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Is There a Relationship Between Sport Gambling and Fandom?

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Taylor University

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Professor Amy Stucky

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Is There a Relationship Between Sport Gambling and Fandom?

The concept of gambling dates all the way back to 2300 B.C. when the first known record was created (Ohio for Responsible Gambling, 2023). Over the course of the last 4,300 years, gambling has evolved from wagering food or animals to millions of dollars (Ohio for Responsible Gambling, 2023). And not only can people now walk into a casino to wager on their favorite card game or at a roulette table, but now people in the majority of the United States and other countries around the world can bet on their favorite sports. The people who took part in the creation of the first casino in Italy around 1600 probably never would have thought their invention would grow into what it has become today (Ohio for Responsible Gambling, 2023).

If a person conducts the proper research, it is very possible to turn a profit betting on sports (Wann et al., 2015). However, regardless of the amount of research someone does, there is no guarantee that the players or teams they choose to bet on will always perform well enough to win the majority of their wagers (Russell et al., 2019). For some people, it can become a dangerous addiction as they find themselves in an endless cycle of continuously losing yet believing the next bet has to hit (Russell et al., 2019). While there is a lot of potential for sports betting to have detrimental effects emotionally and financially, those who are smart about their wagering habits tend to find themselves more engaged in sports altogether (Russell et al., 2019).

Advertisements from the different sports books along with the desire for an adrenaline rush or added competition with a friend are among the factors as to why people who bet choose to do so (Wann et al., 2015). Whether a person chooses to use their money this way or not is their own decision. But among those who do, it is interesting to learn more as to why it has become as popular as it has both in the United States and abroad. Therefore, the purpose of this study is to

explore the history and prevalence of sport gambling and overall effects related to participation and fandom.

Literature Review

Implementation of Sports Betting

The Professional and Amateur Sports Protection Act (PASPA) of 1992 outlawed sports gambling in all U.S states with the exception of Nevada. However, in 2018 this was overturned. Since it was overturned, states have had the option to legalize sports betting. 36 of the 50 U.S states have legalized sports betting in the last five years (Yakowicz, 2023). Some states only allow betting to take place in the casinos while other states also allow sports betting to take place online. These online betting options have gained popularity because of how easy it is to place a bet on a smartphone.

Every professional game and the biggest college games have an opportunity to get bet on. There is also an opportunity to bet on events that take place during the season. For example, someone could bet on the Buffalo Bills to win the super bowl before the season starts. There is also an opportunity to bet on how many points are scored, who scores them (or how much), and who is going to win the game (Plantana, 2023).

There also is the common way of betting which is against the spread. The spread looks at which team is most likely going to win and figure out how much it is believed they will win by. If a team is favored in a game by 2.5 points, the spread in the game would feature the favored game being -2.5 meaning that if a bettor picks them that team would have to win by at least 3 points (Forbes). When a bettor looks at odds during a season they would see a number like +300 for a team to win their respective championship. The +300 is how much money a bettor would make if they bet \$100 and won (Yakowicz, 2023).

Eggl (2022) argued that it was time to make sports betting legal in the state of North Dakota. When discussing what sports betting is he mentioned that the profit margin is much smaller for casinos in sports bets vs. traditional casino games. He stated that sports betting typically gives the casinos a 4.5% profit margin while games like blackjack, craps, and roulette typically give casinos a 13-19% profit margin (Eggl, 2022).

Eggl (2022) also mentioned how much money other states have been making by taxing betting. Betting is something that has been going on under the table for a long time so states might as well make money off of it if they have the opportunity to make it (Eggl, 2022). The author looked to the state of Michigan for an example. Michigan is expected to make \$6-10 million in 2021 on tax dollars from sports gambling (Eggl, 2022). The author is arguing that this is a big missed opportunity for the state of North Dakota.

Global Impact of Sports Betting

Here in America, it is easy to only focus on ourselves and what this country has to offer. More and more states are beginning to legalize betting and many Americans are anticipating the time when their state finally decides to legalize it (The California Business Journal Newswire, 2023). On a broader scale, 19 different countries around the world have some form of legalized sports betting (Legal Sports Betting, 2022). Numerous studies have been done in some of these countries that primarily take a look at the impact that sports betting has had on the people who participate in it.

One of the most common themes among them is that the majority of respondents in these studies who wager frequently were younger males, many of which were students (Hing et al., 2016; Polat & Yildiz, 2021). There are some females who participate as well, but the percentage

was significantly smaller (Polat & Yildiz, 2021). In that Turkish study, one of their more interesting findings or conclusions was that a motivation was prevalent among their subjects, meaning that those people had motivation to gamble but they did not know why (Polat & Yildiz, 2021).

Another interesting correlation found in these studies was that when there was a higher frequency of gambling, there were high levels of aggression among spectators (Polat & Yildiz, 2021). On a more positive note, there is also correlation between gambling and increased enjoyment watching an event live (Russell et al., 2019). Unfortunately, many of these studies focused on the negative side to sports gambling because that is what most of the respondents experienced (Hing et al., 2016; Polat & Yildiz, 2021; Russell et al., 2019).

Negative Impacts of Sport Gambling

By definition, gambling is, “the activity or practice of playing at a game of chance for money or other stakes,” as well as, “the act or practice of risking the loss of something important by taking a chance or acting recklessly,” (Dictionary, 2023). The key words in those two definitions are “chance” and “risking” because when a person makes the decision to gamble, they accept that they could lose everything they put on the line. A lot of times, the sportsbooks will make it appear as if the odds are in favor of the bettor when in all reality, they are most likely to come out on top (Lopez-Gonzalez et al., 2020).

These sportsbooks specialize in advertising that appeals to their customers in a way that convinces the customer that they should opt-in to the limited time deal (Lopez-Gonzalez et al., 2020). When some of these customers get hooked, it gets increasingly more difficult for them to recognize they would be better off to take their loss and quit rather than throwing away more of their money (Lopez-Gonzalez et al., 2020). Although they might start doing some good research,

they feel like they have to try to make their money back in one big bet rather than making numerous smaller bets that do not pay out as high but have the potential to add up quickly (Lopez-Gonzalez et al., 2020).

People who suffer from addiction tend to be more impulsive in their decision making than other people (Bates, 2015). They will suffer feelings of dependency and withdrawal just like someone who is a drug addict (Bates, 2015). Everyone loves to win but these people develop such strong desires to wager their money just for a chance to win that they experience a high (Bates, 2015). And just like any other addictive disorder like alcoholism, it is possible for a gambling addiction to be passed down genetically (Bates, 2015). Therefore, it is important to be aware of these tendencies, whether male or female, in order to avoid losing self-control.

Gender Differences

Since it's been legalized, sports gambling is a popular activity that has been enjoyed by both males and females. However, there are notable differences such as men gambling more than females and the way that they approach and engage in sports betting. These differences can be attributed to a variety of factors, including cultural, societal, and psychological influences. (Cohen & Darvin, 2020) of *The Conversation* suggest that another factor is because there are no outlets to put wagers down on women's sports saying that "While it's difficult to find specific data on media coverage of women's sports from a gambling and fantasy sport perspective, you can easily see a gap by browsing the offerings of industry leaders. For example, it seems that there are no mainstream sites hosting season-long WNBA fantasy leagues" (Cohen & Darvin, 2020).

The amount of money that men and women tend to bet on sports can also vary. Men tend to be more willing to take risks and place large bets, while women tend to be more conservative

and place smaller bets. This can be attributed to societal and cultural influences that discourage women from taking risks and encourage them to be more cautious with their money (Hunter, et. al, 2021).

Overall, there are notable differences between males and females in sports betting, including the level of involvement and interest in sports, the types of sports and events that they tend to bet on, the amount of money that they tend to bet, and the level of engagement in online sports betting activities. These differences can be attributed to a variety of factors, including cultural, societal, and psychological influences, and can have a significant impact on the way that men and women approach and engage in sports betting.

Sports Betting Impact on Fandom for American Sports

Sports betting has had a significant impact on American sports in recent years. Following the Supreme Court's 2018 decision to strike down a federal law that effectively banned sports betting in most states, many states have since legalized and begun to regulate the activity (Brown, 2022). One of the major impacts of sports betting has been on the revenue and growth of professional sports leagues, including the NFL, NBA, MLB, and NHL (Wann et al., 2015). These leagues have generally been supportive of legalized sports betting, as it can lead to increased engagement and interest in their games (Wann et al., 2015). Additionally, many leagues have formed partnerships with sports betting operators and data providers, and some teams have even begun to invest in their own sports betting ventures (Rodriguez & Salao, 2022).

Another impact of sports betting has been on the media and technology industries. With the legalization of sports betting, there has been a rise in the number of media outlets and

platforms that cover sports betting news and analysis, and technology companies have also developed new tools and products to support sports betting activities (Rodriguez & Salao, 2022).

For the general public, sports betting has become more accessible and convenient. People can now place bets on sports games and events from the comfort of their own homes or on their mobile devices, and the number of betting options and markets has also increased. In the United States alone there are over 50 legal sportsbooks that you can pick to play and analyze odds from (Smith, 2022.) Fanduel, DraftKings, and Caesars sportsbooks are the most popular in the United States (Sciangula, 2023).

However, there are also some negative impacts of sports betting. One concern is the potential for increased gambling addiction and problem gambling. Additionally, there are concerns that gambling behaviors could lead to corruption and integrity issues in sports, such as game-fixing or insider trading (Dwyer, et. al, 2019). These behaviors are not only seen in fans but can be found in the professional athletes themselves. For example, Former Atlanta Falcons wide receiver Calvin Ridley received a one year suspension in 2021 for betting on NFL games. An example of dangerous behavior such as insider trading can be seen when former NFL linebacker Mychal Kendricks was working with Dalimare Soinoki who is a profound TV writer for *Blackish* to get assets from an investment bank in exchange for Philadelphia Eagles tickets (Walsh, 2021).

(Brown, 2022) of *Extra Points* wrote an article about how sports gambling could potentially hurt fan engagement which is the opposite of what gambling is supposed to do. Brown highlights a study that Xavier University conducted on this question in which they found that fans' attitudes and behaviors towards the team they bet on, increased or decreased based on if they won or lost. (Brown, 2022.)

Overall, the impact of sports betting in American sports has been significant, with both positive and negative effects. As the industry continues to evolve, it will be important for policymakers and stakeholders to closely monitor and address these impacts to ensure that sports betting is conducted in a responsible and sustainable manner.

Future of Sports Betting

As mentioned earlier, sports betting has been legal for five years so there is so much growth, change, and potential for what this could become. One way that it is most likely changing is the prominence of online betting. A Finnish study looked at what specific demographics bet in what certain ways. The study found that younger people are more likely to be online in some way instead of betting in a casino (Lind, et. al. 2022). Most of the older people are more likely to be in the casino making the bets, but the younger audience may be a target audience for the future of sports gambling.

Another aspect of the future is the prominence of live betting. As mentioned earlier, there are odds for every game and a recent trend is that the sportsbooks change these odds throughout the games. For example, if a football team is favored by 1 point going into the game and scores a touchdown early in the game, the line may move to -3.5 or -4 because of the way the game is playing out. Bettors are able to place a bet on either team with this new line. Interviews with bettors in the UK found that this and the ease of online betting lead to a lot more bets being placed (Killick et al, 2021). Sportsbooks and sports leagues should look more into live betting opportunities if they want to grow in the future.

Sportsbooks should also look at what sports are growing in popularity. One sport that is gaining popularity is esports. Esports has been growing immensely and it is estimated that close

to 500 million people viewed esports content in 2022 (Cohen, et, al. 2022). The majority of these people tend to be in a younger audience as well. This is a great opportunity for them because it can lead to more popularity and money into a growing sport. Esports and sports gambling have grown immensely over the past few years and they could work together well in the future to help each other grow more.

Methods

Participants

If another study was to be conducted, participants (n=5,000) who reside in Indiana and indulge in wagering on FanDuel would receive questionnaires. These people would be selected entirely at random other than the fact that they are Indiana residents. The goal would be to get a mix of bettors who take no risks, some risks, many risks, as well as some problem gamblers. The minimum age is guaranteed to be 21 since that is the minimum age to place wagers on sports in Indiana. Knowing not all of the 5,000 participants will respond, it is imperative to ensure the amount and quality of responses that are returned is enough to draw some conclusions based on what was asked of the participants.

Procedures

The questionnaire will be sent out to the participants' emails. It is expected that about 1,500 people respond and answer the questionnaire. The participants will be asked questions about how often they bet and how much they bet. Another question will focus on their love of sports. Some of these bettors may have already had a deep love for the sports they are betting on while some may have had little to no interest. One of the most important questions to us is the engagement in the sports that are being bet on. Do bettors find themselves more engaged in the

games or sports that they have placed a wager on? How interested are they in games that they did not bet on? The questions are designed to look at who bets on games, are they more engaged now than they were previously, and how much are they putting at stake. It is assumed that the answers will help prove our hypotheses to be true or to be false.

Ethics

The participants were informed about the survey before they started and completed it. If they consent to taking the survey, they gave their signature at the end. The information contained what the survey was about and ensured their confidentiality.

Conclusions

Sports betting is only just beginning. It will continue to increase in popularity as the rest of the U.S inevitably legalizes the action. Gambling on sporting events has its fair share of differences compared to traditional gambling. However, there is still potential for people to become addicted and have a gambling problem through sports. People seem to attach themselves to these games when money in their pocket is on the line. Even if that amount of money is not substantial. Of course, fandom can still exist without betting, but betting seems to add another element for some people. The growth of sports betting makes it an asset to many different sports leagues in the future such as esports. The improvement of technology and the legalization of sports should lead to sports betting popularity growth.

In terms of the study, roughly 30% of the 5,000 people are anticipated to respond giving roughly 1,500 survey participants. Based on the research, it is likely to hear that the majority of these bettors are engaged in the events in which they bet on with a few outliers that are problem gamblers or show those tendencies (Polat & Yildiz, 2021). When these people bet on events, it is expected that they will report that their interest and engagement while watching the event was

intensified (Russell et al., 2019). Although there is no guarantee for the amount of respondents, the most common demographic will likely be young males around the ages of 21-24 (Hing et al., 2016; Polat & Yildiz, 2021).

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