

The sure bet? Sports gambling will become an even bigger player, researcher says

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Brendan Dwyer, Ph.D., is director of research and distance learning at VCU's Center for Sport Leadership. Credit: Thomas Kojcsich, Enterprise Marketing and Communications

Not long ago—1992, in fact—Congress passed a bill that essentially

blocked sports betting nationwide, save for a few states. The law was ruled unconstitutional in 2018, and the scene changed quickly: Last year, Americans legally wagered nearly \$120 billion on sporting events.

Brendan Dwyer, Ph.D., is director of research and distance learning at Virginia Commonwealth University's Center for Sport Leadership, whose acclaimed master's program propels graduates in the global sports industry. With the dramatic rise in sports gambling—a topic Dwyer has researched—we asked him for a fresh pulse of the evolving landscape.

Sports gambling feels like the Wild West, in terms of platforms, regulations and more. How accurate is that perception?

I always look at things from a sports fan perspective, and certainly, given the amount of commercials and [media coverage](#), it can be overwhelming. There are so many providers and ways to bet. I don't know if I've used the term "the Wild West," but if you're not educated about sports betting—but you're a fan of basketball or football—it can be intriguing but also overwhelming.

You're seeing a few providers stand out, such as DraftKings and FanDuel, but ESPN, a major media provider, suddenly entered the marketplace with ESPN Bet. It's probably still more confusing for fans than it is clear. But like anything, once you start trying it, you start to feel it out and get used to it.

In terms of state regulation, it is also difficult because you cross a state line and you can gamble on your phone—and then you cross another state line and you can't. Even a Virginian who goes to Nevada may just assume, "Well, I can gamble on my phone because I gamble on my phone in Virginia." But you can't gamble on your phone in Nevada. You

have to go to a casino. So every state has their own rules and regulations. For consumers, that can be confusing.

You mention the aggressive marketing. Is a cautionary tale developing?

There is more to be said and done about how easy and accessible it is to get media messages to youth. I already have my 10-year-old asking, "What is this? What is that?" They're watching sports, and these commercials and these conversations are happening. Most countries we would consider counterparts, whether it's the U.K. or Australia, that have had sports betting for years have strict regulations about advertisements and sponsorships, and a lot of that is for the protection of youth.

This is where "the Wild West" might come in right now. We're pretty unregulated as it relates to advertisements. We show primarily a young, successful male enjoying a sporting event even more by betting. We don't see the downside of it in any commercials. The messages to individuals under age 18 is going to be something important in the American context.

Where does Virginia stand in the market?

Virginia is an interesting case because we went online right away in 2021. We could bet everywhere on our phones. There's been a lot of revenue that has flowed through Virginia in term of handle, which is the total money spent by consumers. We're right in the middle if you compare us with other states of the same size that came on board at the same time. But we've raised more state tax revenue compared with them, and I think a lot of that has to do with online access. In Arizona, you can only bet at casinos and a few other retail locations. So as much as they've had similar revenue numbers, the state hasn't received the same in tax

revenue.

Has sports gambling affected sports consumption—or even how we think of "fandom?"

Oh, yeah, 100%. There's a strong positive relationship between sports betting and viewership. Think about it from a simple bet, which is the point spread—how a game finishes. Some games can be completely out of hand, right? It can be the fourth quarter of an NFL game, and the only people watching a blowout are bettors, which means more money for advertisers and sponsors.

As sports bettors consume more live [sporting events](#), they consume more live analysis shows on ESPN and elsewhere because they believe that the more you know, the better you'll bet. And there's a strong relationship between consumption and fandom because people like to have action on a game. Now that there's live betting within a game, too, it's become a social topic between friends and within families to talk about. "Did you win this bet? Did you lose this bet?" It's just becoming a different part of our social landscape.

Are there distinct categories of gamblers?

I've done a few studies on this, primarily on involvement—individuals who bet a lot compared with those who are more casual or sporadic. Serious bettors do not just bet on the traditional American sports—they'll bet on pretty much everything, and they have a strong emotional attachment to the activity. It's not just a hobby. Casual and more sporadic bettors focus on more of the mainstream sports and bet from time to time. And they're doing it more parallel to their traditional viewership.

Another group that is getting, and needs, more research is 18- to 24-year-olds. Men primarily. And that is because this group struggles to moderate any behavior. They can easily lose a lot of money, or they can be problem-gambling if it's not regulated. So between them and college student-athletes, they're the two segments or populations that probably need the most protection. You're starting to see more research focused on those two groups.

In the spirit of gambling ... give us a prediction or two for the next few years.

I work in education, so I think that as consumers become more educated, sports betting will continue to grow. We still have states that have yet to regulate sports betting, as well as large states that haven't legalized it. We also have room to grow among sports fans. Many have been reluctant to join the marketplace, but as media providers educate more, I think people will bet even more. It will continue to grow in popularity. I think it'll be less of a talking point because it will just become mainstream to how we watch sports.

Provided by Virginia Commonwealth University

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