



FANTASY SPORTS TRADE ASSOCIATION

Fantasy Sports Market Study – Presentation

June, 2017





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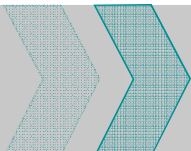
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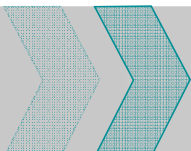
Today's Agenda



FANTASY SPORTS PARTICIPATION



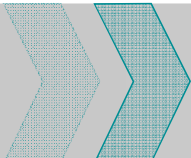
**FANTASY SPORTS MATERIALS AND
MEDIA**



**ADDITIONAL GAMING
PARTICIPATION**



ANCILLARY SPENDING AREAS



**PUTTING A VALUE TO THE FANTASY
SPORTS INDUSTRY**



Phase One: Fantasy Sports Participation



Research Objectives

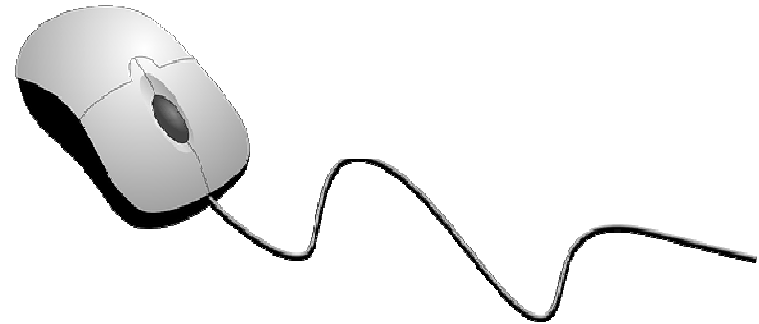
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Phase One: Incidence of Fantasy Sports Participation

Determine fantasy sports market size in the U.S. and Canada among the population 12+ years of age. Specifically:

- Determine the number of overall fantasy sports players (participants).
- Determine the shifts in these metrics over time.
- Discover the key demographic breakdown of fantasy sports players.
- Determine what percentage of fantasy sports players participated for the first time in the past year.





Phase 1

Methodology	Date	Who	Qualifications	Length of Time
Online interviewing methodology	March 1-6, 2017 (Canada)	n=1201 respondents (12+) within Canada	To qualify for the study, respondents must have been aged 12+.	The survey averaged approximately 1 minute in length.
	May 30-June 1, 2017 (US)	n=2413 respondents (12+) within the U.S.		

Accuracy:

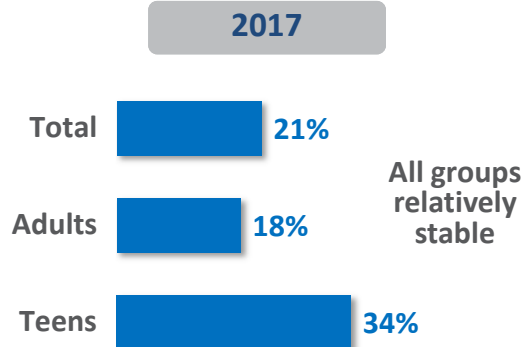
The precision of online polls is measured using a credibility interval. In this case, the polls have a credibility interval of plus or minus 2.7 percentage points. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error.

Despite The Challenges Experienced, Fantasy Sports Is As Strong As Ever

There are approx. 59.3 million total Fantasy Players aged 12+ in North America.



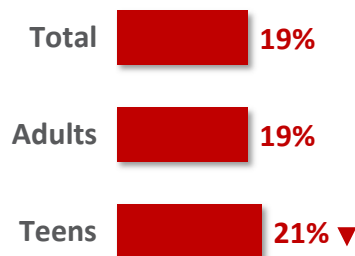
53.5 million
people play fantasy
sports in the U.S.
(43.2 million adults 18+).



2016	2015	2014	2013
20%	20%	14%	14%
18%	18%	13%	13%
32%	31%	18%	20%



5.8 million
people play fantasy
sports in Canada
(5.3 million adults 18+).

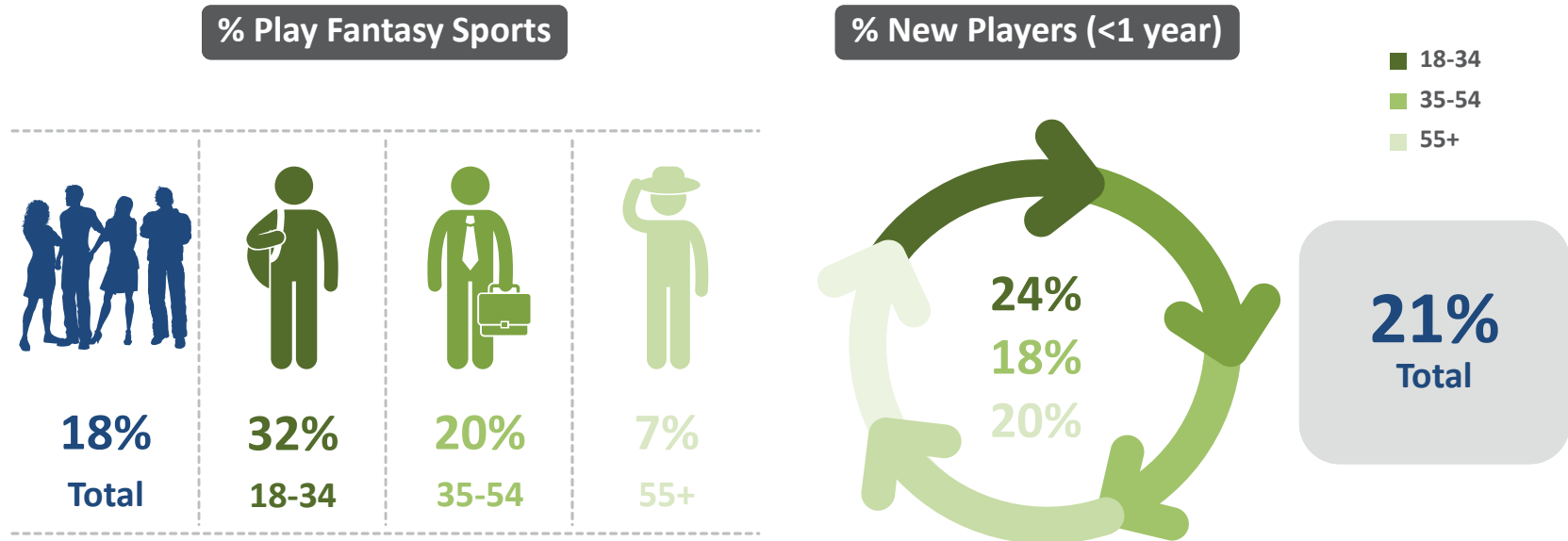


2016	2015	2014
17%	18%	19%
16%	16%	18%
33%	32%	30%

Base: All U.S. and Canadian respondents aged 12+ (Teens defined as aged 12-17)

Q1. Please select the responses below that best describe your participation level in Fantasy Sports and Daily Fantasy Sports since March of 2016 (within the past 12 months).

New Entrants To Fantasy Are Across All Age Groups, Proving You Are Never Too Old To Try, But It's The Millennials Who Are Entering At A Greater Rate

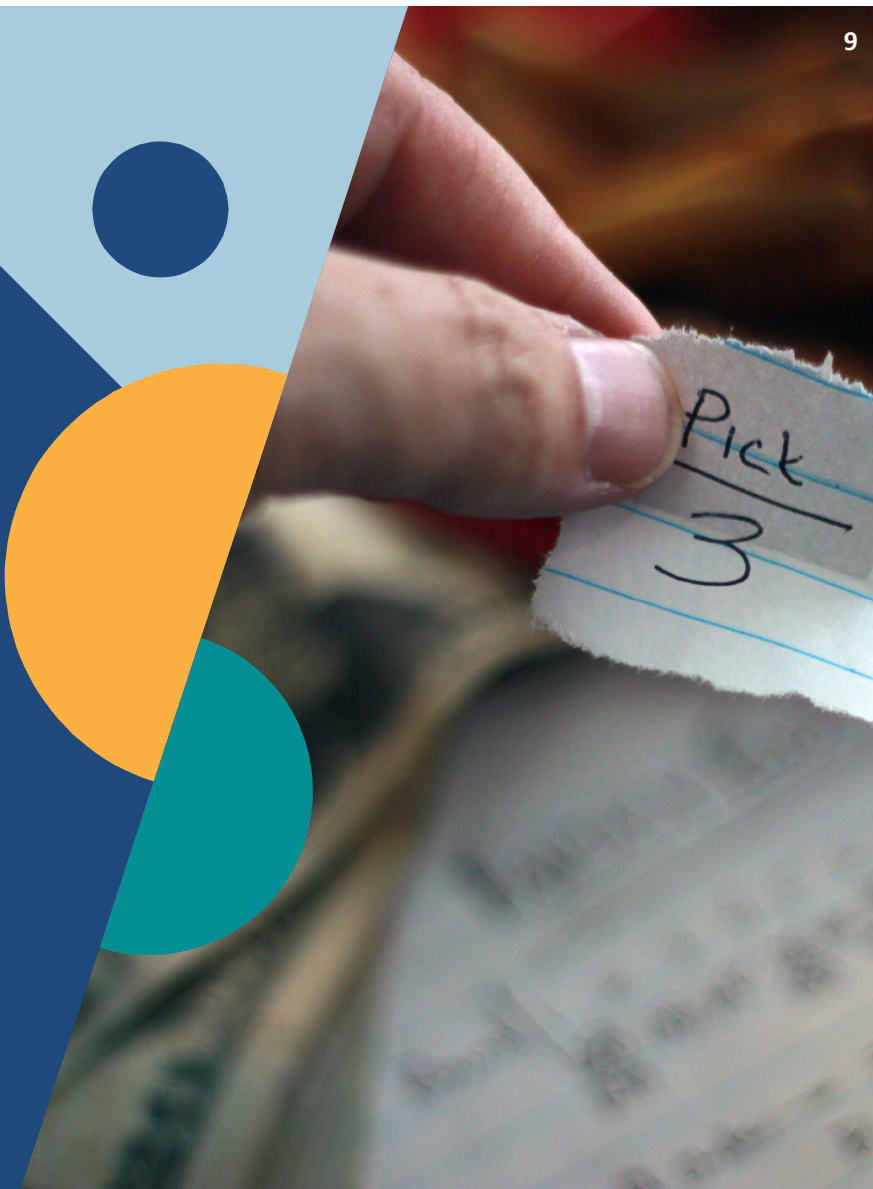


- Nearly half (48%) of the adult Fantasy Players in the U.S are 18-34 years old, and nearly a quarter (24%) of this demographic are New Players, having just started participating in Fantasy Sports in the past 12 months.
- The cyclical churn of fantasy players represents a healthy source of regeneration in the market, which is vital towards the industry's sustainability.



Phase Two:

Fantasy Sports Play and Economy
Spend



Research Objectives

2

Phase Two: Sizing the Fantasy Sports Market

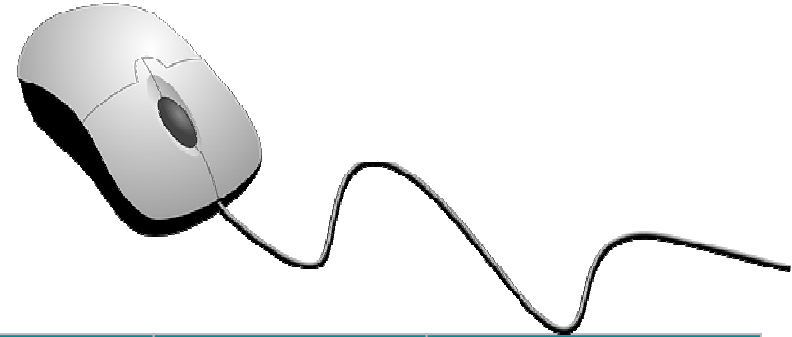
Spending Habits of Players

Determine the size of spend markets both directly related to Fantasy Sports Players' leagues, as well as outer lanes of spend related with Fantasy Sports participation.

- Proportion of players who pay entry fees, special prize fees, league hosting fees;
- Other transactional fees involving fantasy sports leagues;
- Participation Fees for league-wide social events;
- Informational materials, draft and/or roster management tools, and other media;
- Further spending lanes relevant to Fantasy leagues;
- Other Contests and Gaming Activity Spend;



Phase 2



Methodology	Date	Who	Qualifications	Length of Time
Online interviewing methodology	May 2- May 5, 2017	n=1,000 respondents (18+) within the U.S.	To qualify for the study, respondents must have been aged 18+ and have played fantasy sports in the past year.	The survey averaged approximately 17 minutes in length.

Accuracy:

The precision of online polls is measured using a credibility interval. In this case, the polls have a credibility interval of plus or minus 3.1 percentage points. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error.

Fantasy Sports Players Are Younger, Better Educated, With Higher HH Incomes and More Likely To Have FT Employment



Gender

		Adult Fantasy Players	Gen Pop 18+	Fantasy Players 12+	Gen Pop 12+
	Male	71%	48%	71%	48%
	Female	29%	52%	29%	52%

Age

		Adult Fantasy Players	Gen Pop 18+	Fantasy Players 12+	Gen Pop 12+
	Average age	39	47	32	44
	12 to 17	-	-	16%	9%
	18 to 34	48%	30%	40%	27%
	35 to 54	38%	34%	32%	31%
	55+	14%	36%	12%	33%

Education (18+)

		Adult Fantasy Players	Gen Pop 18+
	HS or less	15%	40%
	Some college	35%	31%
	Bachelor's degree	19%	18%
	Post-grad degree	31%	11%

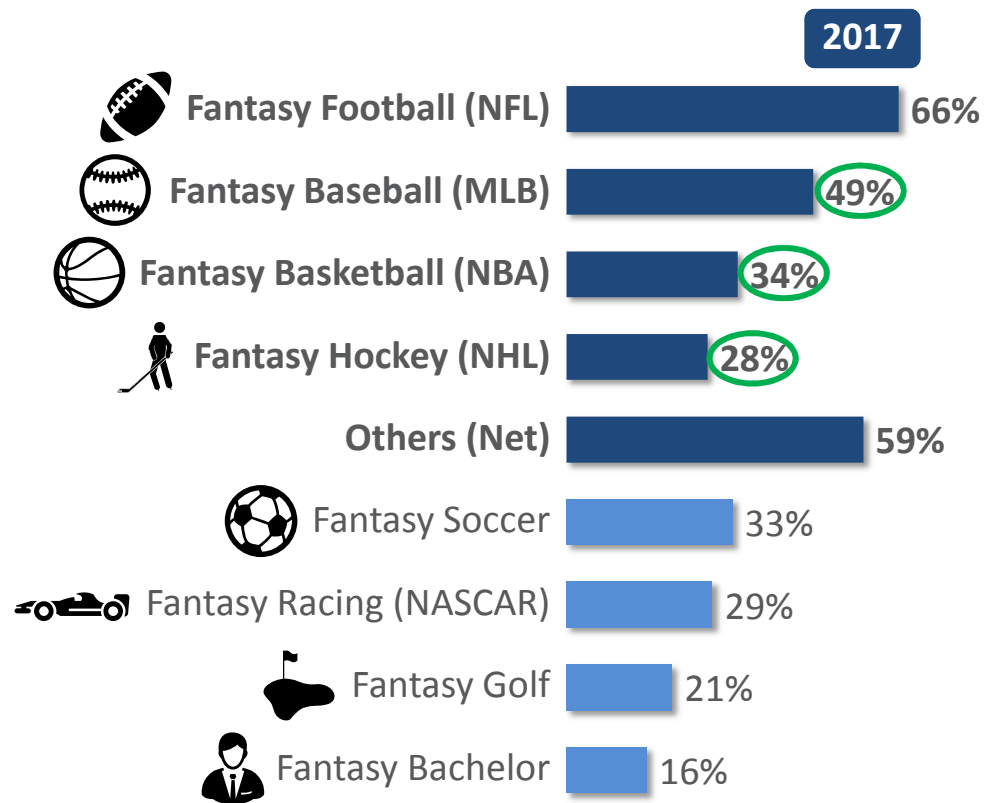
HH Income (18+)

		Adult Fantasy Players	Gen Pop 18+
	<\$50K	22%	37%
	\$50K to <\$75K	25%	19%
	\$75K+	53%	44%

Employment (18+)

		Adult Fantasy Players	Gen Pop 18+
	Full-time	67%	49%
	Part-time	13%	10%
	Retired/homemaker	9%	34%
	Student	4%	4%
	Unemployed	6%	4%

Despite Great Stability In The Overall Industry, Players Are More Engaged Than Ever, Being Involved in More Sports Than Ever



2016 (n=1,000)	2015 (n=1,000)	2013 (n=1,226)
70%	73%	77%
40%	35%	33%
21%	21%	20%
21%	20%	18%
56%	47%	41%
30%	20%	12%
26%	19%	21%
18%	17%	15%
n/a	n/a	n/a

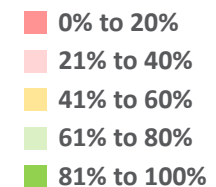
 Significantly higher than 2016.
 Significantly lower than 2016.

Base: All respondents (n=1,000)

A1. Please select the responses below that best describe your participation level in Fantasy Sports or Daily Fantasy Sports since March of 2016 (within the past 12 months).

Players Are Involved In Almost 3 Sports, With Crossplay Greater For Those Playing Smaller Games.

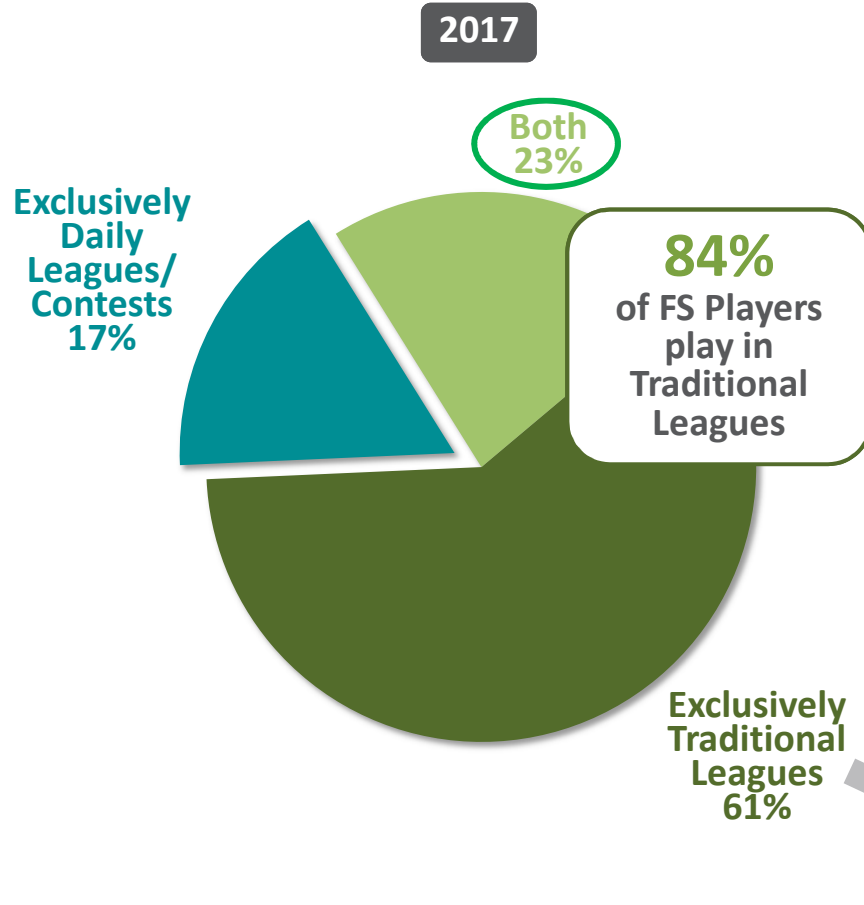
Those who play...									
	All Respondents (n=1,000)	Fantasy Football (NFL) (n=658)	Fantasy Baseball (MLB) (n=488)	Fantasy Basketball (NBA) (n=344)	Fantasy Soccer (n=329)	Fantasy Racing (NASCAR) (n=286)	Fantasy Hockey (NHL) (n=280)	Fantasy Golf (n=210)	Fantasy Bachelor (n=160)
Also play...	Fantasy Football (NFL)	66%		67%	67%	63%	69%	73%	64%
	Fantasy Baseball (MLB)	49%	50%		66%	67%	62%	69%	60%
	Fantasy Basketball (NBA)	34%	35%	46%		50%	47%	45%	44%
	Fantasy Soccer	33%	32%	45%	48%		47%	46%	46%
	Fantasy Racing (NASCAR)	29%	30%	36%	39%	41%		44%	50%
	Fantasy Hockey (NHL)	28%	31%	40%	36%	39%	43%		43%
	Fantasy Golf	21%	20%	26%	27%	30%	37%	32%	
	Fantasy Bachelor	16%	15%	19%	23%	24%	30%	27%	32%
Mean # of Sports Played		2.8	3.1	3.8	4.1	4.2	4.4	4.4	4.4



Base: All respondents

A1. Please select the responses below that best describe your participation level in Fantasy Sports or Daily Fantasy Sports since March of 2016 (within the past 12 months).

In Line With Greater Engagement, More Players Are Dabbling in Both Traditional and DFS



	2016 (n=1,000)	2015 (n=1,000)	2013 (n=1,226)
Exclusively Traditional Leagues	65%	63%	78%
Exclusively Daily Leagues/Contests	19%	17%	8%
Both	17%	21%	15%

18-34	61%
35-54	59%
55+	66%

Base: All respondents (n=1,000)

A2. Which of the following best describes your level of fantasy sports play? (Please select one.)

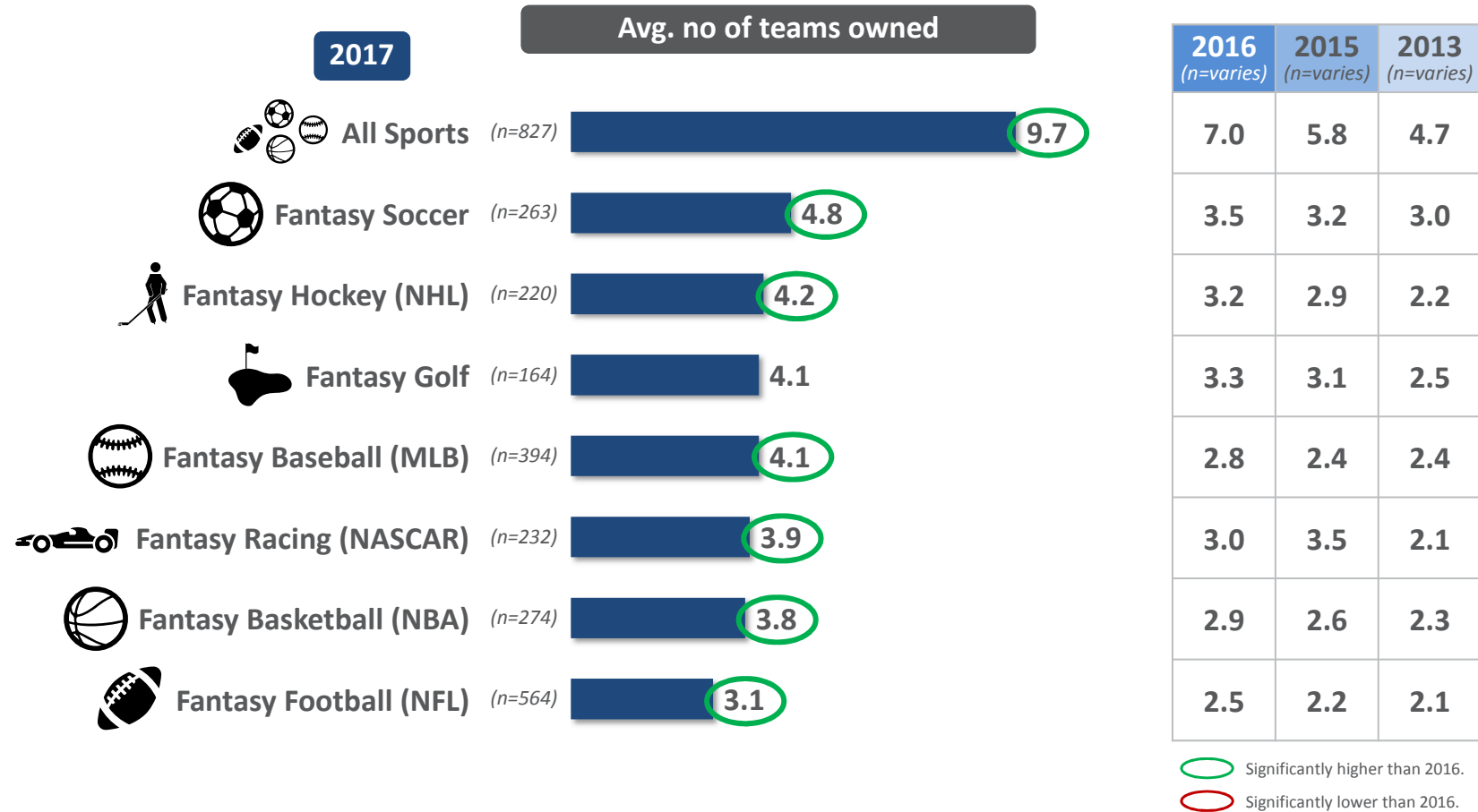
○ Significantly higher than 2016.
○ Significantly lower than 2016.



Traditional / Season Long Leagues



Traditional Players Continue To Become More Engaged, Owning More and More Teams

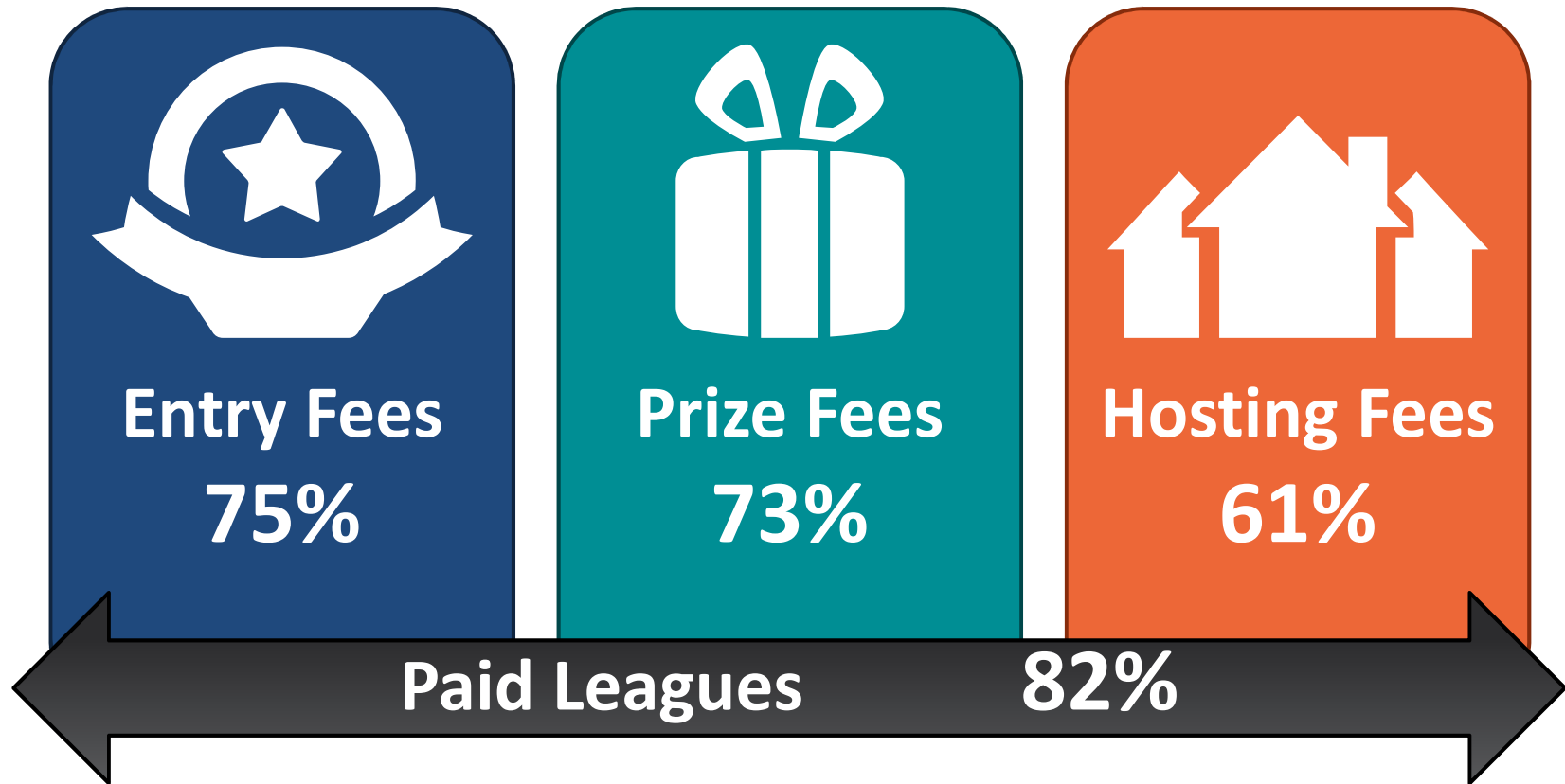


Base: Traditional Player of [INSERT SPORT] (n=varies)

B1. Thinking only of these types of traditional, season-long leagues, please select the number of fantasy sports teams you 'owned' in the past 12 months for each sport.

Most pay to play, with the cost of entry and cost for prizes raking in the most

% Who Participate in Paid Leagues



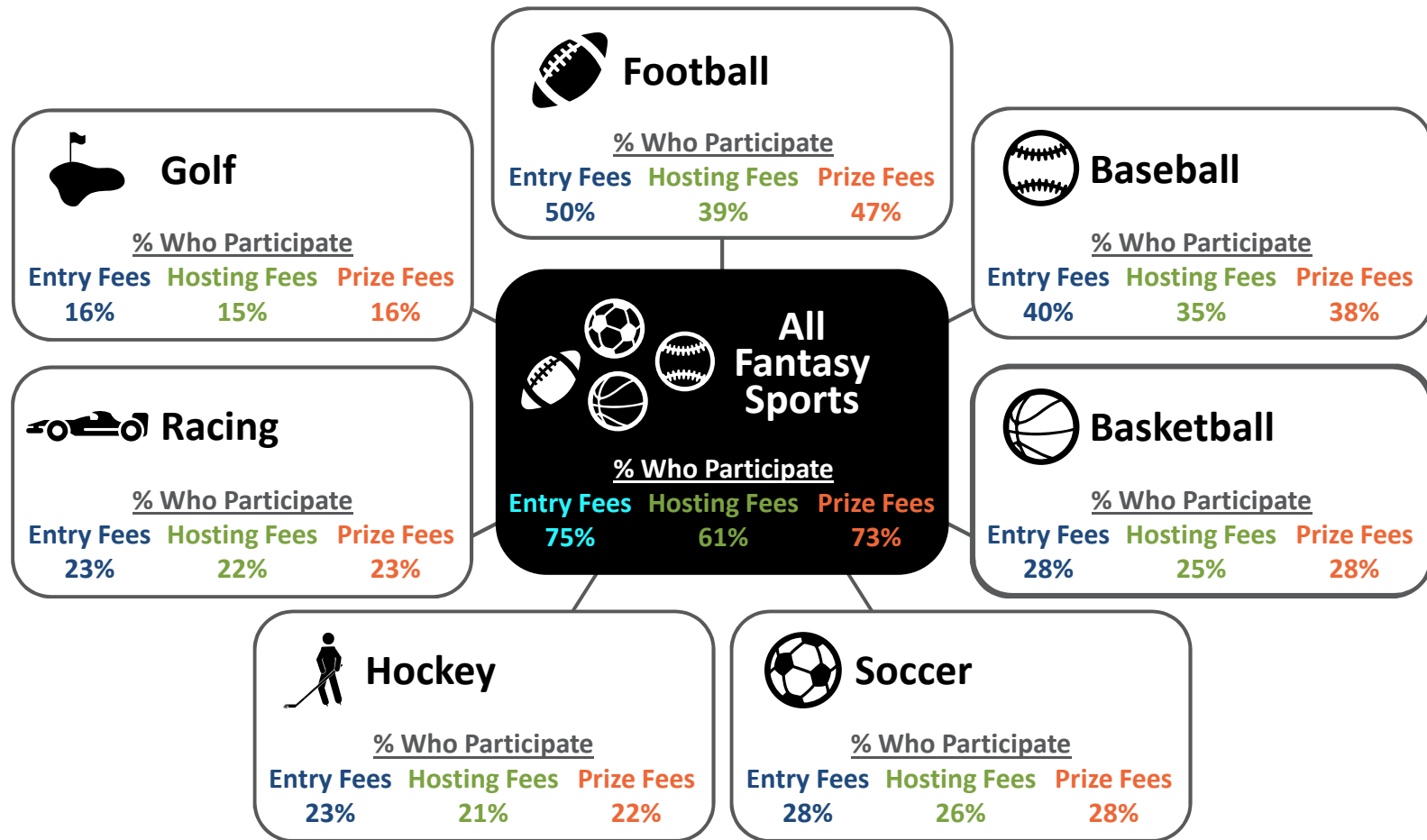
Base: Traditional Players (n=832)

B3a. For any of your traditional, season-long leagues, do you pay league fees or dues, or do you play only in leagues without any league fees?

B3b. Do you play in any traditional, season-long leagues where the website requires a hosting fee or are all of your fantasy leagues hosted on free websites?

B3c. Do you play in any traditional, season-long leagues where you pay a fee to have these prizes, or do you not pay any prize fees to any leagues?

Entry, Hosting and Prize Fees by Sport



Base: Traditional Players (n=832)

B3a. For any of your traditional, season-long leagues, do you pay league fees or dues, or do you play only in leagues without any league fees?

B3b. Do you play in any traditional, season-long leagues where the website requires a hosting fee or are all of your fantasy leagues hosted on free websites?

B3c. Do you play in any traditional, season-long leagues where you pay a fee to have these prizes, or do you not pay any prize fees to any leagues?

Most Spend on Prizes Outside of Cash With Prizes Including Clothing, Rings, Belts and Trophies

73%
Of Traditional
Players Spent \$ on
Special Prizes in at
least one league

Spend



Championship
Clothing
\$30.00



Championship
Ring
\$30.00



Championship
Belt
\$25.60



League
Trophy
\$25.00

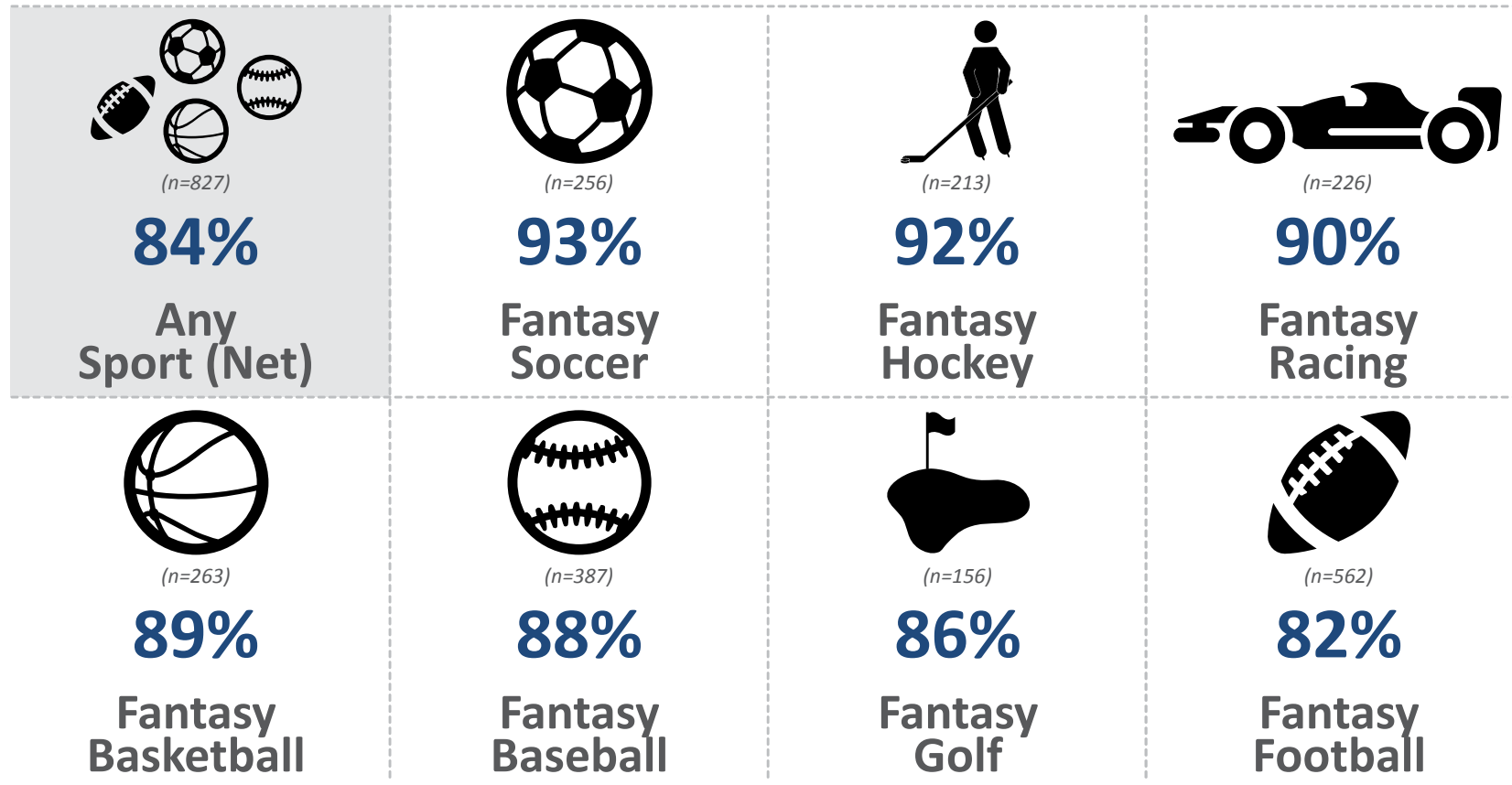


Other
\$25.00

Base: Traditional Player of any sport who pay prize fees (n=606)

B4c2. You have indicated that in at least one of your leagues, you have paid fees that go towards a special prize(s) for the winner(s) of the league. In your leagues, how much money did you spend on the following prizes? Round to the nearest whole number.

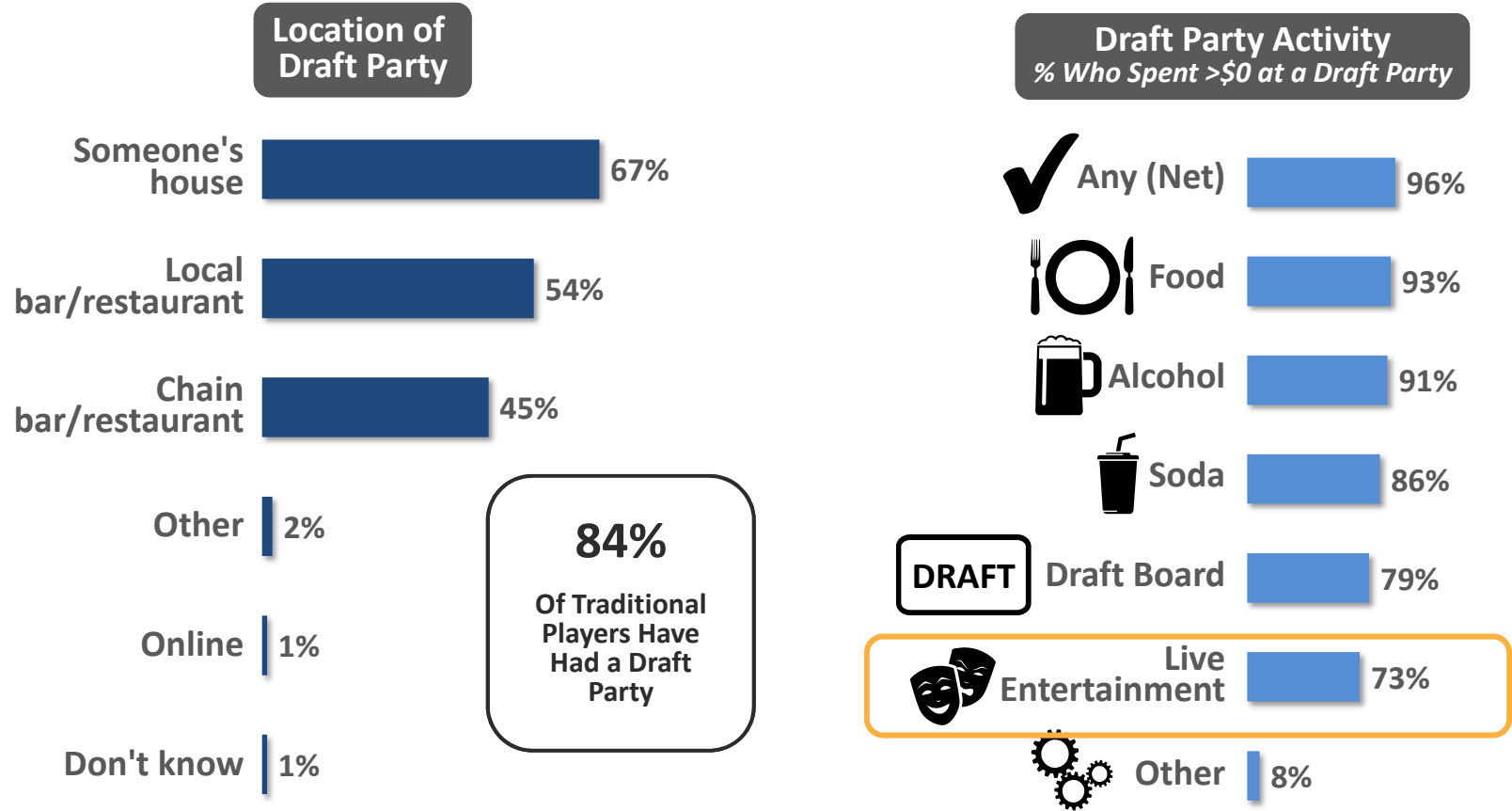
Most Traditional Players Are Involved In Draft Parties, With All Sports Strongly Represented



Base: Traditional Player of [INSERT SPORT] (n=varies)

B5a. At the beginning of the season, where was your 'draft party' held for any of the traditional, season-long leagues you participate in?

Draft Parties Are Typically Held at a Private Dwelling With Almost All Including Food or Alcohol.



Base: Traditional Players who had a draft party

B5a. At the beginning of the season, where was your 'draft party' held for any of the traditional, season-long leagues you participate in?

Base: Traditional Player who had draft party and had [INSERT DRAFT PARTY SPEND OPTION]

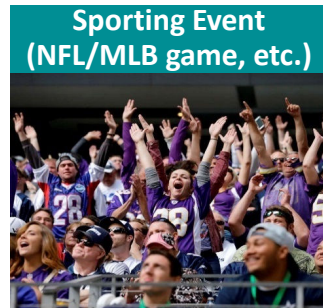
B5b. At your league's draft party, approximately how much did your league spend on the following? Round to the nearest whole number.

Fantasy Isn't Just A Draft Party, or Watching Sports; It Also Involves Nights at Bars, Attending Sporting Events, And Dinners

Other League Activity
% Who Spent >\$0 on other League activities



51%



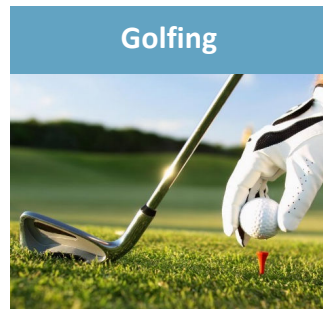
50%



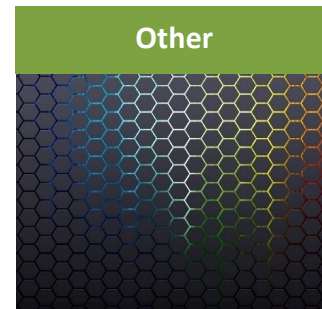
50%



47%



44%



4%

57%
**Of Traditional
Players Have Had
a Non-Draft
Party League-
Wide Event**

Base: Traditional Season-Long Players (n=832)

B5c. Does your league(s) hold any of the following events that took place separate from the draft? If so, please indicate how much you spent on each.

Two-Thirds Have A Punishment Prize For Being A Loser

What % of
Leagues
Spend on a
League
Loser
Punishment?



68%

Base: Traditional Season-Long Players (n=832)

B5d. How much does your league spend each season to 'punish' or 'humiliate' the loser of the league? (ie -- tattoo, humiliating trophy, embarrassing tasks to complete, t-shirts, etc.)

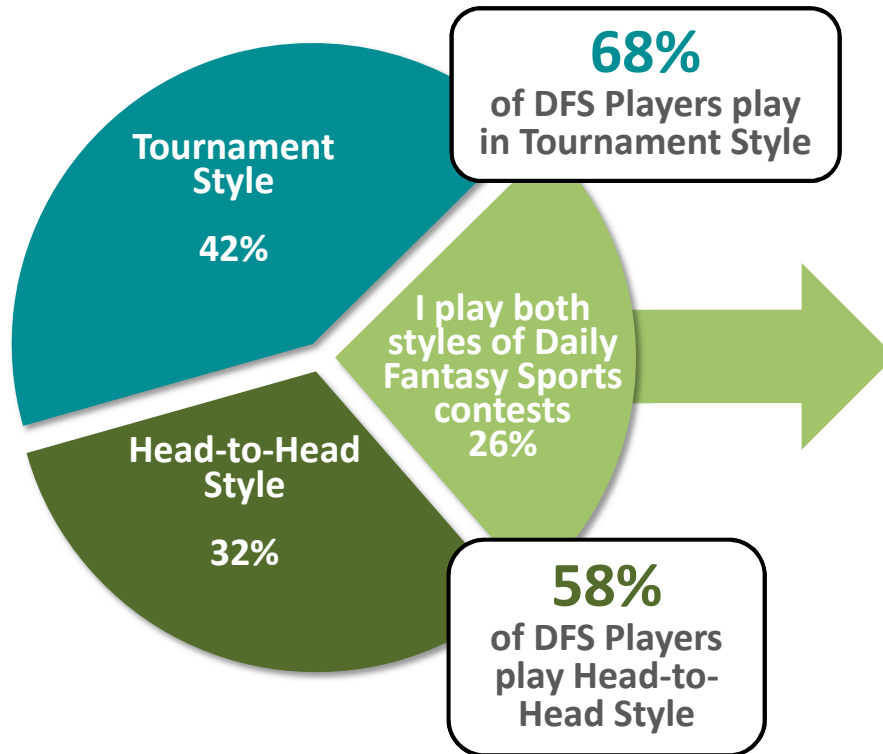


Daily Fantasy Sports

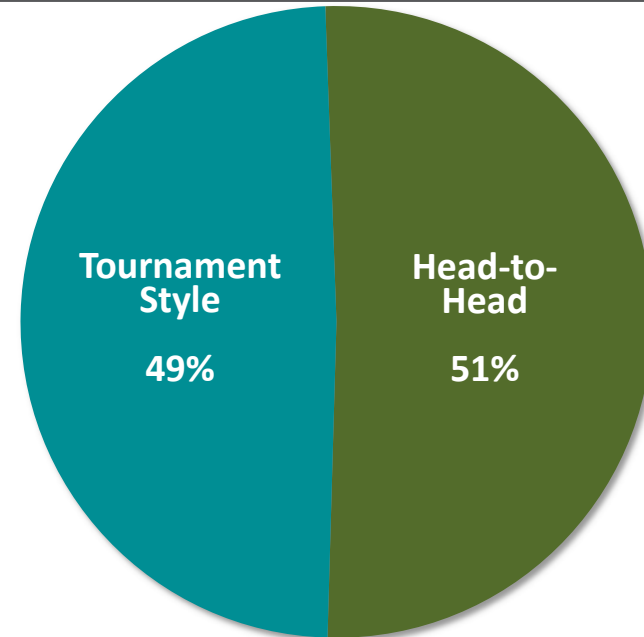


Tournament Style is Played More By DFS Players Than Head-to-Head

Tournament vs. Head-to-Head



Proportion of Tournament and Head-to-Head
(Those who play both styles)



Base: DFS Players (n=394)

QC1B. Daily Fantasy Sports contests can be played in different styles of format. Which of the following do you typically play?

Base: DFS Players who play both Tournament and H2H (n=103)

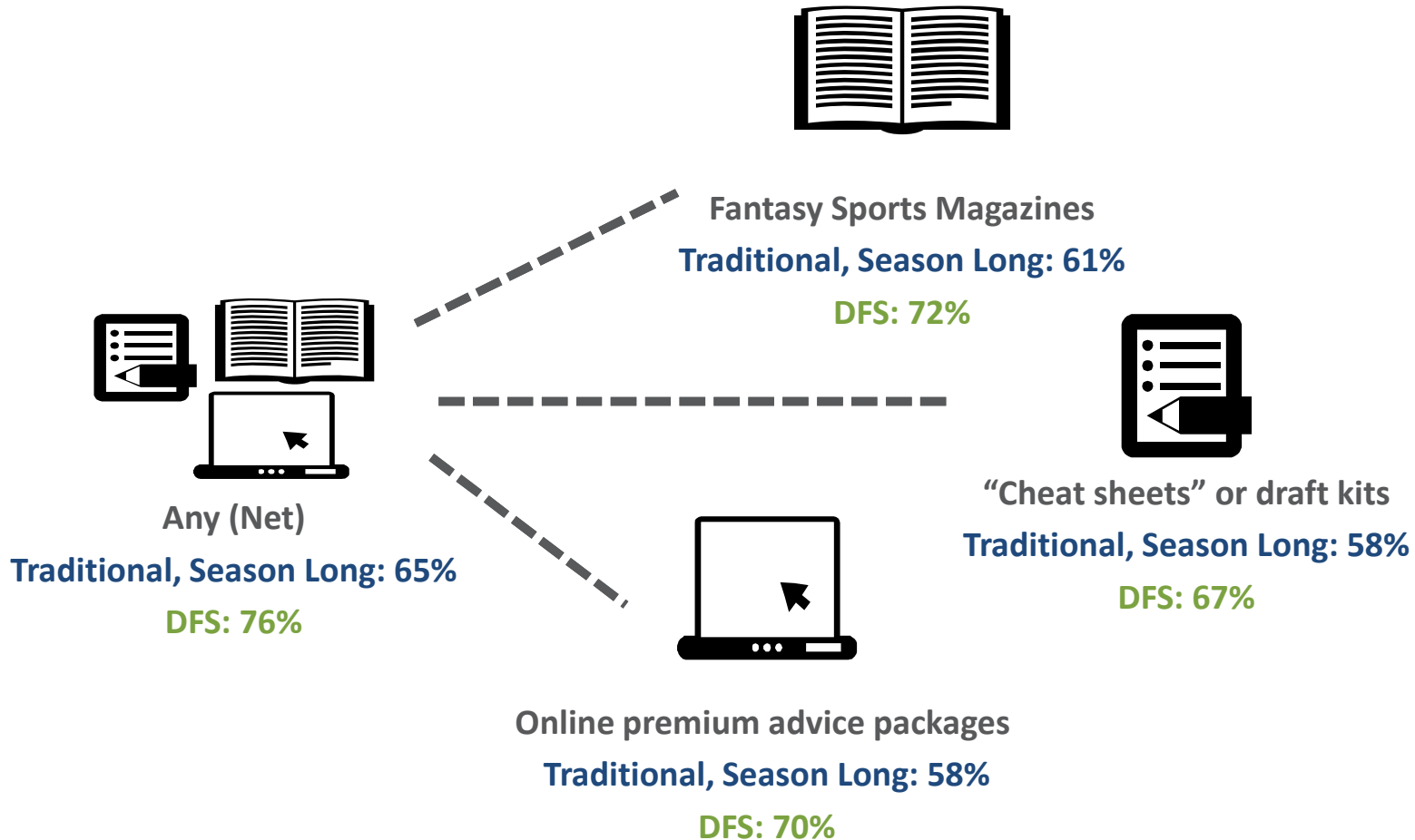
C1c. You indicated that you participate in both styles of Daily Fantasy Sports contests-Head-to-Head, and Tournament Style. When you participate in daily fantasy sports, what proportion of your contests are of each style?



Fantasy Sports Materials and Media



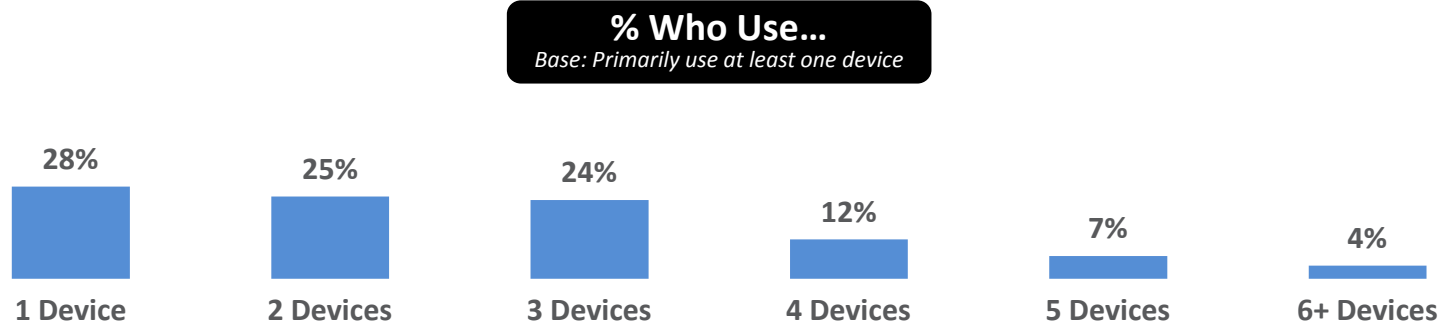
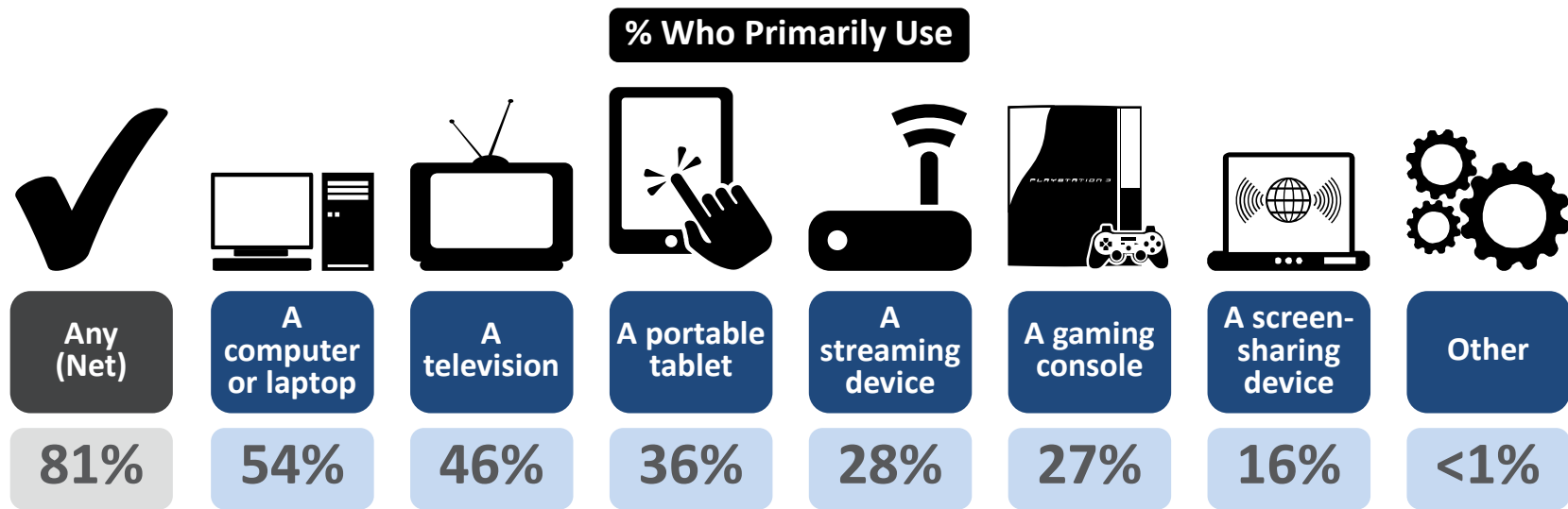
DFS Players Are More Likely Than Traditional Players To Purchase Information. But, If You Are Buying Information, You Are Buying From Multiple Sources, And This Is Regardless of Traditional or DFS



Base: Play [INSERT FANTASY GAME TYPE]

D1. In the past 12 months, how much money did you spend on the following for your fantasy sports season(s)?

Most Have A Device Used Primarily For Fantasy Sports Related Activities, With Most Having Multiple Devices



Base: All respondents (n=1,000)

D3. Do you own any of the following devices for the main purpose of using them for fantasy sports related activities?



Almost Three-Quarters of Fantasy Players Add Spice To Their Match-up With Some Side Action

30

Participated
in Side “Bets”

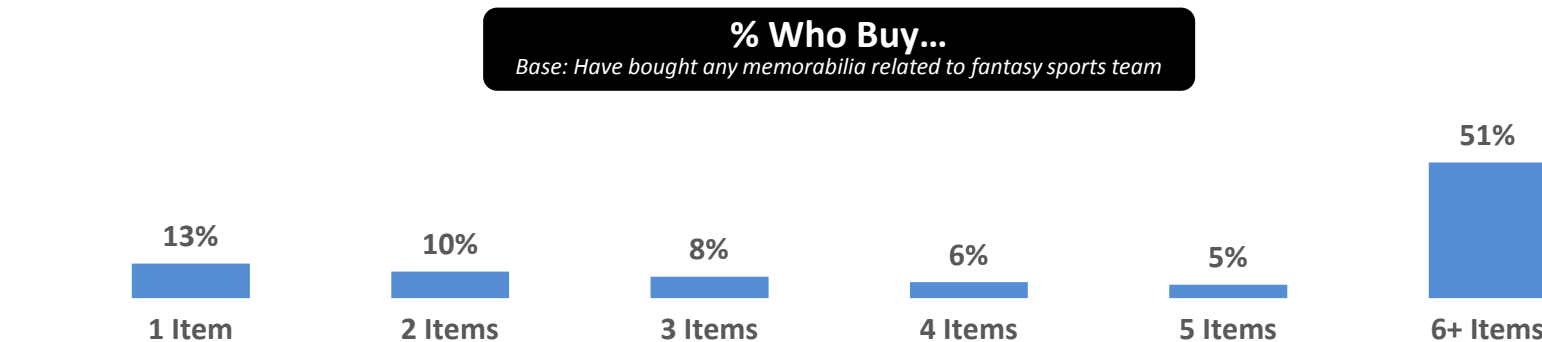


72%

Base: All respondents (n=1,000)

D4. In the past 12 months, how much have you spent on 'side contests' with other members in your fantasy league. Note: A 'side contest' is a contest you have participated in separate from your league buy-in fee that allows you to compete against specific other members' teams in your league for specific periods of time- for example, 'my team will outscore your team this week/season', or a 'high score of the week contest'.

Almost 3 in 4 Buy Sports Memorabilia Related To Their Fantasy Team, And For Those That Do, Many Buy Multiple Items



Base: All respondents (n=1,000)

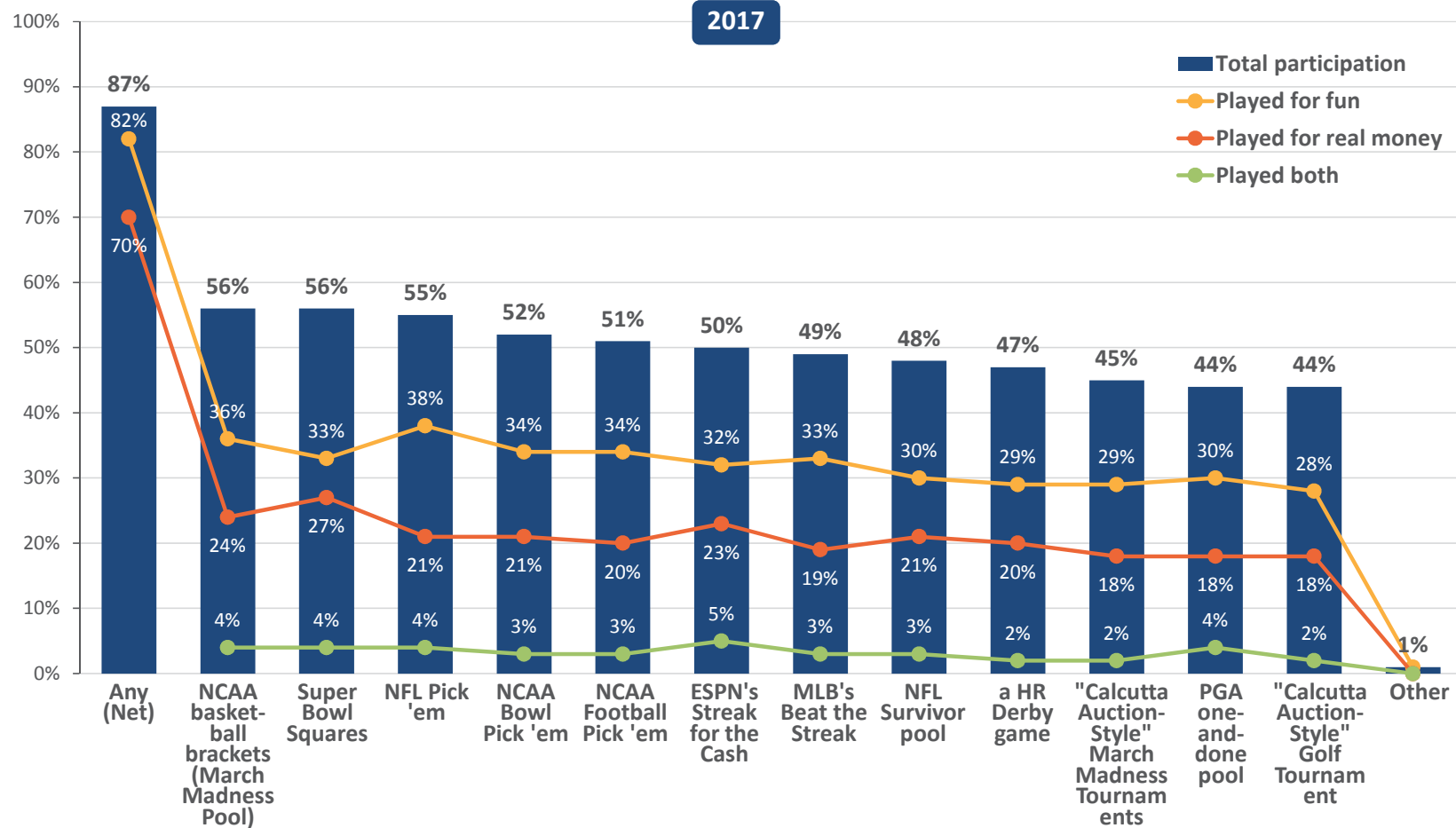
D5. In the past 12 months, how much have you spent on the following items because they were related to one of your fantasy sports teams or a team one of your players is on (ie -- buying a Bryce Harper jersey because he's on your fantasy team)?



“Other” Sports Contests and Gaming



Fantasy Players Aren't Just Playing Fantasy; They Are Heavy Players of Other Sports Competitions, Be It Skill or Luck

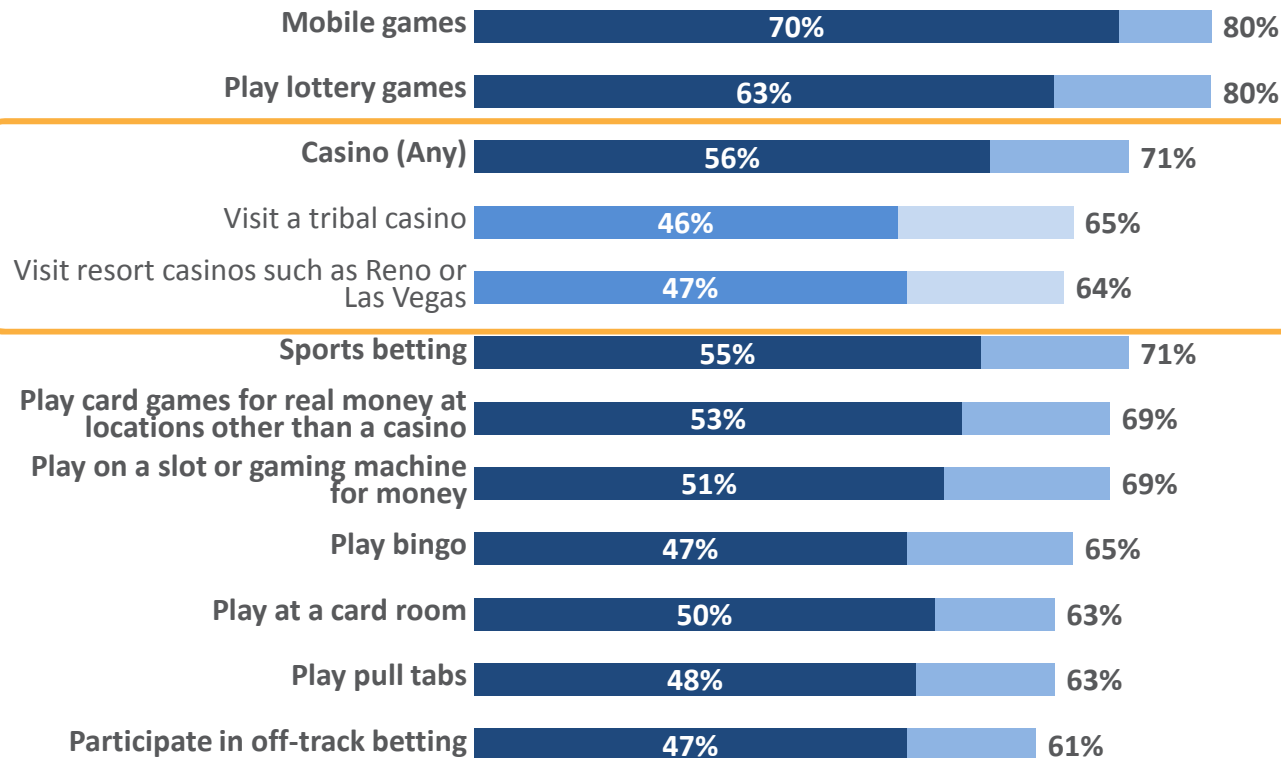


Base: All respondents (n=1,000)

E1. The following are popular sports games that are not classified as fantasy sports contests. Which of these contests have you participated in during the last 12 months?

Fantasy Players Are Also Involved In Many Other Types of Gaming, In Particular Mobile/Social, Lottery, Casino and Sports Betting

Other Gaming Activities

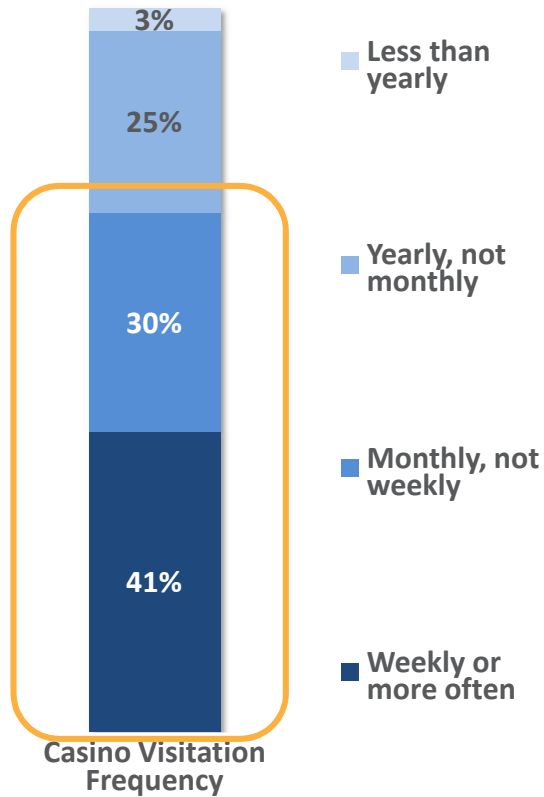


Base: All respondents (n=1,000)

F2. When was the last time you have participated in the following activities?

7 in 10 Visit A Casino Monthly or More Often. And When They Are There, They Are Seeking Entertainment Across All That Casino's Have To Offer

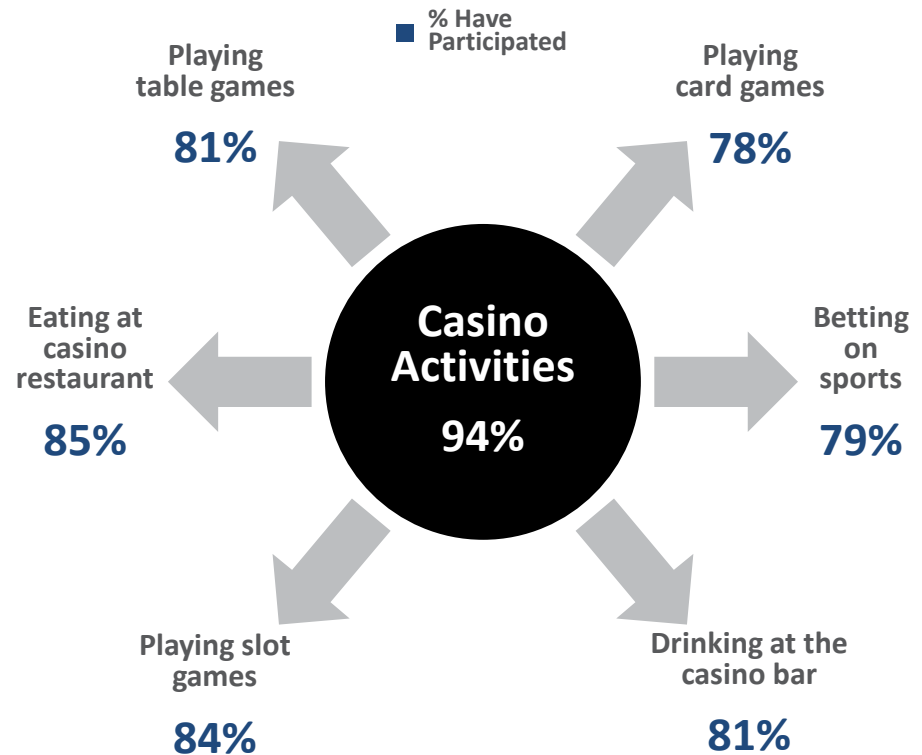
Frequency of Casino Visitation



Base: Fantasy sports players who have visited a casino in the past year (n=717)

F2b. On average, how often would you say you visit a casino?

Activity Participation During Most Recent Visit



Base: Fantasy sports players who have visited a casino in the past year (n=717)

F2a. Approximately how much do you spend (not including winnings) on each of the following activities in a typical visit to a casino?



Additional Ancillary Spending



In Line With Engagement, Players Are Watching At Home or Friends, or at Bars, With Many Spending Significant Dollars to Enhance Their Fantasy Sports Entertainment



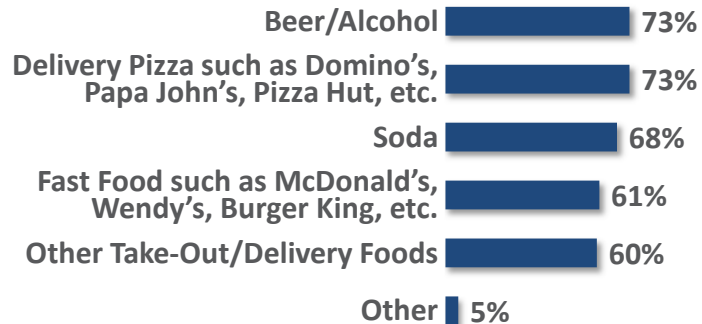
Home/at Friend's House

82%



Typical Participation at Home or Friend's House

% who spend >\$0



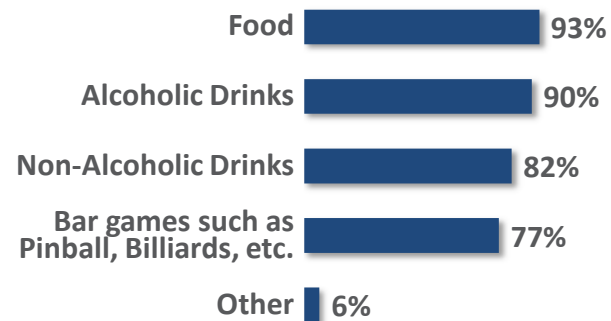
Sports Bars/Pubs

49%



Typical Sports Bar/Pub Participation

% who spend >\$0



Base: All respondents (n=1,000)

F1a. Where do you regularly go to view your fantasy sports related events? (NFL on Sundays, Major golf tournaments, etc.).

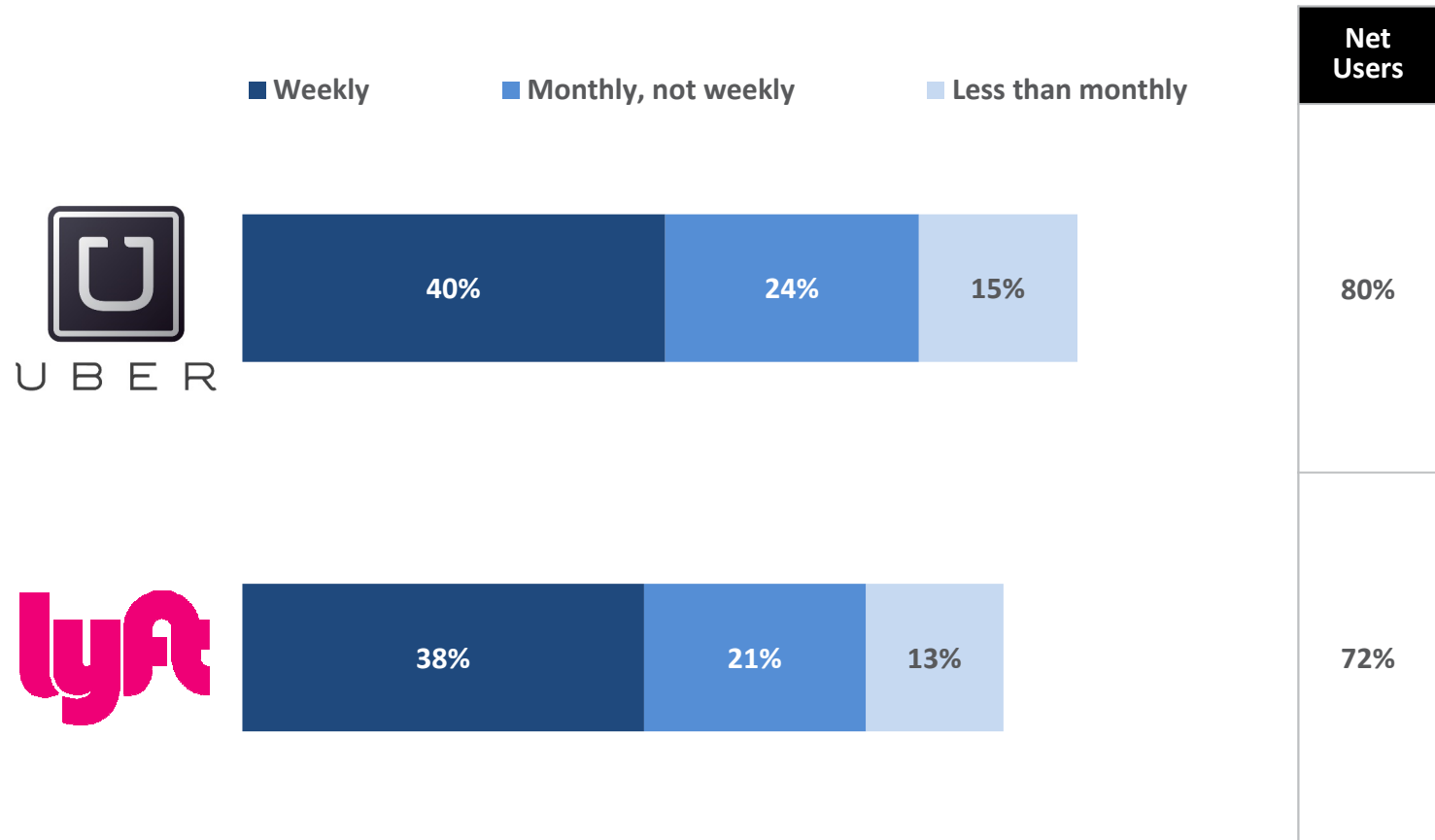
Base: Watch games at a sports bar/pub (n=490)

F1b. When you go to a sports bar/pub to watch fantasy sports related events, how much money do you typically spend on the following?

Base: Watch games at home or a friend's house (n=815)

F1c. When watching fantasy sports related events at your house or your friends' houses, how much money do you typically spend on the following?

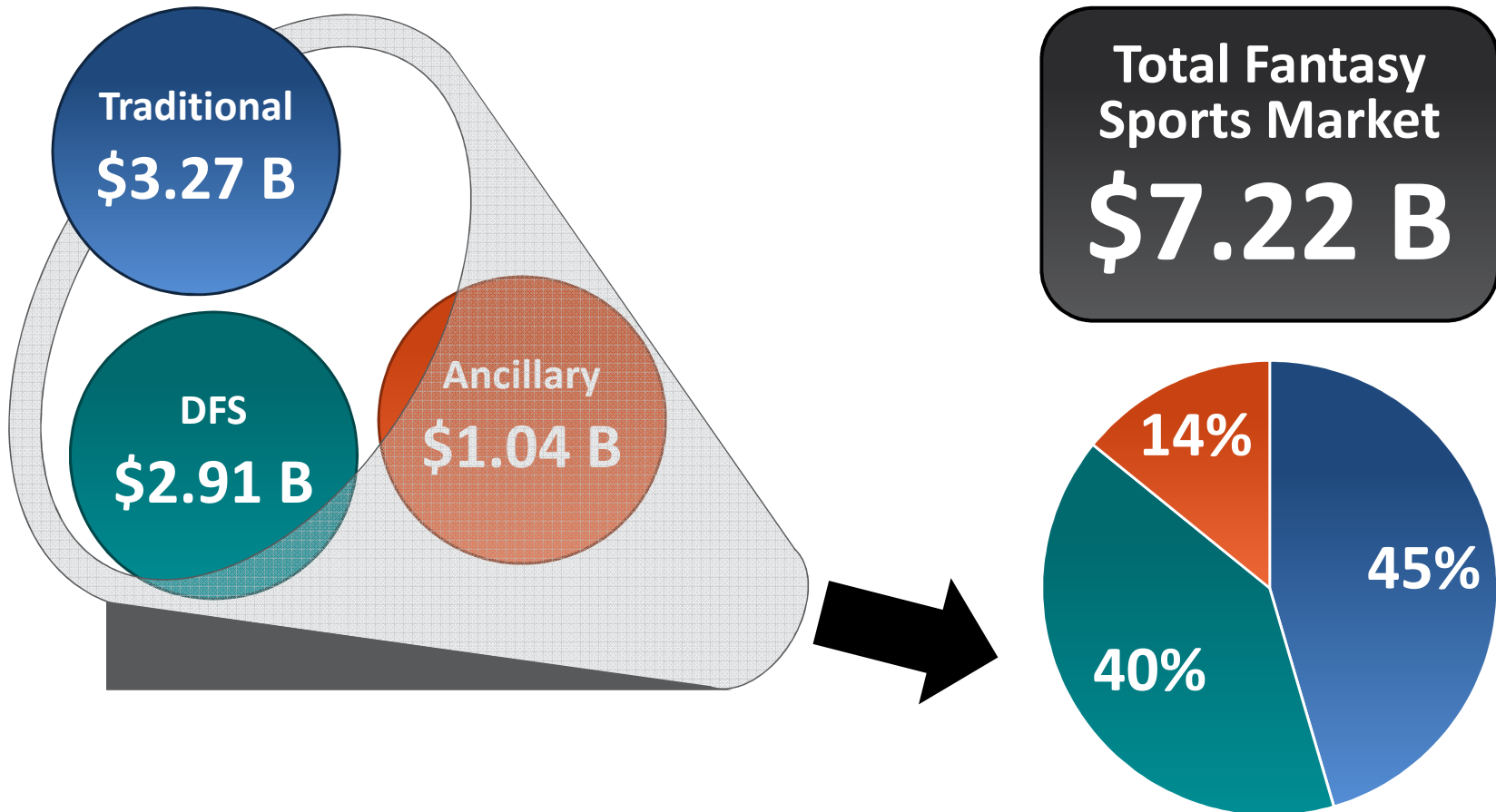
Fantasy Players Use Ride Sharing Apps, With Uber Used Slightly More Than Lyft



Base: All respondents (n=1,000)

G6. How often would you say you use the following 'ride-sharing' apps?

Including All Fantasy Games and Ancillary Spend, Ipsos
Estimates Fantasy Contributes \$7.22 B to the US Economy

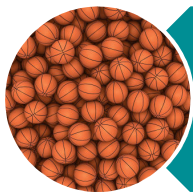




Key Takeaways



The Fantasy Industry is going through a period of stability, which given the challenges can be seen as a big win. Within this stability, players are more engaged than ever before. The next challenge is; how to grow? Customer acquisition is the goal, and what will be the next disruption or evolutionary phase?



Fantasy isn't just picking a team; fantasy participation is FAR more than that. It's special prizing, draft parties, and ongoing entertainment. There is a chance to leverage the elongated experience that fantasy players are seeking.



Fantasy Players are entertainment seekers; not just through fantasy related events, but also through other activities, such as other forms of gaming, and their casino-related activities. This may be a huge opportunity for the industry to leverage.



An industry estimate of \$7.22B, with more than \$1B in ancillary spend, indicates that fantasy players are looking to spend money to enhance their fantasy experience.



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