



Generation STREAM SPORTS EDITION

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Outside of the main sports arena is a growing number of fans who are getting in on the game in new, different, and lucrative ways. Sports betting and fantasy sports are surging in popularity and accessibility, and eSports is redefining what sports are altogether. A cultural spotlight now shines on what was once the outer rings of sports—betting, fantasy leagues, and video games —creating an entirely new inner circle of future sports fandom.



Gamifying the Game: The Burgeoning Sports Betting Landscape


May 14, 2018 was a pivotal moment for the U.S.'s estimated \$150 billion underground sports betting industry. The Supreme Court struck down the 1992 Professional and Amateur Sports Protection Act (PASPA), a federal law that had prohibited sports betting in most states for nearly three decades. In just three years since this ruling, half of all states and Washington D.C. have legalized sports betting. "The Supreme Court decision opened the sports betting floodgates," Kyle, 31, of San Diego, CA told us. **"Sports betting was on the fringes as recently as a decade ago, but it's no longer confined to Vegas or a shady booker. Anyone can download an app on their phone, place a bet, and cash out."** Backing up the mainstreaming of sports betting, Olivia Stomski, Director of Newhouse Sports Media Center at Syracuse, says betting is quickly weaving its way through almost every facet of sports. "There was a time when you wouldn't touch betting or odds," she explained. "Now we're asking, 'What else can we add to the betting experience?'"

► **54%**

of sports streamers
are interested
in sports betting.



The industry is answering with a range of new ways to wager on spreads, moneylines, passing yards, strikeouts, and more. One such way is the just-opened sportsbook inside of Capital One Arena, the first professional sports arena to offer legal betting within its walls. Evangelized by sports industry experts as a data-driven fan experience, the two-story, 20,000 square foot facility looks like the love-child of an upscale sports bar and Las Vegas, complete with comfy seating, betting kiosks, 24 beer taps, a restaurant headed by a Michelin-starred chef, floor to ceiling screens, and boards of data on odds and point spreads. Other in-arena betting experiences are likely to follow. The Nationals are planning to open a similar concept in Nationals Park, the Arizona Diamondbacks have been approved by the state to open a sportsbook across from their ballpark in downtown Phoenix, and Philadelphia just opened its long-awaited \$700 million Live! Casino and Hotel Philadelphia gaming hall in the city's Stadium District, which houses a FanDuel sportsbook and lounge. Experts are



“As more states continue to legalize betting and the historical stigma is lifted, sports gambling will become ubiquitous.”

- Kyle, 31, San Diego, CA

banking on these digital betting “portals,” as they’re called, to play a crucial role in luring young sports fans back to arenas. It could be a good bet: Among the 36% of sports streamers who say betting is one of the primary reasons they follow sports, Gen Zs lead the pack with 48% saying that betting is a driver for their fandom.

Arena-adjacent sportsbooks are just one iteration of clicks-and-mortar sports betting experiences that fans will increasingly have access to. DraftKings and sports bar chain Sports & Social announced this summer that they are teaming up to launch upscale, betting-themed sports bars across the country, starting in Nashville and Detroit. This comes one year after Buffalo Wild Wings and Roar Digital, MGM Resorts International’s sports-betting venture, created a multi-year partnership aimed at revolutionizing the sports bar experience through its wings, beer and betting concept. While inside Buffalo Wild Wings locations in New Jersey, Indiana, Colorado, West Virginia, Tennessee, and Iowa, sports fans can place bets on the BetMGM app, which offers up better odds on select bets, as well as other perks. Buffalo Wild Wings is also set to roll out an

in-bar channel, “OT Odds Powered by BetMGM,” aimed at its betting clientele and featuring sports betting content like live game odds and fantasy league betting advice. The strategy of embedding betting into restaurant experiences could be a lifeline for sports bars which, like other restaurants across the country, suffered during the pandemic and now need something other than carrying the big game to get people off of their couch, particularly during non-peak sports periods. Kyle sees the potential. “Sports betting has the opportunity of making people invested in games and moments beyond their home team and gets fans invested in games that would otherwise be meaningless,” he told us. “It gives me a reason to watch the Bengals play on a Sunday afternoon, midweek MAAction, and championship soccer—all things I would never otherwise invest my time in.”

Beyond the integration of sports betting into physical spaces, streaming services are in the early stages of experimenting with betting formats to enhance the sports

experience. FuboTV has introduced a dashboard that streamers can pull up to place bets while watching games. This new feature allows for fans to bet on things like “which team will score first in the second half,” and will evolve to include more immersive and custom betting experiences, tailored to viewers content and betting preferences based on their viewing data and previous bets. Other streaming services are also taking advantage of the opportunity. Sinclair plans to offer a standalone streaming service with a betting component and NBCUniversal added a betting companion show to the PGA tour this year on Peacock, its solution to streaming.

Audiences also feel streaming services can uniquely serve the sports betting marketplace in ways traditional networks, or large-scale betting venues, can’t. Kyle, for one, sees growth in the ‘outer rings’ of sports betting: “Streaming services, especially, have the ability to cater to more niche audiences,” he observed. He makes a good point. Outside of big arena sports, there is an opportunity for



sports betting in games around the world—like table tennis, for example. One 23-year-old from New Jersey told the *New York Times*, “It’s crazy to think I’ve made hundreds of dollars [betting on] Ping-Pong [overseas].” Like other obscure pastimes that surfaced during the pandemic as people had more downtime at home, betting on international contests—including sports like Belarusian ice hockey, Nicaraguan soccer and South Korean baseball—caught the attention of fans at a moment when many traditional domestic sports were sidelined. While some of these niche sports haven’t had as much staying power as table tennis, the pandemic highlighted the potential of the longtail of sports betting. Considering that nearly one-in-five sports fans (17%) report having tuned into a niche or global sport outside of the norm in the past six months, there is an opportunity for streaming services to not only give fans access to these unique sports, but also wager on them.

While the future of sports betting is just beginning to unfold, what is certain is that the market is there—and it always has been: betting on horses and baseball predate the twentieth century; Las Vegas opened its gates to sports betting in 1949; and people have been betting on the Super Bowl since its incarnation. This year alone, 23.2 million Americans planned to bet \$4.3 billion on the big game, according to *AdWeek*. Many believe that legalizing and regulating sports betting will ultimately create a cleaner and fairer playing field. Kyle, for one, is excited. “It’s the direction that the public is moving,” he told us. “Sports betting is becoming massive.”





Sports Fantasy: The Reality of Fictional Sports

Finn, 22, a rising senior at University of Colorado, Boulder, was about to give up on the Cincinnati Bengals until fate—or, more precisely, fantasy—stepped in. Having been dedicated to the Bengals since age 10, the team’s losing streak was starting to take a toll. “I had been utterly disappointed every year and I was starting to lose interest in the NFL because I felt like I had no reason to keep watching,” he reflected. However, at 17, he was asked to join a 12-person fantasy football league. For some, the league was a way to feel more connected to the NFL season; others joined because of the betting. Finn joined to make his life as a Bengals fan “a little more bearable,” as he put it, by giving him a chance to ‘win’ even if the Bengals didn’t. Now, Finn’s fantasy league has expanded into an all-year, all-encompassing sports group on Instagram, Twitter, Snapchat and four other means of messaging with an average of 1,000 group messages *each day*—and easily “a couple thousand” during football season. “If I have a question about anything pertaining to [sports], I’ll ask the question in the group message before Googling it.”



While Finn's fantasy league may be an extreme example, he's not alone in his enthusiasm for fantasy sports: **one-in-five sports streamers (21%)—and one-in-four male sports streamers (26%)—say they have participated in fantasy sports in the past three months.** While the popularization of fantasy sports began in the 1980s, its growth has accelerated in the past decade with emergence of Daily Fantasy Sports (DFS), an accelerated version of traditional fantasy sports that can be played over one week, or even one day, rather than an entire season. Taken together, **fantasy sports and DFS has grown from 5.1 billion in the U.S. in 2011 to 8.37 billion in 2021, and it is expected to hit 13.75 billion by 2025** according to Statista. What's more, an entire economy has developed around fantasy sports, including a cottage media industry with niche websites on statistics, podcasts, analysts—and even weathermen. Kevin Roth is a meteorologist for RotoGrinders, a website dedicated to daily fantasy sports. He has a master's degree in meteorology, but uses his expertise to analyze how, for example, 20MPH winds could create a 10% drop in passing yards and impact fantasy league results. While he may be one of the better-known fantasy sports weather analysts, others are out there, like the Fantasy Football Weather Guys, "professional meteorologists providing statistical analysis of weather impacts on fantasy football," according to their website. Retailers also make up a piece of the fantasy economy. ESPN's Senior Fantasy Sports Analyst, Matthew Berry, runs Fantasy Life, an online retailer that sells hoodies, tumblers, phone cases, and a signature toilet-shaped loser's trophy. The point is, while fantasy sports is fictional, the business surrounding it is very real.

In many ways, fantasy sports were a precursor to, or placeholder for, sports betting. The head of content at a sports betting news website shared in an interview with Vox Media, "I think there still would've been a pretty decent groundswell of sports betting without [fantasy sports], but everyone got more comfortable with it because of daily fantasy." The popularity of fantasy sports is anchored in a bigger shift in sports culture: following players versus teams. Gen Zs, the youngest generation of sports fans, report that they are less likely to follow

sports because of a specific team than are their parent's generation (25% vs. 34%, respectively) and, when asked the top reason they do follow sports, they are more likely to say their fandom is based on a specific player, or players (40% vs. 36% among older generations). Millennials are more likely to follow their local teams (40%) compared to Gen Z sports fans (32%). Generationally speaking, the preference for players makes sense: Gen Zs came of age during the era of influencer culture, where individuals rather than groups commanded culture's attention; following individual players isn't so different from following individual influencers online.

For Finn, being freed from the team mentality in sports has been game changing. "What fantasy football allowed me to do was get two to three good players on the Bengals' team on my fantasy roster. Even if the Bengals lost, I could root for individual players and get a 'tangible' reward for it." Furthermore, the camaraderie that was once tied to rooting for a local team is now fueled by the 1,000 group texts his fantasy league trades daily, as well as a new set of bonding rituals that have emerged around fantasy leagues, like the Waffle House punishment. Popularized on social media in the past few years, the ritual entails the league loser having to sit in Waffle House for 24 hours and can earn less 'time' by consuming waffles (one waffle = one less hour of service). Finn also finds that fantasy leagues, while not rooted in hometown teams, help bond him to his hometown community: "My friends and I used to watch games every week together in high school, but now that we are all scattered across the country [in college], fantasy football is how we all stay connected."



Fantasy leagues are also building camaraderie by reorganizing into new, community-driven formats. In the spring of this year, the Hall of Fame Resort & Entertainment Company launched the Hall of Fantasy Leagues ("HOFL"), a 10-franchise league described as "the first national fantasy league that allows you to experience a fantasy team with a community of shared stakeholders." The franchises within this new league include the Atlanta Hot Wings, the New York Bodega Cats, the Ohio GOATS and the Texas Y'allers, among others. Each franchise is connected to major U.S. cities, professionally managed, plays competitions over the course of a full season, and even has a show that airs every Tuesday at 8pm EST, hosted by sports broadcaster Jeff Eisenband. Sound familiar? Ironically, fantasy sports may be coming full circle, back to its traditional roots, making the fine line between fantasy sports and 'real' sports even more blurry.

The Game of Gaming: Unpacking the Appeal of eSports

For anyone who dismisses eSports, or competitive video gaming, as ‘not real sports,’ consider this: **one quarter of sports fans (26%) watch eSports and it surpasses other sports mainstays, such as NASCAR, beach volleyball, pro wrestling and international soccer, as a favorite among sports fans.** Furthermore, according to Statista, the global eSports market revenue is projected to grow as much as 1.62 billion U.S. dollars in 2024. And while it’s true that eSports is relatively new to the sports industry, it actually got its start back in the 1970s. On October 19, 1972, Stanford University held the first-ever eSports event, where students competed at the video game Spacewar! for the cool prize of a one-year subscription to *Rolling Stone* magazine (if that’s not a rock-and-roll start, we’re not sure what is!). Today, prize money for eSports competitions have hit nearly \$35 million. “I think there’s this conception of eSports as this diminutive thing, but everybody plays or watches games. Whether it’s solitaire on your way to work, or a million-dollar tournament at Madison Square Garden,” Zach Dixon, Co-Founder of Players’ Lounge, an online eSports competition platform, told us. “So, re-

ferring to eSports as a sport makes sense.” **81% of eSports fans agree that “eSports are real sports, just like football, basketball or baseball.”**

According to Dixon, eSports developed a lot like traditional sports—only faster. “When games are fun to play with friends, then they tend to be fun to play with strangers,” he explained. “And then people get really competitive and self-organize into leagues. English soccer teams professionalized across the 19th century and 20th century to what the [English] premier league is today; that happened with League of Legends in 15 years.” South Korea fueled the popularity of eSports, where the game of gaming has become a national institution. Underscoring this, eSports is the fifth most popular future job for South Korean students, according to the *New York Times* (athlete, doctor, teacher and digital content creator take the top four spots), and eSports pros are on par with K-pop idols, in terms of fame and fortune. “I sleep only three or four hours a day,” one teenage Korean eSport academic told the *Times*. “But I want to become a star. I dream of an eSports arena packed with fans all rooting for me.”



South Korea's influence on eSports aside, there are a few unique features to eSports that make it exponentially appealing to fans. One that Dixon points out is that there is a greater range of eSports viewing experiences. "Nobody cares about watching a few attractive or clever people playing non-professional basketball. Nobody's going to tune into that broadcast consistently. But there are millions of people every day that watch non-professional gamers play non-professional video games on Twitch and similar streaming services," he explained. Another key driver of eSports' global popularity is its accessibility: while not everyone has the physique to become an NBA or NFL star, anyone with access to a console or a computer could, theoretically, go pro at eSports. "What I like specifically about eSports is that you don't have to be a traditional athlete to play," Jamael, 19, of Atlanta, GA, told us. This fact makes eSports unique in that, unlike traditional sports fans, most eSports fans are also eSports players, so their attachment to the game is personal. **Backing this up, 83% of eSports fans agree, "Playing video games is more than just a pastime for me—being a gamer is an integral part of my identity,"** and 76% of players aspire to go pro. "There are a lot of people who never play baseball who are baseball fans, or women who like football who have never played. They just like it as entertainment," Dixon explained. "You don't really get that as much with eSports. There's a big cultural difference."





Despite these differences, there are a lot of similarities between eSports and the non-E variety. For one, camaraderie is still king: 86% of eSports fans agree, “eSports isn’t just about the game, but about the banter and dynamic between gamers and teams.” And while these communities are largely digital, just like traditional sports, live games matter too, with 77% saying they attend, or plan to attend, an eSports event. Younger fans, like Gen Zs, may not even see the difference between the two at all. Dixon reflected, “The idea of being a professional gamer was never a reality when I was 18. But my nephews are 16, 13 and 12. They have a ton of access to eSports pros because they watch them on Twitch every day after school, and they watch them play in big tournaments. They look at eSports the way previous generations looked at football. It’s no different.”

In conclusion, the world of sports is dynamic, with generations, cultural shifts and technology continuously broadening how sports and sports fandom are defined. **Sports betting, fantasy sports and eSports once represented the outer rings of the industry, but today they are fast becoming new centers of the expanding sports universe, ushering in new, diverse fans that ultimately elevate the game.**

▶ **82%**

of eSports fans predict that, in 20 years, eSports will be as popular as football in the U.S.



Conclusion

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OUTER RINGS BRAND TAKEAWAYS



Sports communities are changing as sports betting and fantasy leagues continue to grow in popularity.

These games outside of the game are becoming central to why fans watch, bringing an additional layer to the fan experience.



Sports betting will continue to impact the sports industry, opening up opportunities for new sports betting venues, restaurants and tourism.

Consider how your brand can become part of this burgeoning sports betting landscape.



eSports continue to gain traction among young sports fans who don't see the difference between video games and traditional sports.

Think about opportunities for your brand in the eSports and gaming space, particularly as a way to reach Gen Z audiences.