

Building a Sporting Culture in India through Online Fantasy Sports

Survey Report | January 2021



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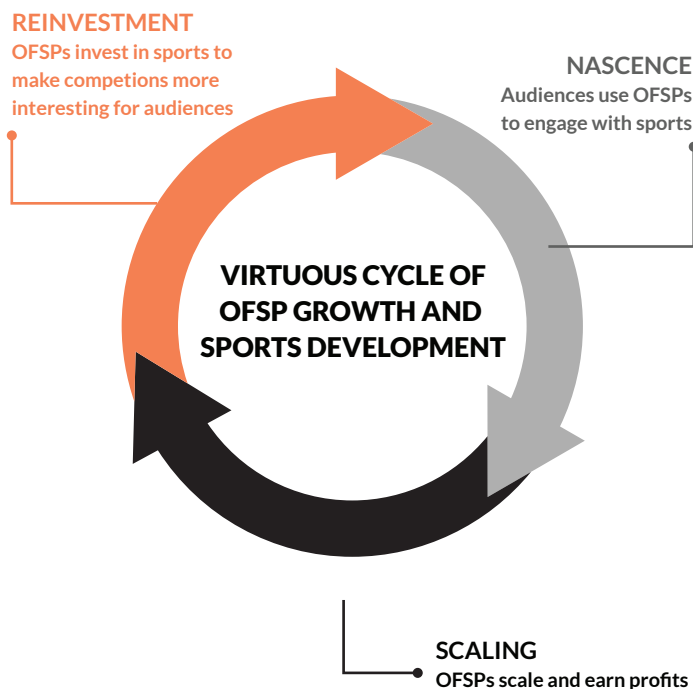
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Context

Despite India's young population and the prominence of sports in the country's culture, it does not perform well in international competitions.

It ranked 8th in the Asian Games 2018 and 67th in the Olympics 2016. A lack of capital and infrastructure impedes talent and competition development. A healthy environment for sports in India is contingent on allocating resources to sports development at the grassroots level. Better audience engagement is the key to raising resources for development of national sports and establishing the cause as a policy priority. It can accelerate talent discovery and recruitment, and aid commercialisation and monetisation through avenues like advertising, ticketing, and merchandise sales.

Online fantasy sports platforms (OFSPs) are a novel tool for audience engagement. They allow enthusiasts to exchange information related to sports, interact with like-minded individuals, and enable them to channel this knowledge for productive use. Users participate for social interaction, to assimilate information and to experience the thrill of winning¹. Enhanced fan engagement enhances avenues for sport monetisation and catalyses a peripheral economy related to information exchange and skill development². For example, in the US, fantasy sports participants were likely to watch more games on TV than non-participants. This makes sports broadcasting rights more valuable for broadcasters, encouraging them to invest higher amounts in the sports industry.³



At the end of 2019, India became the world's largest market for online fantasy sports with 90 million users. Domestic and foreign investment in the sector have increased, as the number of platforms has increased. In 2016, there were fewer than 10 operators/applications. That number rose to more than 140 by the end of 2019.⁴ Increased smartphone penetration, affordable data prices, and the rise in the number of sports leagues led to this expansion of the user base⁵. This momentum has the potential to transform India's sports economy through a virtuous cycle of audience interest and OFSP investments in sports. For instance, Dream11, India's leading OFSP, has sponsored multiple cricket tournaments.⁶ Sports leagues also acknowledge the power of these platforms to popularise sports. For example, the National Basketball Association in the USA, launched an OFSP in India to cultivate audience interest in Basketball here⁷.

Investors, entrepreneurs and the government have acknowledged the sector's potential for growth and endeavour to create a better experience for OFSP users. Businesses seek to keep them interested in their offerings, while the government and the judiciary aim to protect users from fraudulent activities. Thus, it is important to understand how audiences engage with OFSPs, the features that they value most, and how participation in OFSPs has affected their engagement with sports. This survey provides an insight into some dimensions of user preferences and experiences. These can complement data on app usage and may help in the design of policies, such as the NITI Aayog's Draft Guiding Principles for regulating OFSPs.

¹ Farquhar, L. K., & Meeds, R. (2007).

Types of fantasy sports users and their motivations.

Journal of Computer-Mediated Communication, 12(4), 1208-1228.

² The Week (2020). How Adi Reddy became a top fantasy cricket pro in India.

³ Todd M. Nesbit & Kerry A. King (2010) The Impact of Fantasy Sports on

Television Viewership, Journal of Media Economics, 23:1, 24-41,

DOI: 10.1080/08997761003590721

⁴ FIFS and KPMG (2020), The Business of Fantasy Sports.

⁵ FIFS and KPMG (2020), The Business of Fantasy Sports.

⁶ ESPN cricinfo (2020). IPL 2020 - Dream11 wins title rights after Vivo's exit.

⁷ Insidesport (2020). No NBA broadcast in India but NBA and Dream11 extend fantasy gaming partnership.

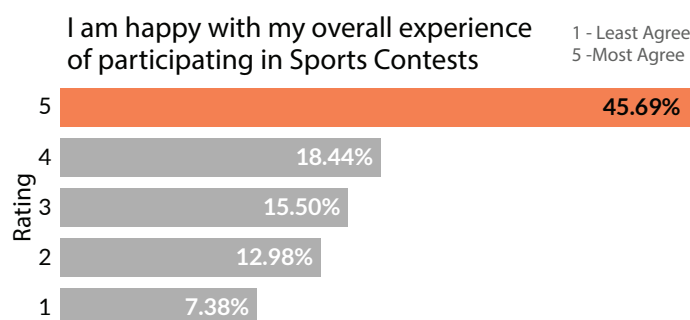
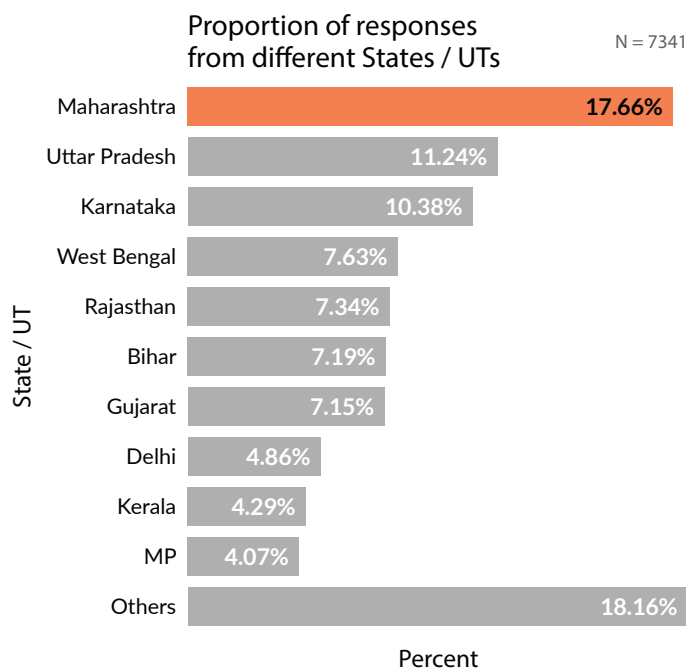
About the Survey

This report is based on responses to an online survey from 7,341 respondents from 29 states/UTs across India. Approximately 80 percent of respondents were from 10 states/UTs, which include Maharashtra, UP, Karnataka, West Bengal, Rajasthan, Bihar, Gujarat, Delhi, Kerala, and Madhya Pradesh. The highest number of responses were received from Maharashtra (1,297), Uttar Pradesh (825), and Karnataka (763). They were asked how strongly they agree with statements about their experience on OFSPs on a scale of 1 to 5, where 1 represents “least agree” and 5 represents “most agree”. 4,708 respondents strongly agreed that they are happy with their overall experience of participating in OFSPs.

Among these respondents,

- **88.08 percent strongly agreed that checking statistics and doing research has been important**
- **82.94 percent strongly agreed that watching sports has become more enjoyable and interesting**
- **84.18 percent strongly agreed that they find it a unique way of engaging with the teams and sports they love**
- **76.04 percent strongly agreed that they have started actively engaging with other like-minded sports fans**
- **69.75 percent strongly agreed that they have started to watch new sports and learn about new players and leagues**
- **70.5 percent strongly agreed that their knowledge and viewing time of sports has increased**

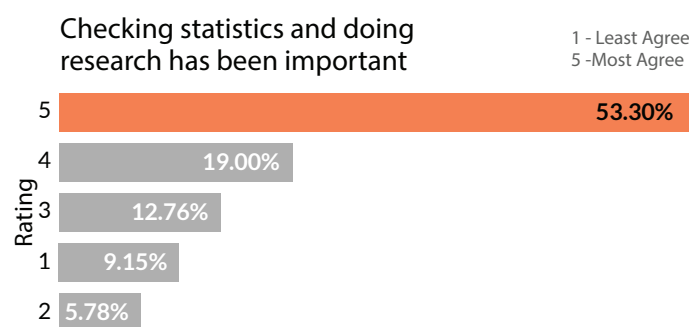
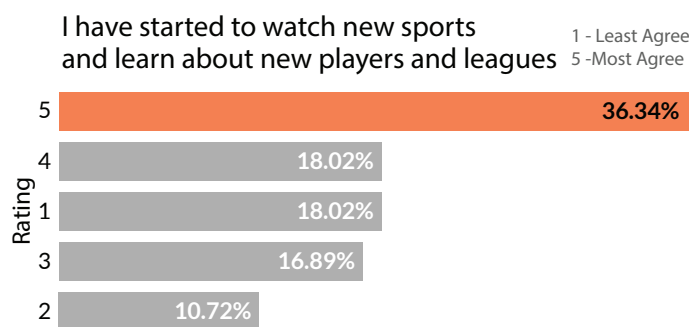
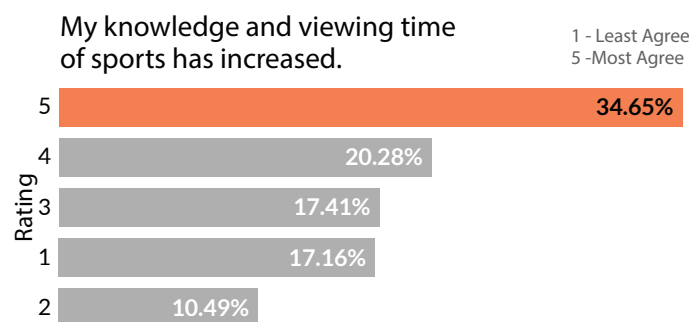
Evidently, OFSPs add multiple dimensions to how audiences experience sports. Survey responses confirm that OFSP participation has increased user interest in sports and related statistics; encouraged them to explore new sports, leagues, and players, and made sports consumption more interesting and enjoyable. As users acquire skills and build networks, an interest in sports becomes more productive and enjoyable for them. This enhanced engagement, if appropriately leveraged, can catalyse a stronger sports economy in India.



Participating in Fantasy Sports Contests has helped increase knowledge of sports, teams and leagues.

OFSPs are skill predominant platforms. Success on fantasy sports platforms depends on “user’s exercise of skill based on superior knowledge, judgement and attention”⁸, according to the Bombay High Court and the Punjab and Haryana High Court. Survey results corroborate these observations, as users reported that they gained knowledge about sports, players and leagues ever since they began participating in Fantasy Sports Contests.

- 54.94 percent of respondents strongly agreed that their knowledge of sports has increased after participating in Fantasy Sports Contests. Users may learn about game formats, rules, and player performance. For example, an American study on fantasy baseball notes that while fans may support teams, engaging in fantasy sports enhances their knowledge about individual players’ performance⁹. Not only do they assimilate new knowledge on OFSPs, involvement in these applications also motivates them to track information about sports from other sources.
- 54.37 percent users strongly agreed that they began watching new sports after participating in Fantasy Sports Contests. Currently, OFSPs in India offer nine sports - cricket, football, basketball, kabaddi, hockey, volleyball, baseball, handball, and rugby. A report on fantasy sports reveals that the share of Contest Entry Amount spent on fantasy sports other than cricket increased from 5 percent in 2016 to 15 percent in 2019, as users began playing games like Kabaddi, Hockey, and Volleyball¹⁰.
- OFSPs provide player performance statistics based on previous real-life matches, which users use to build their teams. More than 70 percent respondents strongly agreed that checking statistics and doing relevant research played an important role in their Fantasy Sports Contest experience. 88.05 percent of respondents who strongly agreed that they started to watch new sports, also asserted that checking statistics and doing research has been important in their fantasy sports experience. Clearly, OFSP participation cultivates deep audience interest in new sports faster than other engagement channels might. In academic settings, fantasy leagues are used to teach statistics, probability, mathematics and strategy to students of all ages¹¹.



- The median ratings for all the aforementioned questions indicate that most users had highly positive opinions about learning from Fantasy Sports Contests:

Question	Median Rating
My knowledge and viewing time of sports has increased	4
I have started to watch new sports and learn about new players and leagues	4
Checking statistics and doing research has been important	5

⁸ Gurdeep Singh Sachar v. Union of India and others, Bombay High Court, Judgement dated 30th April 2019

⁹ Halverson, E. R., & Halverson, R. (2008). Fantasy baseball: The case for competitive fandom. Games and Culture, 3(3-4), 286-308.

¹⁰ FIFS and KPMG (2020), The Business of Fantasy Sports.

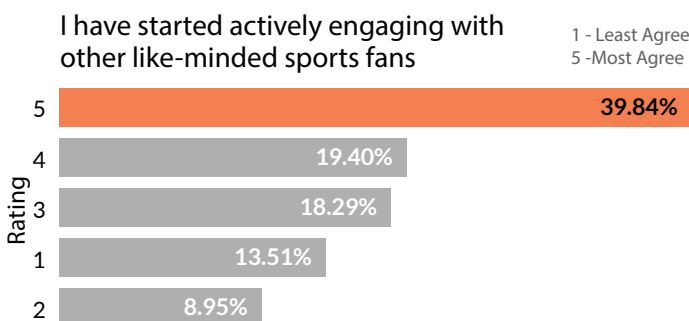
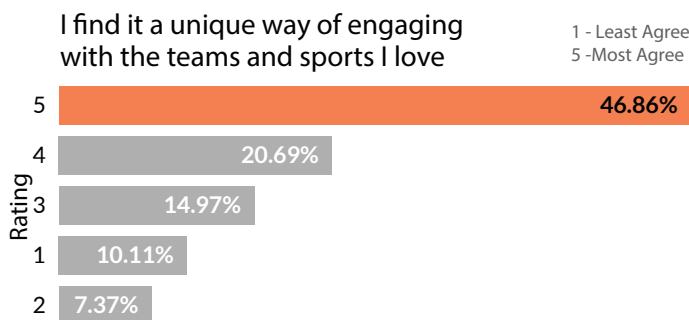
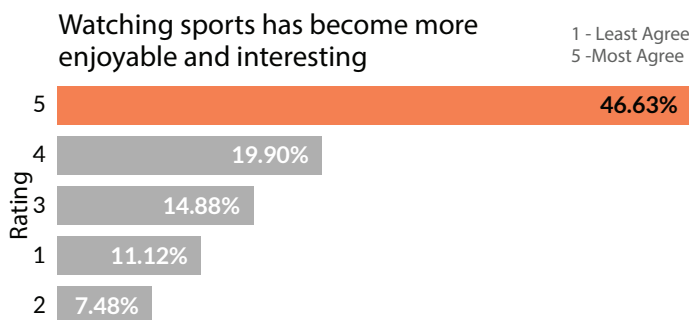
¹¹ Srinivas Gupta (2018), “Real” Simulation through Fantasy: An Exploration in Pedagogy. Indian Institute of Management, Indore Working Paper.

Flockhart, D. (2007). Fantasy Baseball and Mathematics: A Resource Guide for Teachers and Parents, Grades 5 and Up (Vol. 8). John Wiley & Sons.

Increasing engagement between users and sports due to Fantasy Sports Contests

Digital channels of sport promotion acquired novel importance during the pandemic, as they were the only avenue for fan engagement. OFSPs emerged as an important part of these digital engagement strategies for major sports leagues.

- 67.55 percent respondents strongly agreed that Fantasy Sports Contests are a unique way of engaging with teams and sports they love. With the option of selecting one’s own virtual team, as opposed to watching a match on TV or at a stadium, fantasy sports provide a new experience of engagement with one’s favourite teams and sports.
- Users are ‘personally invested in every ball, pass, or point’, as they now experience some level of control over their teams¹². About two thirds of the respondents strongly agreed that watching sports became more interesting after they started participating in Fantasy Sports Contests.
- Close to 60 percent respondents began actively engaging with other like-minded sports fans. Not only do they interact with other users on the fantasy sports platforms, strong communities have also emerged on other websites and social media platforms. Enthusiasts exchange tips and strategies here, and offer advice to new players. 84.87 percent of respondents who strongly agreed that they began actively engaging with like-minded sports fans also strongly agreed that watching sports became more enjoyable and interesting.



- The median ratings for the aforementioned questions suggest that respondents had highly positive opinions about increasing engagement with their favourite sports, teams, and other sports fans:

Question	Median Rating
Watching sports has become more enjoyable and interesting	4
I find it a unique way of engaging with the teams and sports I love	4
I have started actively engaging with other like-minded sports fans	4

¹² The Quint (2020). Can Online Fantasy Sports Help Digital Growth & Boost Our Economy?

Conclusion

While consumers traditionally consume goods and services, they play an important additional role in the internet ecosystem – as generators of the data that is used to calibrate, improve and expand the scope of the services they use. Therefore, their perspective is important to shape the discourse around regulation and further the OFSP sector's development. This survey is an attempt to present the views of consumers in the OFSP ecosystem since their interests are primarily sought to be protected through regulation.

Across various segments of the entertainment market, immersion has become an increasingly important factor. In the context of sports entertainment, online fantasy sports bring alive this immersive experience, by putting players in the thick of complex decisions taken by managers, coaches and selectors. This necessitates a granular engagement with the sport. For instance, OFSP users can compare hundreds of players in a league to assess which of them is likely to perform the best in the coming weeks.

Additionally, this immersive experience demonstrably increases engagement with a particular sport, as consumers watch it more often and engage with like-minded fans.

Thus, online fantasy sports also serve to boost the sports sector in general, in addition to improving the experience of being a fan. Participation in a fantasy sports contest incentivizes OFSP users to become more knowledgeable about the sport. It also makes them discover new leagues or players that they did not earlier know. Online fantasy sports have created an important niche for themselves within the larger sporting fraternity, just like broadcasting, merchandising and sponsorship. As one of the biggest 21st century innovations in sports entertainment, it is essential to facilitate the growth and development of this segment. At the same time, it is important to ensure that consumer interests remain at the forefront of any regulatory interventions or initiatives.