

A man with short brown hair, seen from behind, is wearing a brown and white plaid shirt. He is looking at a television screen in a dimly lit bar or sports lounge. The TV shows a soccer game with players in blue and white uniforms. The background is filled with colorful bokeh lights from other screens and bar decor.

Sports Betting: exploring the US On Premise opportunity

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With the NFL Football season in full swing, Andrew Hummel, Client Solutions Director – Americas, and Ben Tilton, Associate Client Solutions Manager at CGA by NielsenIQ, explore the **behavioral trends of consumers** who take part in sports betting in the US On Premise – and **how suppliers and operators can capitalize on these key sporting occasions**.

As of October 2022, **more than half of US States have legalized some form of sports betting**. Twenty-one US states have legalized both online (via app or website) and retail (in-venue), while another eight states have legalized one type or another. Several states, including Texas and California, have ongoing legislative efforts to make betting through sportsbooks a legal activity.

With more US states legalizing sports betting, and **43% of consumers saying they would be open to participating in the activity via mobile apps**, it's certain to impact the On Premise. This report will identify the opportunities and considerations this has in the On Premise, exploring consumer groups, drink types, channels and the sporting events that customers engage with.

This report is produced by data and insights from **CGA's Channel Strategy Report 2022**. This provides an in-depth look at a variety of the most popular and trending channels including casinos and sports bars, as well as experiential bars, premium bars, stadiums, and golf clubs.

Consumers surveyed from 5 key states (**CA, IL, NY, FL, TX**)

Who is placing their bets?

Sports betting proves its appeal to a range of consumers visiting the On Premise. Across a total of all states, a significant percentage of younger consumers (aged 21-34) report being interested in sports betting while 64% say they would participate if it was available to them. While the younger demographic is the most eager to participate, and thus should be considered a high-value group to operators and suppliers, there is also significant engagement amongst 35-54 year olds; 55% saying they would engage with sports betting, while just under a fifth of consumers aged 55+ said they would give it a try.



Females have both lower awareness and engagement with sports betting compared with males, as only 45% of respondents that identify as female, say they've either seen/heard about mobile sports betting while visiting the On Premise. Of those surveyed, **56% said they have either seen/heard about mobile sports betting or participated in while visiting bar or restaurants.**

These figures are important when considering the contingent of On Premise visitors that enjoy watching sports in the On Premise in general. **Females (74%) and males (84%) actively watch sports in bars and restaurants, providing an ample consumer base to target that is already interested in televised sports.** Females are also more likely to visit a Sports Bar for a celebratory occasion, giving operators and suppliers an opportunity to curate a memorable experience.

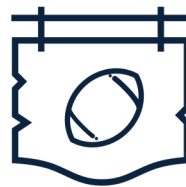
The findings across these key states show there is not only a significant portion of On Premise visitors willing to participate in sports betting, but that **opportunity lies in several demographic segments and that it appeals to men and women of all age groups.**

An opportunity for channels

Engagement with watching sports in the On Premise is significant among the 21-34 and 35-54 age groups, with 91% and 89% respectively reporting they watch sports at bars and restaurants. In comparison, those aged 55+ with slightly less consumers in this segment (63%) are visiting the On Premise to drink and watch sports.

Almost half of On Premise consumers typically visit sports bars and **Sports Bar visitation increased the most of any channel type compared to 2021** (+18pp vs last year) – demonstrating channel opportunities. Perhaps unsurprisingly, Sports Bars are also the most popular channel for sports betting across all age groups and genders, and 59% have either participated or would participate in sports betting in this venue type.

Consumers that frequent Sports Bars have a higher propensity to visit the On Premise each week compared to the average US consumer, but are also higher spenders during their visits, proving this contingent to be a valuable consumer base. Looking to the future, **9 out of 10 consumers report they expect to visit a Sports Bar over the next 12 months**, showing the popularity and confidence consumers have in this specific channel. However, not all visits are simply to watch sports.



9 out of 10

report they expect to visit a Sports Bar over the **next 12 months**



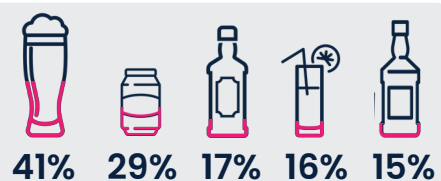
While the Sports Bar is a popular option, there is also a clear opportunity for the neighborhood/local bar – the second most preferred venue type for sports betting among all ages and genders. Across all age groups, nearly half of consumers report they would participate or have participated in sports betting in this type of venue. Smaller, independent bars can leverage opportunities here, even those not overtly dedicated to sports viewing to engage with sports betting, as nearly 1 in 2 consumers say they would participate in this channel.

Casinos are also popular as sports betting venues, primarily amongst the 35–54 and 55+ age groups compared with younger consumers. The Casino visitor is typically dining and drinking out more frequently than the average consumer and spending more as well. Like Sports Bars, **Casinos have also seen a boost in visitation over the last 12 months** (+11 percentage points vs. 2021). As Casinos are inherently set up as hubs for gaming able to cater to a variety of age groups and sports fans, it's a channel with plenty of attention for sports betting.

It's important to highlight that **multiple channel types can appeal to consumers looking to watch and bet on sporting events on their own terms.** Consumers may be showing their preference not to have to sacrifice visiting their favorite venues while still enjoying betting on sporting events. **Just 1% of consumers reported they would prefer to bet at home, highlighting the appeal of sports betting as a social activity in the On Premise** and the importance for recognizing the opportunity for all venue types. This is key for operators looking to drive increased visitation and demonstrates the opportunities for suppliers to capitalize on this occasion type with brand activations and promotions.

Putting their money on drinks

Beer, Soft Drinks, Vodka, Cocktails and Whiskey are the most popular categories among all age groups and genders while visiting the On Premise to watch sports



As **Beer is the most popular category when watching sports**, it's important to understand consumers' Beer serve preference. Overall, consumers prefer cans or bottles when watching sports by themselves in a bar or restaurant, with females (58%) preferring this more than males (51%).

In terms of format, single draft pours rank highly amongst solo visitors while **"group friendly" serves like draft pitchers or bucket deals for bottles are popular while watching a game or match with friends** – especially among the 55+ category age group, where draft pours are preferred over bottles/cans.





Bottles and cans retain their popularity among solo and group visitors, but those **visitors that normally purchase bottles/cans switch to “group” serves when available**. While most draft drinkers retain solo draft serves, bottle/can drinkers opt to participate in both draft and package options to share with a group.

A pitcher of Beer may be the first thing that comes to mind when thinking about your favorite Sports Bar, but there is room for other categories to thrive too. NBA viewers over index on Spirit consumption and **nearly one third of Sports Bar visitors drink cocktails**. CGA can help operators and drink brands target demographics and occasions to drive sales.

The crowd-favourite sports

Interestingly, among 21-34 year olds, NBA Basketball is just as popular as NFL, with Soccer ranking as the third most popular sport to watch while visiting the On Premise, and 36% had or would bet on a soccer match.

The 35-54 age group also favor NFL and NBA games for betting but engage more with Boxing (34%) than other age groups. **Those aged between 35-54 are the most willing to dabble in a variety of sports/leagues** and the 55+ age group prefer other sports such as Baseball and Horse Racing more so than their younger counterparts.

Did you know?
NFL Football is the **most popular sport** that consumers said they would/ have **participated in sports betting while watching**, across all ages and genders

Among all viewers NFL and NBA had the highest average interaction respectively. However, some slight engagement differences come to light beyond these two popular leagues dependent on state. In California, the 3rd and 4th most popular sports for betting are Soccer and Basketball, while in Texas, Baseball and Boxing rank highly as 3rd and 4th most watched/betted on respectively. While in Illinois, collegiate NCCA Basketball and Baseball are tied for 3rd. In New York, Baseball and Boxing emerge as the two most watched and betted on after NFL and NBA.

This suggest that **screening a variety of sports for betting purposes can help operators drive higher levels of traffic and spend**, and **regional differences need to be considered when deciding which resources to allocate to different sports and leagues**. However, operators also need to consider the significant differences amongst consumer segments at a demographic level when planning for key sporting occasions.



Behaviours when watching and betting on sports

Mobile sports betting can increase consumer engagement in venues. **Two thirds of consumers are likely to stay at venues longer when betting on sports**, more so indicated by younger age groups. Furthermore, **participation is also likely to drive higher consumption** – stated by 43% of 21–34-year-olds, 41% of 35–54-year-olds and 33% of 55+, in addition to spending more. This preference is consistent across both men (77%) and women (76%) saying they strongly or slightly agree they would stay for more drinks.

“There’s a huge value gain opportunity for venues who offer sports betting versus a sports bar/other bar that doesn’t, showing just how valuable sports betting can be for suppliers. Patrons that watch the games they bet on are more likely to spend more in the On Premise, bringing check value averages up and increasing revenue and tips for staff.”

– Ben Tilton, Associate Client Solutions Manager

League and drinks preferences

Venues showing numerous sporting events throughout the week can help impact foot traffic and revenue potential.

The variety of sports leagues presents differing opportunities depending on day of the week, age, and gender of viewers. In states in which betting has been established (Illinois and New York) there is a strong opportunity across NFL viewers to engage with sports betting, with 51% of Illinois and 59% of New York respondents (all age groups) saying they have bet/would bet on an NFL game while visiting the On Premise.

This opportunity is even more promising for sports betting prospects Texas and California. Although these states are yet to fully legalize sports betting, 64% of both California and Texas respondents would participate in sports betting while watching NFL at an On Premise venue if it was available. This highlights that **Sundays, Mondays and Thursdays could be an opportunity to boost On Premise engagement** with consumers watching NFL games on these days.



While NFL may be the most popular overall, NBA Basketball has a strong contingent of viewers that have or would bet on games if sports betting was available, especially amongst younger consumers; with 52% of those aged 21-34 and half of those aged 35-54 keen to participate. While predominantly male viewers report their willingness to bet on NBA games (53%), a significant number of females also report their interest (41%).



This contingent of NBA fans presents operational opportunities as NBA games typically play more often and more days of the week compared with NFL games, which are typically shown three days a week. **Targeting programming around the NBA in a similar fashion to the NFL would reach new audiences** across both age and gender, with potentially high levels of visitation.

New York in particular is a strong opportunity state for NBA sports betting, with 55% of respondents say they have or would bet while visiting an On Premise venue – over-indexing by 6 percentage points versus other states surveyed. Given the frequency of NBA games, there are ample opportunities for engagement, especially with bottled beer as this format is preferred by male and female of the younger demographic ranges.

"It's clear there are noticeable consumer behavioural differences in the On Premise where sports betting is already legal, and with more states following suit there are significant opportunities for operators and suppliers to consider around key sporting occasions. CGA's research highlights the importance of understanding variances amongst key demographics – essential for venues looking to boost check value and visitation levels across different sporting occasions." – Andrew Hummel, Client Solutions Director, Americas.



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For more insights into specific On Premise channels, CGA's Channel Strategy Report 2022 provides an in-depth look at a variety of the most popular and trending channels including casinos and sports bars, as well as experiential bars, premium bars, stadiums, and golf clubs.

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