

SCORING BIG WITH SPORTS GAMING

A report on the emergence, consumption patterns, meteoric growth and future of Fantasy Sports in India



IFSG

INDIAN FEDERATION
OF SPORTS GAMING



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EXECUTIVE SUMMARY

Sports consumption used to be about putting your feet up and sinking into a good game. In the last couple of decades, it has evolved into shorter and more exciting formats to get fans to move from the comfort of their couches to the edge of their seats. The action only kept getting hotter with the emergence of leagues and the expansion of the sports repertoire beyond Cricket - to Football, Kabaddi and more. As fans crave deeper engagement with the sport they love, and a desire to be part of the action, Fantasy Sports is becoming the rising new star on the block.



Technology has provided the tailwinds to propel every aspect of human life, and this is spectacularly true of sports as well. Technology has brought fans closer to the action, and is facilitating engagement with their favourite sports in newer ways than ever before. Today, real-time conversations around live matches have peaked and brought a community aspect to sports consumption, and the new category of Fantasy Sports has gone a step further to transform viewers into effective participants in real-time sports.

However, technology is one aspect of the sea change that has swept the sports ecosystem in India. Growing affluence and the widening of the base of sports fans has, in the last decade, led to sports becoming the cornerstone of entertainment for consumers all over the country.

Sport as an essential driver of entertainment is a narrative that has been building up over the last fifteen years or less. Cricket was transformed with the birth of the T20 format. That was followed by the launch of the IPL (Indian Premier League) which fed the modern consumers' appetite for short-format entertainment, and brought a whole new set of consumers into the sports consumption fold. The success of the IPL led to the mushrooming of other sports leagues including Football, Kabaddi, Badminton, Basketball and Wrestling.



The genre (Fantasy Sports) has allowed fans to go from being passive viewers to active users - with an opportunity to use their knowledge, skill and understanding to win in online versions of actual offline games.



The evolved sports fan, with an adventurous temperament and a native comfort with technology, has taken no time to adopt and propagate Fantasy Sports. In Fantasy Sports, users become participants by putting together virtual teams of real players. Unlike simulation games, outcomes of Fantasy Sports are based on the actual statistical performance of players in real matches. Success in the arena of Fantasy Sports is based on a keen knowledge of actual players, their form, strengths, weaknesses and strategy. Therefore, it is essentially a Game of Skill. In India, Fantasy Sports is widely played across Cricket, Football, Kabaddi and Basketball, potentially giving over 2 crore sports fans in the country an opportunity to demonstrate their knowledge and become a part of the action. Worldwide, Fantasy Sports is a burgeoning segment with several operators, hundreds of businesses and millions of users.

The genre has allowed fans to go from being passive viewers to active users – with an opportunity to win in online versions of the game by exercising their understanding of the offline version. As a fast-emerging section of Sports Gaming, Fantasy Sports has found favour with all sports fans across India. The adoption is being spearheaded particularly by independent, working professionals with a disposable income who view Fantasy Sports as a means for entertainment and as an imperative part of their sports consumption experience.

The burgeoning interest in this field among consumers and the subsequent entry of a slew of operators and service providers gave rise to the need for IFSG. As a collective body, IFSG aims at furthering the cause of the industry and protecting the interests of users.

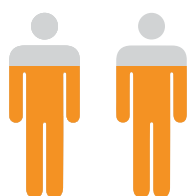
Today, Fantasy Sports in India has about 50-odd operators running the show. Among all these operators, Dream11 has the biggest market share.



This report is the first attempt to understand consumer interest and offer insights into the assuredly bright future of Fantasy Sports within Sports Gaming in India. Early readings reveal the high incidence of Fantasy Sports among the core male audience of 18-35 from NCCS AB towns. Interestingly, Fantasy Sports is not an isolated metro phenomenon, but is growing rapidly in non-metro cities as well.



2 out of every 3 people are aware of Fantasy Sports



Fantasy Sports is very sticky. About 96% of the people who have ever played, have played it at least once in the past 1 year. And at least 89% have played it in the past 1 month.



The audience mostly comprises young, independent Indians with high disposable incomes



Users in non-metro cities are adopting Fantasy Sports as well as metro cities

The fractions and percentages represented in this graphic are out of a base of 2724 respondents who are 18-35, male, Indian across selected cities.

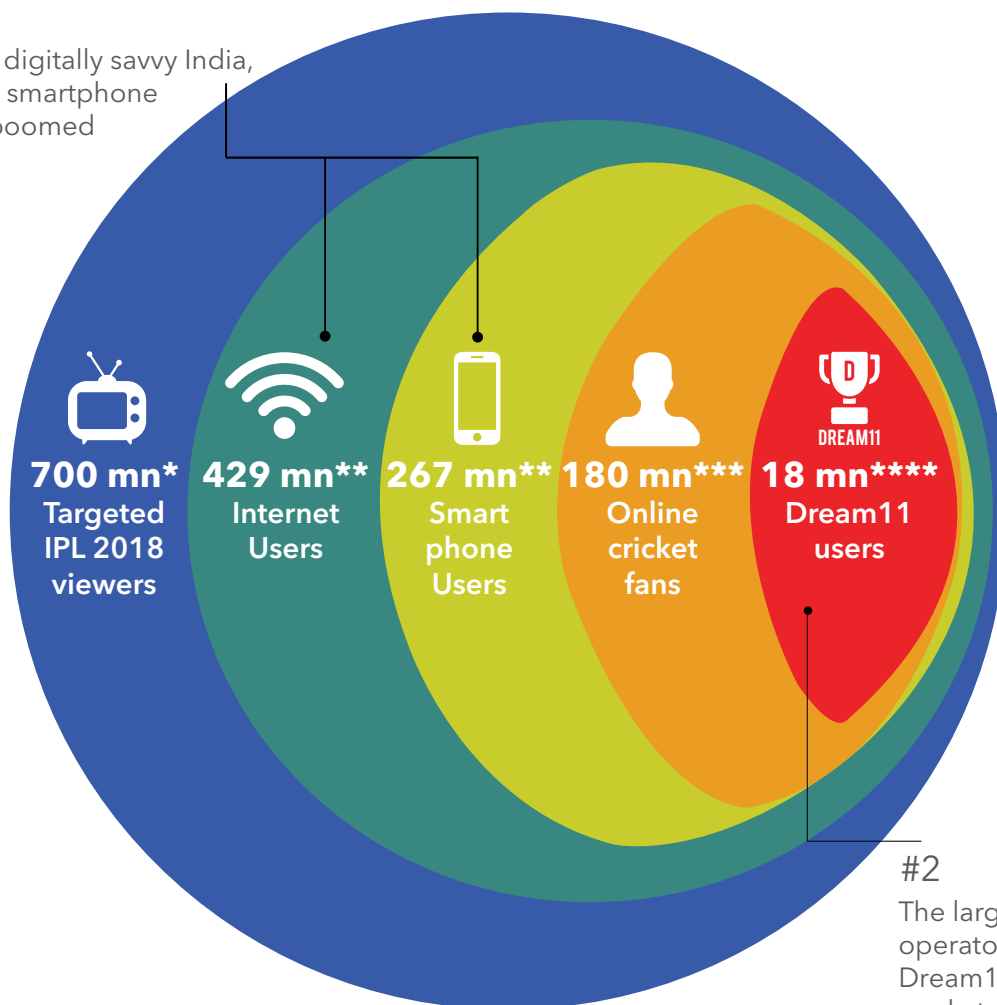
From where we are at today, Fantasy Sports looks poised to revolutionise sports consumption, by making the experience more immersive, highly engaging and broadening the fan base well beyond the conventional set. It is truly changing the relationship fans have had with sports over the years, and evolving India into a bigger and more passionate sporting nation.

THE UNPARALLELED POTENTIAL OF FANTASY SPORTS

THE SIZE OF POTENTIAL USERS IS IN TENS OF MILLIONS!

#1

In the newly digitally savvy India, internet and smartphone users have boomed



#2

The largest Fantasy Sports operator in the country is Dream11 with 90% of the market share.

*A MASSIVE TWO OUT OF THREE
ARE AWARE OF FANTASY
SPORTS IN INDIA*



- Survey conducted by Nielsen in 12 cities in India. Amongst 2724 respondents
- TG- NCCS AB males, internet users with affinity to sports

High awareness, low penetration shows a huge headroom for growth. India has just scratched the surface of Fantasy Sports

ABOUT IFSG



Formed in 2017, Indian Federation Of Sports Gaming (IFSG) is India's first and only Sports Gaming self-regulatory industry body formed to protect consumer interests and to create standardised best practices in the Sports Gaming industry.

The Sports Gaming industry comprises of any company that operates online sports-based Games of Skill (which may include e-sports, Fantasy Sports and casual sports games). IFSG aims to create a thriving ecosystem for users & operators by laying guidelines for a common set of practices, setting standards of operation and creating a regulatory framework to protect user and operator interests. Further, IFSG takes the lead on promoting Responsible Gaming.

IFSG works with key stakeholders to create a conducive environment and ensure the growth of Sports Gaming in India by being the unified voice of the industry. These stakeholders include various sports leagues, sports fans, Sports Gaming operators, policy analysts, law firms, economists and statisticians, tech providers, payment gateway providers, tax consultants, growth enablers (online and offline media platforms), business consulting firms and government representatives.

ABOUT THE REPORT



In India, Fantasy Sports is a relatively new domain which is gaining popularity. To assess the size, scope and impact of the industry, IFSG commissioned research with Nielsen - a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide – to survey the ecosystem and provide an understanding of the market with statistics and data points.

A survey across 2724 males in the age group of 18-35 years belonging to NCCS AB and followers of Cricket, Football or Kabaddi was conducted. The respondents were recruited across 12 cities for an all India Urban representation of the category. This survey helped in understanding the awareness and playing behaviour of Fantasy Sports users.

FROM THE DESK OF IFSG

They have been there and done that. Now, Indian consumers want something new. They are young and far less inhibited about change than the generations before them. They tire easily, and are wired for new technology. All this is especially true of the new-age sports consumer. They have embraced new sports, seen the leagues, streamed matches on-the-go and shared their views with complete strangers online, during matches and in real-time. There is an online-offline continuum that this generation thrives in.

“

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So, what next?

Because of this sentiment, the sports ecosystem is being pushed to innovate and deliver newer formats to delight sports fans. Not long ago, this gave rise to sporting leagues that innovated and devised fresh ways to engage fans, driving consumption through the roof. Pulsating at the cross section of sports and technology, Sports Gaming is well-poised to be the next frontier in sports engagement and consumption. With a delightful online-meets-offline and skill-meets-judgement mix, Fantasy Sports, one of the most popular Sports Gaming formats, is ready to explode!

In the US, Daily Fantasy Sports is a 7.22 billion USD industry *. In USA and Canada alone, there are 59.3 million (5.93 crore) Fantasy Sports users. With India showing fervent enthusiasm, the numbers are certain to swell very soon. 67% Indian males between 18-35 years are aware of Fantasy Sports!

USA AND CANADA MARKET



In USA and Canada alone, there are **59.3 million** (5.93 crore) Fantasy Sports users

59.3 M

In the US, Daily Fantasy Sports is a **7.22 billion USD** industry

**USD
7.22
bn**

* According to a new research conducted by Ipsos Marketing for the Fantasy Sports Trade Association (FSTA) and unveiled on June 20 at the 2017 FSTA Summer



But with the rise of Fantasy Sports and the power it has, comes a sense of responsibility. Regulation for the protection of the interests of consumers as well as the entire ecosystem becomes essential to any new industry, and it is no different for Fantasy Sports. These mandates have been determinedly taken up and pursued by IFSG, to cover regulatory compliance, taxation guidelines, user fund protection, legality of Fantasy Sports, and breach & consequences.

This report is the first on the Indian Fantasy Sports industry and is aimed at creating value for the entire ecosystem including operators, sports leagues, consumers and businesses, by giving data-backed views on the industry. From a macro perspective, an understanding of the current scenario and future opportunities in Fantasy Sports is likely to help develop the sports category by introducing new ways for consumers to engage with their favourite sports.



“

Today, Indian sports fans enjoy a truly immersive and engaging viewing experience thanks to the convergence of sports and technology. With the advent of affordable smartphones and high-speed internet access, there has never been a better time to be a sports fan in India. The rise of Sports Gaming has been the perfect catalyst in helping fans engage even more with the sport they love.

Over the past decade, Fantasy Sports has been at the helm of evolving the Indian sports fans' experience by giving them the perfect platform to showcase their sports knowledge and skill. 800 million Indian passive sports viewers now have the opportunity to become active participants in every single match. Fantasy Sports is the start of a revolution that will change the face of the sports industry forever. And this is only the beginning.

Harsh Jain

Chairman, IFSG
CEO & Co-Founder, Dream11

NIELSEN VIEW



Ashish Karnad
Executive Director, Nielsen India

Fantasy Sports Gaming is an emerging phenomenon in Urban India – which gives sports fans an opportunity to use their knowledge, skill and understanding of the sport and players to win in online versions of actual on-ground games. Among sports enthusiasts, 2 out of 3 people are aware of fantasy sports.





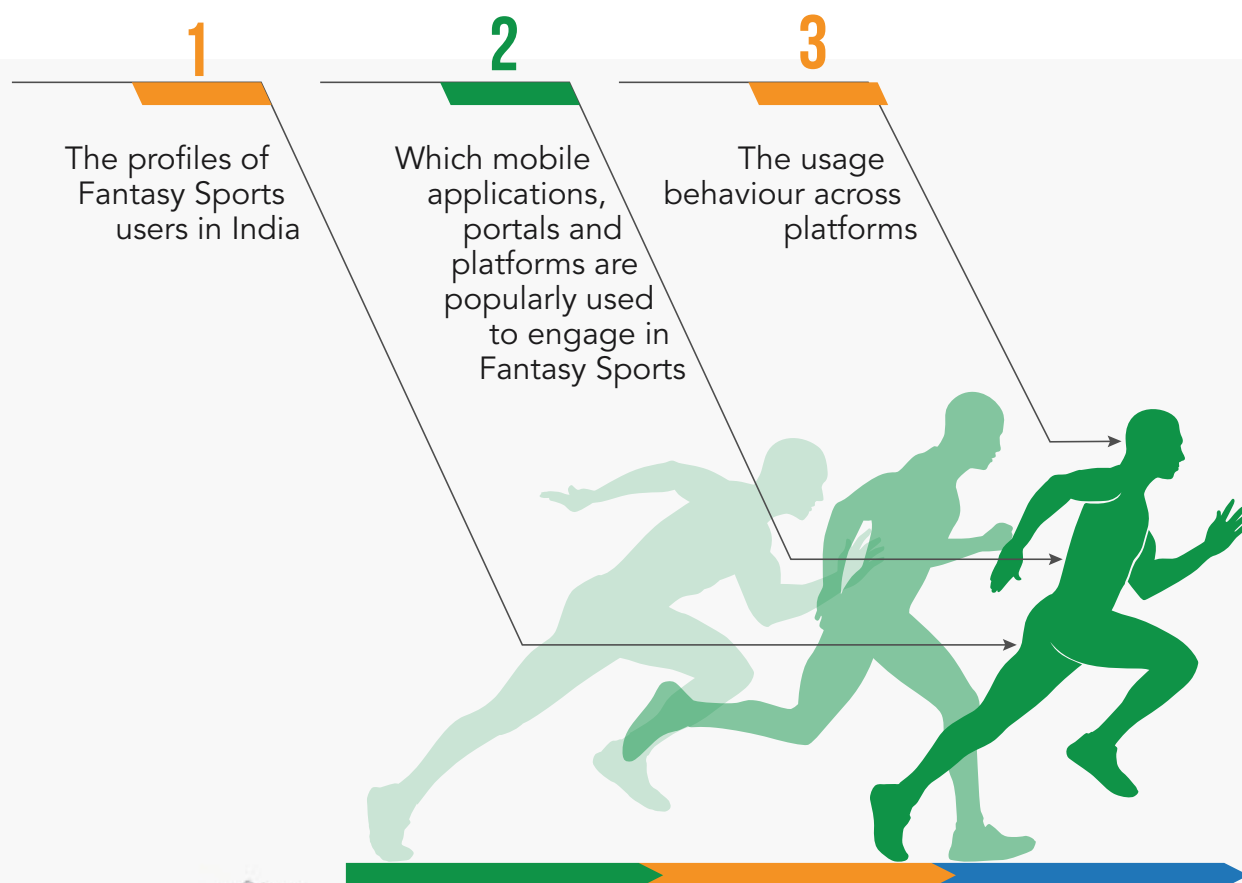
PART 1

AWARENESS AND EXPLOSION OF FANTASY SPORTS

FANTASY SPORTS - WHO PLAYS AND WHY?

Changing consumption patterns spur innovation; new offerings enter the marketplace and challenge behemoths, newer ways to consume existing offerings evolve, etc. However, fast-evolving consumer tastes also result in some great ideas that make a promising start in the market, but fizzle out rapidly without being able to evolve efficiently enough to keep pace with consumer demands. Therefore, the objective behind studying the Fantasy Sports market in India was to analyse where it stands now and where it's headed.

INDIAN MALES BETWEEN THE AGES OF 18 - 35 WERE SURVEYED TO UNDERSTAND:



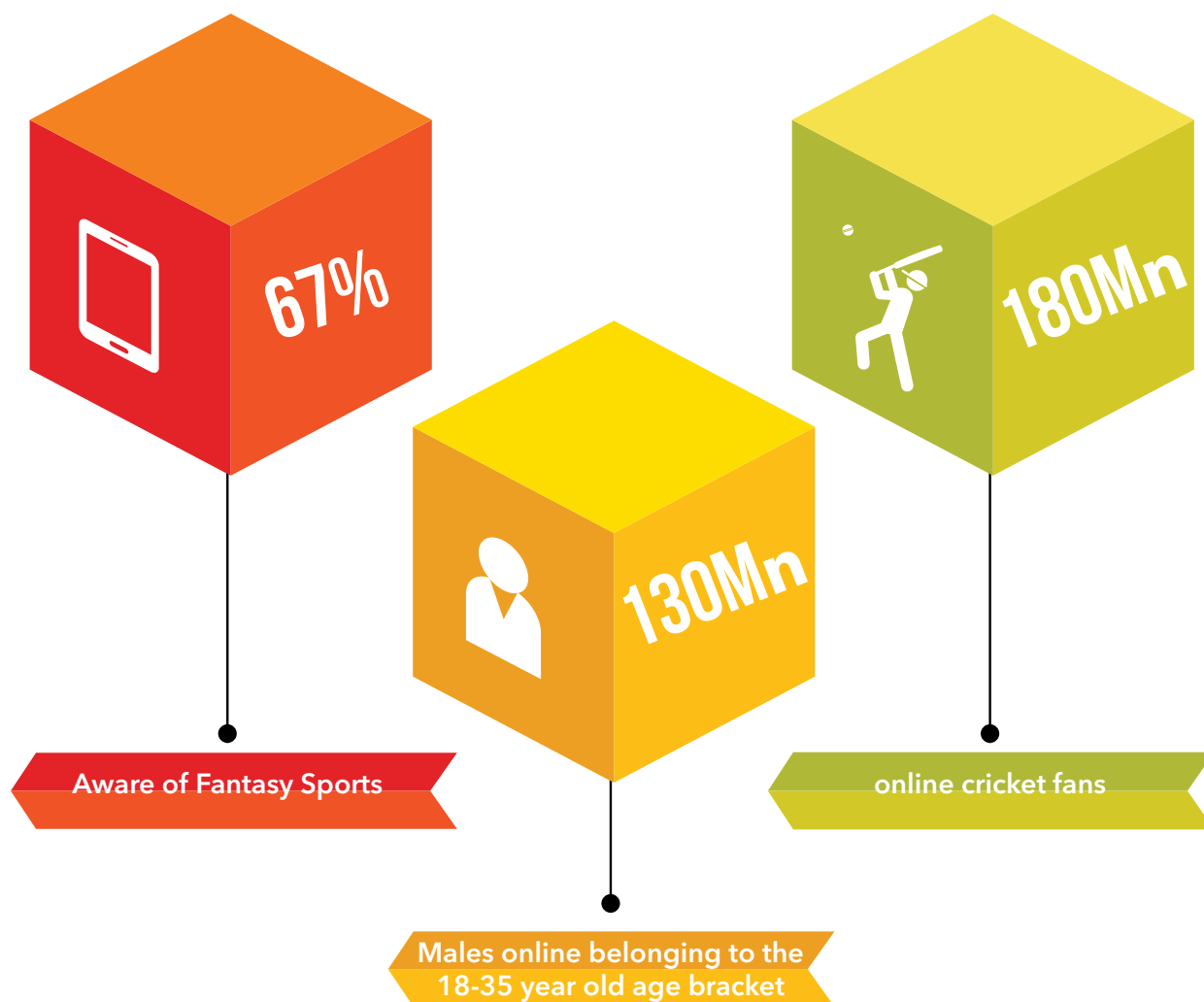
BEYOND BOUNDARIES - AWARENESS AND GEOGRAPHICAL SPREAD OF FANTASY SPORTS

Numbers based on a large-scale population establishment survey by Nielsen show that awareness of Fantasy Sports is high in India, with 67% people surveyed being aware of the industry. Significantly, the engagement level of Fantasy Sports is so high, that users continue playing and dropouts are miniscule; a mere 2% have lapsed out.

Statistics also show that contrary to conventional wisdom, Fantasy Sports is as popular in non-metros as it is in metro cities.



A MASSIVE TWO OUT OF THREE PEOPLE ARE AWARE OF FANTASY SPORTS IN INDIA

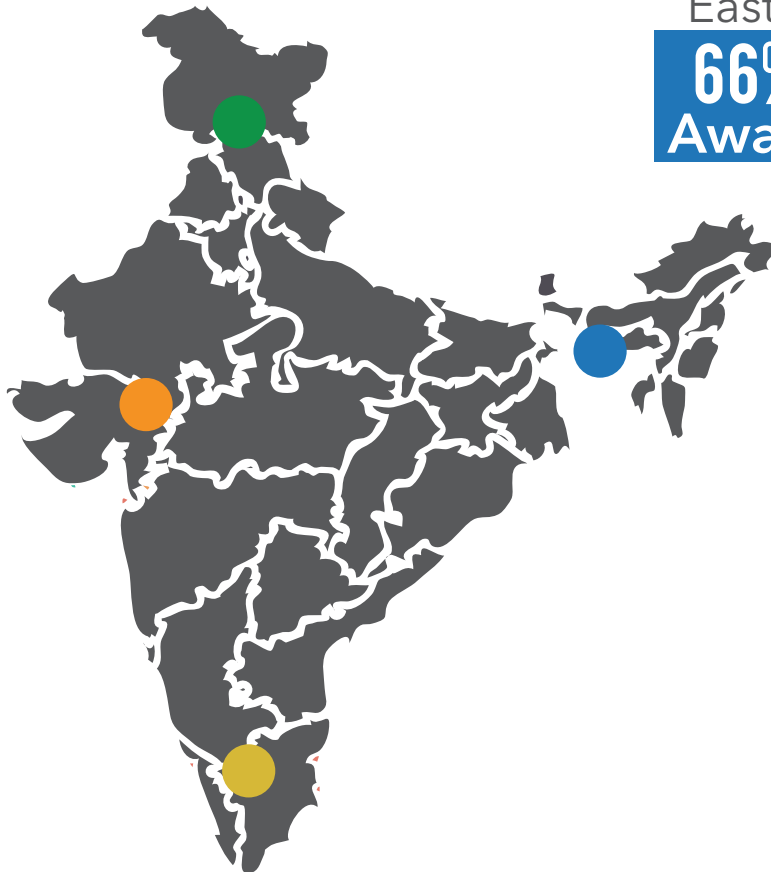
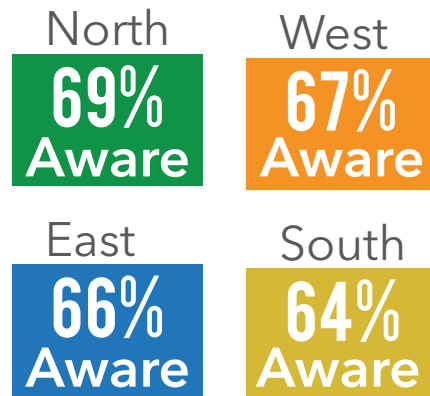


Base = 2724 | Cricbuzz/Hotstar Potential IPL 2018 unique reach



FANTASY SPORTS IS A GROWING PHENOMENON ACROSS THE COUNTRY

NORTH AND WEST INDIA SHOW marginally higher AWARENESS AS WELL AS PARTICIPATION



North Base: 657 respondents interviewed in Delhi, Lucknow, Jaipur ; East Base: 451 respondents interviewed in Patna and Kolkata ; West Base: 906 respondents interviewed in Mumbai, Ahmendabad, Indore, Pune ; South Base: 710 respondents interviewed in Hyderabad, Banglore, Vijayawada

India is culturally and demographically diverse, with users across zones and town classes displaying variations in usage patterns. Statistically, users from North India display a higher awareness of Fantasy Sports and participate more.



As the Digital India dream gets rapidly realised, non-metro cities and towns are becoming better connected, with more access to information and market offerings. Therefore, it isn't surprising that research reveals that Fantasy Sports is just as popular in non-metro cities in India.

USAGE PATTERNS IN METRO CITIES VS NON-METRO CITIES

METRO CITIES

65%
Aware

Metro cities surveyed:

Mumbai, Delhi,
Bangalore, Kolkata,
Ahmedabad,
Hyderabad

NON METRO CITIES

69%
Aware

Non-metro cities surveyed:

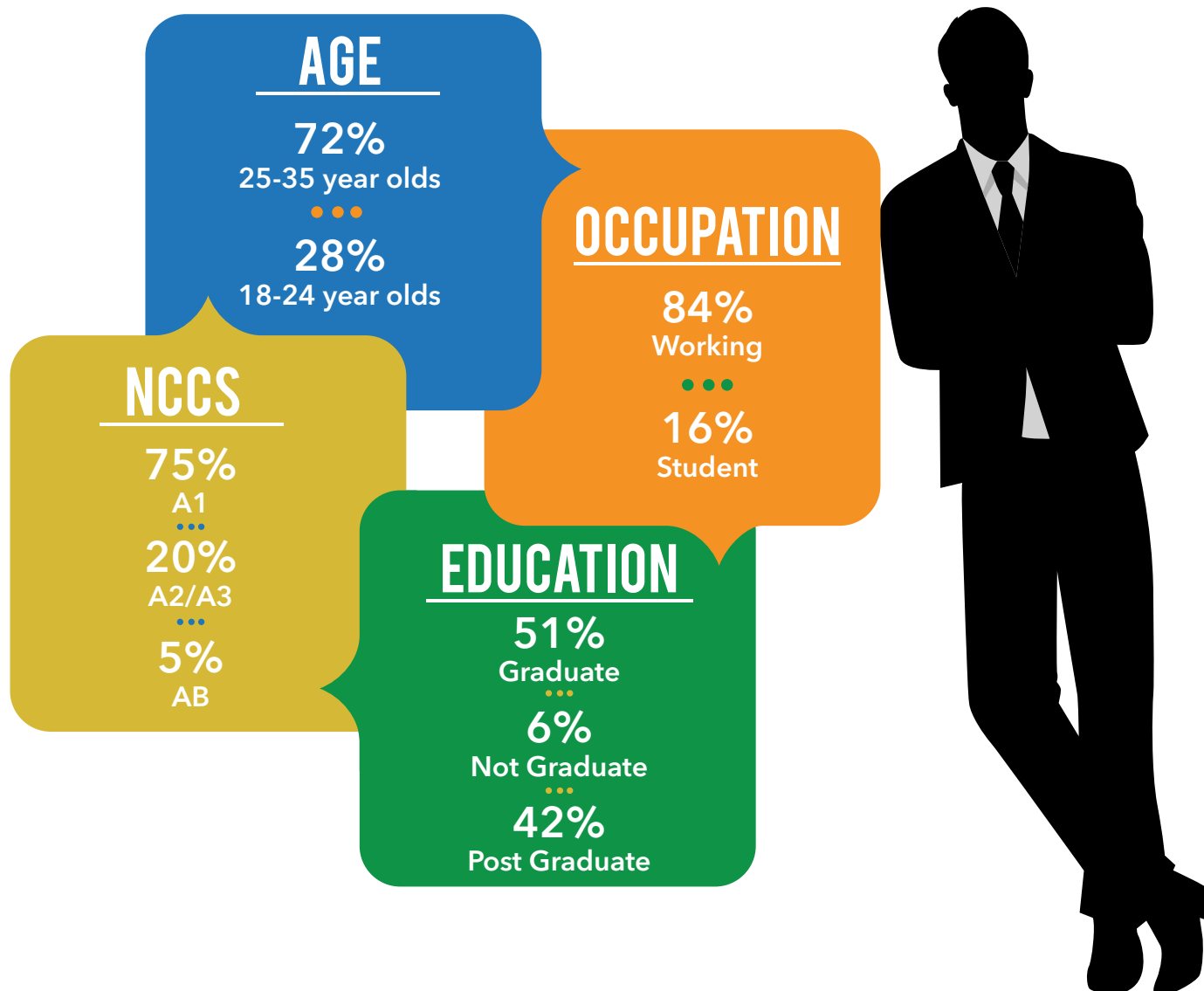
Lucknow, Jaipur, Pune,
Vijaywada, Indore, Patna

THE PROFILE OF THE EVOLVED, FINANCIALLY INDEPENDENT FANTASY SPORTS USER

Geographical variations aside, demographically, Fantasy Sports users are independent, married, well-educated, working professionals with a disposable income. The affluent NCCS A1 section of consumers display the highest awareness of Fantasy Sports by far.

THE MAN BEHIND THE USER

The numbers reflect the players who have played in the past year (P12M).



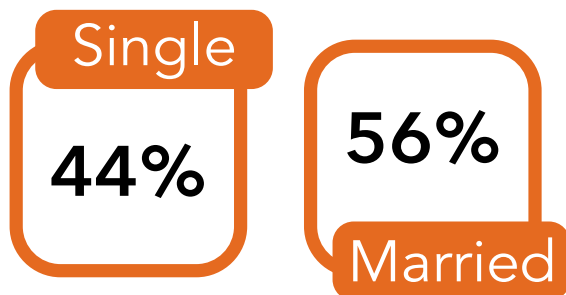
Base: 1172 respondents that played Fantasy Sports in the last 1 year | All numbers refer to users who have played in the past 12 months



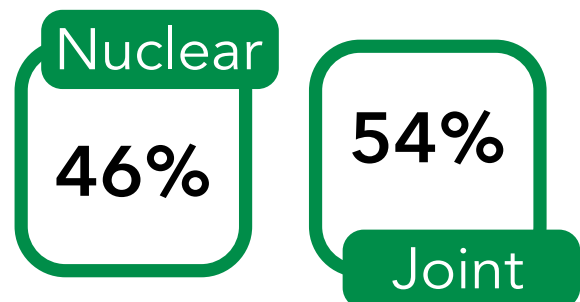
Fantasy Sports users are typically married men with high incomes. Non-users are more likely to live in a nuclear household with a lower monthly income. The figures seem to support the hypothesis that those with a higher monthly allowance are more probable to consume Fantasy Sports.

FANTASY SPORTS FINDS A FOOTING IN EVERY HOUSEHOLD

Martial Status



Household Composition



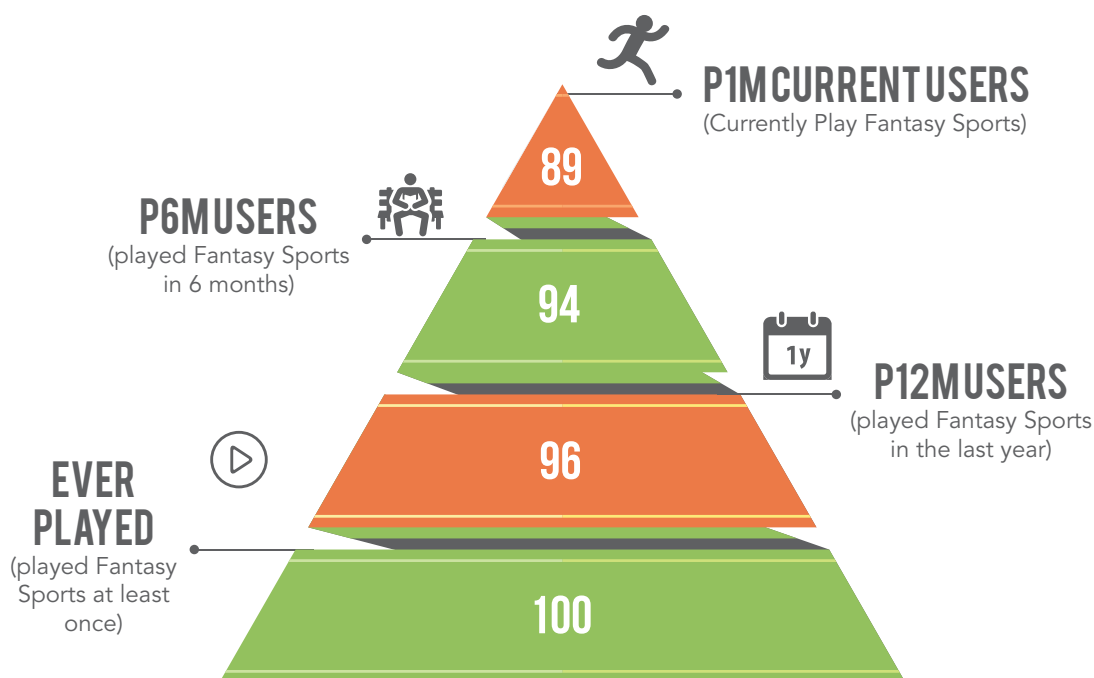
Base: 1172 respondents that played Fantasy Sports in the last 1 year | All numbers refer to users who have played in the past 12 months

KEY GROWTH INDICATORS OF FANTASY SPORTS AMONG CONSUMERS

Encouragingly, most people who are aware of Fantasy Sports try their hand at it and then continue to play. This indicates a high level of engagement and affinity, which is reassuring for operators and the entire ecosystem in India.

89% people who have ever played Fantasy Sports continue to play it, a testament to how highly engaging and sticky the category is. The phenomenally high retention rates have set a benchmark in the industry.

BENCHMARK STICKINESS- ONCE AWARE, USERS TEND TO CONTINUE TO PLAY



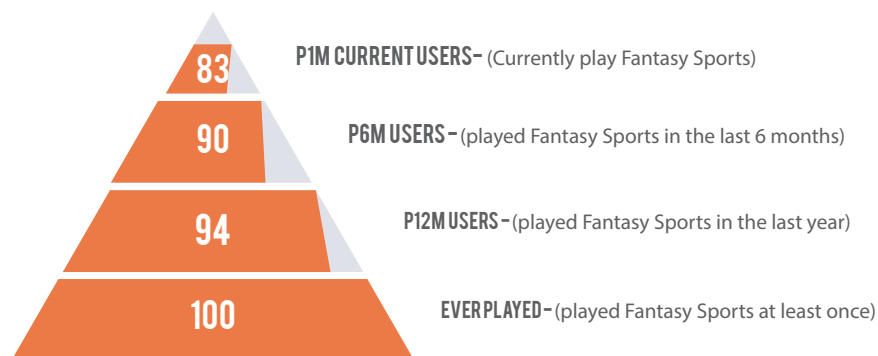
All India Base = 2724 | All numbers are in %

Users of all ages are consistent with their playing habits. Of those who have ever played in the ages between 18 and 24, 94% have played in the past year. Meanwhile, of those who have ever played and fall in the ages between 25 and 35, 97% have played in the last 12 months. Both rates are phenomenally high, demonstrating that users of all ages enjoy playing Fantasy Sports.

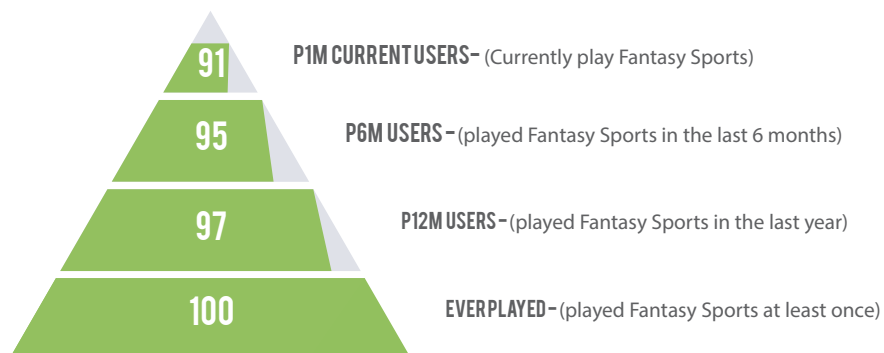


FANTASY SPORTS USERS ARE CONSISTENT WITH THEIR PLAYING PATTERNS

18-24 YRS



25-35 YRS

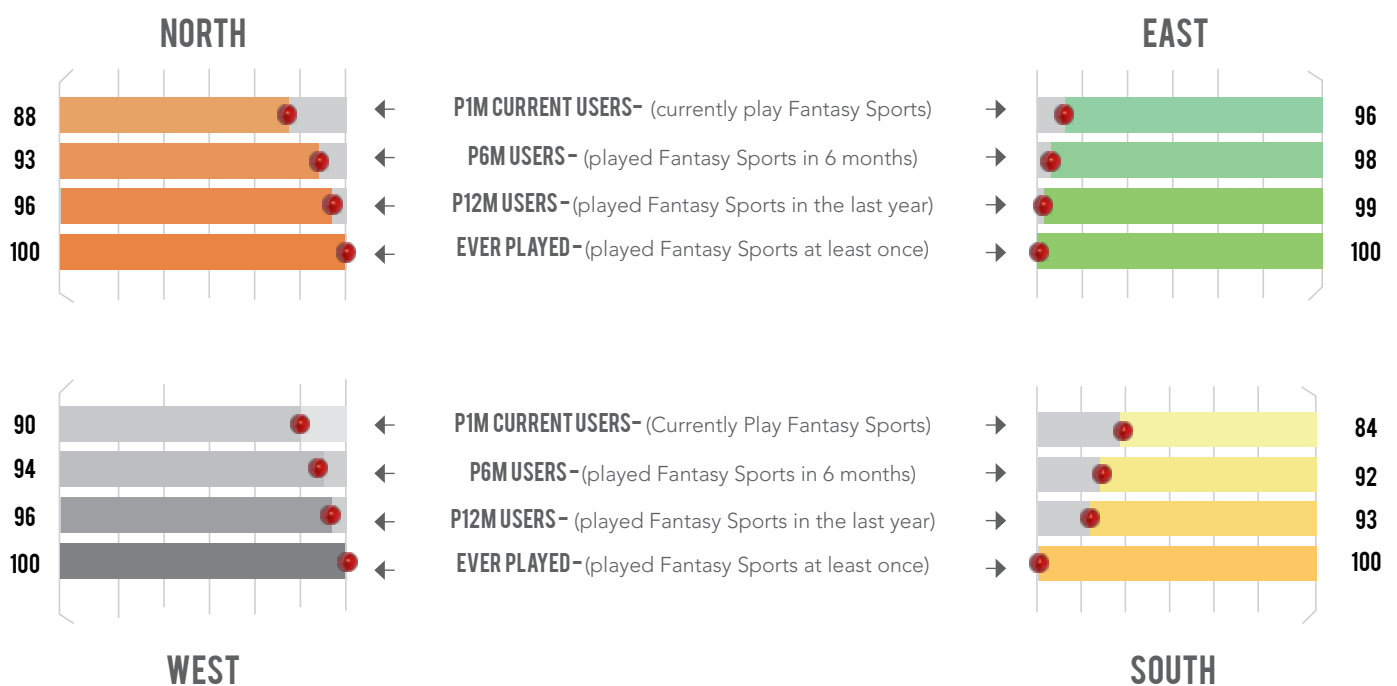


Base: 18-24 yrs = 355; 25-35 yrs = 869 | All numbers are in %



Regionally, almost all those who have ever played Fantasy Sports have played again in the past 12 months in East India. Simultaneously, those in West and North India also display a desire to continue playing once they have begun.

IN EAST INDIA, ALMOST ALL CONTINUE TO PLAY

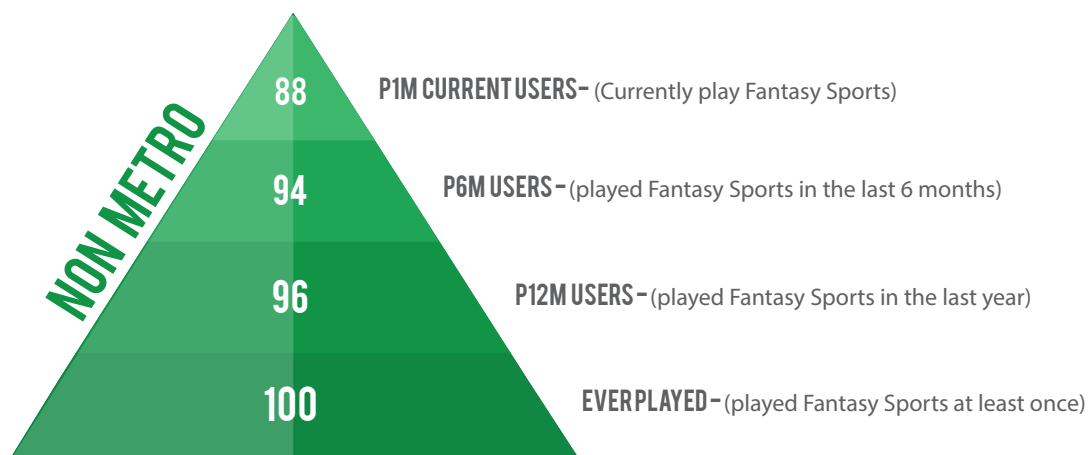
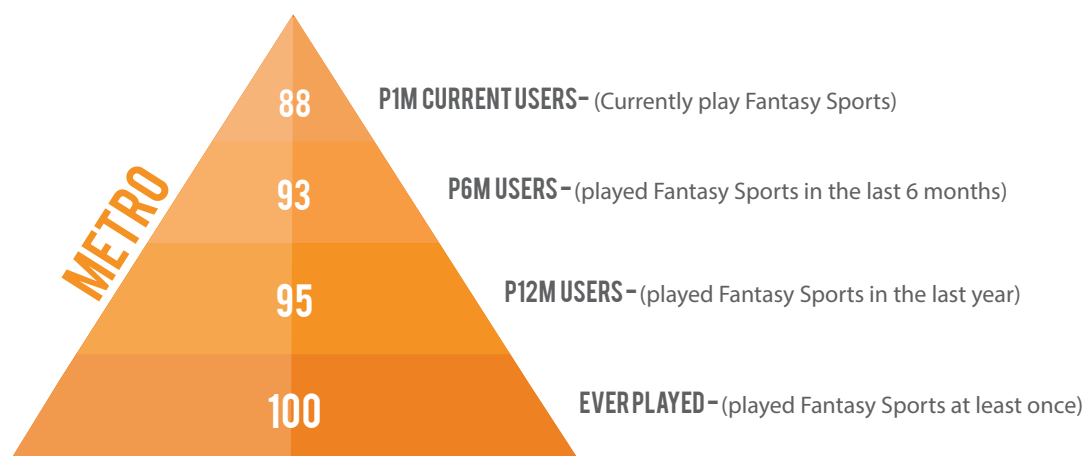


North Base: 326 respondents that played Fantasy Sports in Delhi, Lucknow, Jaipur; East Base: 185 respondents that played Fantasy Sports in Patna and Kolkata; West Base: 416 respondents that played Fantasy Sports in Mumbai, Ahmedabad, Indore, Pune; South Base: 297 respondents that played Fantasy Sports in Hyderabad, Bangalore, Vijayawada



The Fantasy Sports category is firmly on the path to growth among eager fans. 95% of those in metros who have ever played, played in the last 12 months and the figure for non-metro residents is just as high at 96%. Both experience high stickiness. With similar figures, it is clear that both are accepting Fantasy Sports widely.

FANTASY SPORTS HAS BEEN EMBRACED BY METRO CITIES AS WELL AS NON-METRO CITIES



All numbers are in % | Metro Base: 648 respondents that played Fantasy Sports in Mumbai, Delhi, Bangalore, Kolkata, Ahmedabad, Hyderabad
Non Metro Base: 576 respondents that played Fantasy Sports in Lucknow, Jaipur, Pune, Vijayawada, Indore, Patna



PART 2

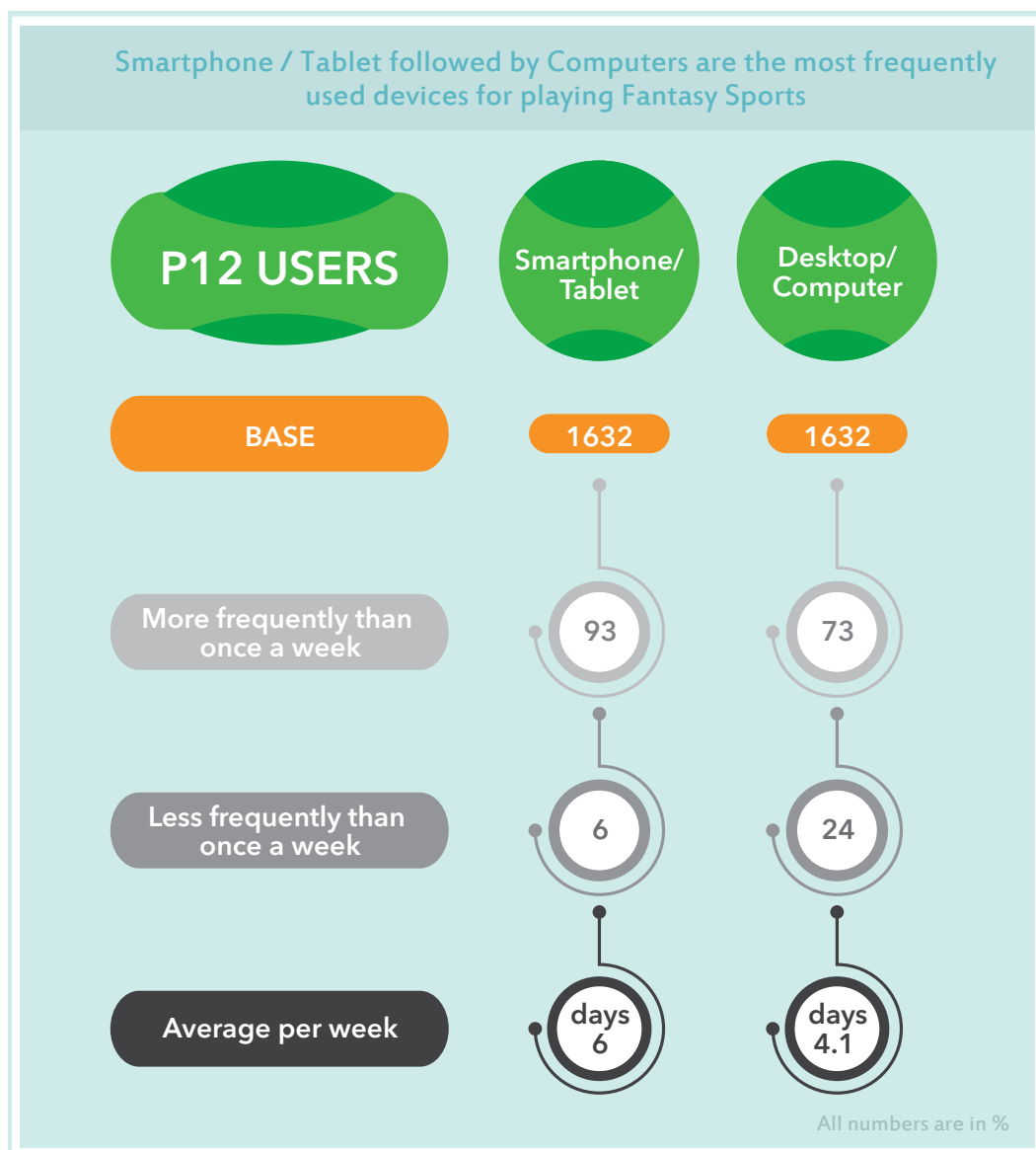
HOW, WHEN AND WHY USERS ENGAGE WITH FANTASY SPORTS

DEVICES THAT POWER FANTASY SPORTS, AND CONTESTS THAT DRAW NUMBERS

Screens are getting smaller but their role in the lives of consumers are getting bigger to the point of explosion. Today's reality is that trends in device usage will certainly have significant ramifications on entertainment and content. The device of choice for Fantasy Sports users, for instance, is mobile (smartphone/tablet). India has been growing as a mobile-first nation, and Fantasy Sports users have demonstrated just that as well.



PREFERRED DEVICES OF FANTASY SPORTS USERS





Fantasy Sports users juggle multiple contests with almost as much ease as they juggle multiple platforms. Statistically, 75% of users who play on a single platform participate in upto three contests at a time. However, only 60% of those who play on multiple platforms can manage three contests simultaneously.

USAGE BEHAVIOUR - HIGHER ENGAGEMENT MEETS HIGHER PARTICIPATION

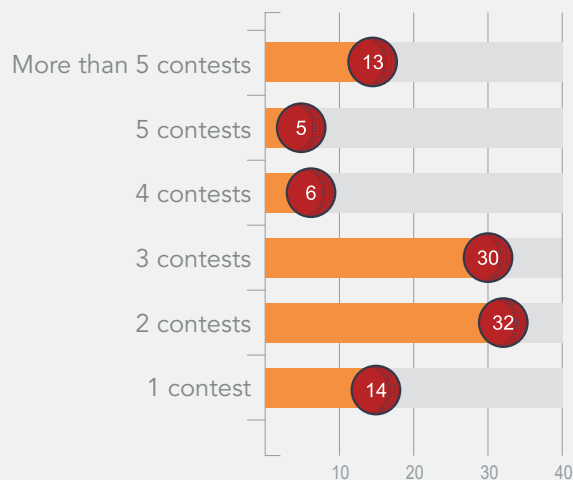
NUMBER OF PLATFORMS

Only 1 Platform ---

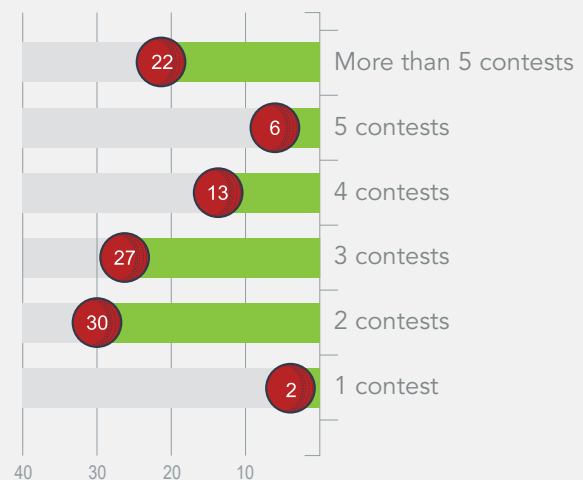


--- More than 1 Platform

Of those who play on only one platform,
number of contests played at a time



Of those who play on more than one platform,
number of contests played at a time



All numbers are in %



The rising popularity and adoption of Sports Gaming, and Fantasy Sports in particular, will inevitably drive up sports consumption. The deeper engagement that Fantasy Sports drives in consumers is likely to spur a greater passion for sports in general. In the brightest version of the foreseeable future, innovation in the world of sport and the rapid growth of Fantasy Sports users will nudge India to become a greater sporting nation.

ABOUT NIELSEN



Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com

THE BACKSTORY

RESEARCH METHODOLOGY AND PANEL RECRUITMENT



METHODOLOGY

- Self administered survey was filled by online panelists
- The respondents were recruited based on the target group criteria



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