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?

Source: Action Network Inc., 2021
JANUARY 2021
SURVEY OF BETTORS
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?

- Television (Broadcast or Cable): 85%
- TV Web/App (Broadcast or Cable): 46%
- Radio (AM/FM or satellite): 44%
- Social Media: 36%
- On a website: 33%
- Internet video ad: 27%
- Streaming video (non-TV): 26%
- Billboard/Event Signage: 26%
- Internet display/banner ad: 23%
- Streaming TV (w/advertising): 23%
- Internet search engine: 23%
- Email: 21%
- Mail: 15%
- Radio web/app: 14%
- Magazine (Print only): 13%
- Newspaper (Print only): 12%
- Online newspaper: 11%
- Online magazine: 9%
- Text message: 9%
- Movie theater: 8%

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

Almost 80% of Online Gambling Advertising is spent on Local Spot TV

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

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

Source: Nielsen Ad Intel 2.0
ONLINE GAMBLING SPEND ACROSS MARKETS

Top 5 Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Share of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>16.2%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>13.5%</td>
</tr>
<tr>
<td>Detroit</td>
<td>11.2%</td>
</tr>
<tr>
<td>Chicago</td>
<td>7.3%</td>
</tr>
<tr>
<td>Washington DC</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Source: Nielsen Ad Intel 2.0
ONLINE GAMBLING SPOT TV $ TAKING OFF IN LEGAL STATES

As more states legalize online gambling, the dollars flow in

Source: Nielsen Ad Intel 2.0
THE LARGEST SHARE OF ONLINE GAMBLING SPOT TV DOLLARS ARE PLACED IN “NEWS,” NOT “SPORTS”
The top brands make up 96% of Spot TV Online Gambling dollars; Top 3 make up 82%.

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

Source: Nielsen Ad Intel 2.0
SPORTS BETTOR PROFILE

NIELSEN SCARBOROUGH
# PROFILE OF THE U.S. SPORTS BETTOR

<table>
<thead>
<tr>
<th>Segment</th>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports Betting at a Casino</td>
<td>6.0M</td>
<td>Cash Wager on a Sports Event</td>
</tr>
<tr>
<td>Cash Wager on a Sports Event</td>
<td>14.0M</td>
<td></td>
</tr>
<tr>
<td>Played Daily Fantasy Sports Online</td>
<td>7.3M</td>
<td>(DraftKings, FanDuel)</td>
</tr>
<tr>
<td>Played Other Online / Organized</td>
<td>16.2M</td>
<td>Fantasy Sports</td>
</tr>
</tbody>
</table>

| Traditional Sports Bettor            |          |                                                                             |
| Age                                 | 44       | Age 44                                                                      |
| % Male                              | 77%      | % Male 73%                                                                  |
| Total Income                        | $684B    | Total Income $1.5T                                                          |
| Avg Income                          | $113,300 | Avg Income $105,800                                                         |

| New Online Sports Bettor            |          |                                                                             |
| Age                                 | 37       | Age 39                                                                      |
| % Male                              | 77%      | % Male 80%                                                                  |
| Total Income                        | $781B    | Total Income $1.9T                                                          |
| Avg Income                          | $106,400 | Avg Income $115,600                                                         |

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Any Broadcast</th>
<th>Any Basic Cable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports Betting at a Casino</td>
<td>111</td>
<td>122</td>
</tr>
<tr>
<td>Placed a Cash Wager on a Sports Event</td>
<td>111</td>
<td>117</td>
</tr>
<tr>
<td>Played Other Online or Organized Fantasy Sports</td>
<td>106</td>
<td>115</td>
</tr>
<tr>
<td>Played Daily Fantasy Sports Online (DraftKings, FanDuel)</td>
<td>103</td>
<td>119</td>
</tr>
</tbody>
</table>

TOP PROGRAM GENRES TO REACH SPORTS BETTORS

- Sports: 77%
- Movies: 76%
- Comedies: 74%
- Local News: 53%
- Documentaries: 52%
SPORTS BETTORS CROSS STATE LINES TO PLACE THEIR BETS

WHERE DO NY DMA SPORTS BETTORS LIVE?

WHERE DO ROCHESTER-MASON CITY-AUSTIN 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

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

Nielsen Scarborough, New York DMA R2 20 & Rochester-Mason City-Austin DMA Fall 2020
2021 AND LATER YEARS

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

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

**Justin LaPorte**, VP / Local Audience Insights, justin.laporte@nielsen.com
**Paul LeFort**, SVP / Sales Director, Local Media Client Services, 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)*


**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.
Every Tuesday we post a new cast covering vertical ad spend, ad platforms, trending technologies and more. Next week, look for Mark's podcast covering more on Online Gambling.

Listening options found here:
http://bit.ly/LeadingLocalInsights

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