



Canadian Sports Betting Industry

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Background & Methodology

Background and Objectives

Background

On February 25th, 2020, the government of Canada introduced the Safe and Regulated Sports Betting Act (Bill C-218) which made single-game sports betting legal across Canada. Following this on April 1st, 2022, Ontario became the only province to open the market to private gambling giving consumers access to more betting options.

Given the novelty of the change in law and prospect of other provinces following Ontario, there is an opportunity to explore different aspects of the Canadian sports betting industry.

Objectives

- What is the size of the total addressable market for sport betting in Ontario?
- How aware are people of single-bet sports betting being legalized and what is the perception of the change in law?
- What does current sports betting behaviour look like?
- What types of sign-up promotional incentives resonate most with consumers?

Introduction of Bill C-218



Bill comes into effect



Ontario opens the market
to private gambling

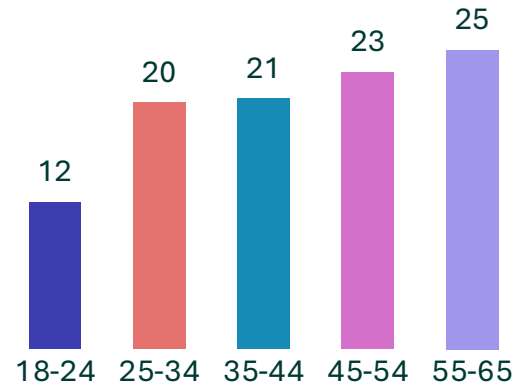


Sample Profile

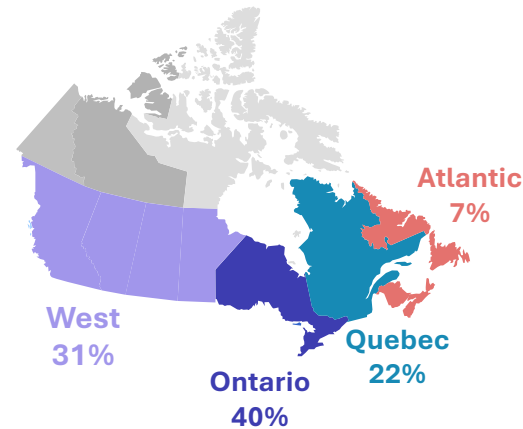
A total of **n=973** Canadians were surveyed between April 26 and May 22, 2022.

- The sample was nationally representative on age (18-64), gender and region.
- The study was conducted in English and French (Quebec only).
- All respondents were not sensitively employed.

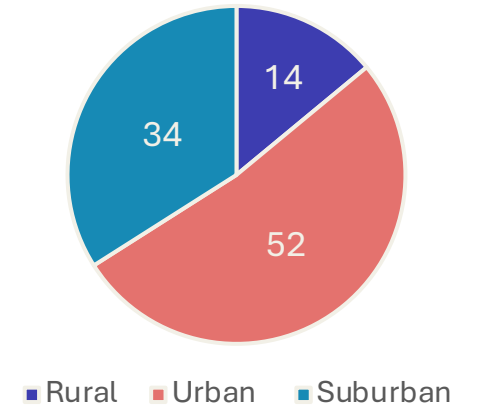
Age (%)



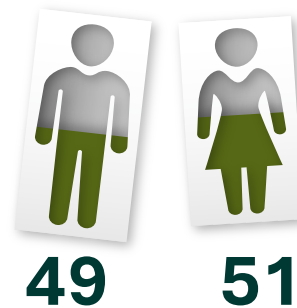
Region (%)



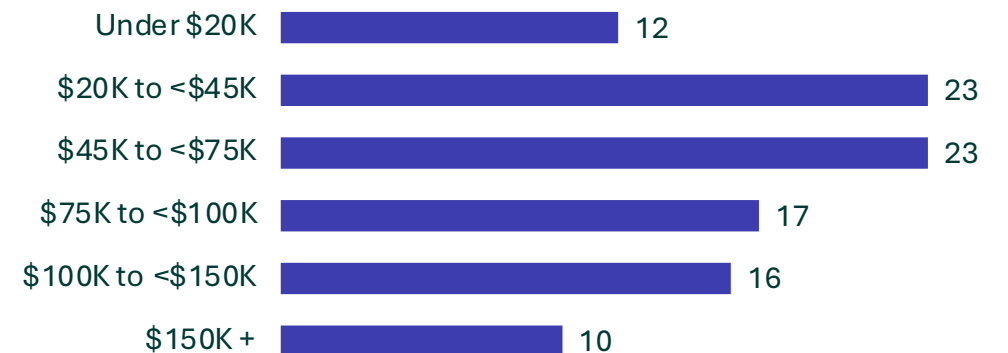
Area of Residence (%)



Gender (%)



Income (%)



Conditional Formatting And Stat Testing

Data in this report have been tested for statistical significance at the 90% confidence level. Significant differences between columns are noted using the system outlined below.

Column A	Column B	Column C	Column D
%	%	%	%
70 C	60	41	57
55	90 AC	52	66 C
62	50	87	52
72	75	78	40

The 70% in Column A is significantly higher than the 41% in Column C

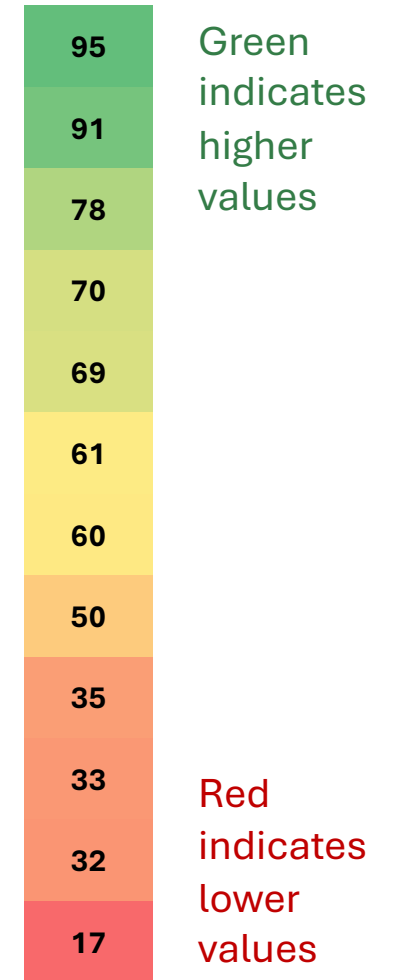
The 90% in Column B is significantly higher than the corresponding numbers in both Column A and Column C

The 87% in Column C is significantly higher than the corresponding percentages in all other columns

The 40% in Column D is significantly lower than the corresponding percentages in all other columns

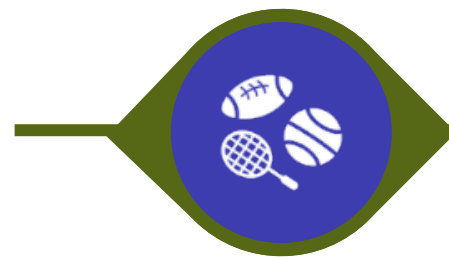
To visualize trends, we use conditional formatting.

This is not meant to indicate significant differences, but to highlight patterns in the data.



Survey Outline

1. Current Category Behaviour
Incidence, frequency and future intention of sport betting. Interest in various sports and events.



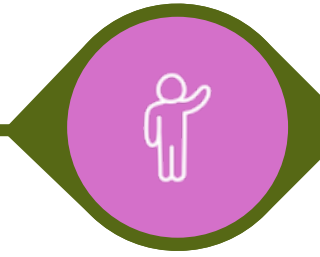
2. Sports Betting Involvement
Awareness of legalization in Canada. Awareness, impact and approval of open market in Ontario.



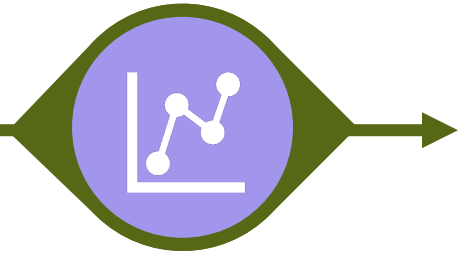
3. Brand Familiarity
Awareness and usage of various online sport betting brands.



4. Motivators to Sign-up
Importance of various elements that motivate consumers to sign-up.



5. Idea Screen (Upside)
Assessment of promotional incentives to signing up for a sports betting app/website.

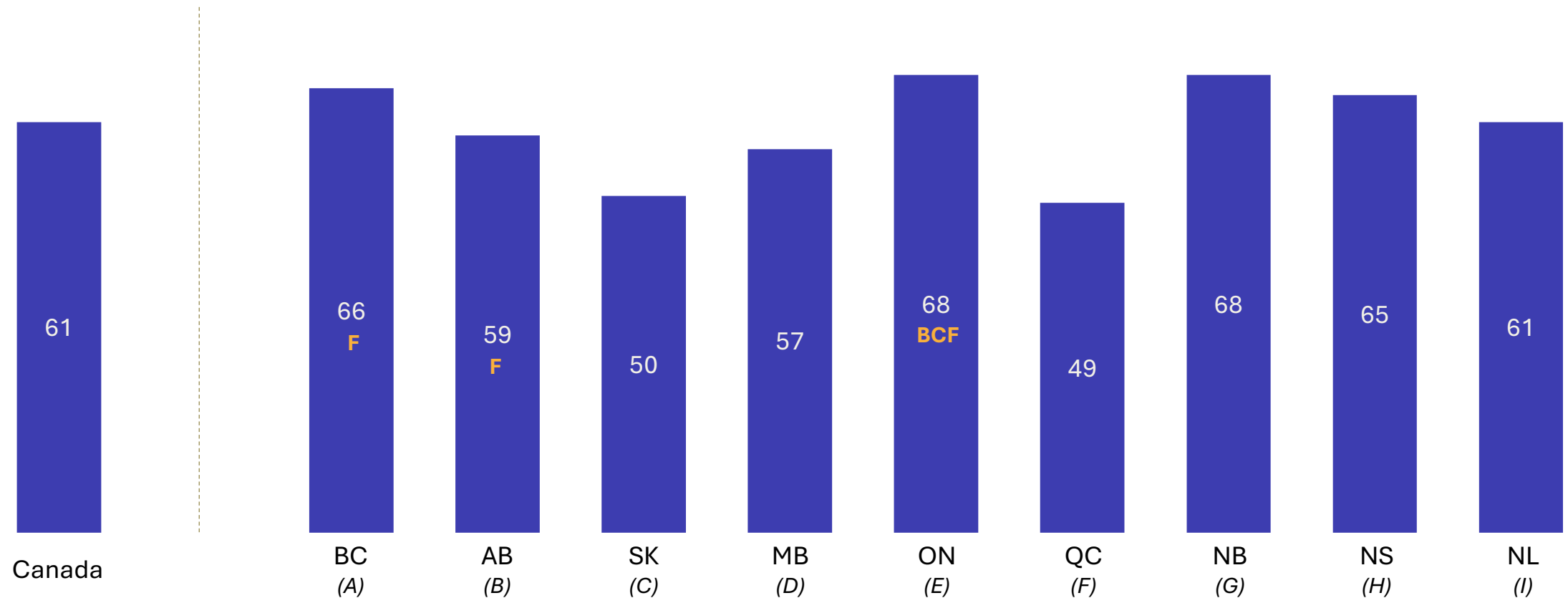




Awareness & Approval of Single Game Sports Betting

On average, 61% of Canadians are aware that single game sports betting is legal across Canada.

Awareness of Single Game Sports Betting Being Legal Across Canada (%)

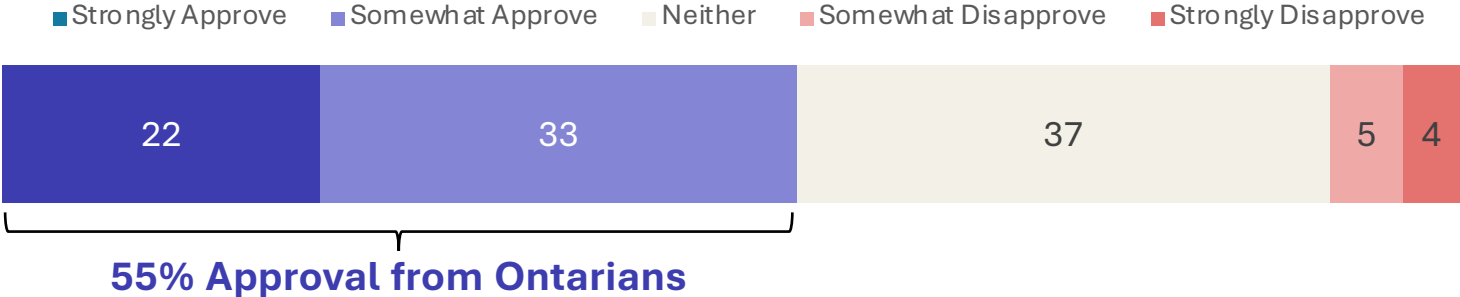


More than half of Ontarians are aware of the legalization of the market to private online sport and casino gambling and approve single game sports betting.

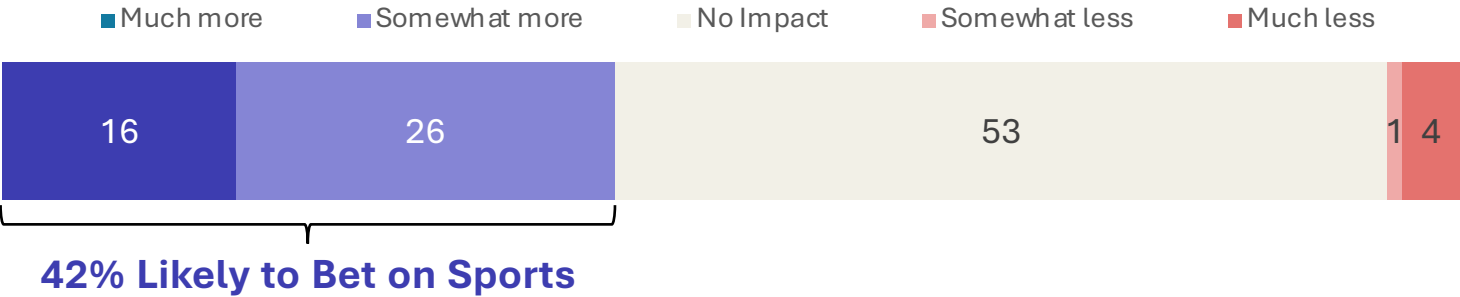
Awareness of the Legalization of the Market to Private Online Sport And Casino Gambling Among **Ontarians** (%)



Approval on Legalization of Single-Game Sports Betting Among **Ontarians** (%)

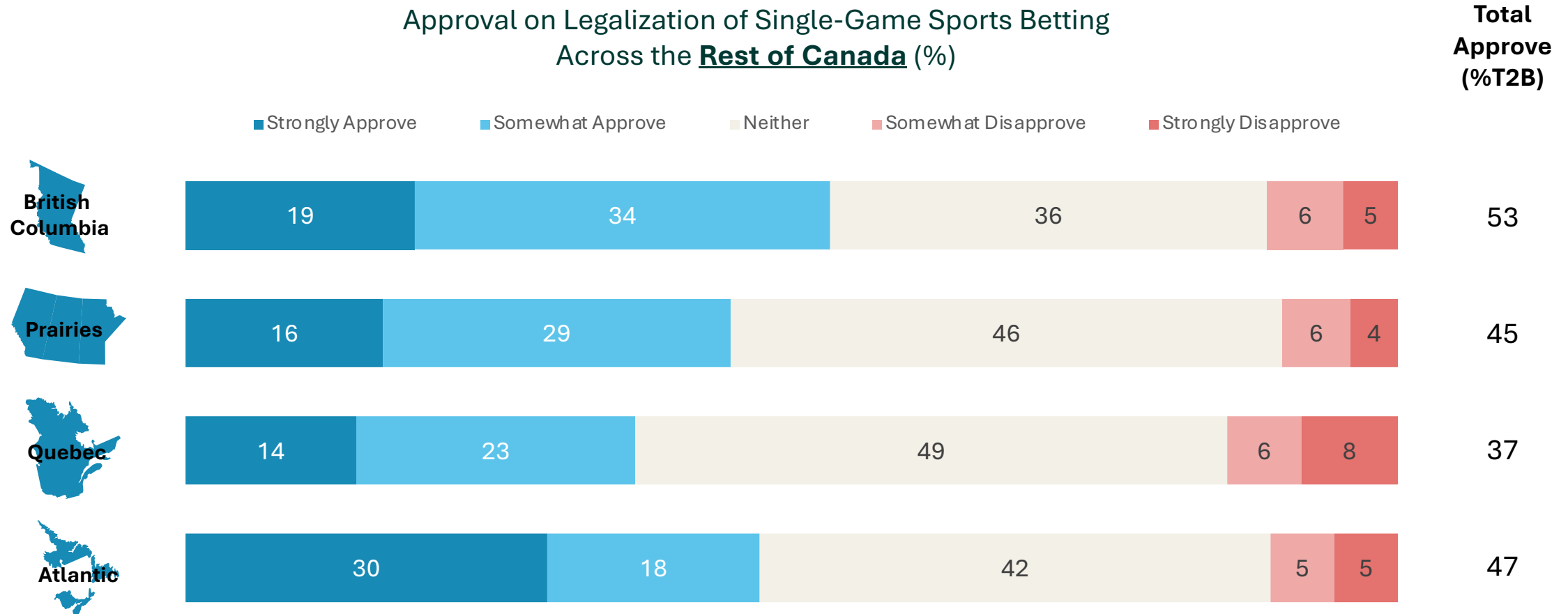


Impact on Likelihood to Bet on Sports Among **Ontarians** (%)



Q16. Before taking this survey, were you aware that as of April 1st of this year, the province of Ontario has become the first province in Canada to legalize and open the market to private online sport and casino gambling?
 Q17. Knowing that the government has opened the market to single-game sports betting, what impact does this have on the likelihood you will bet on sports in the future?
 Q18. Knowing that the government has opened the market to single-game sports betting, how do you feel about its legalization?
 Base: Total Ontario Sample, n=398

Apart from Quebec, approval of single game sport betting is strong. BC presents the best next opportunity while Atlantic Canada has some keen potential betters.





Impact of Change in Sports Betting Law

Majority of Ontarians are more likely to spend and bet more often on sports with the implementation of the law.

How Often Will You Bet on Sports in the Future? (%)

T2B %

■ Much more often ■ Somewhat more often ■ No impact

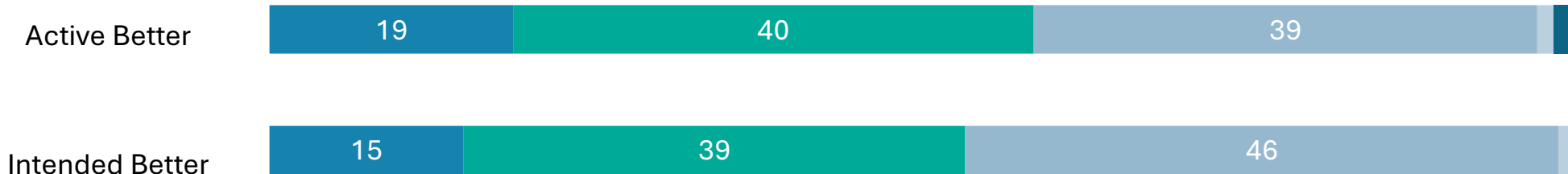


74%

(%Much more often/
Somewhat more often)

How Much Will You Bet on Sports in the Future? (%)

■ Spend much more ■ Spend somewhat more ■ No Impact ■ Spend somewhat less ■ Spend much less

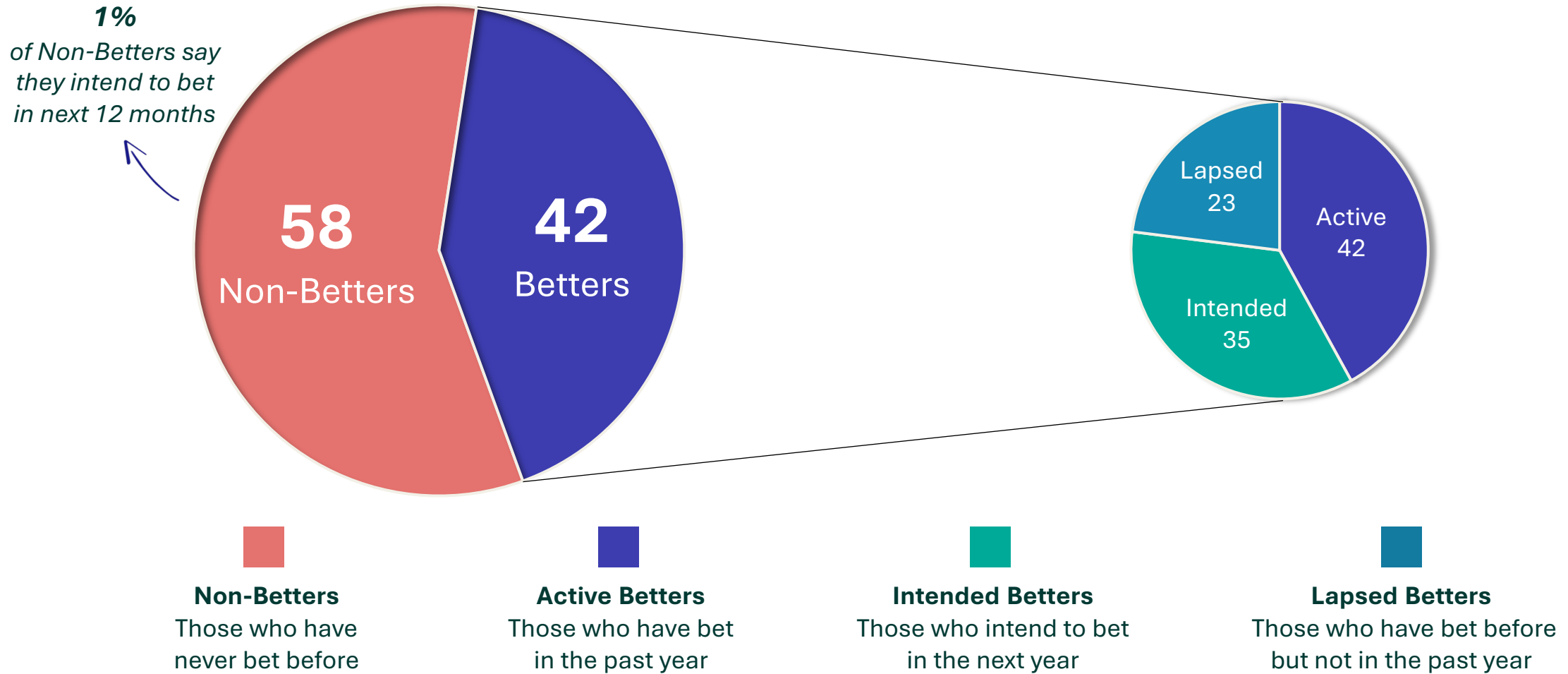


56%

(%Spend Much more/
Somewhat more)

Current Sports Betting Behaviour

4-in-10 Canadians have bet in the past or are willing to bet in the future.



There is potential to win back lapsed bettors, while those who have never bet before are indifferent to the law in Ontario.

Lapsed Better
(Strongly Approve/Somewhat Approve %)

Ontario
■ 60%

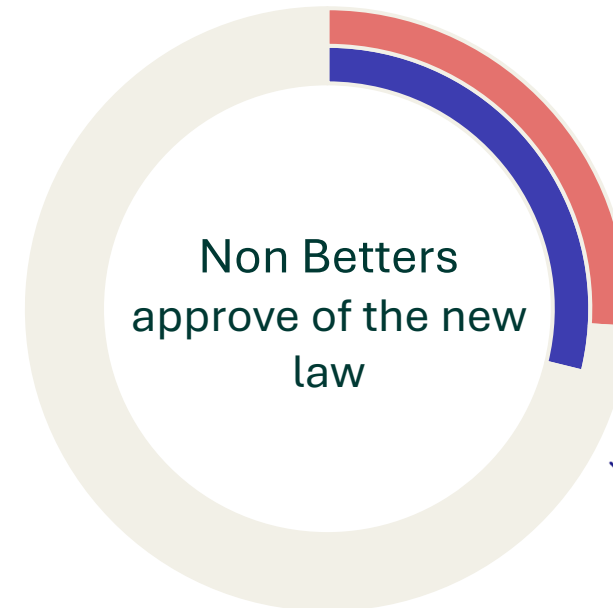
Rest of Canada
■ 55%



Non-Better
(Strongly Approve/Somewhat Approve %)

Ontario
■ 30%

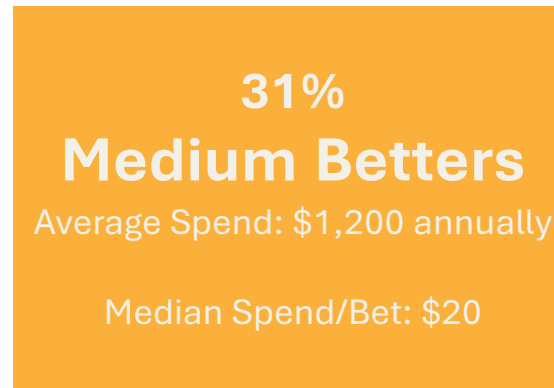
Rest of Canada
■ 26%



56% (CA) and 57% (ON)
of Non-Better neither approve nor disapprove
of the new law

More than a quarter of Active and Intended Betterers are Heavy Betterers.

To categorize sports betterers, we defined them based on **bet amount (\$)** and **frequency** as both play an important role in overall betting behaviour. To account for both variables, the betting frequency for each respondent was converted to the number of times per year (e.g., Once a month = 12x a year) then multiplied by their stated bet amount. The result was an **annual bet amount (\$)** for each sports better which enabled us to categorize them into the following groups based on their projected spend:



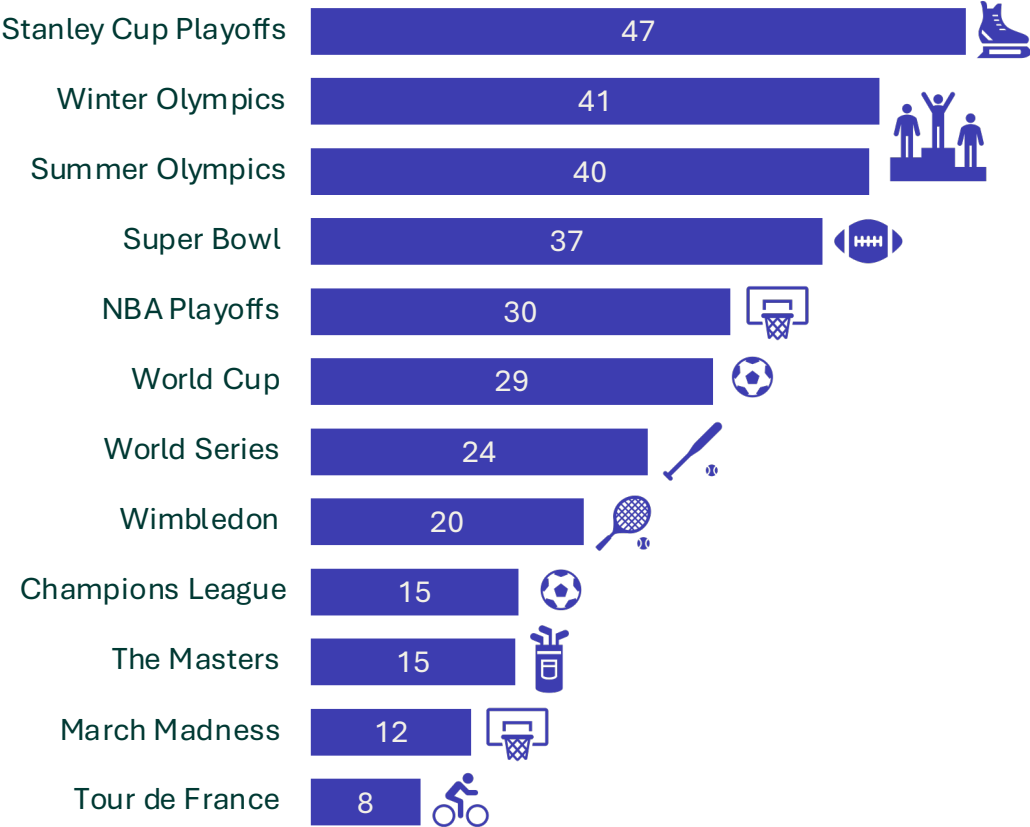
The Median spend for Medium and Light Betterers is the same but the frequency for both differs. Someone is a Medium Betterer may have the same appetite to bet as a Light Betterer but will do it more often.

Heavy Betters skew young towards 25-34 year olds while Light Betters are more likely to be female.

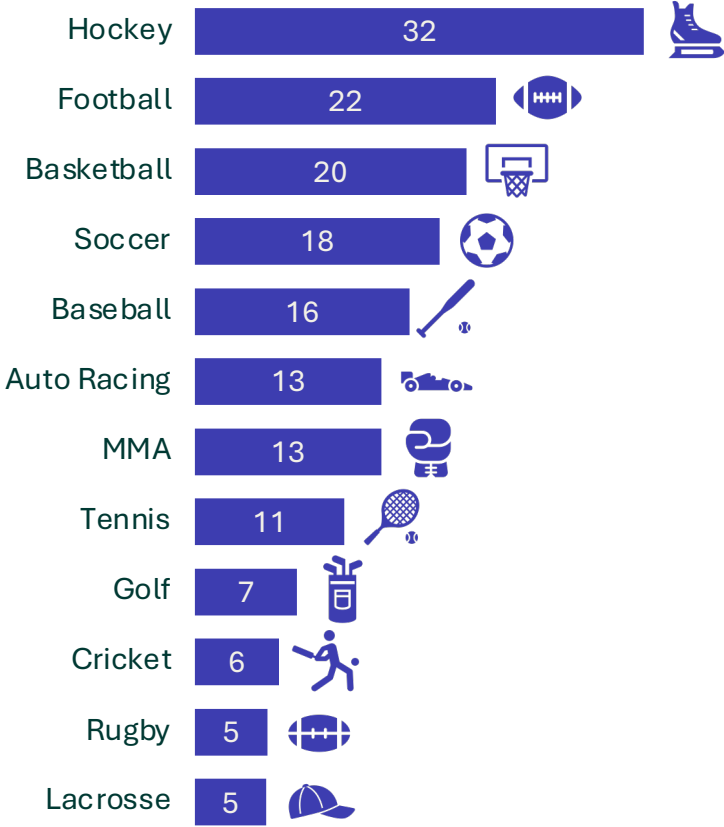
Demographic		Better (NET)	Heavy	Medium	Light
Age (%)	Base (n=)	306	81	96	129
	18-24	17	22	14	16
	25-34	26	40	20	22
	35-44	22	21	27	19
	45-54	20	12	21	25
	55-64	14	5	19	17
Gender (%)	Female	32	26	25	42
	Male	68	74	75	58
Income Group (%)	Under \$20K	10	10	4	14
	\$20K to <\$45K	15	13	15	17
	\$45K to <\$75K	24	19	23	28
	\$75K to <\$100K	20	21	24	16
	\$100K to <\$150K	17	19	19	14
	\$150K +	14	19	15	11

Hockey is the most popular sport for betters and viewers.

Most Followed Events (% Selected)



Popular Sports for Bettors (% Very Interested)

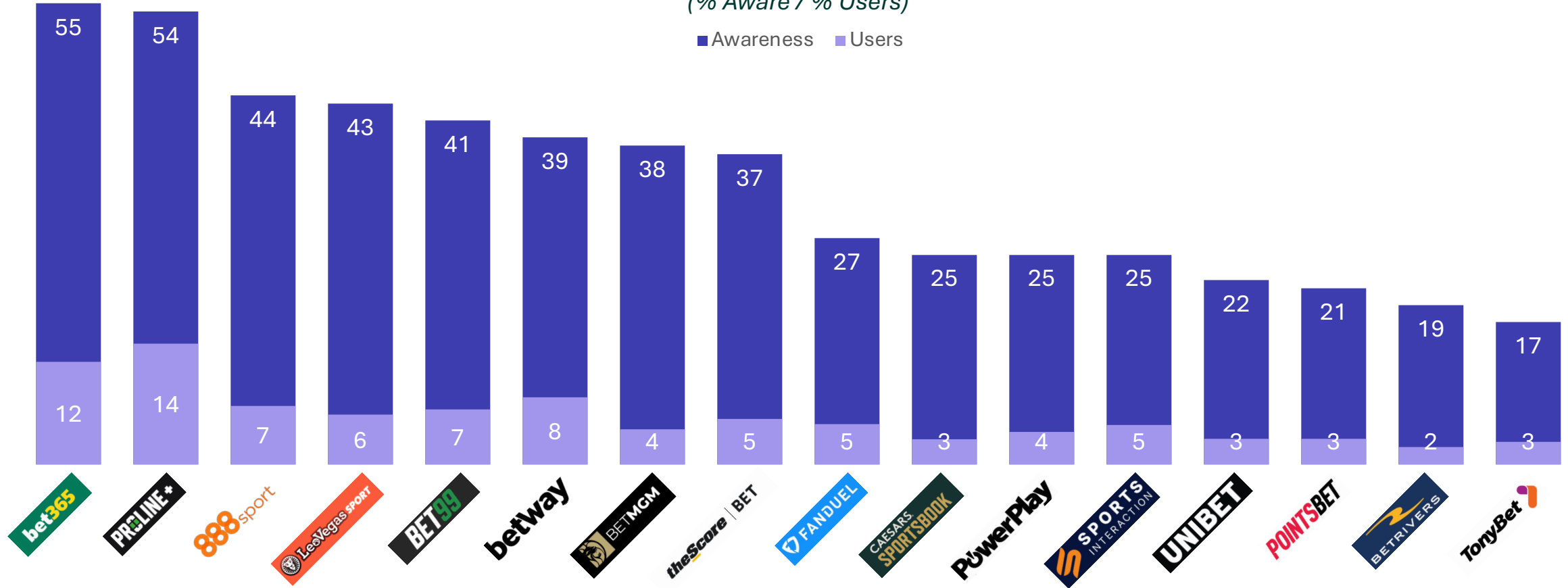


Q27. Which of the following events do you follow?
Q26. Here is a list of different sports. Regardless of the league or organization, please tell us how interested you are in placing a bet on a game/event for that sport?
Total Base Sample, n=973.

bet365 and PROLINE+ lead when it comes to brand awareness; conversion opportunities exists across all brands.

Awareness of Sport Betting Companies
(% Aware / % Users)

■ Awareness ■ Users



Trust and fast payouts are most important to bettors when considering a brand to use; consumers claim that celebrity endorsements are not a strong motivator

It is important for brands to instill trust and offer faster payouts as customers are concerned about the security of their money

Motivators When Deciding Which Online Brand to Use for Betting (Very Important %)	Total Ontario	Active Bettors	Intended Bettors
Base (n=)	152	107	72
Is a brand I trust	72	75	78
Offers fast payouts of winnings	70	68	70
Has an easy-to-use app	61	67	58
Offers a wide variety of sports and games to bet on	58	61	54
Offers the best betting odds	59	59	60
Provides easily accessible customer support	57	55	59
Provides detailed explanations so I can easily understand betting options	55	53	58
Offers unique and interesting things to bet on	53	51	50
Has an attractive incentive when signing-up	49	50	48
Gives me the most up-to-date sports information (e.g., breaking news)	52	50	56
Able to live-stream games directly on the app or website	48	45	53
Is a Canadian-owned company	43	41	43
Is a brand I have used before	43	39	46
Has celebrity athletes endorsing or sponsoring the brand	34	32	34

* Ontario Residents Only

Assessment of Sign-Up Incentives (Upsiide Idea Screen)

Upsiide Idea Screen: How It Works

INTEREST

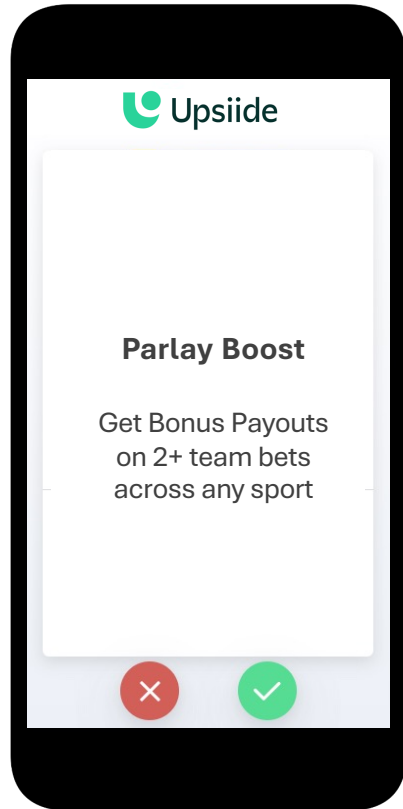
Respondents see one incentive at a time and will indicate if they like or dislike each incentive.

Intuitive Rejection

The consumer dislikes the incentive.

These incentives often need a fundamental rethink or there is a need to reframe the incentive.

Swipe Left or X



Intuitive Interest

The consumer likes the incentive.

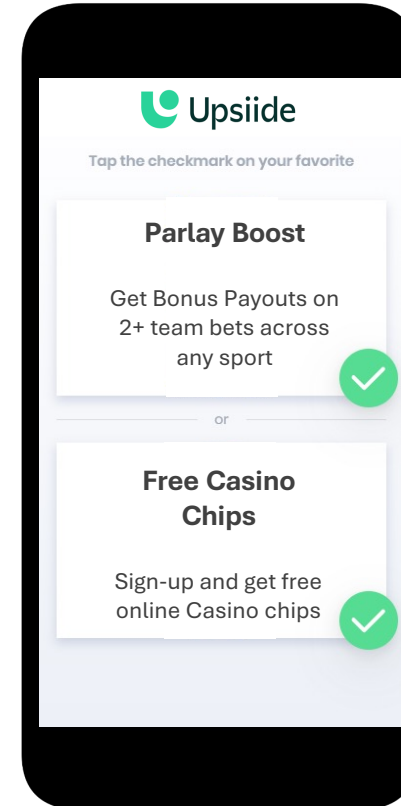
Incentives that score well on this measure have the most potential for success, as they require less support to drive interest.

Swipe Right or ✓



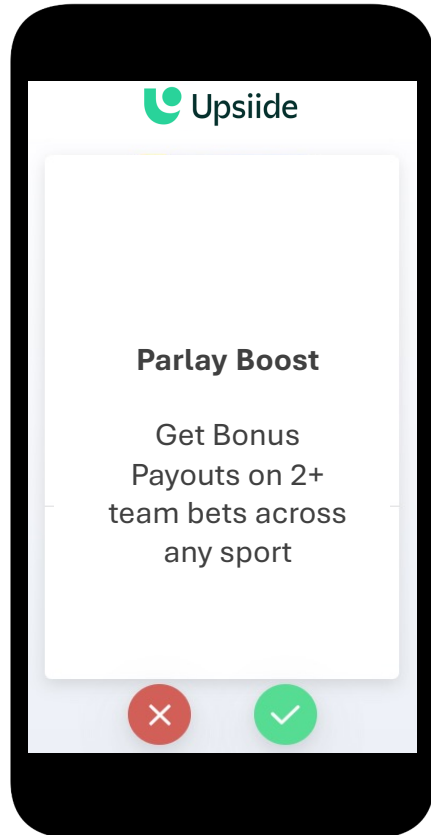
TRADE-OFF

Once the respondent likes two incentives, they are shown head-to-head and a “winner” is selected.



The ‘winning’ incentive is shown the next time the respondent likes another incentive. The ‘winner’ continues to move on until the respondent has seen all incentives.

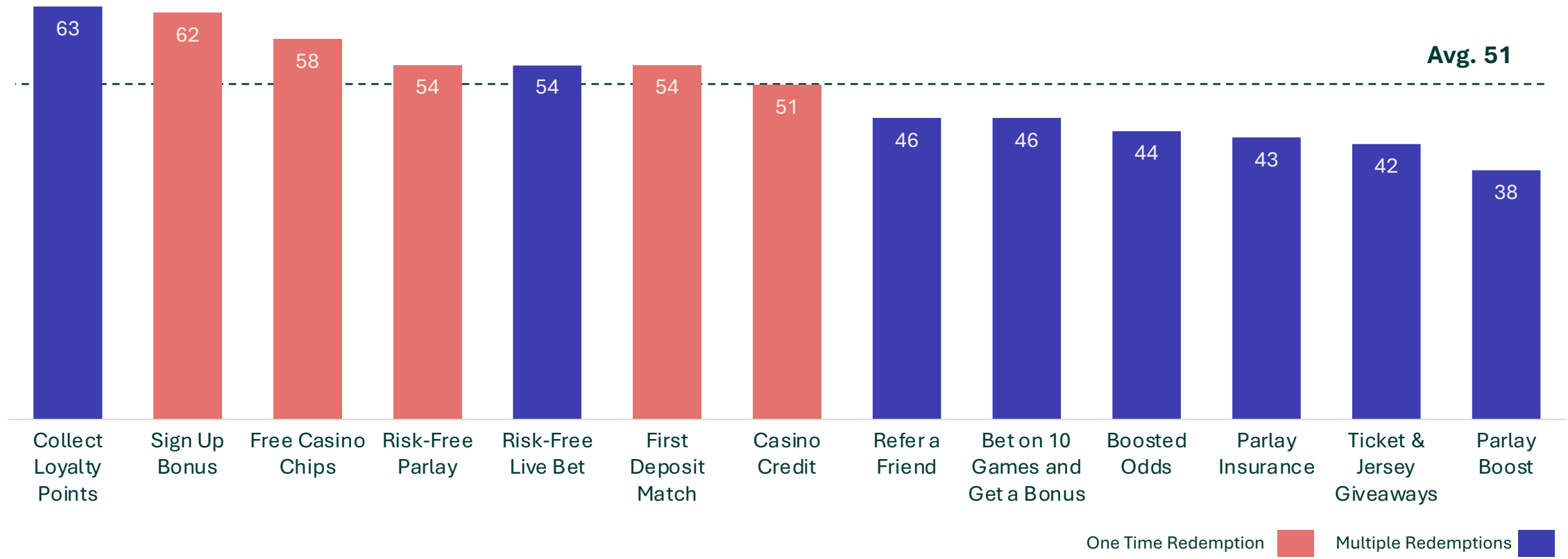
INCENTIVES SHOWN



Incentive	Incentive Details
Collect Loyalty Points	Earn loyalty points on every real money wager, redeemable for site credit
Sign Up Bonus	Get site credit when signing up
Free Casino Chips	Sign up and get free online casino chips
Risk-Free Parlay	Wager on 3 games and get a refund in site credit if you lose
Risk-Free Live Bet	Get your money back as a bonus if you lose your first live bet
First Deposit Match	Get your first deposit matched with site credit
Casino Credit	Sign up and get credit for online casino games
Refer a Friend	Get and/or give bonus cash when referring a friend
Bet on 10 Games and Get a Bonus	After you bet on 10 games in one sport, you get a bonus site credit
Boosted Odds	Get increased payout odds on select local games or prop bets
Parlay Insurance	Get your money back as a bonus if 4 of 5 legs are correct
Ticket & Jersey Giveaways	Depositing money enters you in a chance to win tickets and/or jerseys
Parlay Boost	Get bonus payouts on 2+ team bets across any sport

Receiving some form of bonus is more appealing than a free offer. Note that free offers are tied to some form of action (i.e., placing a bet).

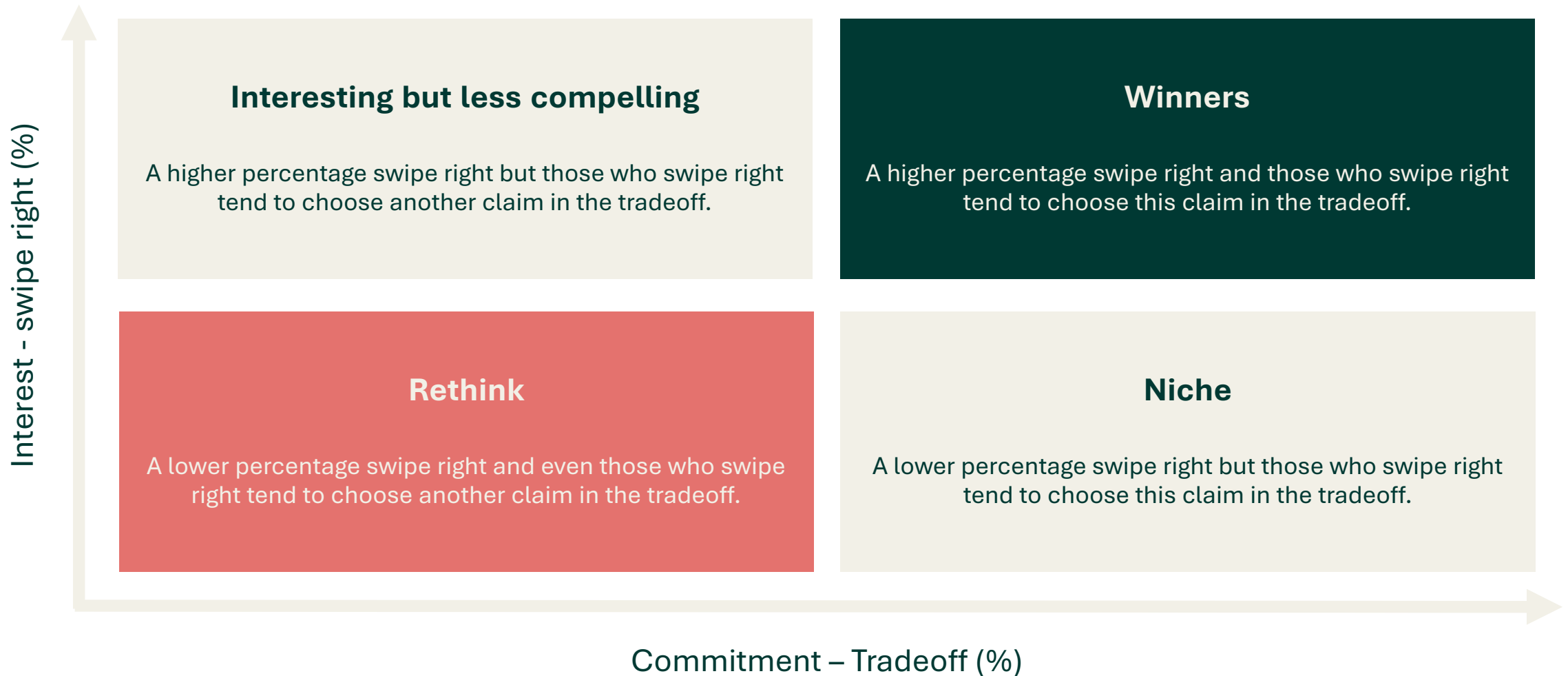
Incentives Ranked by Idea Score
Total Sample



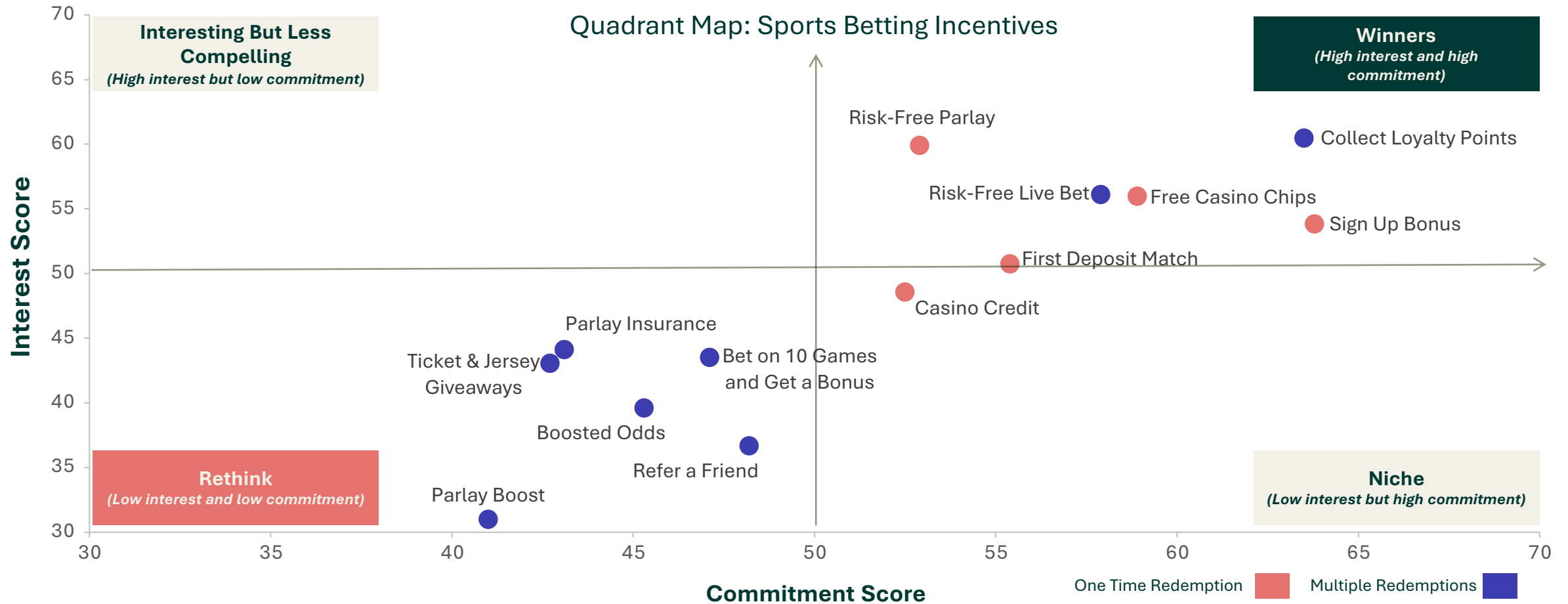
Casino and Parlay offers only resonate with Heavy Betterers; focusing on sign-up bonuses and risk-free live bets would be more effective for Medium/Light Betterers.

Incentives	Total Sample	Idea Score by Types of Betterers		
		Heavy Betterers (A)	Medium Betterers (B)	Light Betterers (C)
<i>Base (n=)</i>	973	81	96	129
Collect Loyalty Points	63	71	66	70
Sign Up Bonus	62	71	76	69
Free Casino Chips	58	71	63	60
Risk-Free Parlay	54	69	57	62
Risk-Free Live Bet	54	61	64	65
First Deposit Match	54	68	66	69
Casino Credit	51	70 B	58	59
Refer a Friend	46	61	59	58
Bet on 10 Games and Get a Bonus	46	63	61	52
Boosted Odds	44	60	59	51
Parlay Insurance	43	57	58	50
Ticket & Jersey Giveaways	42	57	52	47
Parlay Boost	38	62 C	51	49

The Idea Scores presented on the preceding pages are based on Interest (the percent who swipe right on each claim) and Commitment (the percent who prefer each claim when it is presented head-to-head vs. another claim that they also swiped right on). We can also break down the Idea Score, revealing nuances in the results as shown below. See the next page for the results from this test.

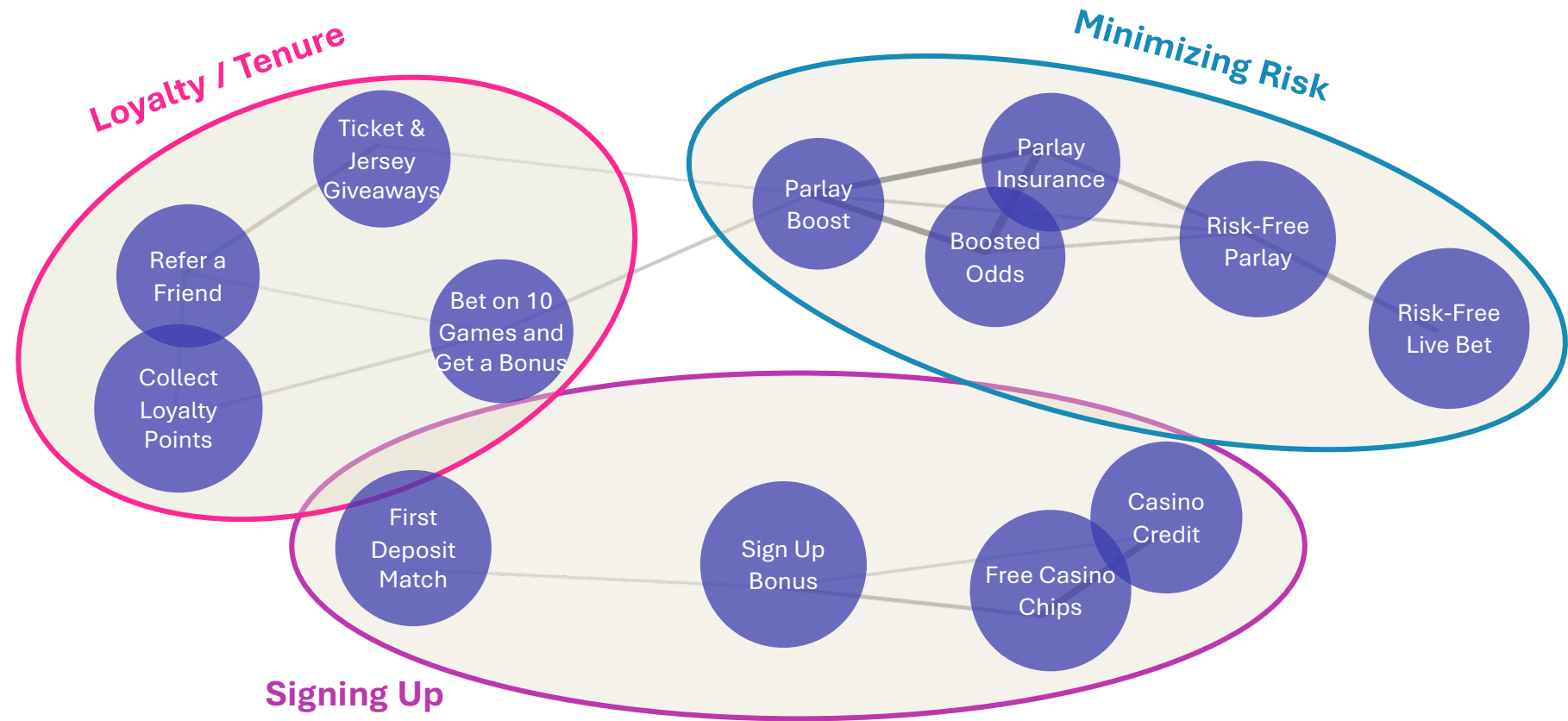


Besides Collecting Loyalty Points and Risk-Free Live bet, all incentives in the Winners quadrant are one time redemptions.



The incentives tested group into three territories; ensuring that at least one offer per group is included in the optimal combination will help to maximize effectiveness.

- One of the territories focuses on offers that minimize risk, be it in the form of a “risk-free” bet, insurance or boosted odds.
- A second territory includes offers tied to initial sign-up. This comes through in some form of site credit, either in general or for the casino portion of a brand/platform.
- The third territory includes offers focused on brand loyalty or tenure. These offers incentive those based on the number of bets or getting others to join.



Idea Map

The Idea Map helps us understand the relationship between the incentives tested in Upside Idea Screen. This map groups the incentives that are liked by different segments of consumers. Thicker lines indicate especially strong relationships between incentives. The territories that emerge are named based on how the incentives cluster.

Upsiide data was used to conduct TURF Analysis.

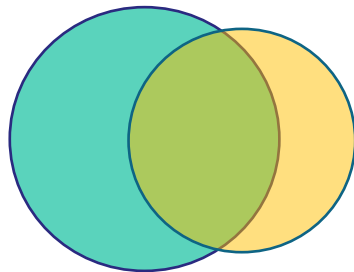
TURF stands for Total Unduplicated Reach and Frequency

TURF identifies combinations of items that reach the greatest number of consumers with the fewest items.

When interest for two incentives overlap highly, consumers who tend to like one offer also tend to like the other.

- Adding the second incentive does not reach more consumers than just having the first incentive.

Offer 1
Individual Reach: 40%
(percent of interested consumers)



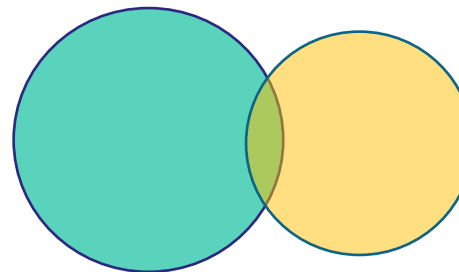
Offer 2
Individual Reach: 30%
(percent of interested consumers)

Cumulative Reach: 50%
(percent of consumers reached by the combination of offers 1 and 2)

When interest for two incentives overlap very little, most consumers want to have one or the other, but not both.

- This mix of incentives reaches more consumers.

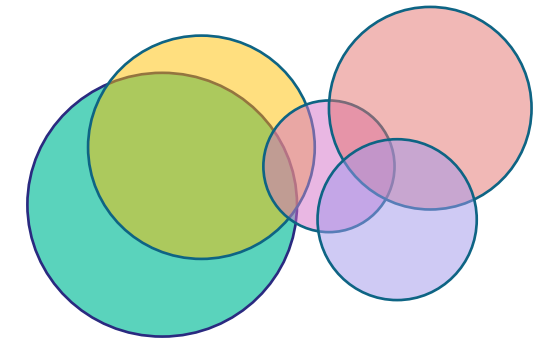
Offer 1
Individual Reach: 40%
(percent of interested consumers)



Offer 2
Individual Reach: 30%
(percent of interested consumers)

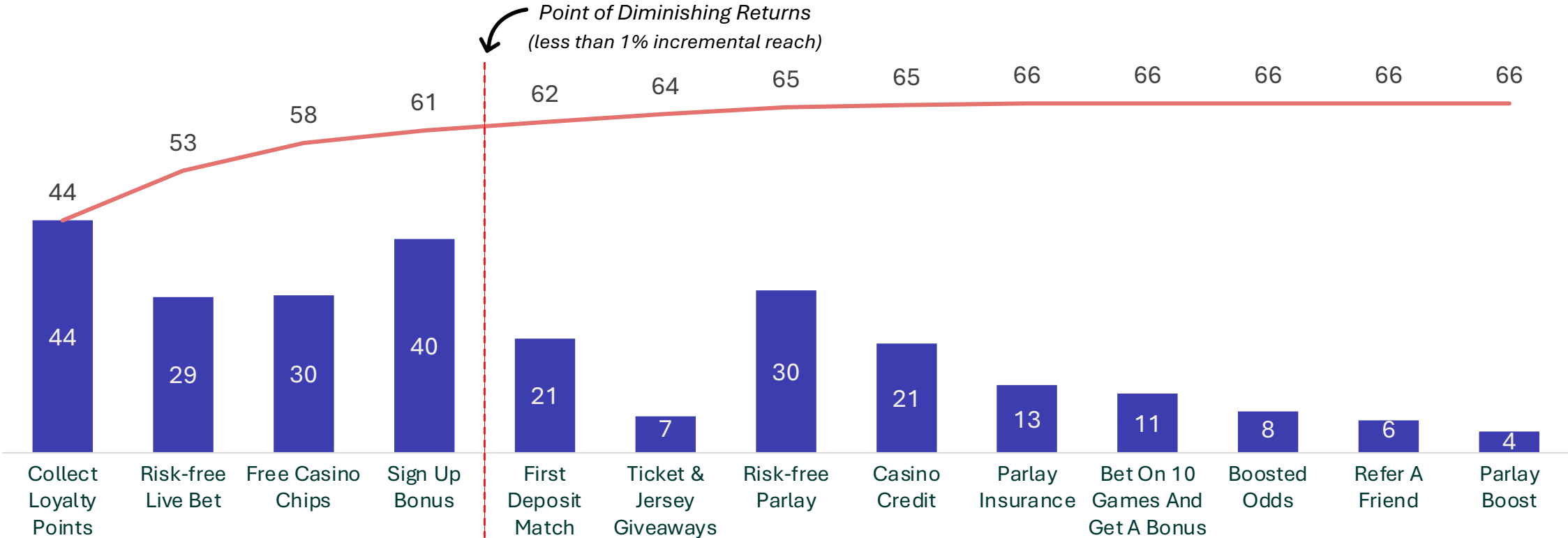
Cumulative Reach: 65%
(percent of consumers reached by the combination of offers 1 and 2)

TURF examines every possible combination of items and generates a recommended mix that reaches the greatest number of consumers with the fewest items.



Focusing in on a combination of four incentives is recommended, as extending beyond this number does very little to increase overall reach.

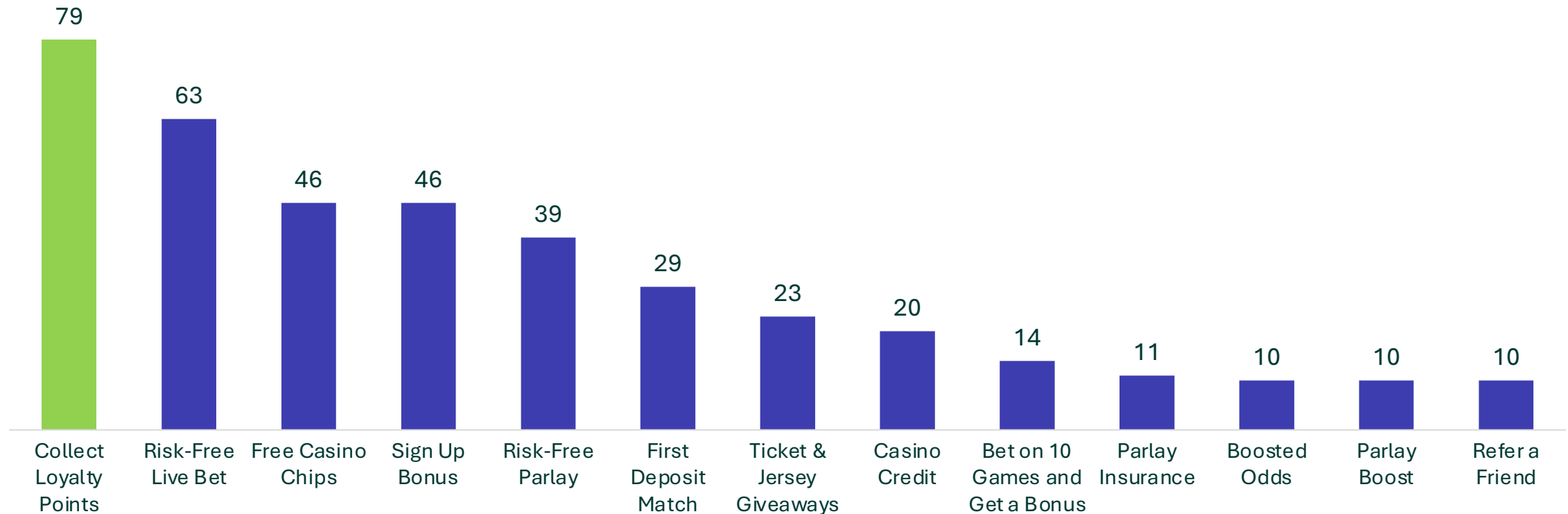
Diminishing Returns Curve – Sports Betting Incentives (%)
Reach Threshold 1



Loyalty points are a clear must-have when it comes to sports betting incentives.

Appearances in the Top 100 Combinations of 4 Incentives

Must Have



The optimal combination of four incentives to maximize reach across different better types includes Collecting Loyalty Points, Risk-free Live bet, Free Casino Chips and Sign Up Bonus.

- Based on the Upside results, we see that a **Sign Up Bonus** ranked highest with Medium betters. Including this offer would help to attract them to bet more.
- If focusing on increased engagement from Heavy betters, consider **Free Casino Chips**. This also creates a different way for this better group to engage with a brand/platform.

Combo	Cum. Reach (RT1)	Cum. Reach (RT2)	Incentives							
			Collect Loyalty Points	Risk-free Live Bet	Free Casino Chips	Sign Up Bonus	Risk-free Parlay	First Deposit Match	Ticket & Jersey Giveaways	Casino Credit
1	60.6	42.7	✓	✓	✓	✓				
2	60.5	38.4	✓	✓	✓			✓		
3	59.9	35.9	✓	✓	✓				✓	
4	59.6	41.6	✓	✓	✓		✓			
5	59.1	41.2	✓	✓		✓		✓		
6	59.0	39.8	✓	✓		✓			✓	
7	58.9	43.2	✓		✓	✓	✓			
8	58.8	44.1	✓	✓		✓	✓			
9	58.8	41.1	✓	✓		✓				✓
10	58.8	37.1	✓	✓	✓					✓
Individual reach (%)			43.6	29.3	29.6	40.1	30.5	21.5	6.9	20.5



Key Learnings

Key Learnings

1. Sport Betting is perhaps not quite as niche as originally expected.
2. Awareness and approval of single-game sport betting is high.
3. The new law encourages sport betters to increase how often they bet.
4. Offers should focus on providing something for signing up, alongside a way for betters to minimize risk and to reward loyalty.



Thanks!

