football pools less often; 80 per cent of which had ceased to play Vernons football pools. Similarly, 67² per cent of Zettors respondents had ceased to play the football pools.

34 per cent indicated that they had not stopped or played any activity less often.

Figure 5 Activities stopped/played less often during the last 12 months



Base: 304

In contrast, just 21 per cent of respondents had stopped playing the National Lottery. 79 per cent had simply played the National Lottery less often.

² Please note the small sample size with respect to responses for Zettors.

Although most of the respondents had lapsed completely from one of the named football pools, if they had reduced other gaming they had played the activity less often as opposed to stopping playing altogether.

[X] per cent of respondents who indicated they played the Littlewoods pools less often or had stopped playing did so because they didn't win enough. 10 per cent said that the reason was because of a change in financial circumstances or they could no longer afford it. 39 per cent gave 'other' reasons.

[X] per cent of respondents who had stopped playing the Vernons football pools or played less often indicated that the reason was because they didn't win enough. 23 per cent said that the reason was because of a change in financial circumstances or they could no longer afford it; 10 per cent indicated they had lost interest.

For comparison, 26 per cent of respondents who had stopped playing the National Lottery or played it less often did so due to a change in financial circumstances or because they could no longer afford it. 21 per cent indicated it was due to the poor chance of winning; a further 21 per cent had played less often or ceased because they did not win enough.

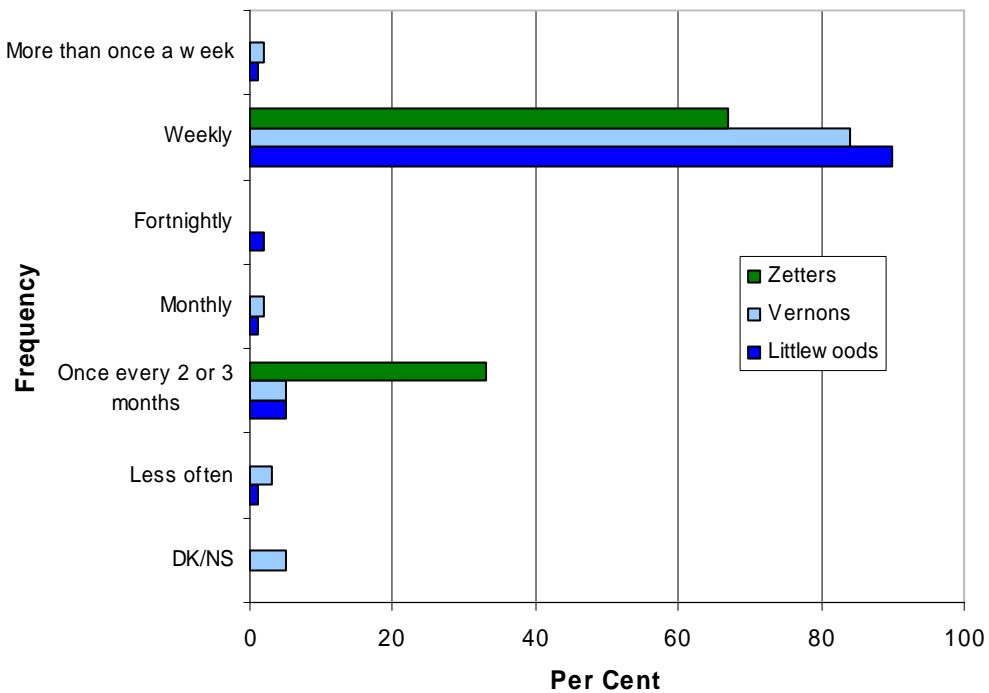
Playing the football pools less often

As a follow up question, respondents who indicated that they had stopped playing one of the named football pools or played them less often were asked how often they used to play their respective football pool competition.

In each case, the majority of respondents indicated that they played the named pools weekly. 90 per cent of those who had stopped playing Littlewoods football pools or played less often had played weekly; 84 per cent of those who mentioned Vernons had played weekly whilst 67³ per cent of those who had played Zettors had done so weekly.

³ Please note the small sample size with respect to responses for Zettors. 3 respondents in total answered this question.

Figure 6 Frequency of lapsed football pool engagement during the last 12 months



Base: 179

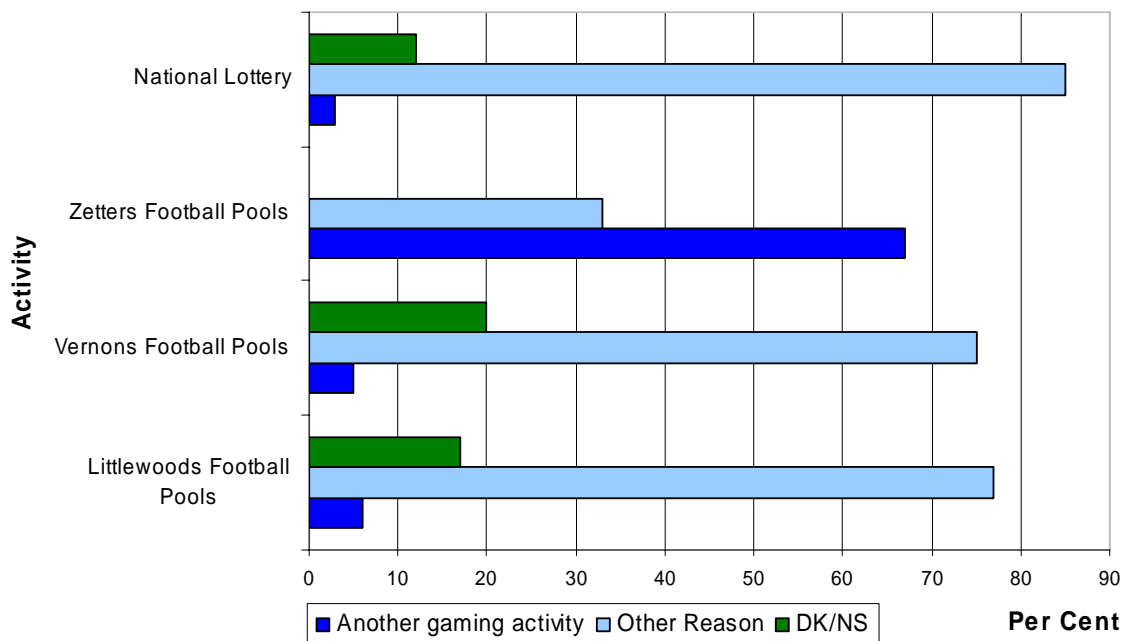
Other gaming activities

Respondents who had stopped playing or played one of the named football pools or National Lottery less often were asked whether this was because they had started playing another activity or had started playing another activity more.

As Figure 7 shows, except for Zettors football pools⁴, the majority of respondents indicated that they had stopped playing or played less for a reason other than playing a different gaming activity.

⁴ Please note the small sample size with respect to responses for Zettors. 3 respondents in total answered this question.

Figure 7 Reason for stopping/playing less often a named football pools/National Lottery



Base: Littlewoods (n=115), Vernons (n=61), Zettors (n=3) and National Lottery (n=34)

In each instance, very few respondents indicated that their reason was because they engaged in another gaming activity.

The small sample of respondents who had switched to another gaming activity were then asked which other gaming activity had caused them to either play the named football pools or National Lottery less often or cease altogether. However too few (13) respondents were directed to this question to be able to analyse the results reliably.