

Op-Ed/Editorials: Some Psychological Understanding of Chinese Gamblers

April 18, 2007

The theme of the 2006 Institute for Research on Pathological Gambling and Related Disorders annual conference on gambling addiction was Lost in Translation? The Challenge of Turning Good Research into Best Practice. During the next few weeks, The BASIS is pleased to present a series of editorials from some of the faculty members of that conference. In this week's editorial, Dr. Desmond Lam discusses Psychological Understanding of Chinese Gamblers.

Desmond Lam, Ph.D.

Assistant Professor of Marketing, University of Macau

Faculty of Business Administration, University of Macau

Av. Padre Tomas Pereira

S.J. Taipa, Macau S.A.R.

China

According to numerous accounts, wagering on games of chance in China began around the period of Xia (2000-1500 B.C.) and Shang (1700-1027 B.C.) dynasties (Ge, 2004; Lam, 2004). Today, social gambling in the form of mahjong playing (c.f. Home Affairs Bureau, 2002) is common in China and among Chinese overseas (Sweets, 2002). Government-approved lottery is also available to 95% of China's cities and counties, with annual sales approaching US\$20 billion by 2006 (Access Asia Limited, 2002). In addition, legal racetrack betting is available in Hong Kong and Macau. Macau, the only place in China where casino gambling is allowed, has experienced tremendous growth in recent years and is on track to be the Las Vegas of the East.

Despite numerous studies on gambling in Western countries, few researchers examine the Chinese psychology of gambling. Given the unique legal, cultural, economic and social development of Chinese society, Chinese gambling psychology deserves greater attention than it is currently given.

In fact, many Chinese gamble for financial reasons (c.f. Access Asia Limited, 2002). The motivation to gamble for money as seen in the casinos of Macau may

have stemmed from China's recent transition from economic poverty to prosperity. For more than a century, the Chinese have experienced great insecurity caused by political and economic events that shaped their attitudes and behavior (Redding, 1990). Only in the last few decades did stability set in. Traditionally, wealth and fame have been treated by the Chinese as collective representations of a person's achievement, deserving of ancestral glorification (Yu, 1996). These concepts of achievement were influenced by Confucianism, which also stresses hierarchical relationship and filial piety (Fan, 2000).

The road to prosperity has fueled the desire for the Chinese to pursue quick individual wealth, which at the same time has created an unequal distribution of wealth (Tse, 1996). As prosperity spreads, everyone wants to be rich and enjoy the material gains that they were deprived of for so many years; no one wants to lose out. The potential for earning quick wealth may explain why Chinese in the lower social classes engage in gambling activities (Ozorio and Fong 2004). Gambling is seen as a shortcut to financial achievement for these Chinese. At the same time, the propensity to take more risk during consumption of goods or services increases (Tse, 1996) among the upper social classes; these Chinese have more money to experiment with new purchases or make different choices. Wealth leads to greater risk appetite, which may develop into an increased appetite to gamble for this group of Chinese.

While Chinese set their sights on monetary gain as a measure of success in their lives, their strong illusion of control affects their evaluation of gambling odds. In fact, many Chinese gamblers believe that their luck and skills can help them to win (Ozorio & Fong, 2004). They feel that gambling outcomes are within their control (Hong & Chiu, 1988). According to a study by Hong and Chiu (1988) in Hong Kong, illusion of control was found to be positively correlated with gambling involvement.

A strong belief in superstitions by the Chinese also enhances their illusion of control when gambling and further distorts their evaluation of their odds of winning. Chinese superstition is unique in its forms and is popularly accepted by the Chinese population in numerous contexts. For example, the Chinese are very concerned about numbers that they believe can influence an individual's fortune (Ang, 1997; Pitta, Fung, & Isberg, 1999). For Chinese, superstitious behavior would include avoiding numbers like '4' and '14' or picking auspicious numbers like '8' or '18'. Simmons and Schindler (2003) conducted a study on the price

endings used in Chinese price advertisements and found that a high proportion of these advertisements favored the number '8' and avoided the number '4'.

In addition, many Chinese believe in feng shui (Zetlin, 1995; Pitta, Fung, & Isberg, 1999). Feng shui is a century-old belief (Pye, 1984; Schmitt & Pan, 1994), in which one modifies his physical environment (e.g., facing of his house door) to influence events (Hobson, 1994; Leung, 1996) and/ or to harmonize with his surroundings. The concept of feng shui reveals one of the key differences between Chinese and Western cultures: Chinese believe that humans are insignificant souls in this complex universe and should exist in harmony with it (Ekblad, 1996). Some Chinese use feng shui techniques to avoid bad fortune and increase the amount of fortune they get. Superstitious gamblers may sometimes look out for specific locations within a casino that offer the best feng shui to beat the house.

According to Pitta, Fung, and Isberg (1999), Chinese believe that success in businesses depends on several factors namely, (1) fate, (2) luck, (3) feng shui, (4) accumulation of good deeds, and (5) knowledge (ranked according to the level of importance). Business knowledge is deemed to be the least important of all, while other factors like luck and feng shui increase a Chinese's illusion of control over events. Presumably, success in gambling is thought to depend on similar factors.

Chinese have also demonstrated unique characteristics in their decision making that may reflect their strong illusion of control. Research on Chinese and non-Chinese decision making processes found a consistent and significant difference in probability judgment accuracy - one that concerns Chinese people's overconfidence in judgment (Wright & Philips 1980; Yates et al. 1989). In addition, past research has found that Chinese showed a lack of concern for uncertainty (Pollock & Chen, 1986) and exhibited less probabilistic thinking when making decisions (Lau & Ranyard, 2005).

Relating all of these findings on Chinese gambling, this illusion of control likely increases Chinese people's risk-taking in gambling situations. A person's perceived control over an event is positively associated to his or her appetite for risk (Wehrung et al., 1990). Higher perceived (or illusion of) control may increase risk appetite and, hence, fuel more gambling among Chinese.

Supporting this, Ozorio and Fong (2004), who conducted a recent study on Chinese casino gambling behavior, found that these Chinese gamblers were taking high risk when they gamble. Their findings were supported by Lau and

Ranyard (2005) who found that Chinese subjects made riskier gambling decisions than English subjects. Ozorio and Fong (2004) postulated that this risk-taking appetite could be fueled by the gamblers' desire to win and to fulfill their sense of excitement. A study commissioned by Hong Kong Home Affairs Bureau (2001) found that almost 87% of Hong Kong residents who made bets in Macau's casinos regarded casino gambling as exciting.

Gambling is also a major form of entertainment among the Chinese. It can induce pleasure (Cotte, 1997), is a way of relaxation (Brown, 1986), and offers a chance for people to escape from their daily lives (Aasved, 2003). As they gain entertainment value, people may gamble despite losses. In a survey on the general gambling attitudes and behavior of Macau's residents, Kwan (2004) found the top reason for gambling among respondents was for entertainment. While 92% of these respondents generally did not gamble in casinos (in fact, the most popular games cited were mahjong, lottery and soccer betting), the survey did reveal that many Chinese gamble for entertainment value.

Some gambling activities such as card games have social elements in them (Rogers 1998). Socialization is a major reason why people gamble and represents a form of reward from persistent gambling, which may exceed the economic value of gambling (Aasved, 2003). In a collectivistic society where group bonding overrides individualistic behavior (Lasserre & Schütte 1999), many Chinese consider gambling in friends or relatives' homes an acceptable form of social activity. Gambling is, historically, performed as a form of social activity and part of festive celebration. This has become a form of habit for many Chinese. While engaging in these gambling activities, Chinese deepen their friendship with each other and realize the real characters of those who gamble. For some Chinese, gambling provides a form of business networking or guanxi opportunities.

This article touches on some aspects relating to the psychology of Chinese gamblers and, hopefully, provides a crucial starting point for further discussion into Chinese gambling behavior. It may help researchers to identify areas that suggest how gambling addiction manifests in Chinese gamblers. The belief in (and quest for) monetary gain as a measure of individual success, coupled with 'flawed' evaluation of the chances of achieving this goal through gambling, may explain Chinese gambling addiction at the lower social class levels. At higher social class levels, excitement, entertainment and social rather than monetary values may better explain such strong interest in gambling.

To conclude, the material covered in this article would suggest the applicability of expectancy-values models to explain Chinese gambling behavior. The theory of planned behavior (Ajzen, 2002), in particular, may provide an initial model for this understanding. Chinese gamblers' intention to gamble may be based on their (1) beliefs about the likely outcomes of gambling and their evaluation of these outcomes, (2) beliefs about the normative expectations of others toward gambling and their willingness to comply to these social expectations, and (3) beliefs about the presence of factors (i.e. skills or luck) that may aid or hinder their gambling performance and the perceived power of these beliefs. Hence, a strong belief in gambling to attain wealth and fame and positive evaluation of the value of these outcomes (i.e. for ancestral glorification) (1) would fuel a positive attitude toward gambling. At the same time, a high illusion of control (i.e. belief in the power of gambling skills and luck) (3) would likely strengthen their gambling intention and lead to actual gambling.

What do you think? Comments on this article can be addressed to Desmond Lam.

References

Aasved, M. (2003). *The Sociology of Gambling*. Springfield, IL: Charles C. Thomas Publisher.

Access Asia Limited (2002). *Lotteries and Gambling in China: A Market Analysis*. Shanghai, China: China Contact.

Ajzen, Icek (2002). *Constructing a TpB Questionnaire: Conceptual and Methodological Considerations*. Retrieved from: <http://www-unix.oit.umass.edu/~ajzen/pdf/tpb.measurement.pdf>.

Ang, S.H. (1997). Chinese consumers' perception of alpha-numeric brand names. *Journal of Consumer Marketing*, 14(3), 220-233.

Anonymous (1997). Pathological gambling as a reflection of cultural norms. *The Wager*, 2(43). Retrieved from: <http://www.thewager.org/current.htm>.

Blaszczynski, A., Huynh, S., & Farrell, V.J.D.E. (1998). Problem gambling within a Chinese speaking community. *Journal of Gambling Studies*, 14 (4), 359-380.

Bond, M.H. (1996). *The Handbook of Chinese Psychology*. Hong Kong: Oxford University Press.

Brown, R.I.F. (1986). Arousal and sensation-seeking components in the general

- explanations of gambling and gambling addictions. *The International Journal of the Addictions*, 21, 1001-16.
- BusinessWorld (2001, January 19). Weekender: The different rituals and symbols of the Chinese Lunar New Year. *Businessworld (Philippines)*, pp.1.
- Cotte, J. (1997). Chances, trances, and lots of slots: Gambling motives and consumption experiences. *Journal of Leisure Research*, 29 (4), 380-406.
- Ekblad, S. (1996). Ecological psychology in Chinese societies. In M. H. Bond (Ed.), *The Handbook of Chinese Psychology* (pp. 379-392). Hong Kong: Oxford University Press.
- Fan, Y. (2000). A classification of Chinese culture. *Cross Cultural Management - An International Journal*, 7(2), 3-10.
- Ge, C.Y. (2004). *Gambling - A journey through time*. Taipei, Taiwan: Far Reaching.
- Hobson, J.S. (1994). Feng shui: Its impacts on the Asian hospitality industry. *International Journal of Contemporary Hospitality Management*, 6(6), 21-26.
- Home Affairs Bureau (2002). Report on a Study of Hong Kong People's Participation in Gambling Activities. Centre for Social Policy Studies of The Department of Applied Social Sciences and The General Education Centre of The Hong Kong Polytechnic University. Retrieved December 10, 2005, from http://www.hab.gov.hk/file_manager/en/documents/whats_new/gambling/report-eng.pdf.
- Hong, Y. Y. & Chiu, C. Y. (1988). Sex, locus of control, and illusion of control in Hong Kong as correlates of gambling involvement. *Journal of Social Psychology*, 128(5), 667-673.
- Kwan, F.V.C. (2004). Gambling attitudes and gambling behavior of residents of Macau: The Monte Carol of the orient. *Journal of Travel Research*, 42(3), 271-278.
- Lam, Y.P (2004). Outline of Chinese Gambling History. Retrieved April 13, 2005, from www.gongfa.com/duboshi.doc.
- Lasserre, P. and Schütte, H. (1999). *Strategies for Asia Pacific*. New York, U.S.A.: Palgrave.

- Lau, L. Y. & Ranyard, R. (2005). Chinese and English probabilistic thinking and risk taking in gambling. *Journal of Cross-Cultural Psychology*, 36(5), 621-627.
- Leung, K. (1996). The role of beliefs in Chinese culture. In M. H. Bond (Ed.), *The Handbook of Chinese Psychology* (pp. 309-321). Hong Kong: Oxford University Press.
- Nepstad, P. (2000). Gods of gambling. *The illuminated lantern*, 2 (April/May). Retrieved June 20, 2005, from <http://www.illusminatedlantern.com/cinema/features/gambling.html>.
- Ozorio, B. and Fong, D.K.C. (2004). Chinese casino gambling behaviors: Risk taking in casinos vs. investments. *UNLV Gaming Research & Review Journal*, 8(2), 27-38.
- Pitta, D.A., Fung, H.G., & Isberg, S. (1999). Ethical issues across cultures: Managing the differing perspectives of China and the USA. *Journal of Consumer Marketing*, 16(3), 240-256.
- Pollock, S.M. & Chen, K. (1986). Strive to conquer the Black Stink: Decision analysis in the People's Republic of China. *Interfaces*, 16(2), 31-37.
- Pye, L.W. (1984). *China: An introduction*. (3rd ed.). Boston, U.S.A.: Little, Borwn and Company.
- Redding, S.G. (1990). *The Spirit of Chinese Capitalism*. New York: Walter de Gruyter.
- Rogers, P. (1998). The cognitive psychology of lottery gambling: A theoretical review. *Journal of Gambling Studies*, 14(2), 111-134.
- Schmitt, B.H., & Pan, Y.G. (1994). Managing corporate and brand identities in the Asia-Pacific region. *California Management Review*, 36(4), 32-48.
- Simmons, L.C. & Schindler, R.M. (2003). Cultural superstitions and the price endings used in Chinese advertising. *Journal of International Marketing*, 11(2), 101-111.
- Sweets, E. (2002). Game of the centuries Ancient Chinese pastime is alive and well in Denver. *Denver Post*, Denver, Colorado, December 1, L.01.

Tse, D.K. (1996). Understanding Chinese people as consumers: Past findings and future propositions. In M. H. Bond (Ed.), *The Handbook of Chinese Psychology* (pp. 309-321). Hong Kong: Oxford University Press.

Walker, M.B. (1992), *The Psychology of Gambling*, Oxford: Pergamon Press.

Wehrung, D.A., Lee, K., Tse, D.K., & Vertinsky, I. (1989). Adjusting risky situations: theory and empirical tests. *Journal of Risk and Uncertainty*, 2,

The views expressed in the Op-Ed/Editorials page are solely the views of the author(s) and do not necessarily reflect the views of the BASIS, its sponsors, or affiliated organizations.