

# ONLINE GAMBLING AND THE PROMISE OF INCREMENTAL AD REVENUE

Wed Apr. 21, 2021 | 1 PM EDT

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**BIA**  
ADVISORY  
SERVICES

# Welcome to the Webinar

## TODAY'S DISCUSSION:

- Definition of Online Gambling
- Legal Status of Online Gambling By State
- Importance of TV Advertising for Online Gambling Activity
- Activity of Gambling Advertising
- Sports Bettors Insights
- Forecast Projections of Total Local Advertising Spent: 2021-2024
- Online Gambling Advertising from the Buy Side
- Roundtable Discussion

## TODAY'S SPEAKERS:



**Rick Ducey**  
Managing Director  
**BIA Advisory Services**



**Mark Fratrik**  
Chief Economist & SVP  
**BIA Advisory Services**



**Justin LaPorte**  
VP, Local Audience Insight  
**Nielsen**



**Heather Gundry**  
SVP, Group Director of Local  
Investment, Media  
**dentsu**

# How BIA Views “Local”

## Our definition of local advertising:

- All media generating revenue by selling access to local audiences to all types of advertisers.
- “Local” audience advertising sales include buys specifying local and regional markets.

## Our coverage and goals:

- *Our forecast and analysis service covers all 210 TV markets and 268 radio markets.*
- *Our goal is to help clients gain a bigger share of the local advertising dollars.*



# Online Gambling Advertising

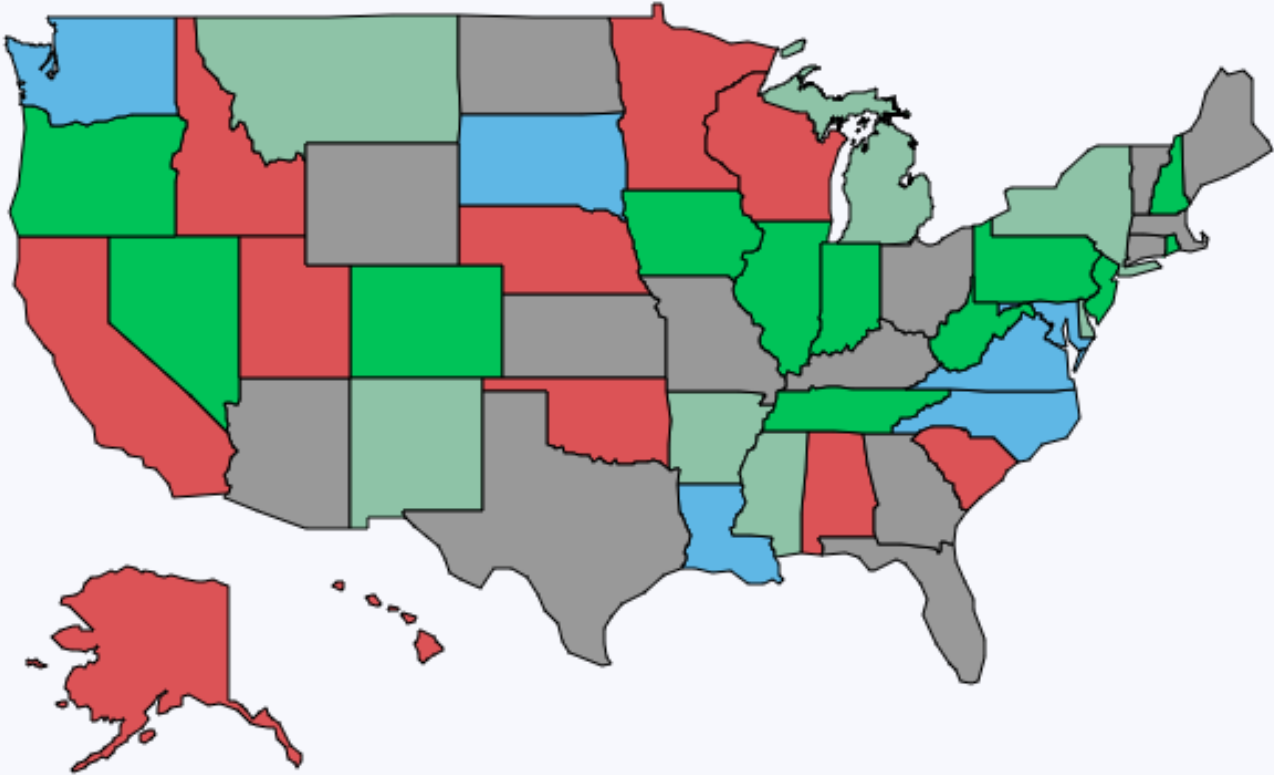
## Definition

- Services that provide residents of the states the ability to bet on sports or other gambling while in that state.
- Major players
  - Fan Duel
  - Draft Kings
  - William Hill
  - Bet 365
  - Points Bet
  - Bet MGM
  - Caesars
- Not all companies are licensed in all the betting states
- Not looking at Casino advertising that also allows sports betting

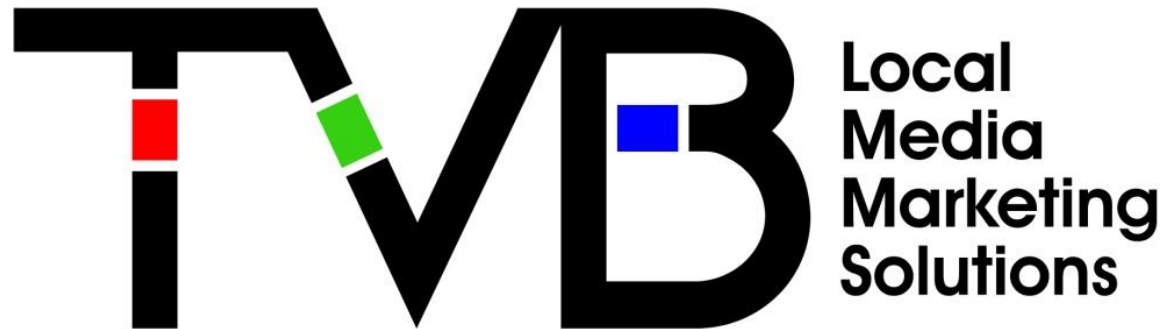


# State By State Sports Betting

## Where Is Sports Betting Legal?



● Possible 2021/2022 ● Legal (Retail) ● Legal (Pending) ● Legal (Online) ● 2023+ or Never

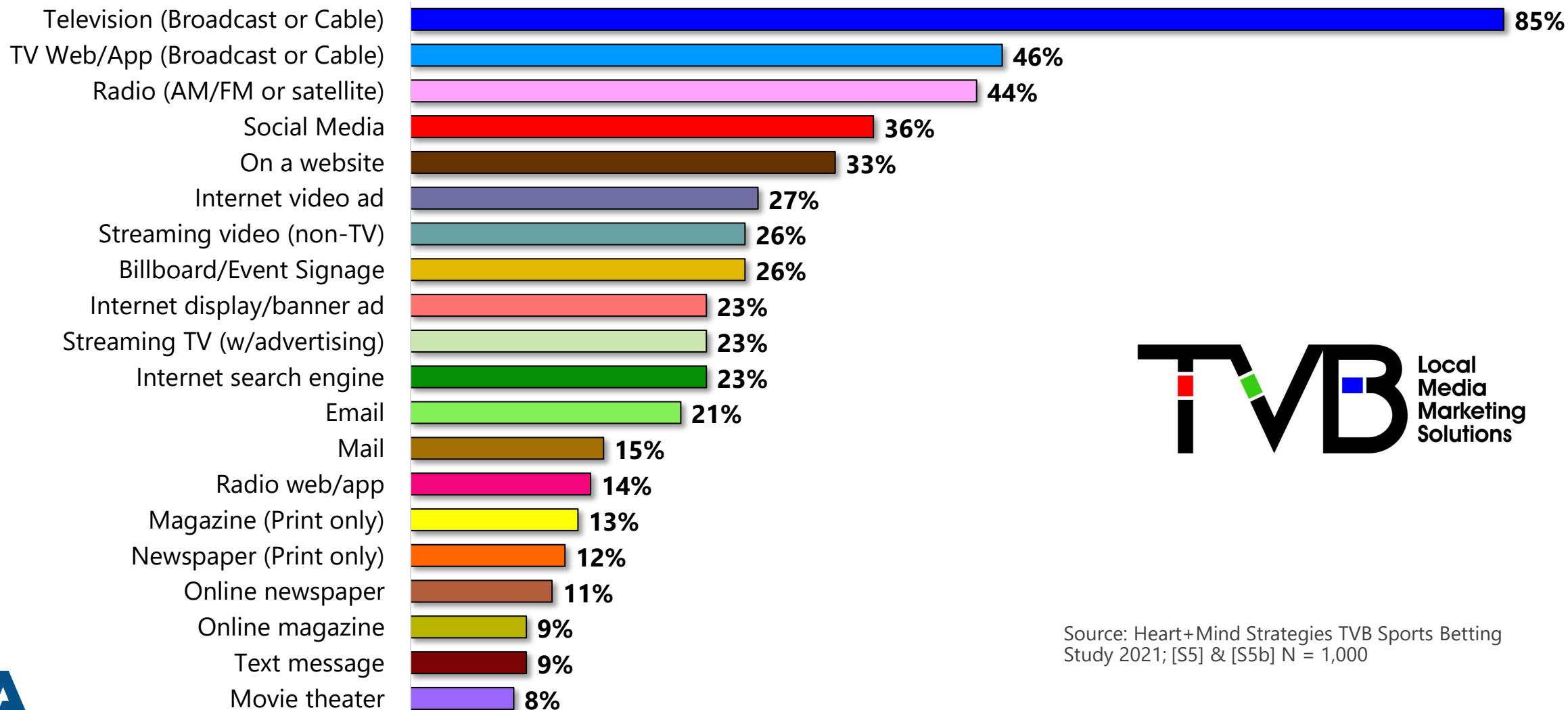


# JANUARY 2021 SURVEY OF BETTORs

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Produced by the TVB

# In the past two months, did you see, hear, or read an advertisement for any online or casino sports betting in any of these media?



Source: Heart+Mind Strategies TVB Sports Betting Study 2021; [S5] & [S5b] N = 1,000



# ONLINE GAMBLING: WHERE THE DOLLARS ARE

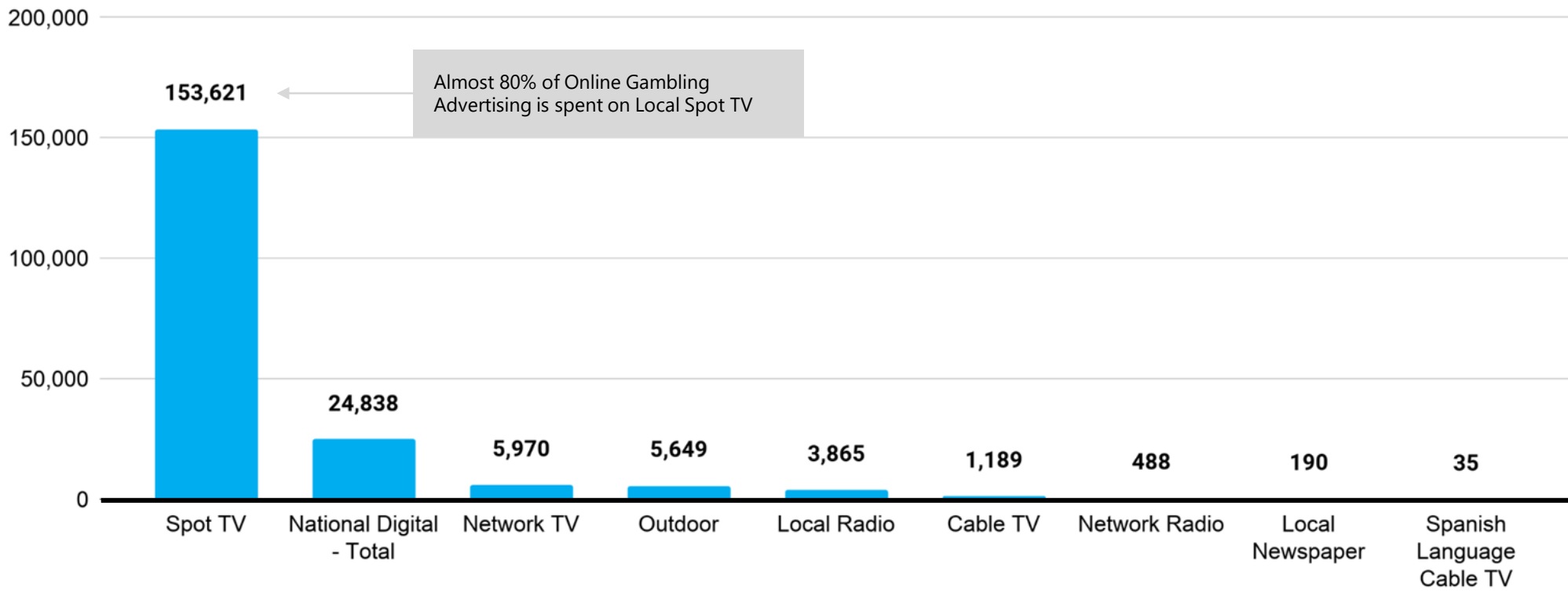
NIELSEN AD INTEL



# ONLINE GAMBLING DOLLARS BY MEDIUM

Online Gambling advertising is led by local Spot TV

1Q 2021 ONLINE GAMBLING SPEND BY MEDIA TYPE - \$\$\$ (000) FOR TOTAL US



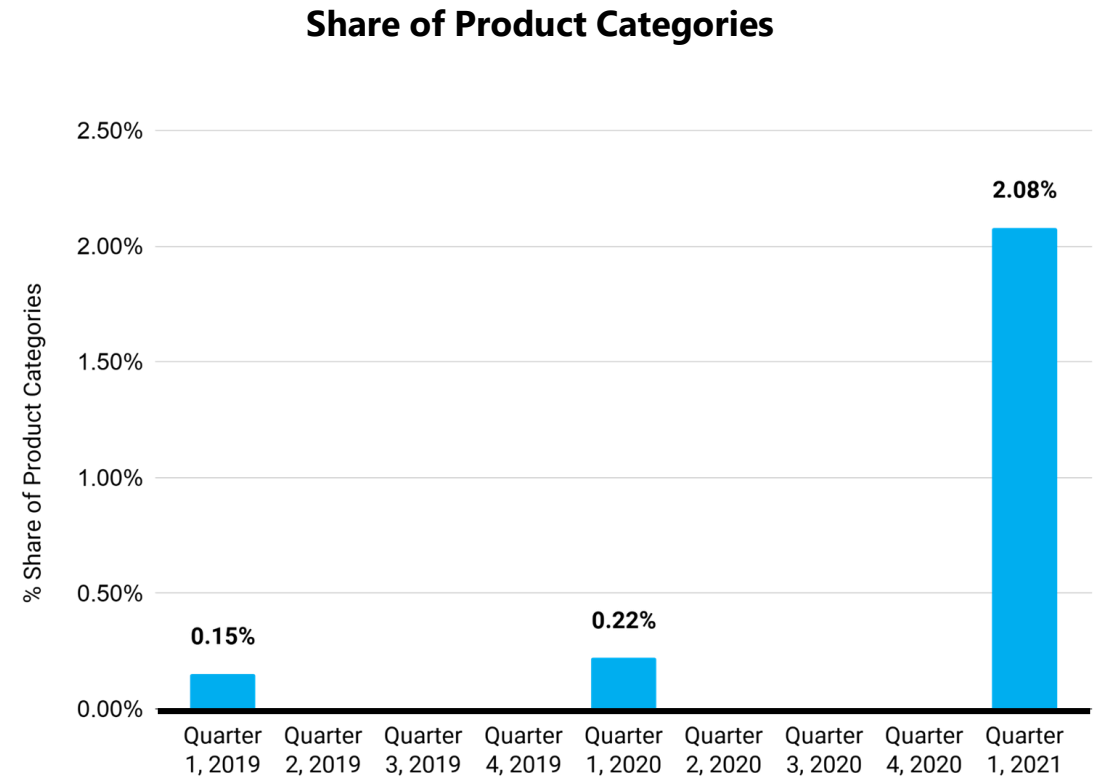
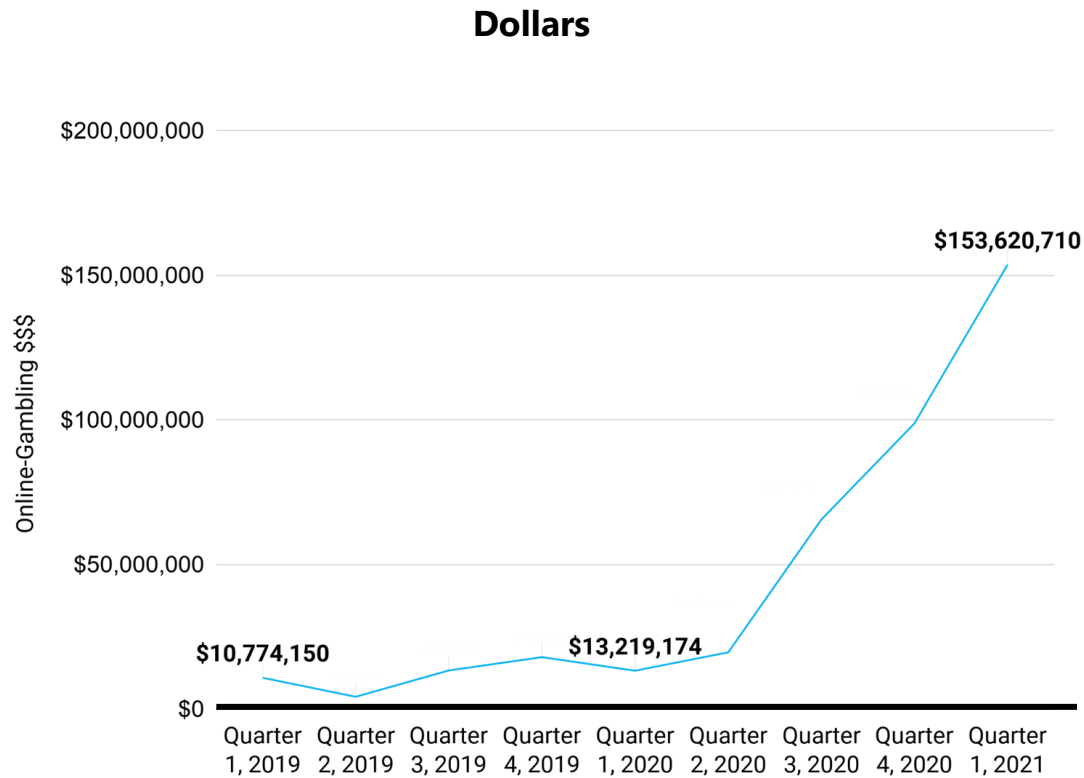
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Source: Nielsen Ad Intel 2.0

# ONLINE GAMBLING SPOT TV GROWTH

The growth of Online Gambling advertising has hit unprecedented levels

## ONLINE GAMBLING LOCAL SPOT TV AD DOLLARS QUARTERLY TREND



Source: Nielsen Ad Intel 2.0

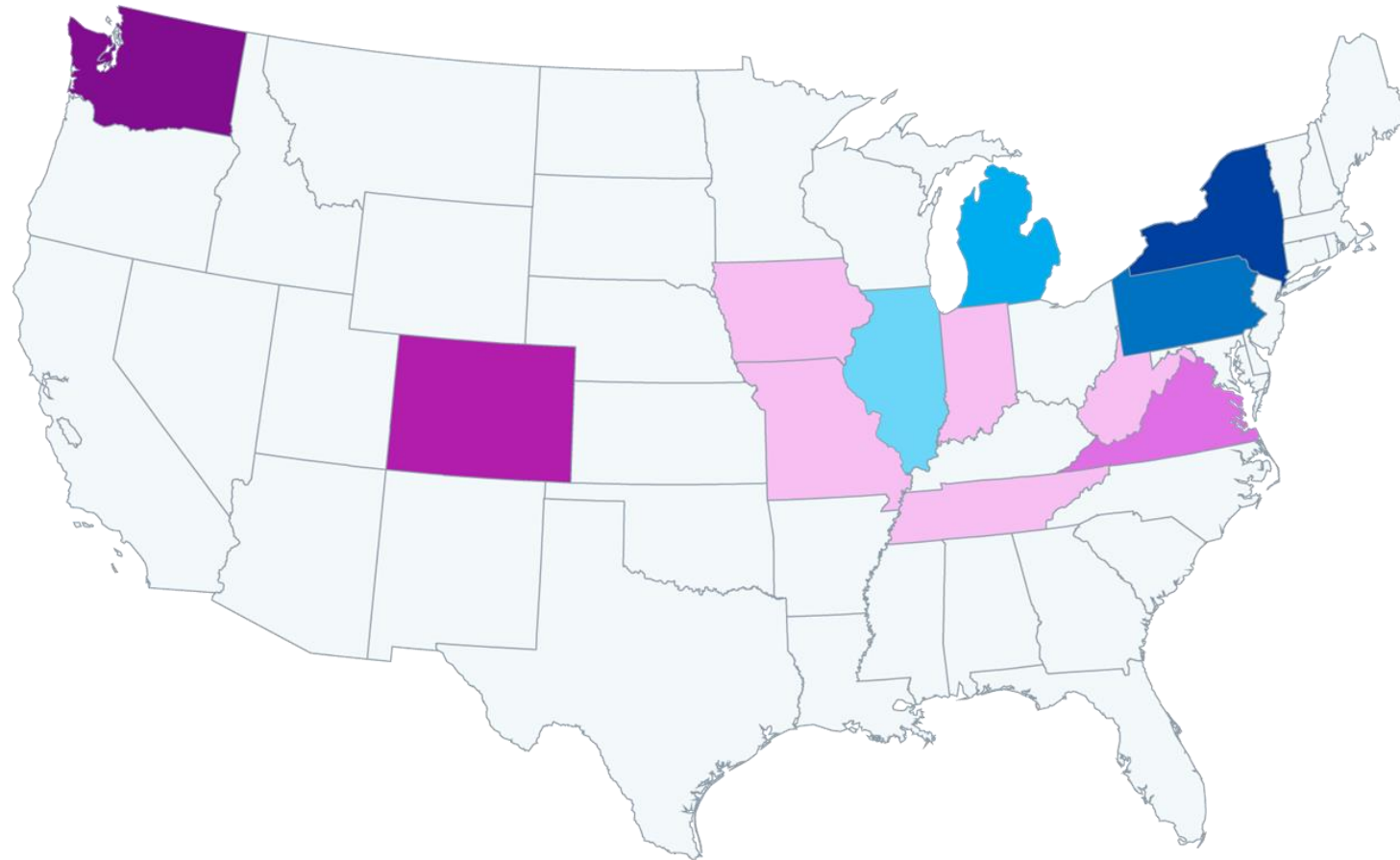
# ONLINE GAMBLING AMONG TOP PRODUCT CATEGORIES

Online Gambling ranked 11th out of more than 1200 product categories for Spot TV Advertising dollars

## 1Q '21 SPOT TV TOP PRODUCT CATEGORIES BY DOLLARS - ALL MARKETS

Product Category	Units	Dollars	Share	Rank
LEGAL SVCS	3,557,386	\$514,935,919	7.0%	1
SUV-CROSSOVER	901,304	\$367,889,112	5.0%	2
AUTO DLRSH	1,333,930	\$270,781,593	3.7%	3
STORE-FURNITURE	1,154,214	\$253,397,053	3.4%	4
INTERNET SVC PROVIDER	710,866	\$243,973,961	3.3%	5
RESTAURANT-QUICK SVC	1,275,622	\$173,986,191	2.4%	6
TV PGM-MULTI-NEWS	940,411	\$166,181,723	2.2%	7
SUV-CROSSOVER-DLR ASSN	451,189	\$164,090,754	2.2%	8
DIR RESP PROD	977,887	\$160,566,718	2.2%	9
TV PGM-PRIME-ENT	1,022,813	\$159,021,151	2.2%	10
<b>ONLINE-GAMBLING</b>	<b>608,976</b>	<b>\$153,620,710</b>	<b>2.1%</b>	<b>11</b>

# ONLINE GAMBLING SPEND ACROSS MARKETS



1%

2%

4%

6%

7%

11%

14%

16%

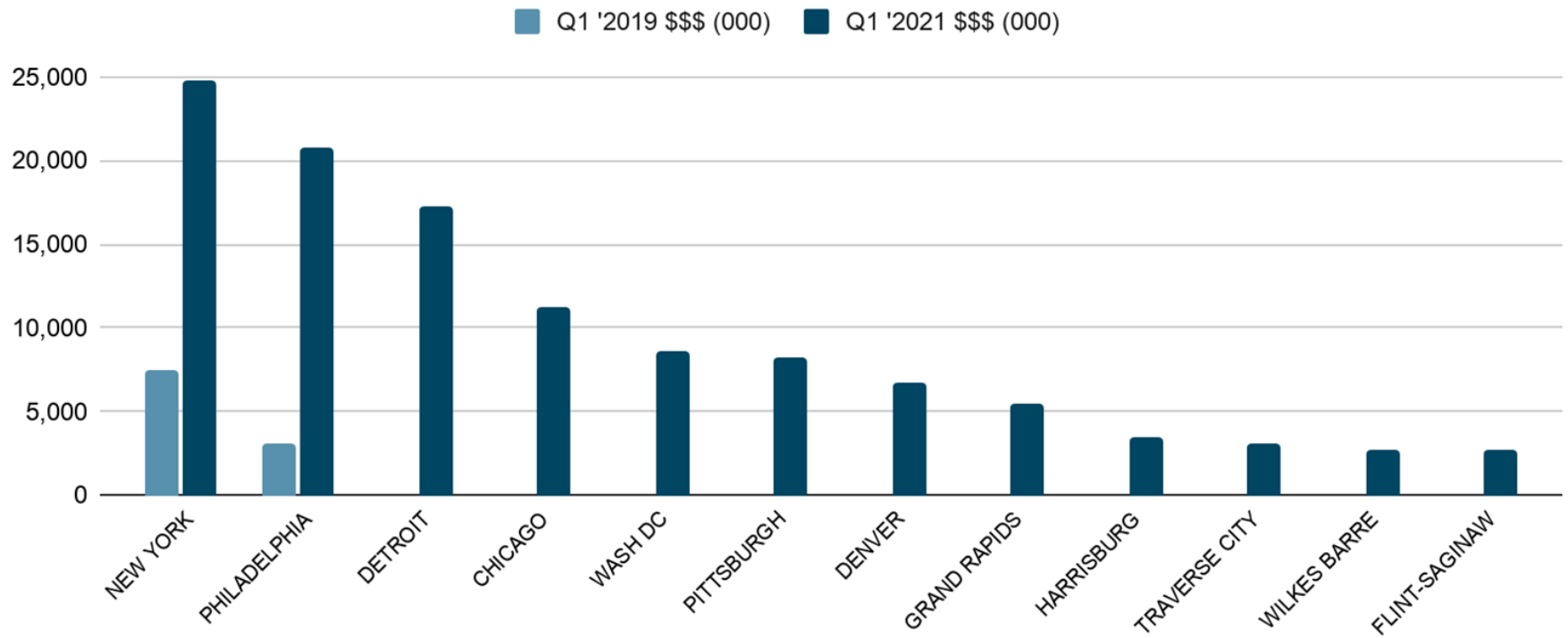
## Top 5 Markets

Market	Share of Dollars
New York	16.2%
Philadelphia	13.5%
Detroit	11.2%
Chicago	7.3%
Washington DC	5.6%

# ONLINE GAMBLING SPOT TV \$ TAKING OFF IN LEGAL STATES

As more states legalize online gambling, the dollars flow in

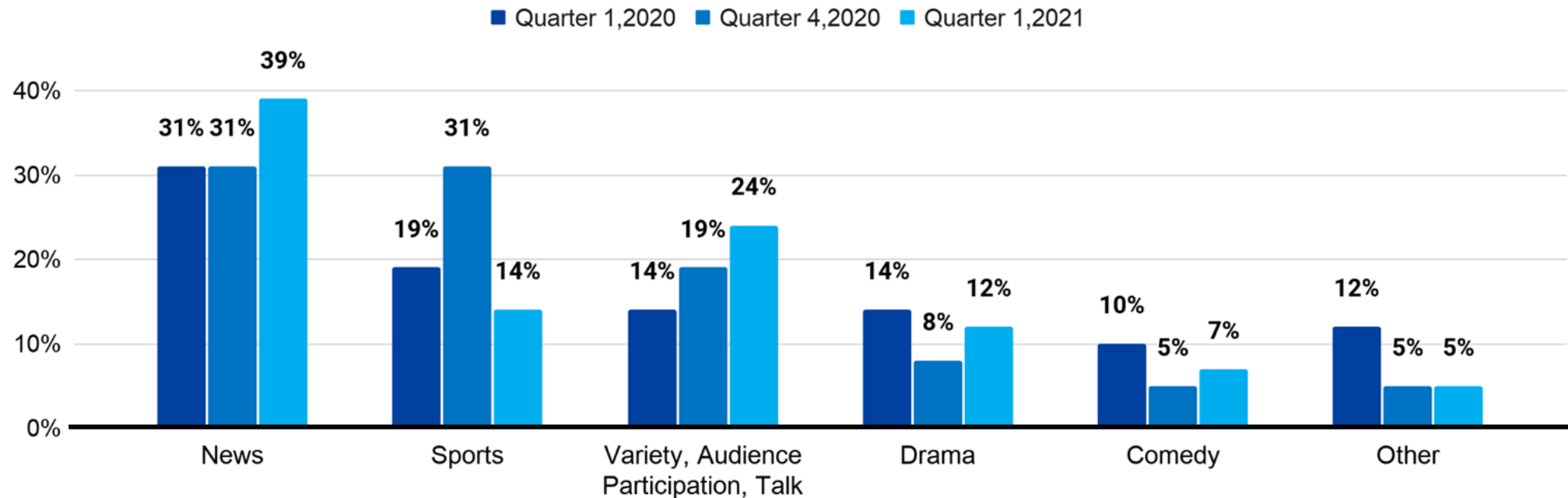
ONLINE GAMBLING SPOT TV DOLLARS Q1 2019 VS Q1 2021



# ONLINE GAMBLING SPOT TV PROGRAMS ADVERTISED IN

The Largest Share of Online Gambling Spot TV dollars are placed in “News,” not “Sports”

## SHARE OF SPOT TV DOLLARS BY PROGRAM GENRE



# ONLINE GAMBLING SPOT TV \$ MAINLY IN TOP BRANDS

The top brands make up 96% of Spot TV Online Gambling dollars; Top 3 make up 82%





Brand Detail	Quarter 1, 2021-\$\$\$ (000)	% Share of Total
FANDUEL ALL BRANDS	57,653	37.5%
DRAFTKINGS ALL BRANDS	43,629	28.4%
BETMGM ONLINE-GAMBLING	24,884	16.2%
BETRIVERS ONLINE-GAMBLING	9,322	6.1%
BETFAIR ONLINE-GAMBLING	6,732	4.4%
POKERSTARS ONLINE-GAMBLING	5,809	3.8%
ALL OTHER BRANDS	5,592	3.6%
TOTAL DOLLARS	153,621	100%

# SPORTS BETTOR PROFILE

## NIELSEN SCARBOROUGH



# PROFILE OF THE U.S. SPORTS BETTOR

<b>6.0M US ADULTS</b> Sports Betting at a Casino 		<b>14.0M US ADULTS</b> Cash Wager on a Sports Event 		<b>7.3M US ADULTS</b> Played Daily Fantasy Sports Online (DraftKings, FanDuel) 		<b>16.2M US ADULTS</b> Played Other Online / Organized Fantasy Sports 	
Age <b>44</b>		Age <b>44</b>		Age <b>37</b>		Age <b>39</b>	
% Male <b>77%</b>		% Male <b>73%</b>		% Male <b>77%</b>		% Male <b>80%</b>	
Total Income <b>\$684B</b>		Total Income <b>\$1.5T</b>		Total Income <b>\$781B</b>		Total Income <b>\$1.9T</b>	
Avg Income <b>\$113,300</b>		Avg Income <b>\$105,800</b>		Avg Income <b>\$106,400</b>		Avg Income <b>\$115,600</b>	

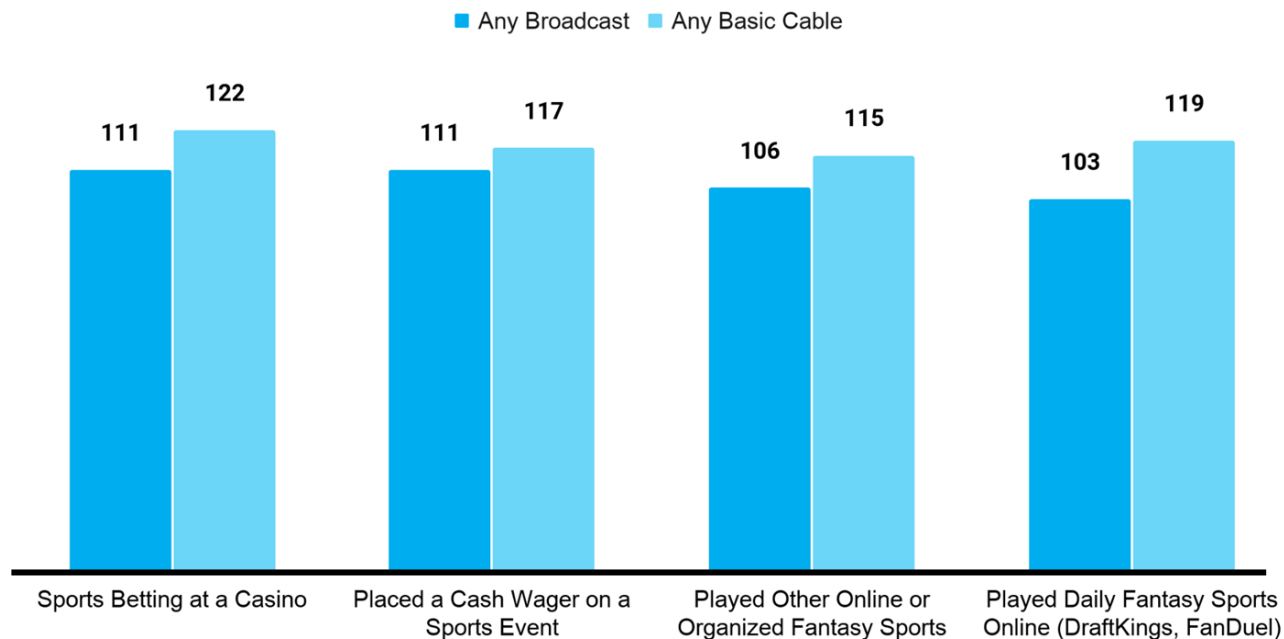
*Traditional Sports Bettor*

*New Online Sports Bettor*

**The new online sports bettor has already outpaced the traditional sports bettor and is younger and mostly male**






# CAN TV REACH SPORTS BETTORS? YES.

## INDEX OF WEEKLY TV VIEWING



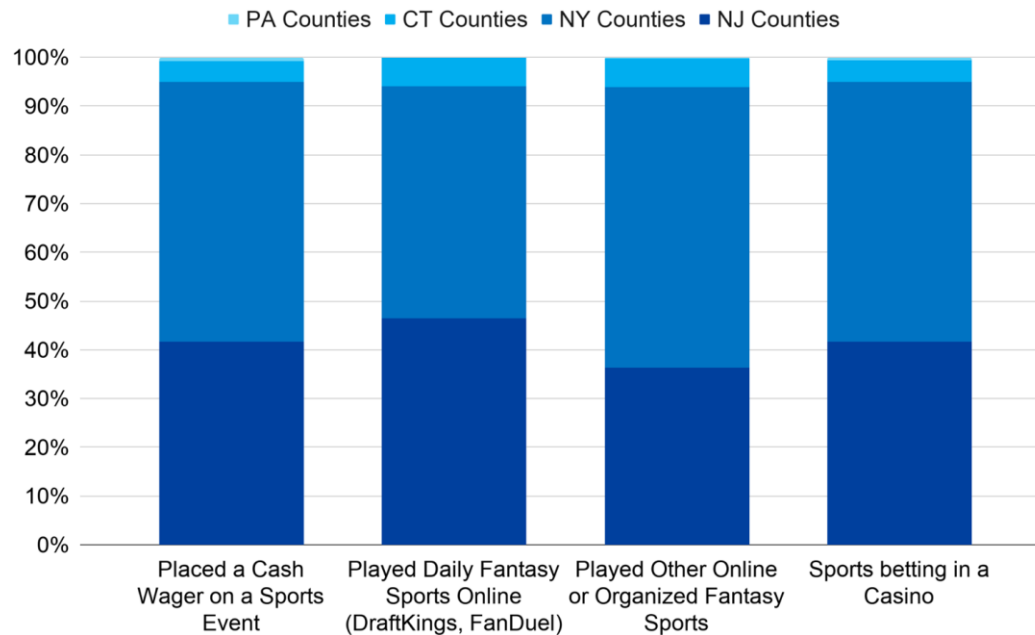
**TV Reaches Sports Bettors**

## TOP PROGRAM GENRES TO REACH SPORTS BETTORS

 <b>Sports</b>	77%
 <b>Movies</b>	76%
 <b>Comedies</b>	74%
 <b>Local News</b>	53%
 <b>Documentaries</b>	52%

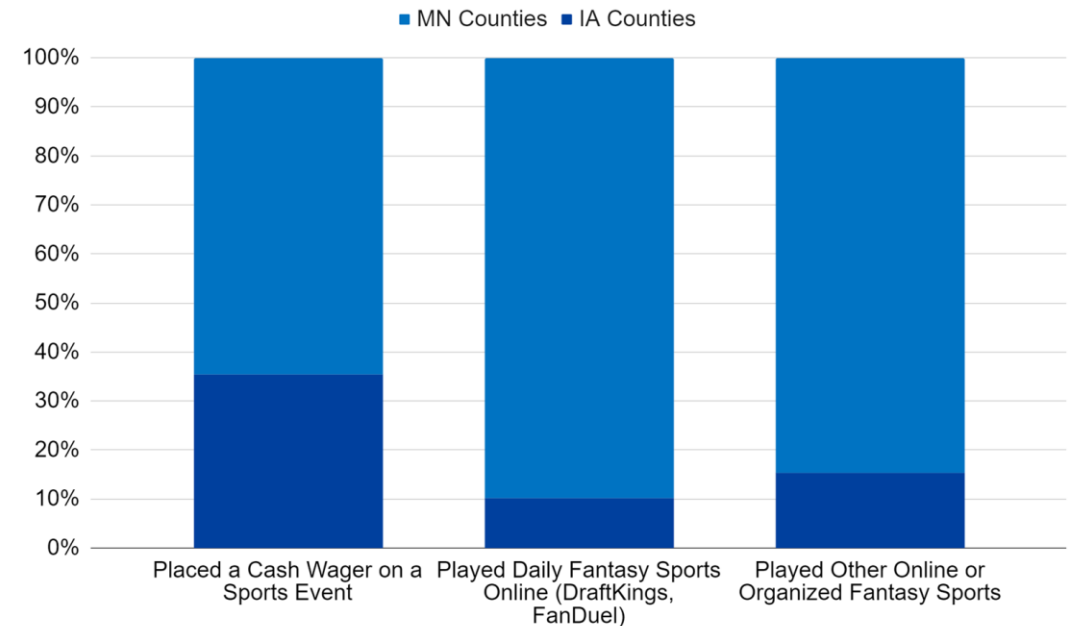
# SPORTS BETTORS CROSS STATE LINES TO PLACE THEIR BETS

## WHERE DO NY DMA SPORTS BETTORS LIVE?



**~50% of the sports bettors in the New York DMA live in New York counties – even though sports betting is not yet legal in NY**

## WHERE DO ROCHESTER-MASON CITY-AUSTIN DMA SPORTS BETTORS LIVE?

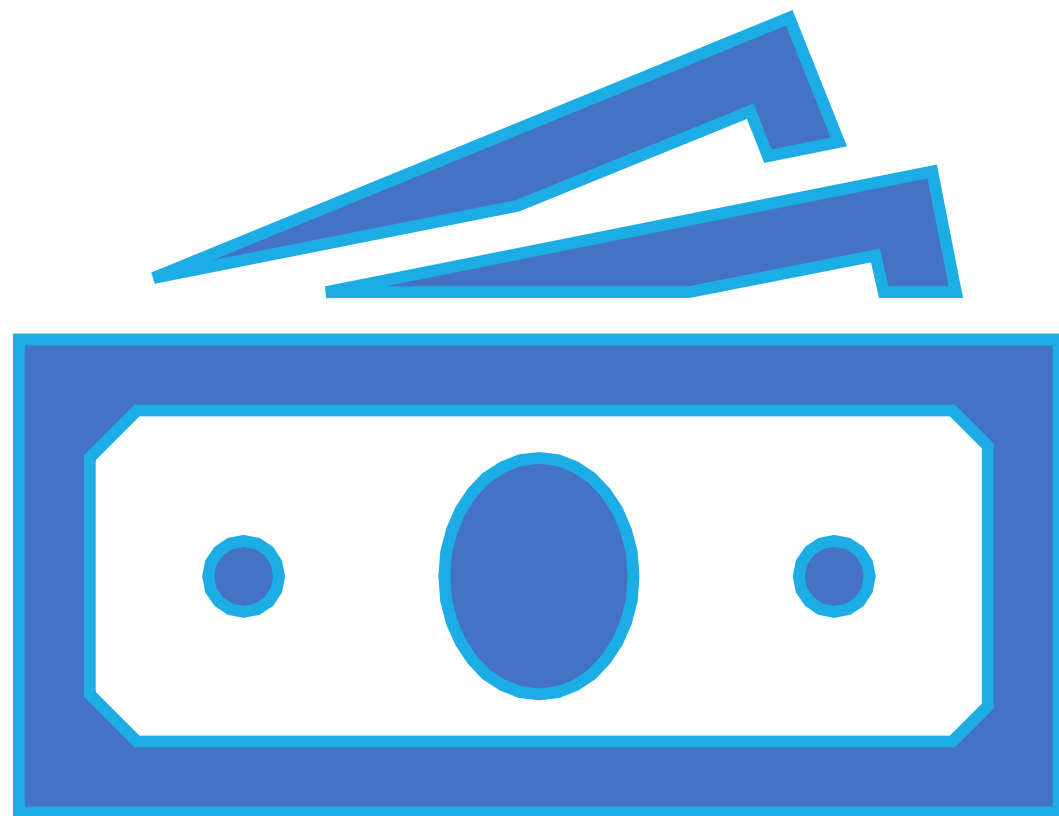


**Up to 90% of the sports bettors in the Rochester-Mason City-Austin DMA live in Minnesota counties – even though sports betting is not yet legal in MN**



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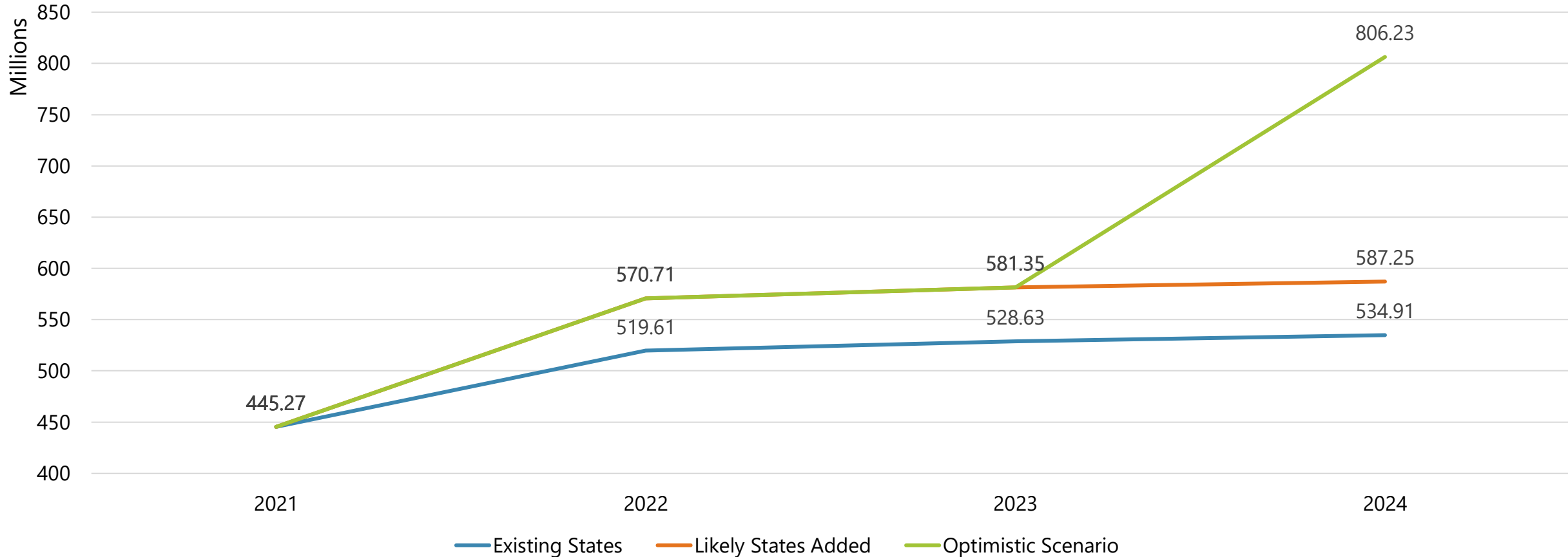


# 2021 AND LATER YEARS

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**Projection of Total Spending**

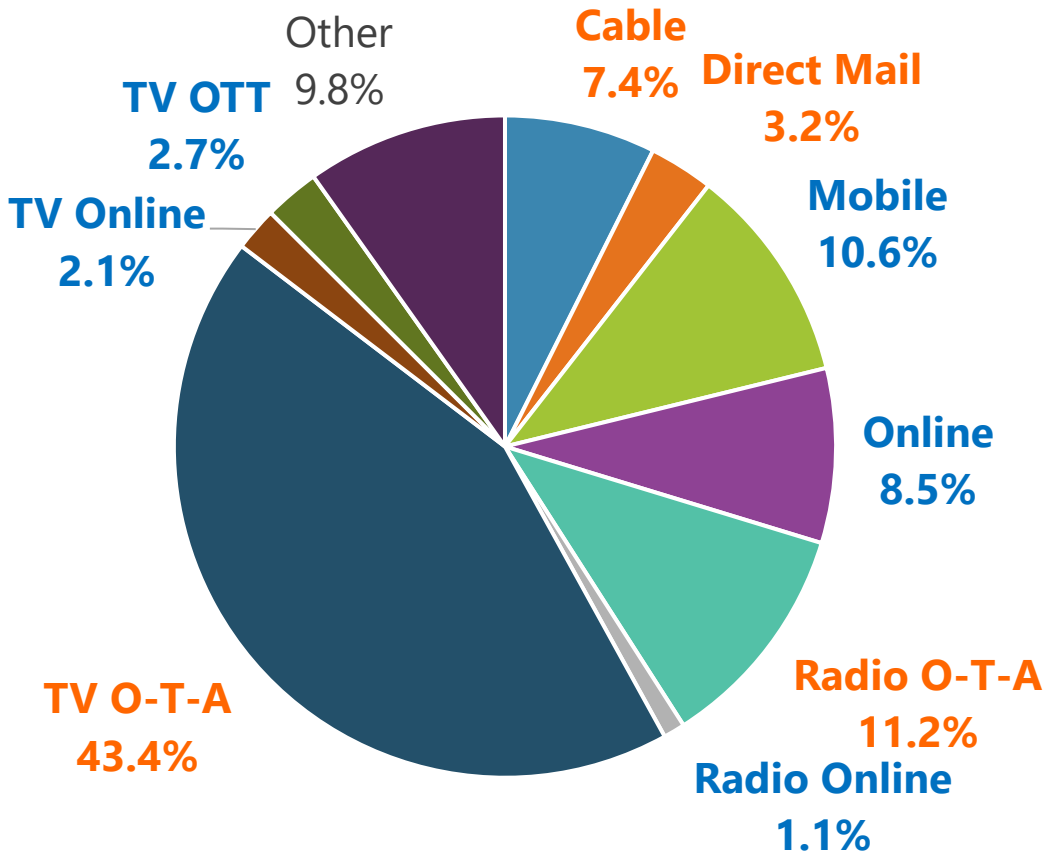
# Total Local TV OTA Spot Revenue – Online Gambling



Source: BIA Advisory Services.


# BIA's Online Gambling Advertising Estimates by Ad Platform

Total Nationwide 2021 Local Advertising: \$1.027 Billion



**Included in Other:**

- Newspaper Print
- Directories
- Magazines Print
- Out Of Home
- Email
- Newspaper Online
- Magazines Online



**BIA ADVantage Clients:**  
Estimates for every Local TV market will be published in ADVantage by Thurs, April 22.



Source: U.S. Local Advertising Forecast 2021, BIA Advisory Services.



**Heather Gundry**  
SVP, Group Director of Local  
Investment, Media  
**dentsu**

### Heather's Take On:

- Competitive landscape & how to measure success.
- Seasonality of sports and impact on media strategies.
- Overall mix of media for ad spend.
- Successful media plans for Online Gambling clients.

# FROM THE BUY SIDE

**Online Gambling  
Advertising**



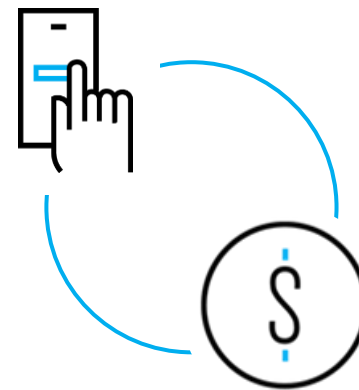
Q & A



## NIELSEN / SCARBOROUGH

### LOCAL MARKET CONSUMER, RETAIL & CROSS-MEDIA USAGE

What People Watch & What People Buy



## NIELSEN / ADINTEL

CROSS-MEDIA AD SPEND  
PLACEMENT  
CREATIVES  
CAMPAIGN AUDIENCE DELIVERY  
Share of Voice vs. Share of Spend

Questions about Ad Spending, Consumer Insights or Audience Data... Contact Nielsen:

**Justin LaPorte**, VP / Local Audience Insights, [justin.laporte@nielsen.com](mailto:justin.laporte@nielsen.com)

**Paul LeFort**, SVP / Sales Director, Local Media Client Services, [paul.lefort@nielsen.com](mailto:paul.lefort@nielsen.com)

# BIA Can Help You: Forecasts, CI & Consulting

We can help you keep up on the current and future trends in the local and national media ecosystem – especially around growth verticals like Online Gambling.



## Local Market Forecasts

Get access to BIA's quarterly local Ad forecast for any TV or Radio market. Track ad spend across 12 top verticals or 95 business categories.

**(BIA ADVantage)**

**Learn more here:**

**<http://bit.ly/BIA-ADVantage>**

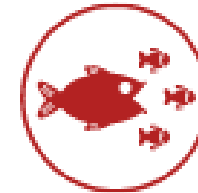


## Virtual Briefings & Strategy Sessions

Custom briefings on trends and challenges.

On demand strategy sessions on emerging opportunities, players and products.

**(Strategic Consulting)**



## Competitive Tools

Competitor profiles, analysis and war cards that can cover verticals, ad platforms, addressability, cross platform measurement, technology and ad product messaging.

**(Competitive Intelligence Service)**

Email us at [advantage@bia.com](mailto:advantage@bia.com) to discuss how we can help you with your custom projects.

QUESTIONS ABOUT THE FORECAST OR WANT ASSISTANCE?

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