



FSTA

Understanding Crossover Between Fantasy Sports Players and Sports Bettors

June 2018

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What Are We Going To Address Today?

1

Participation Metrics: Fantasy Sports vs. Sports Betting

2

Sports Betting Implications: Moving Forward

3

Comparative Consumption: Fantasy Players vs. Sports Bettors

4

Demographic Comparisons: Fantasy Players vs. Sports Bettors

5

Key Takeaways- “What Now?”



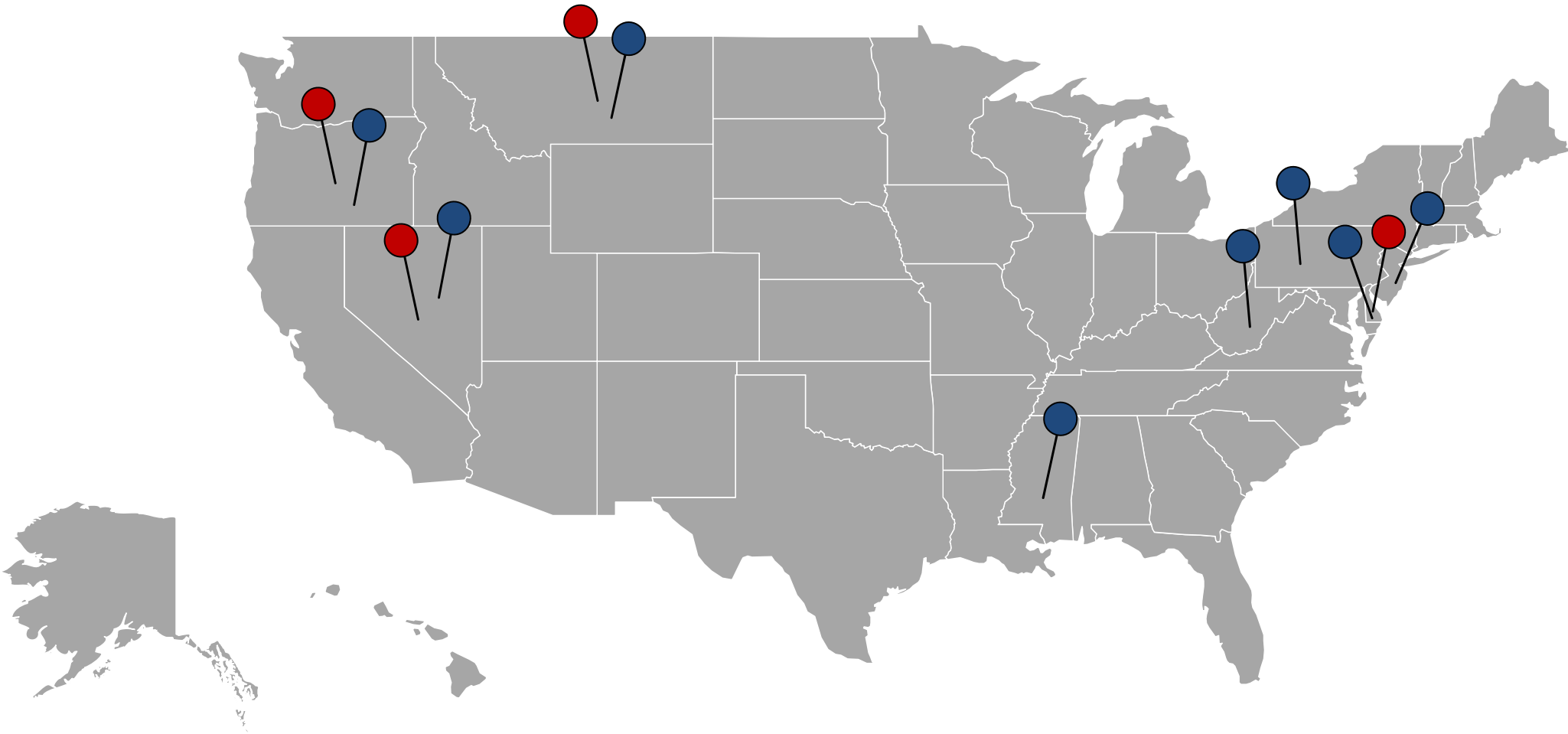
Background and Methodology





What is the current sports betting landscape? And where is legalization likely?

5





Background & Objectives



The goal of this research was to uncover potential avenues where businesses within the fantasy sports industry could profit from the budding shift in the sports betting legislations across U.S states.

More specifically, the research objectives were:

1

Discover the overlap in participation behaviors between fantasy sports and sports betting (including frequency, league play, website usage, and spend comparisons).

2

Determine potential effects on both industries of the upcoming legislative shifts

3

Gather a demographic comparison of sports betting population in the U.S vs. fantasy sports players.

4

Identify other areas of overlapping consumption between the two populations (i.e. commercial goods, media/device usage, social media networks, subscription services, etc.).



Methodology

7



Where

United States



Target

**Fantasy
Players or
Sports Bettors
(age 18+)**



Sample size

n=1484



Online Survey

10 minutes



Field Dates

**May 7-11,
2018***

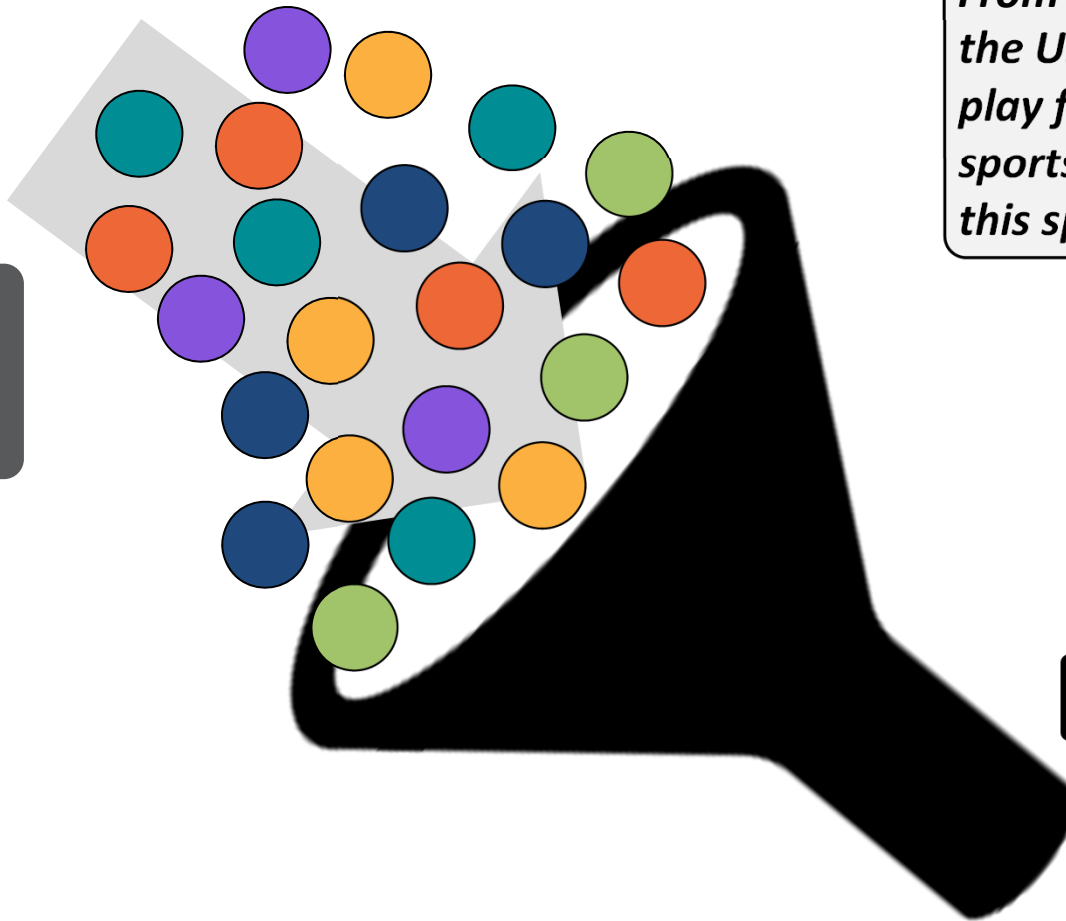
**This study was fielded directly before the SCOTUS decision of Murphy vs. NCAA on May 14, 2018.*



Who we spoke to

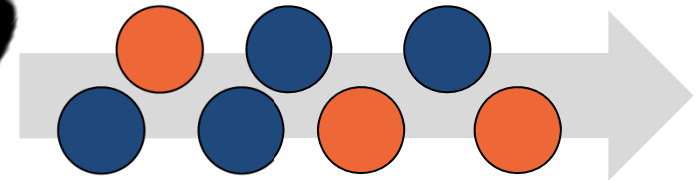
8

GENERAL
POPULATION



From the general population of the U.S, we found people who play fantasy sports or bet on sports, and collected data from this specific universe of people.

FANTASY PLAYERS OR SPORTS BETTORS





Comparing data between this year and previous years.....

- How respondents screened in Fantasy Players or Sports Bettors

9

Previous Years' FSTA Studies

Please select the responses below that best describe your participation level in Fantasy Sports or Daily Fantasy Sports within the past 12 months?

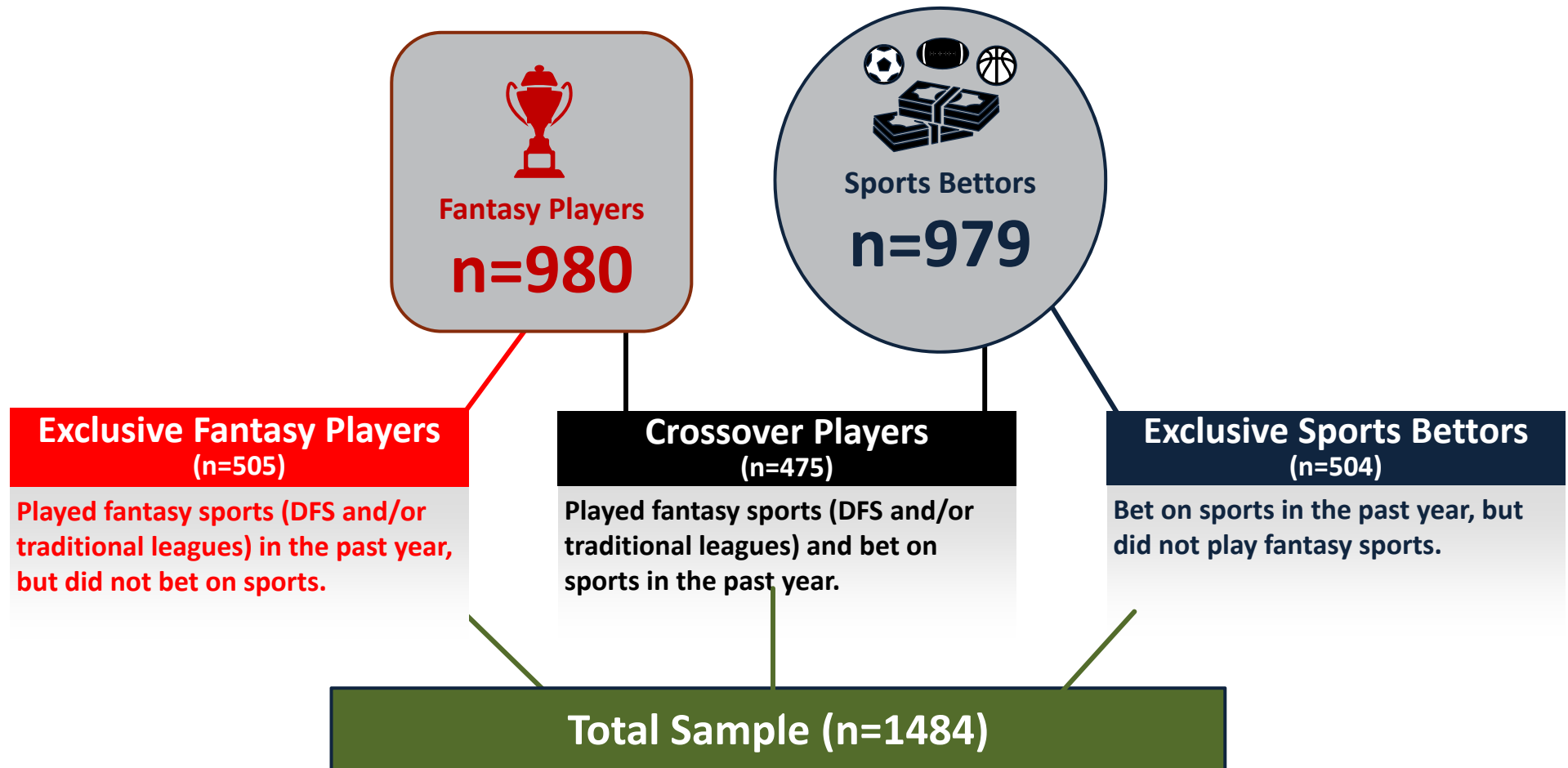
- ☒ I have played Fantasy Football (NFL)
- ☒ I have played Fantasy Baseball (MLB)
- ☒ I have played Fantasy Basketball (NBA) NOTE: This is NOT NCAA tournament brackets
- ☒ I have played Fantasy Hockey (NHL)
- ☒ I have played Fantasy Golf
- ☒ I have played Fantasy Racing (NASCAR)
- ☒ I have played Fantasy Soccer
- ☒ I have played Fantasy Bachelor
- ☒ I used to play Fantasy Sports but have not participated in the last 12 months
- ☒ I have not played any Fantasy Sports in the past 12 months

2018 Study

Which of the following games or activities have you participated in over the past 12 months with real money?

- ☒ Played Bingo
- ☒ Gambled in a casino
- ☒ Played card games such as blackjack or poker for real money at locations other than a casino
- ☒ Bet on Horse Racing
- ☒ Played Lottery games (ie. Instant Scratch Games, or Draw games like Powerball, Mega Millions, etc.)
- ☒ Bet on sporting events/sports outcomes (ie. point spreads, futures bets, prop bets, or bets on the result of a sporting event like a NHL or NFL game, etc.)
- ☒ Participated in group contests such as March Madness Brackets, Super Bowl Squares, NCAA Bowl Pick'em, etc.
- ☒ Played Fantasy Sports (either Daily Fantasy Sports (DFS) or traditional, season-long leagues)
- ☒ None of the above

Two key groups of people.....



S1. Which of the following games or activities have you participated in over the past 12 months with real money (since May 2017)?



Participation:

Fantasy Sports and Sports Betting



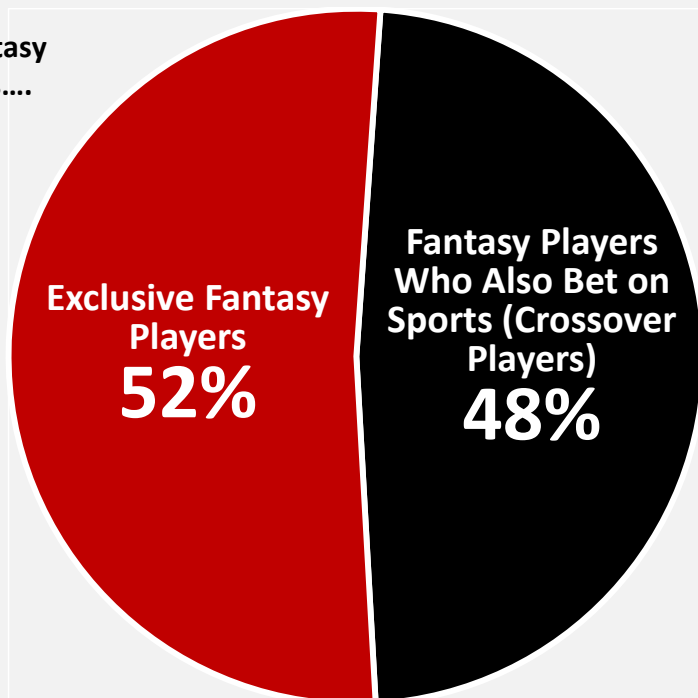


Participation crossover is nearly identical between fantasy sports and sports betting, at nearly 50% each.

Fantasy Players n=980



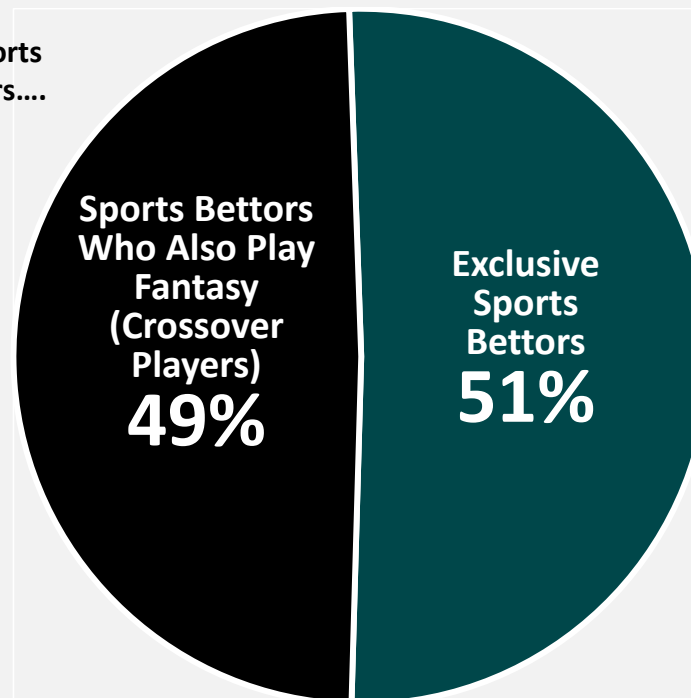
Of Fantasy
Players....



Sports Bettors n=979



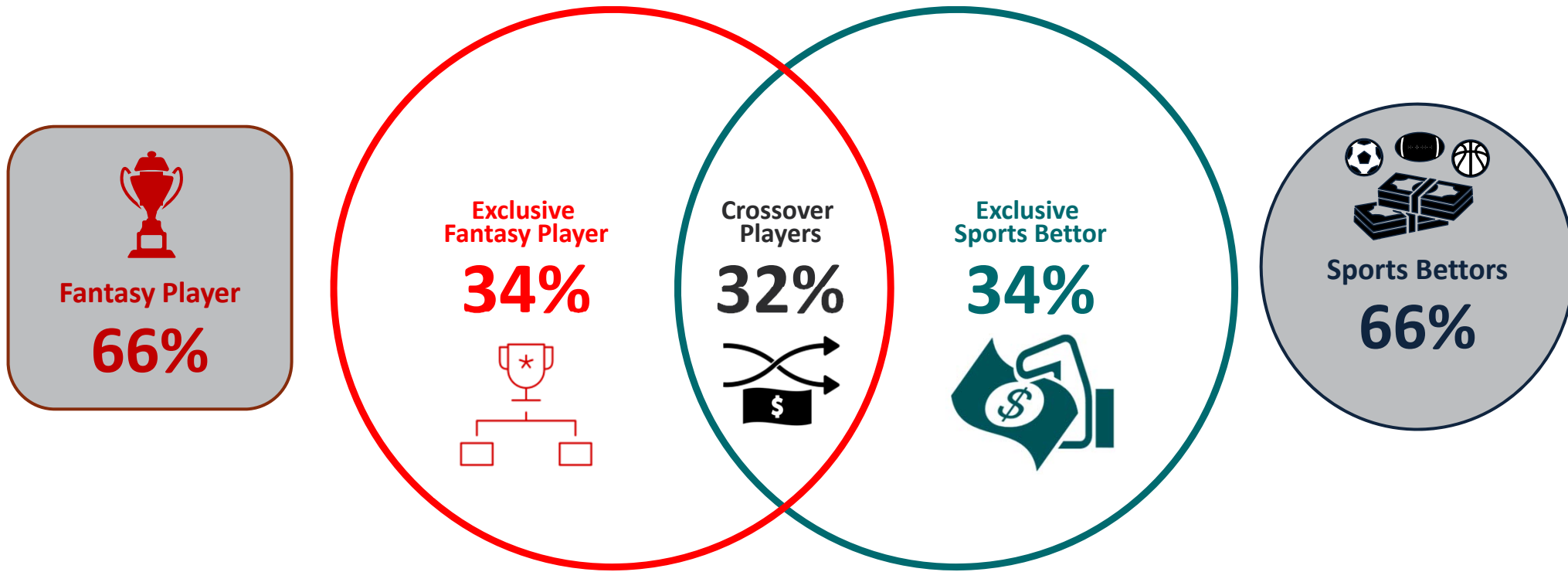
Of Sports
Bettors....



S1. Which of the following games or activities have you participated in over the past 12 months with real money (since May 2017)?

So when we combine these two audiences.....

Among Our Entire Sample of n=1484....



S1. Which of the following games or activities have you participated in over the past 12 months with real money (since May 2017)?

How does that break out when we look at traditional, DFS and sports betting?

Fantasy Players n=980



Traditional Fantasy Sports (n=795)



% Who participate in...



DFS (n=654)



% Who participate in...



Sports Bettors n=979



% Who participate in...

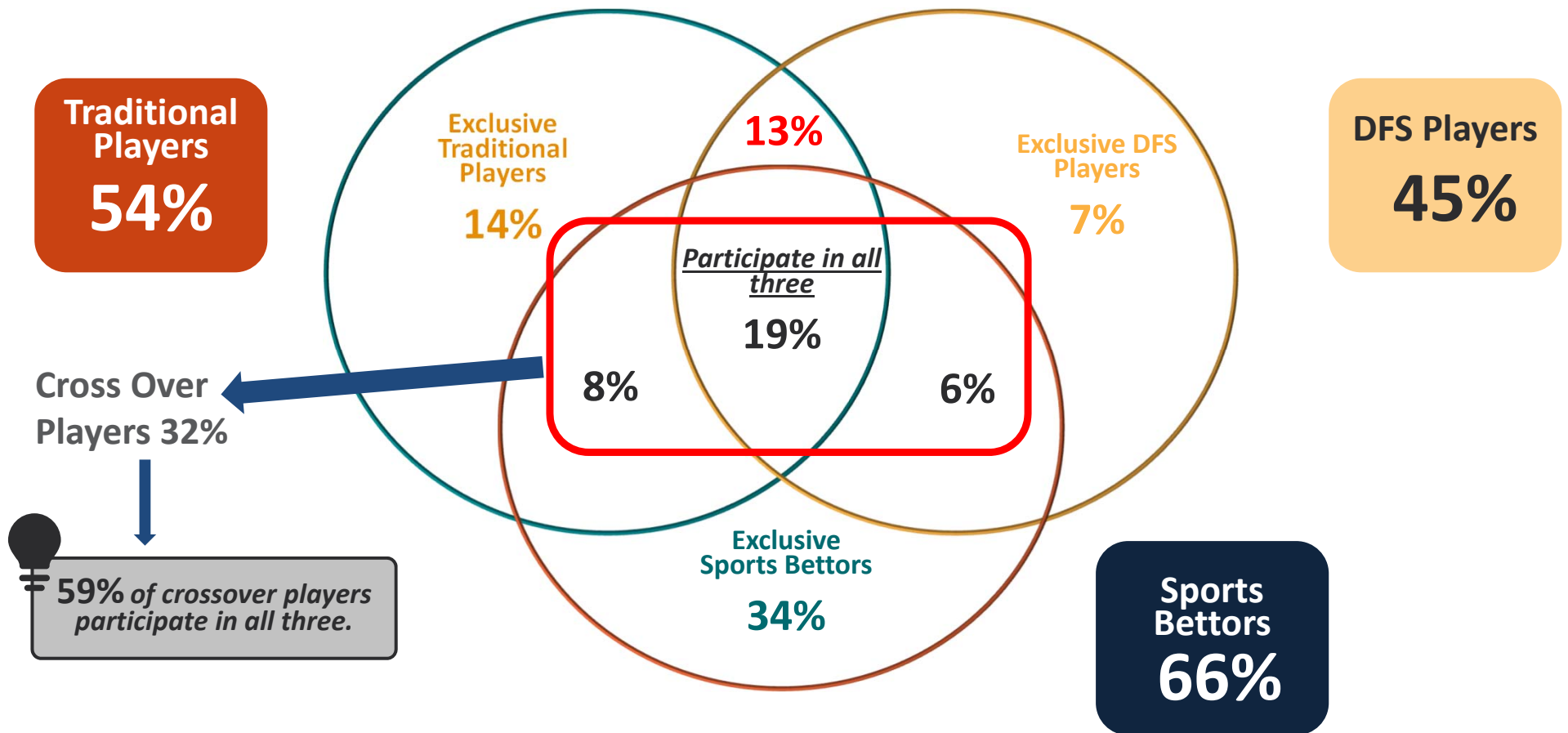


S1. Which of the following games or activities have you participated in over the past 12 months with real money (since May 2017)?



While most are exclusive within 1 activity, for those who crossover, the majority participate in all 3

15



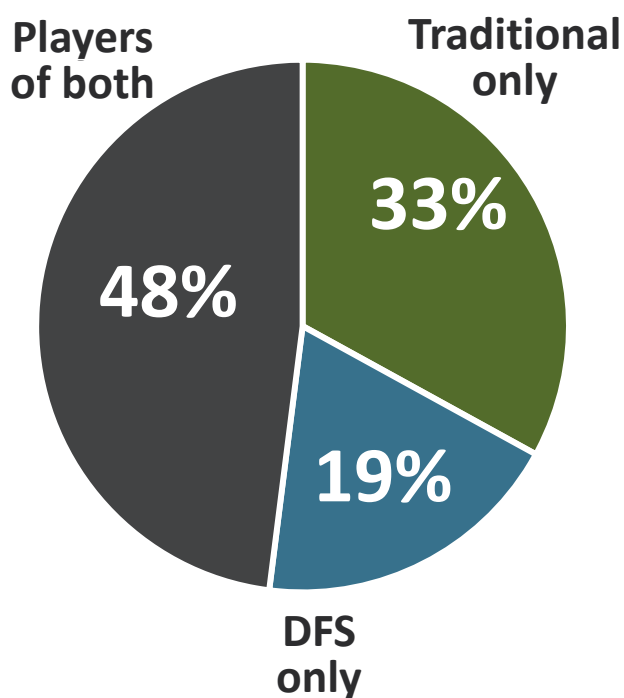
Based on total respondents (n=1,484)



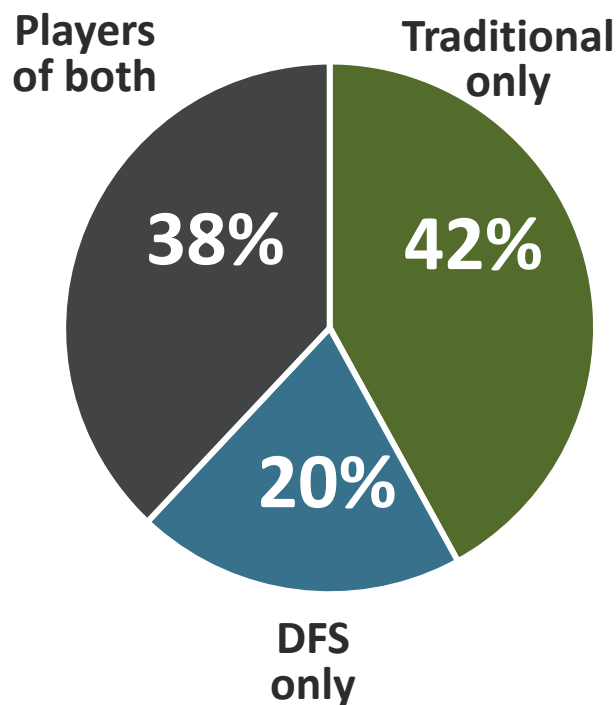
Sports bettors who play fantasy are more likely to be involved in DFS, and exclusive fantasy players are more likely to play only in traditional leagues.

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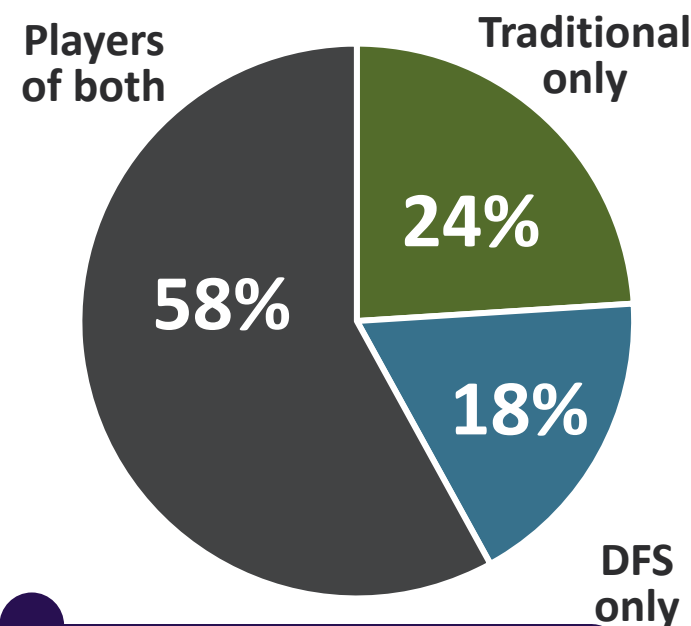
Fantasy Players
(n=980)



Exclusive Fantasy Players
(n=505)



Crossover Players
(n=475)



DFS Participation

Among Exclusive Fantasy Players=58%
Among Crossover Players= 76% ↑

Base: Fantasy Sports Players

QA1. Please select the response below that best describes your participation level in Fantasy Sports within the past 12 months.



There are more frequent (weekly) DFS players than sports bettors. Crossover players are more likely to be frequent players than exclusive fantasy players or sports bettors.

% Weekly or More Participators
DFS

**% Play Weekly
or More**

Among
Exclusive “Big 4”
Fantasy Players
71%

Among Other
Fantasy Players
76%



Fantasy Players
73%

80% of Crossover Players who
play DFS play weekly or more often.

% Weekly or More Participators
Sports Betting



**% Bet Weekly
or More**

Among
Exclusive “Big 4”
Sports Bettors
50%

Among Other
Sports Bettors
61%

Sports Bettors
59%

70% of Crossover Players bet on
sports weekly or more often.

Base: Sports Bettors (n=979)

QA2. On average, when the sports you play DFS contests on are in season, how often would you say you participate in DFS games?

QB0. When the sports leagues that you bet on are in season, approximately how often would you say you participate in sports betting (i.e. betting or wagering on sports events/outcomes)?



The less involved players are the fewer leagues they play, with Crossover players participating in more traditional leagues.

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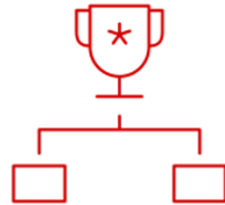
Mean # of Traditional, Season-Long Leagues

Traditional
Players



6.04

Exclusive Fantasy
Players



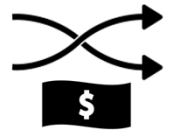
5.06

Exclusive Traditional
Players



3.98

Crossover
Players



7.05

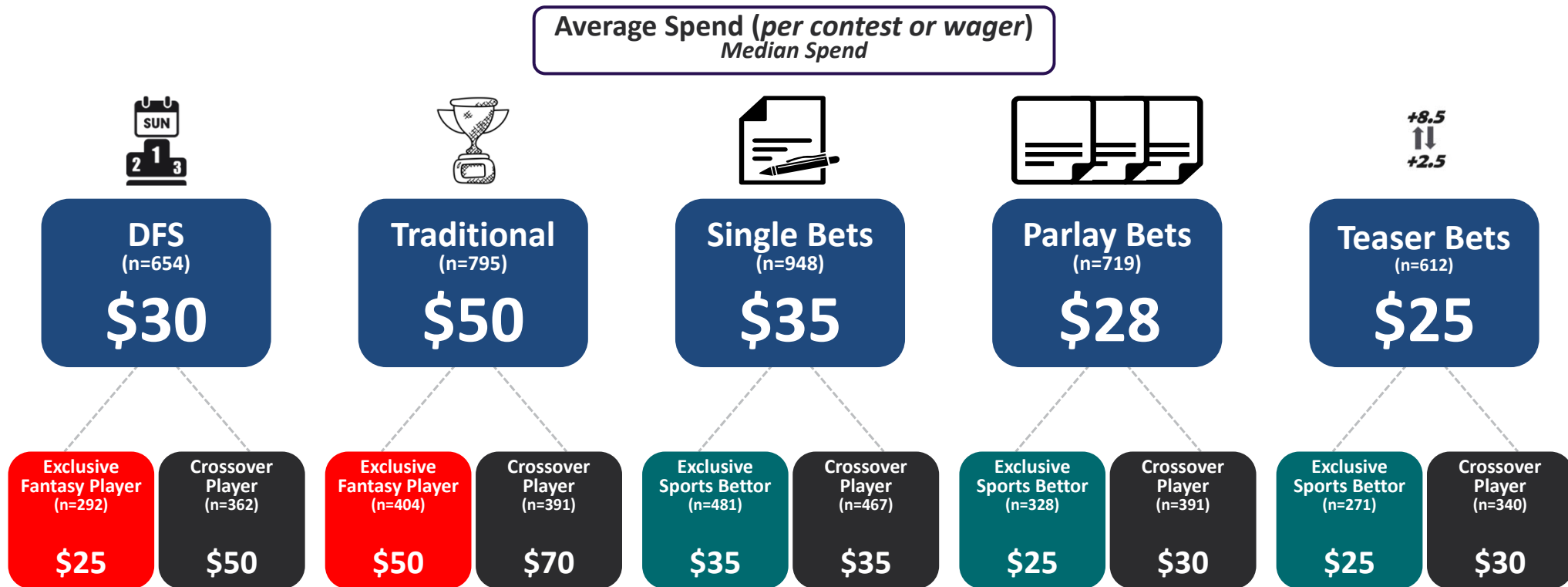
Base: Traditional, Season-long Players

QA5. How many traditional, season-long leagues did you participate in for real money over the past 12 months?



Crossover players spend more across the board, while DFS entry spend is similar to sports bet wager size.

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Base: DFS Players

Note: DFS median spend includes those who claim to typically play free contests.

QA4. On average, how much do you spend to enter a DFS contest when you play?

Base: Traditional Players

QA7. On average, what is the total amount each of your league(s) cost to play? This would include league buy-in/entry fees, website hosting fees, and any additional fees that go towards the league prize(s).

Base: Sports Bettors

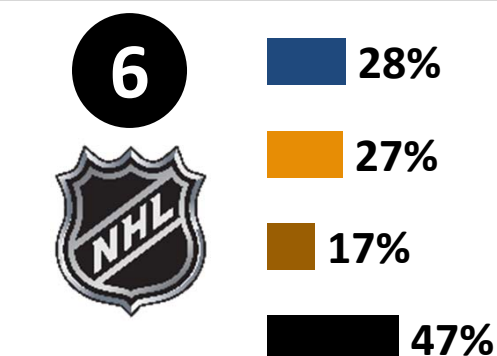
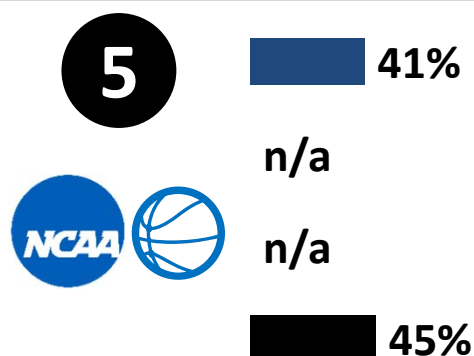
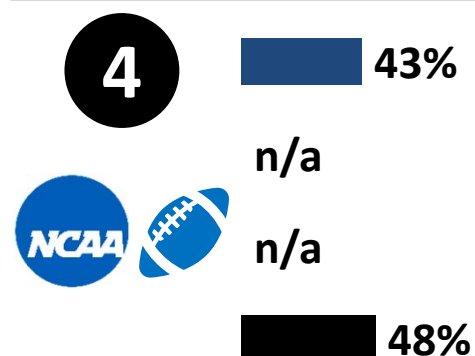
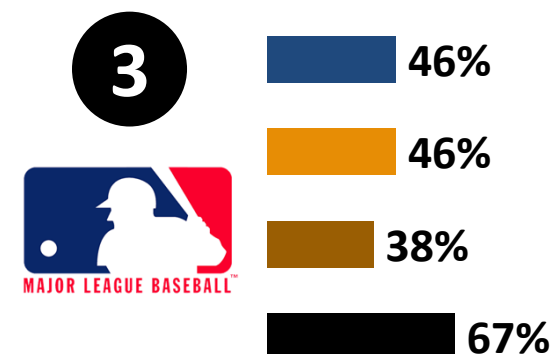
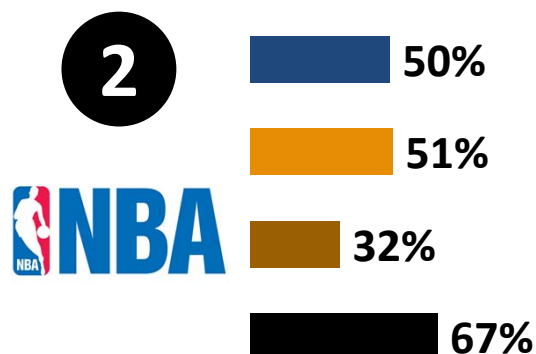
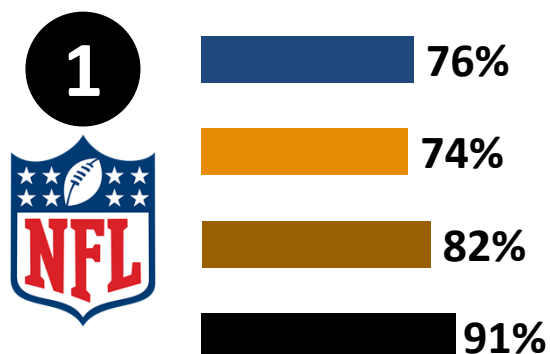
QB6. Thinking about a typical bet that you would make, be it a single bet or parlay/teaser bet, what is the average size of the wager you would make for each of bet types you make? When you think about this, please only consider the amount you have actually bet, not any winnings.



NFL is the most common league across each of the three activities, and more Crossover Players participate in each league.



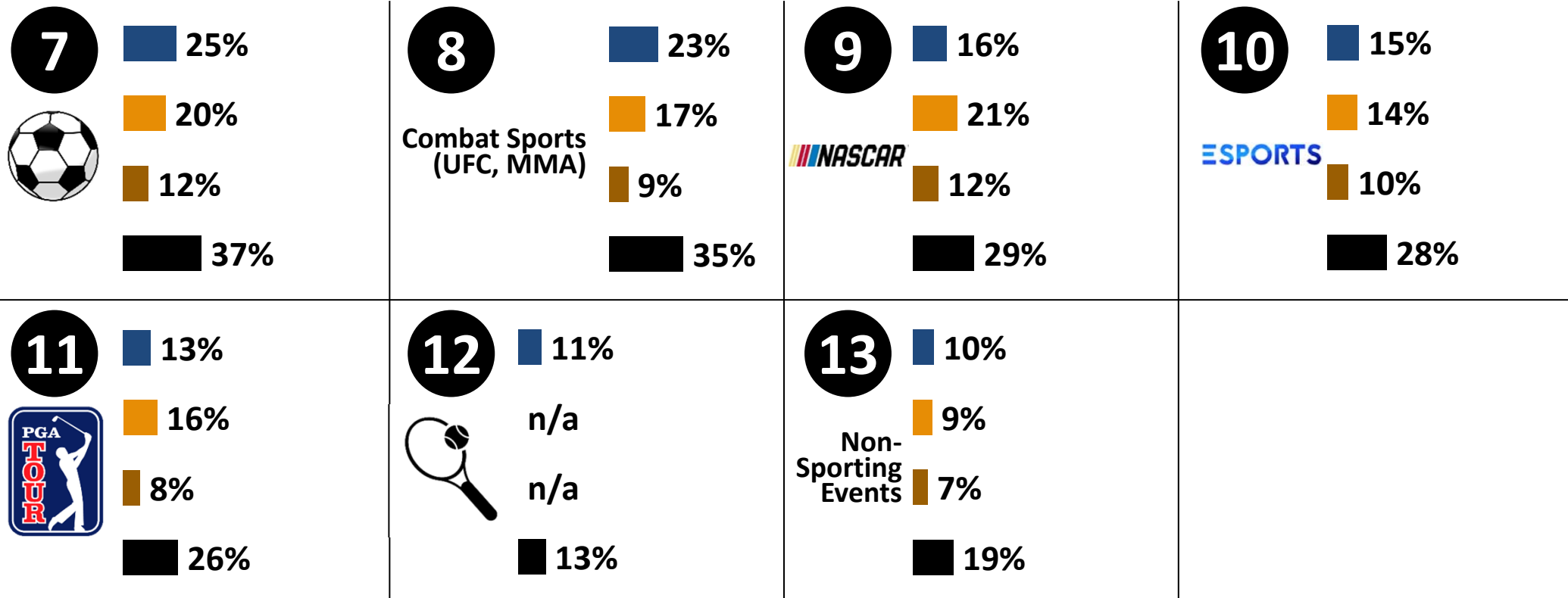
20



Note: Soccer includes EPL, MLS, UEFA and International Cups/Tournaments/Friendlies.
Base: Sports Bettors
QB7. In the past year, which of the following sports or sports leagues have you bet on?
Base: Both Fantasy And Sports Bettor
QA8/B7 - % who participated in each activity



NFL is the most common league across each of the three activities, and Crossover Players also participate across more sports leagues.



Note: Soccer includes EPL, MLS, UEFA and International Cups/Tournaments/Friendlies.
Base: Sports Bettors
QB7. In the past year, which of the following sports or sports leagues have you bet on?
Base: Both Fantasy And Sports Bettor
QA8/B7 - % who participated in each activity

Ipsos There is a great opportunity to lead more sports bettors towards betting within official sports betting operations.

I made bets against friends, family, and/or colleagues



69%

I used an online sportsbook (i.e a website) to bet on sports



52%

I have bet on sports in casino sportsbooks in places like Las Vegas



42%

I used a bookie to bet on sports



26%

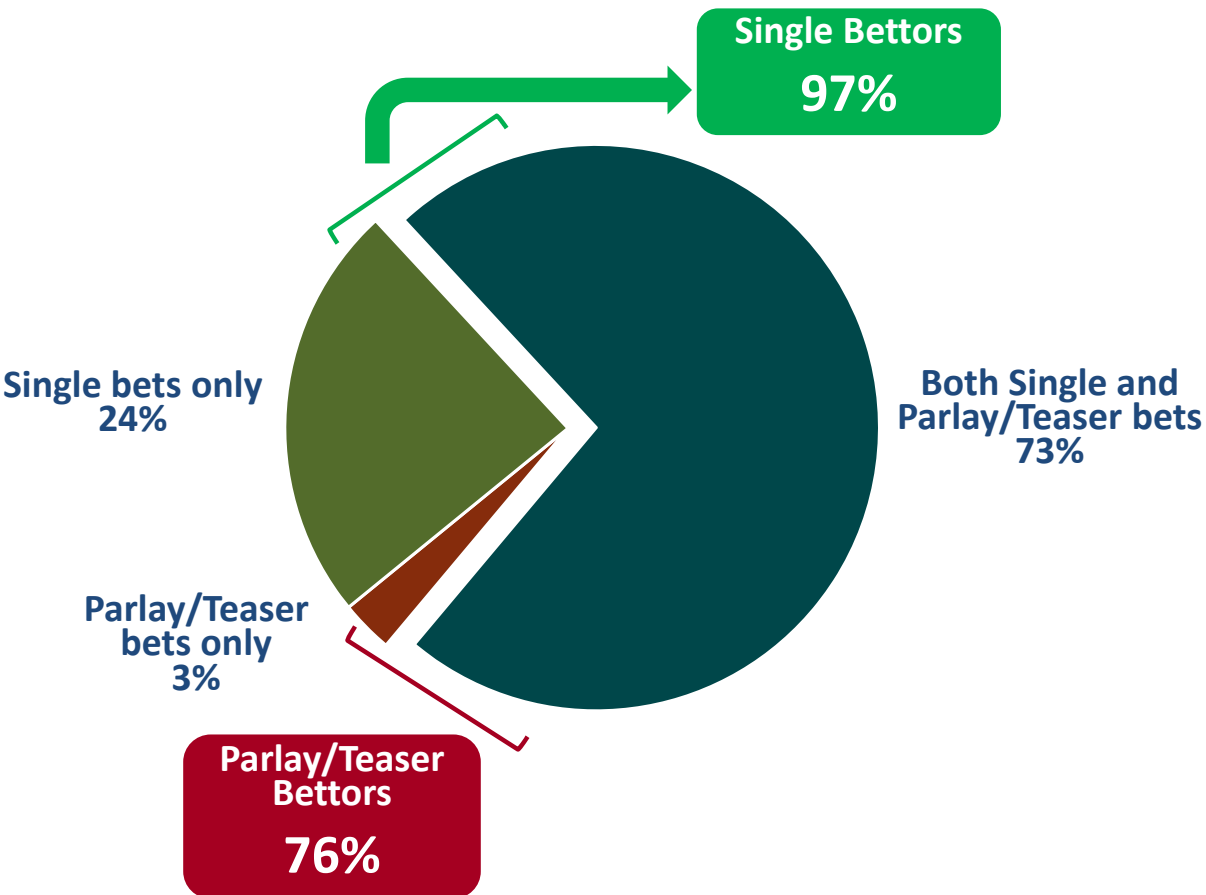
22% of Sports Bettors exclusively bet against friends, family or colleagues.

Base: Sports Bettors (n=979)

QB1. Thinking only of your sports betting activity, where have you made your bets in the past 12 months?



Crossover players are more likely to make parlay/teaser bets, which are more similar in nature to fantasy sports (esp. DFS).



Base: Sports Bettors (n=979)

QB4. Thinking of your sports bets, what proportion of your bets are single outcome bets, parlay bets, and teaser bets.

	Exclusive Sports (n=504) [A]	Crossover Players (n=475) [B]
Single bets 	95%	98%
Parlay bets 	65%	82% A
Teaser bets 	54%	72% A

AB = Significantly higher than other subgroup represented by the letter



Among DFS Players:

Parlay Bets=87%
Teaser Bets= 76%



Moneyline, point spread and total bets are the most popular. Consistently, Crossover Players also over-index on each individual type of single outcome bet.



67%

Moneyline
(Match Winner)



64%

Point Spread
(Handicap)



54%

Over/Under or
Total



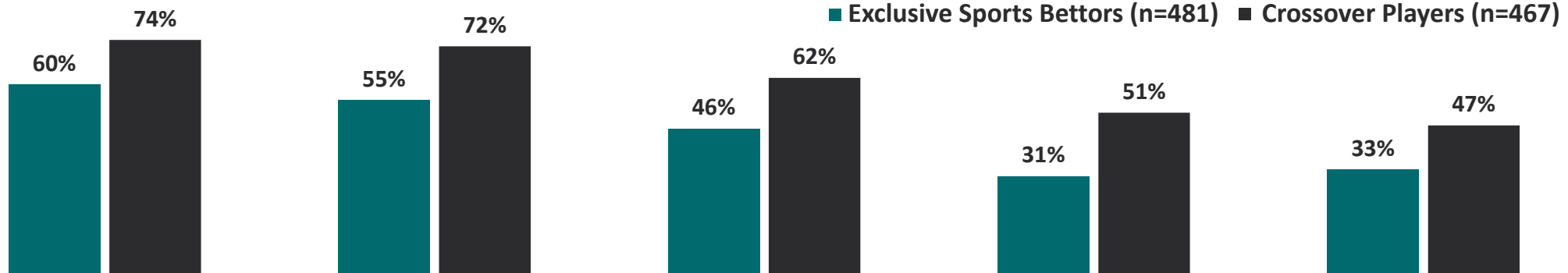
41%

Proposition (or
Prop) Bets



40%

Futures
(Outrights)



Base: Single Outcome Bettors

QB5. There are different types of single outcome bets. Which of the following have you participated in in the past 12 months.



Interest and knowledge drive participation, but there is absolutely a desire to win money.

5

Top Factors When Deciding to Participate in...

Traditional Fantasy Sports



1st

Interest in the sport/game

29%

2nd

Knowledge about the sport/game

18%

3rd

How much money I will earn if I win

15%

DFS



1st

Knowledge about the sport/game

21%

2nd

Interest in the sport/game

21%

3rd

How much money I will earn if I win

18%

Sports Betting



1st

Knowledge about the sport/game

20%

2nd

Interest in the sport/game

16%

3rd

How much money I will earn if I win

15%

Base: Traditional, Season-long Players

QC1. How do you decide whether you would like to participate in [INSERT ACTIVITY]? Select the factors you think are the most, second most, and third most important.



Top fantasy sites are already planning to offer sports betting options.

DFS websites



Traditional websites



Sports Bettors websites



Base: DFS Players (n=654)

QA3. Now, thinking only of daily fantasy sports leagues/contests ..., what websites do you use for your DFS contests?

Base: Traditional, Season-long Players (n=795)

QA6. Thinking only of traditional leagues ..., what websites are used to host your league(s)? I.e. the website(s) that host the information for all the teams in your league as well as the schedule, statistics, scores, and standings for the league.

Base: Sports Bettors (n=504)

QB2. Thinking only of your sports betting activity, which of the following websites do you use to bet?



As expected, fantasy players of a sport are more likely to bet on that same sport; however, NFL over-indexes on this for most fantasy players.

Also bet on...	Those who play fantasy...									
	NFL (n=391)	MLB (n=254)	NBA (n=248)	NHL (n=157)	Soccer (n=109)	Motor Racing (n=102)	Combat Sports (n=94)*	e-Sports (n=89)*	PGA Golf (n=87)*	Non- Sporting Events (n=68)*
	NFL									
	MLB									
	NBA									
	NHL									
	Soccer									
	Motor Racing (NASCAR)									
	Combat Sports									
	e-Sports									
	PGA Golf									
	Non-Sporting Events									

* Small base size, interpret with extreme caution

0% to 20% 21% to 40% 41% to 60% 61% to 80% 81% to 100%

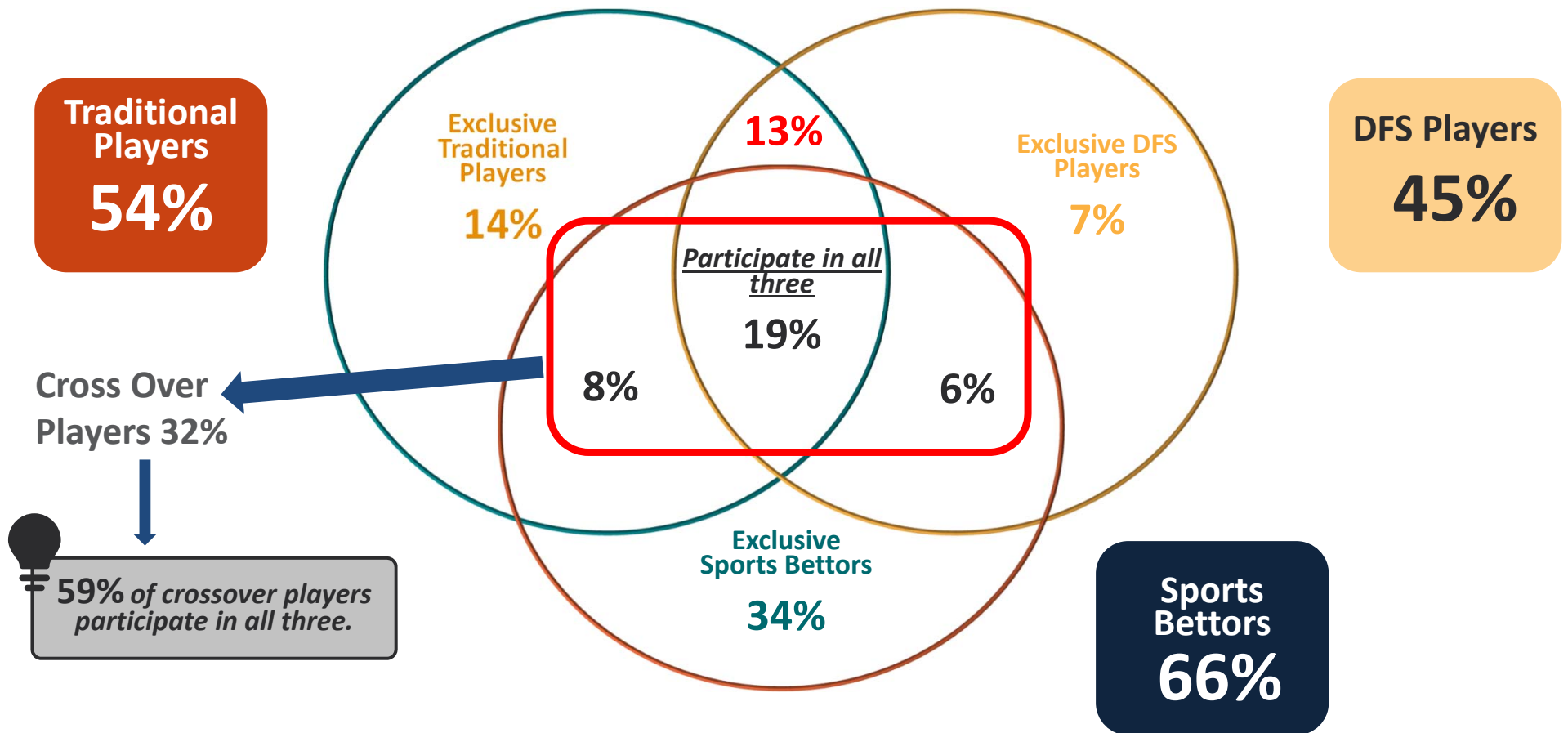


Sports Betting Implications Moving Forward



Amongst the universe, this is what play looks like. But what does the future hold?

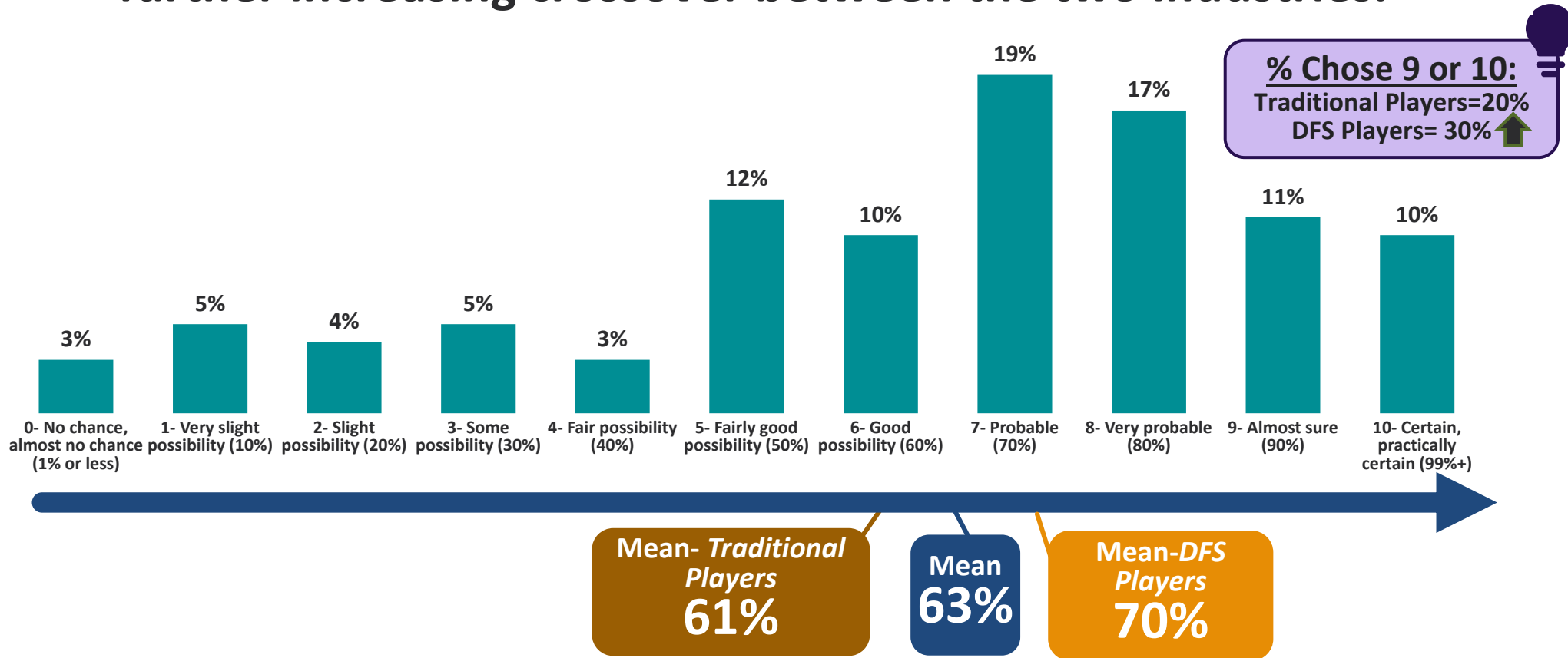
29



Based on total respondents (n=1,484)



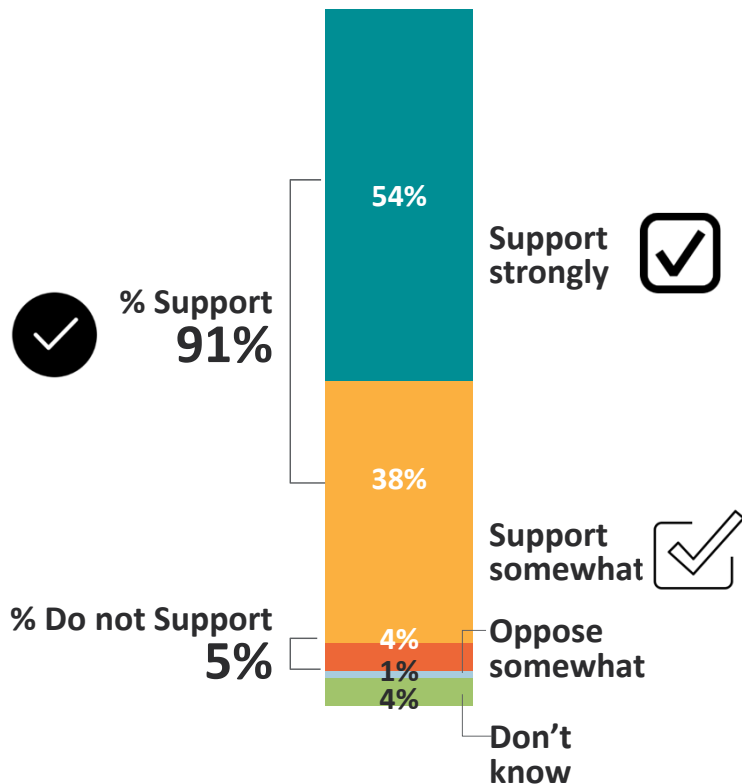
The passing of sports betting bills in the U.S will bring in many new players from the current fantasy universe (especially DFS), further increasing crossover between the two industries. ³⁰



Base: Exclusive Fantasy Players (n=505)
QC3. Using the following scale, how likely would you be to start participating in sports betting if it became legalized in your state?



The support to legalizing sports betting is strong among both fantasy players and sports bettors, and nearly universal among Crossover players.



	Exclusive Fantasy Players	Exclusive Sports Bettors	Crossover Players
% Support	89%	90%	96%
% Support Strongly	45%	51%	67%
% Support Somewhat	44%	40%	29%

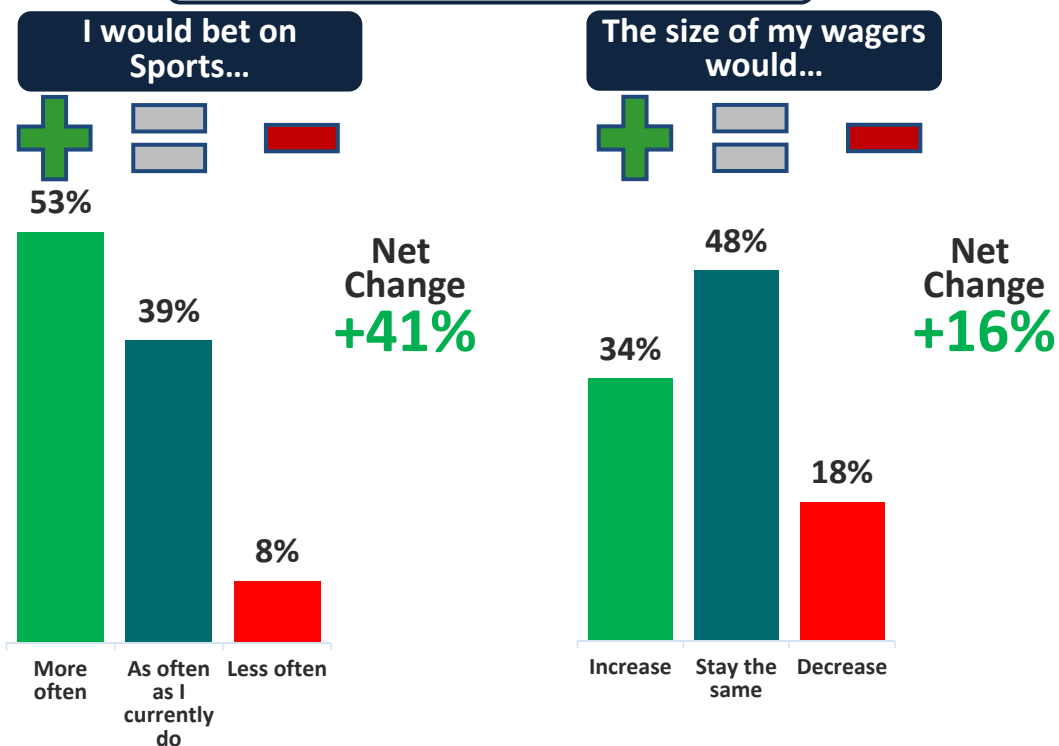
Base: All Respondents (n=1,484)
QC3B. Would you support or oppose making sports betting for real money legal in your state?



Any fears that sports betting will cannibalize fantasy play are completely unfounded; there is no suggestion that fantasy players will participate in a favorite pastime any differently than they currently do.

32

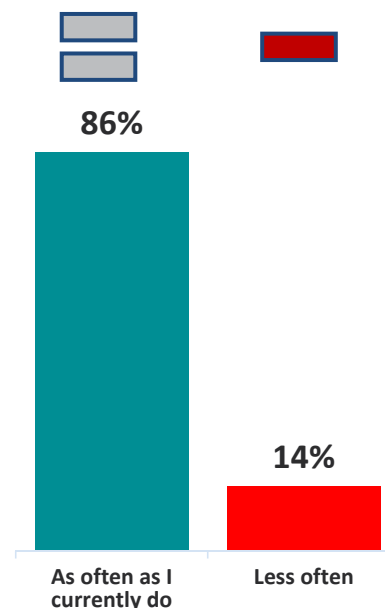
Current Sports Bettors



Base: All answering
QC2. If this were to happen, would you ...?

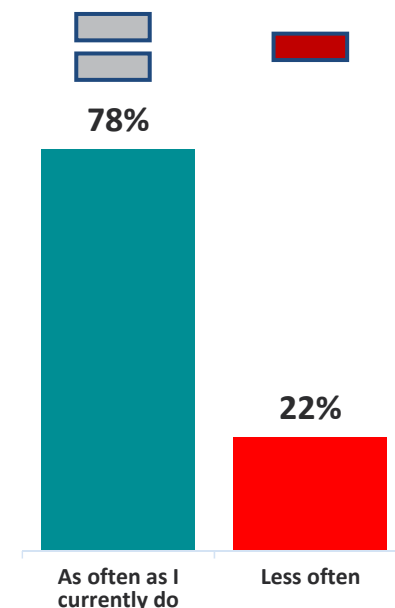
Current Traditional Players

I would play traditional fantasy sports...
(Among those who would play less or as often)



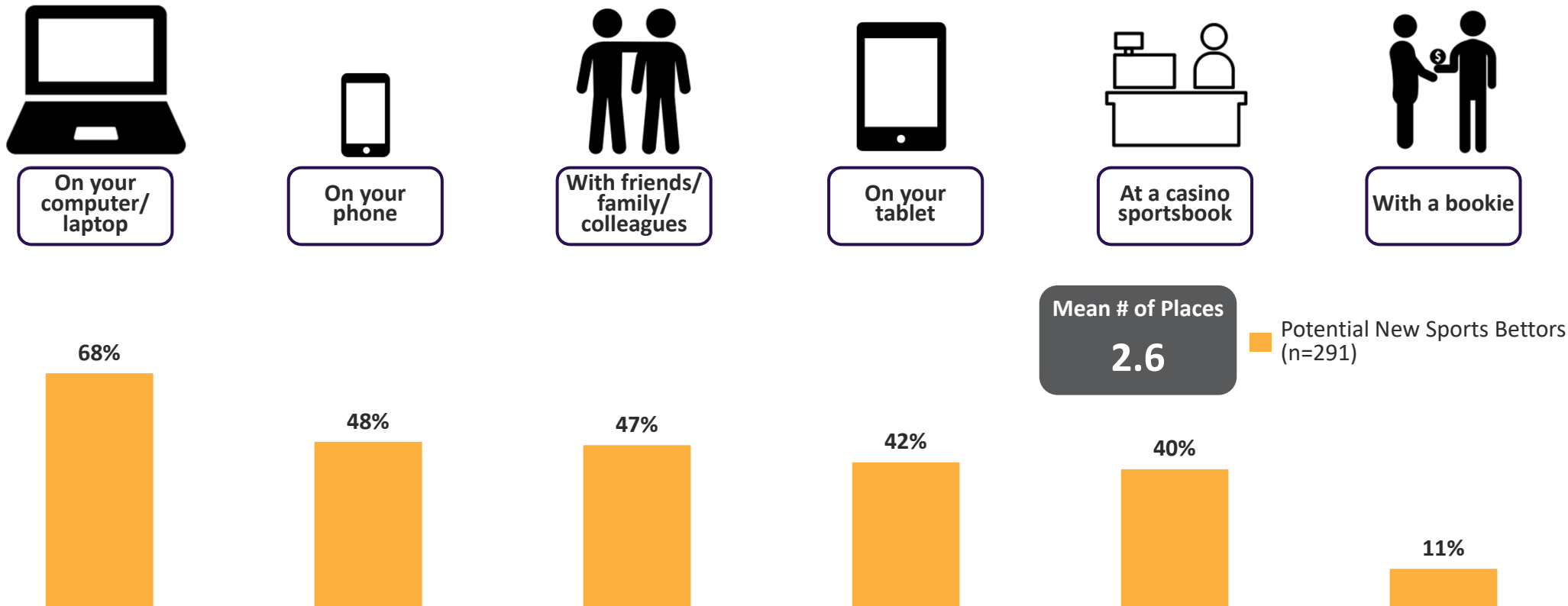
Current DFS Players

I would play DFS...
(Among those who would play less or as often)





Casino sportsbooks and online sportsbooks/websites will be hot spots for new sports bettors, and many of these new players will try multiple avenues.



Base: Potential Sports Bettors

QC4. If sports betting was legalized in your state, where do you think you would participate in this activity?

AB = Significantly higher than other subgroup represented by the letter



Market Consumption

Sports Bettors vs. Fantasy Players

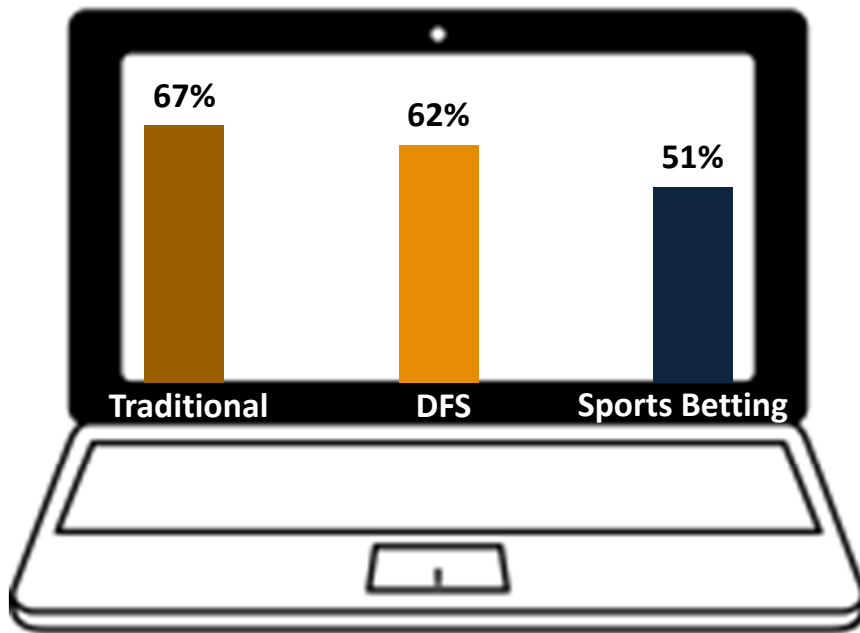




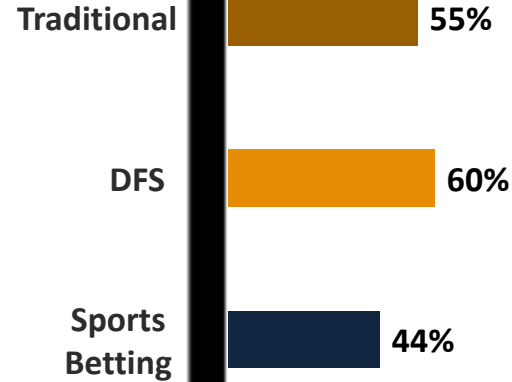
Device usage is higher for fantasy sports than for sports betting.

35

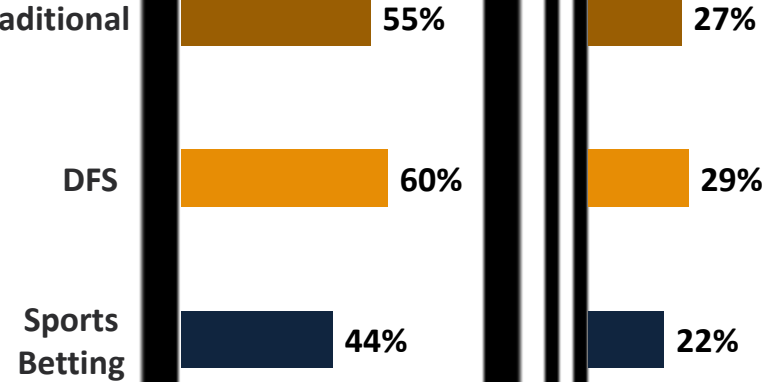
% Use Computer for Fantasy Sports/Sports Betting



% Use Smartphone



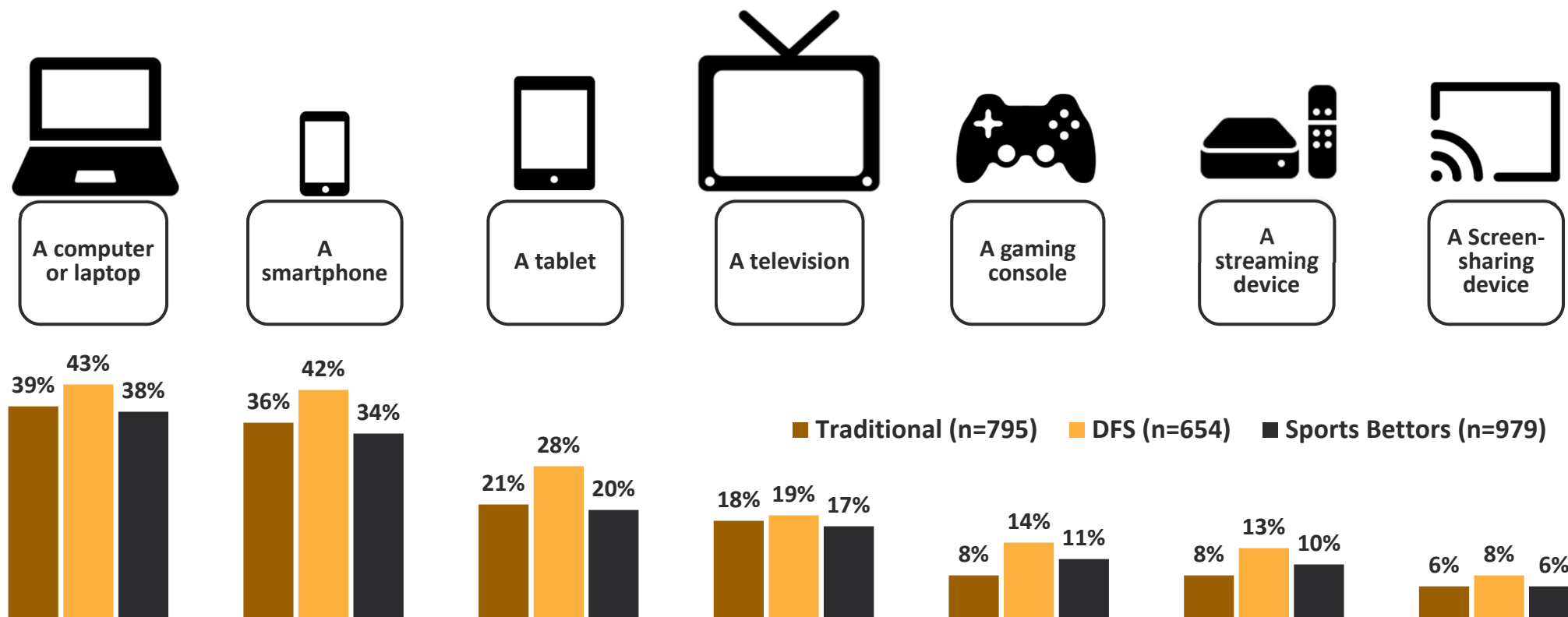
% Use Tablet



Base: All Answering

QD1. Which of the following devices do you use when participating in the following activities?

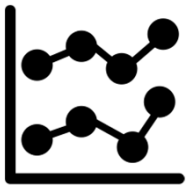
Ipsos DFS has the highest ownership among several devices, signaling the high marketability of the DFS population.



Base: All Answering

QD2. Do you own any of the following devices for the main purpose of using them for sports betting or fantasy sports related activities?

DFS also demands the most data and premium advice packages, likely due to the enhanced degree of competition.



Statistical data/analysis packages



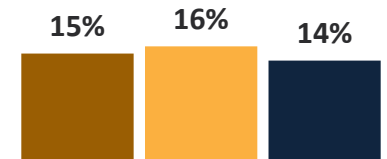
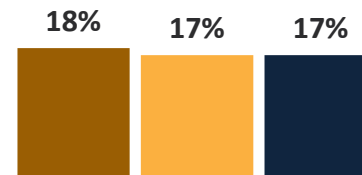
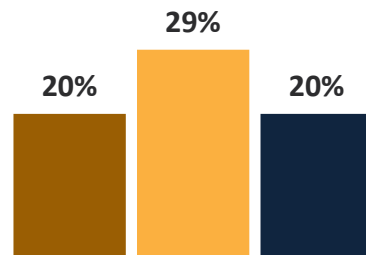
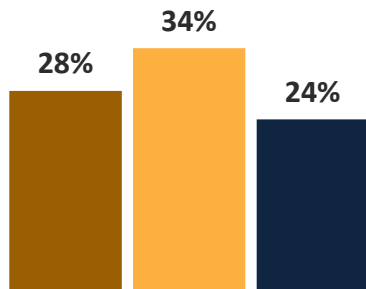
Online premium advice packages



"Tout services", where you purchase picks/predictions from professional bettors



"Cheat sheets" or draft kits



■ Traditional (n=795) ■ DFS (n=654) ■ Sports Bettors (n=979)

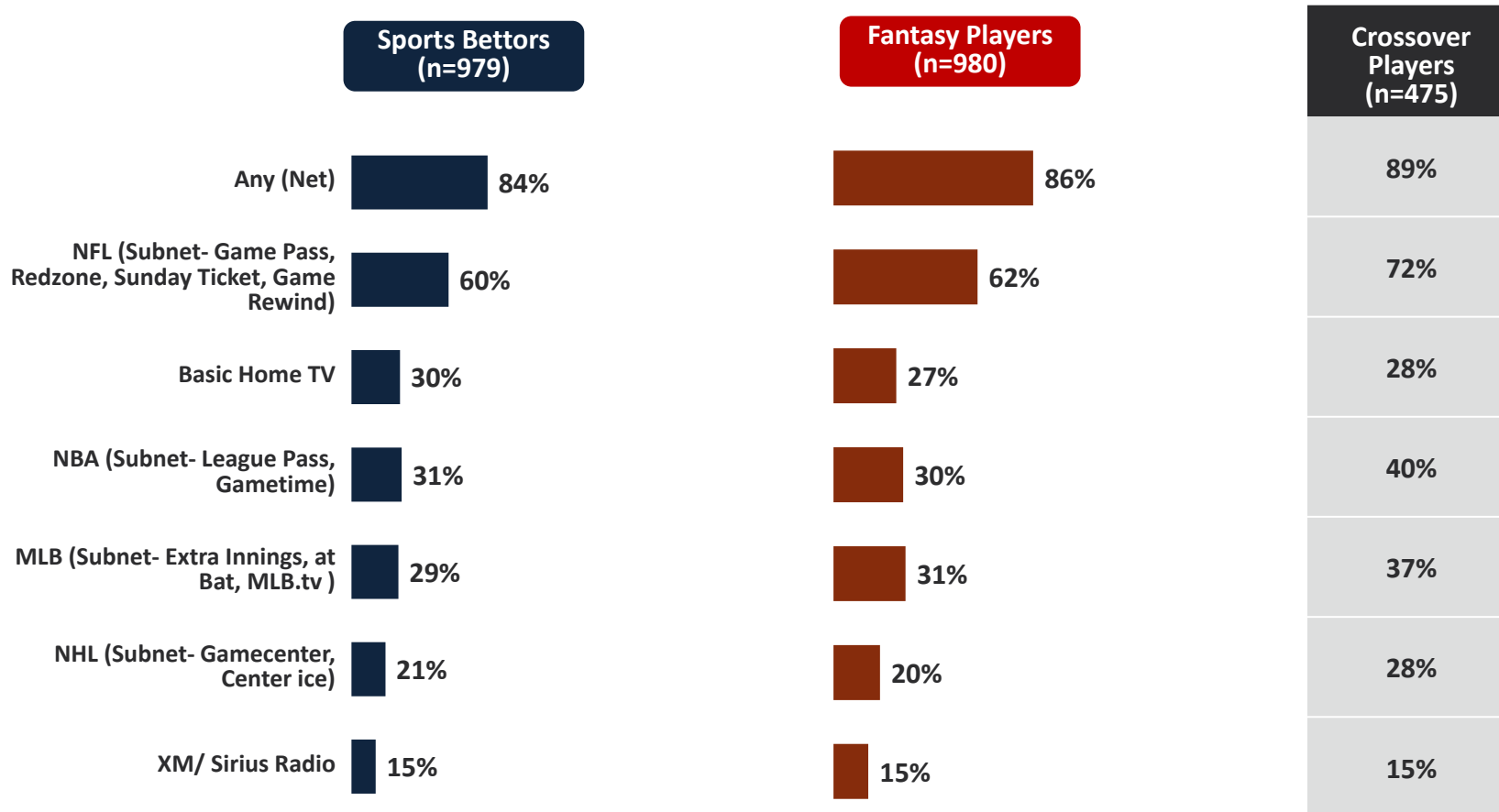
Base: All Answering

QEO. In the past 12 months, which of the below services did you spend money on for the following activities?



Crossover Players have greater consumption of Big-4 Sports related subscription services.

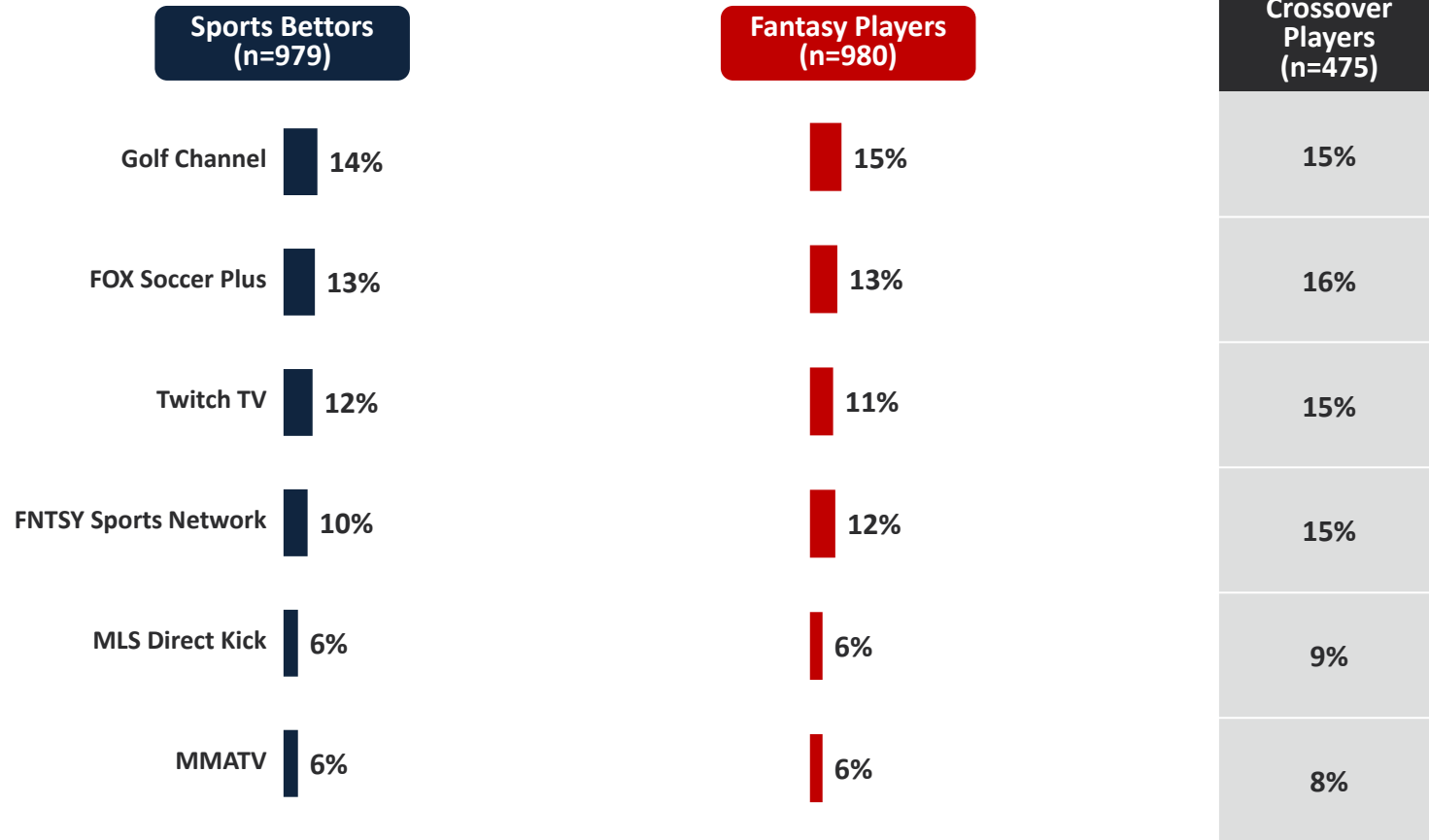
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Base: All Respondents

QE1. We would now like to focus on services that you may use. Which of the following services and channels do you currently subscribe to?

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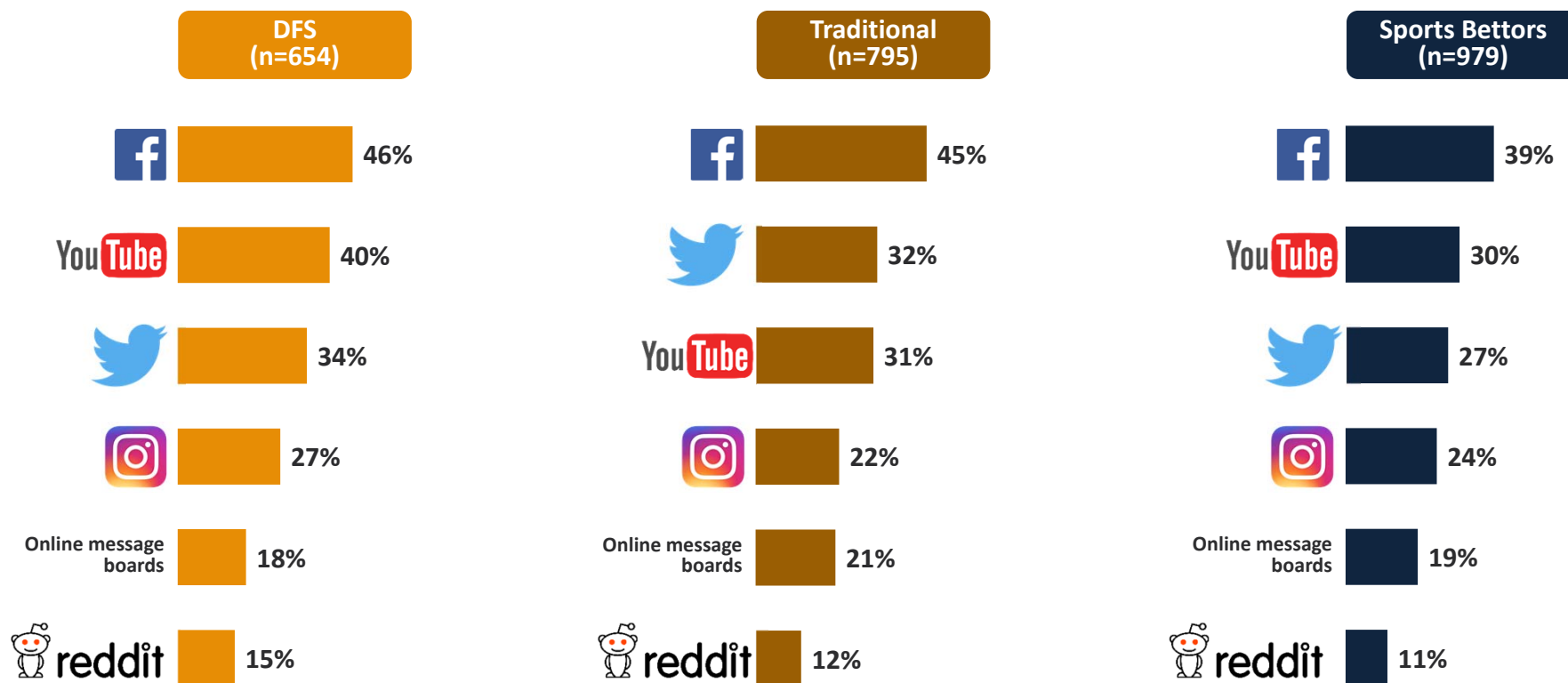


Base: All Respondents

QE1. We would now like to focus on services that you may use. Which of the following services and channels do you currently subscribe to?



Facebook, Twitter, and YouTube remain the top forums for sports bettors and fantasy players alike to discuss their activity and get their informational needs.



Base: All Answering

QE2. Which online networking sites have you used in the past year for information related to the following activities?



Demographic Comparisons





Sports bettors and fantasy players are similar demographically. They both skew male, are younger and wealthier than the general population, and are more educated, resulting in greater income.



Gender		Gen Pop 18+
	Male	48%
	Female	52%

Age		Gen Pop 18+
	Average age	47
	18 to 34	30%
	35 to 54	34%
	55+	36%

Education		Gen Pop 18+
	HS or less	40%
	Some college	31%
	University +	29%

HH Income		Gen Pop 18+
	<\$50K	37%
	\$50K to <\$75K	19%
	\$75K+	44%

Employment		Gen Pop 18+
	Full-time	49%
	Part-time	10%
	Retired/ homemaker	34%
	Student	4%
	Unemployed	4%



Age of Entry has historically been lower for sports betting than fantasy sports, likely driven by the relative youth of the fantasy sports industry.

Mean Age of Entry of Traditional, Season-Long Leagues

Traditional Fantasy



29

DFS



32

Sports Betting



26

Base: Participants in [INSERT ACTIVITY]
QC5. What year did you begin participating in the following activities?



What should you walk away from here understanding?



Nearly half of the current sports betting population in the U.S is also playing fantasy sports (and vice versa).



Compared to traditional fantasy, DFS has a high degree of crossover with sports betting, and is the likely “point of entry” for sports bettors crossing over into the fantasy sports universe.



Crossover players are heavily involved in all aspects of fantasy play and sports betting; they participate in both more often, across a greater number of sports leagues, and spend more on goods and services in market.



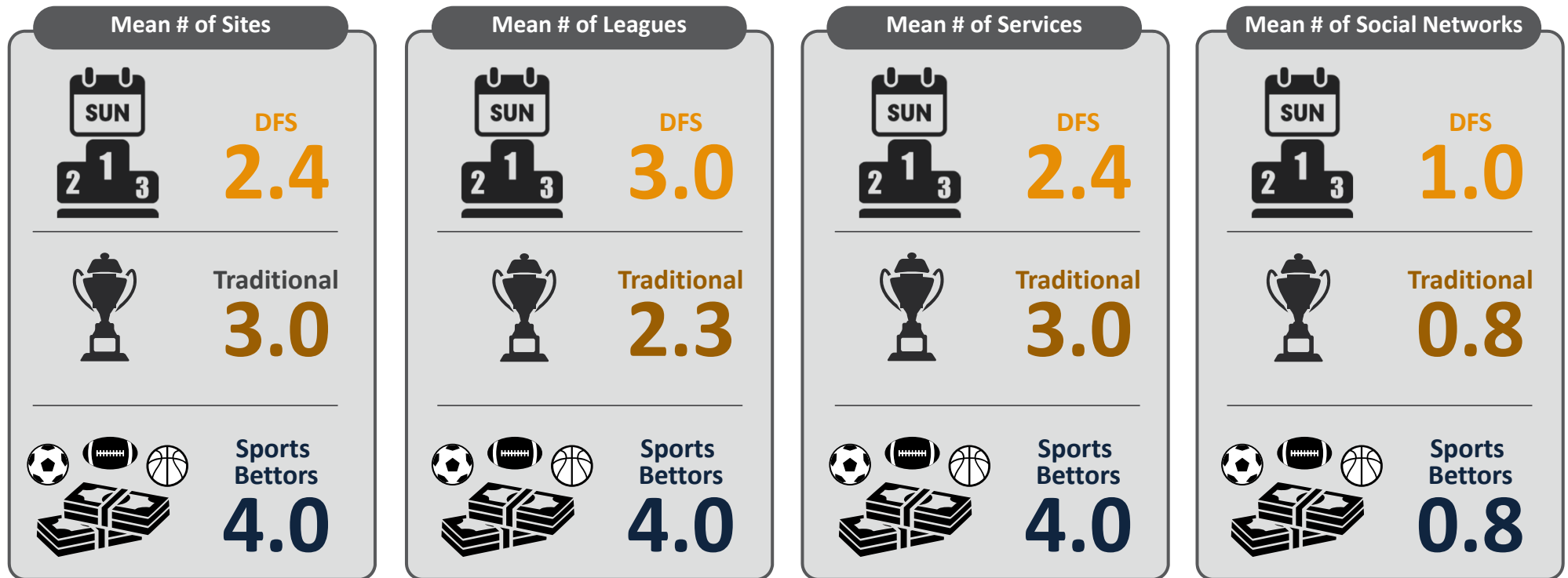
Though sports betting is likely to gain many new players, few fantasy players will lessen their fantasy sports involvement due to the impending legalizations.



Appendix



The relative comparison of market involvement shows sports bettors use more sites, paid subscription services, and bet on more leagues than fantasy players participate in.





Both fantasy and sports betting attract many participants who do not identify as big fans.

% Die Hard Fan

What kind of sports fan are you?		Fantasy Players	Sports Bettors	Crossover Players
	Die hard	60%	63%	72%
	Frequent follower	34%	30%	25%
	Special events/ playoffs follower	4%	5%	2%
	Infrequent follower	2%	1%	-
Not a fan		-	-	-

	Fantasy Players	Sports Bettors	Crossover Players
	45%	45%	49%
	38%	36%	43%
	43%	38%	41%
	32%	31%	33%
	29%	28%	31%
	25%	23%	22%
	26%	27%	26%
	32%	33%	36%
	23%	26%	25%



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