



# Debunking Myths Around Online Fantasy Sports

User Survey Report by Consumer VOICE

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# 1 Summary

In the last few years, Indian sports fans have experienced their favorite sports in a fundamentally new and engaging way. Online Fantasy Sports have enhanced the sports-viewing experience for fans-providing a pseudo participation experience, in turn fueling stellar growth for the industry in India which, as per a KPMG report, now boasts over 90 million active users and nearly INR 2,470 crores in annual revenue.

These developments highlight the tremendous potential this “sunshine sector” holds. However, Online Fantasy Sports, much like most new-age and disruptive industries, has been met with some apprehension by some consumers and policy makers and concern due to certain myths around Online Fantasy Sports.

Given the rapid rate at which Online Fantasy Sports is growing, it is important to understand the impact that the industry has had on users. A better understanding of how users perceive Online Fantasy Sports, and how they have been impacted by them, will help policymakers to create a regulatory framework that not only allows the Online Fantasy Sports industry to grow responsibly, but also ensures that the interests of the consumers involved remain protected.

Against this backdrop, Consumer VOICE carried out a user survey to study the impact on consumers’ engagement and issues of Fantasy Sports on sports engagement. At a more granular level, the survey sought to understand whether the actual user perceptions of Fantasy Sports are in alignment with the myths surrounding the Online Fantasy Sports platforms. The objective of the survey is to ensure that a representative voice of users becomes an integral part in the development of Online Fantasy Sports as a product, its adoption, and attendant regulation. The nearly 10,000 responses collected suggest that users perceive Online Fantasy Sports as a non-addictive, skill-based fair engagement platform which is safe to play and enhances their engagement with sports.



## Key Findings

88% of the users reported that their interest in sports increased after participating in Online Fantasy Sports contests.

81% of the users agreed that by virtue of using Online Fantasy Sports platforms, they have become more aware of non-cricket sports like Kabaddi, Hockey, and Handball.

85% of the users agreed that the option of participating in free contests allowed them to participate without fear of incurring any financial loss.

Close to 90% of the users said that the terms of use for paid contests were easy to find and understand before they participated in paid contests.

73% of users spend over 30 minutes researching statistics and other information to make their Online Fantasy Sports teams before a match.



## **2 Common Myths Surrounding the Online Fantasy Sports Industry**

Several notions have emerged which have given rise to larger myths that cloud the Fantasy Sports industry, which has generated considerable consumer interest. Data suggests that users are typically between 25 to 45 years of age and are growing exponentially. Considered view of Consumer VOICE is that this Fantasy Sports industry needs to be regulated properly to ensure protection of consumer interests as well as the future of an industry with a plethora of offerings - not just in terms of revenue-generation but sports engagement as a whole. Below is a list of key myths associated with the Online Fantasy Sports industry that this report aims to address:

- Myth 1: Online Fantasy Sports can be addictive.
- Myth 2: Online Fantasy Sports platforms can have a negative impact on the youth.
- Myth 3: Online Fantasy Sports can leave users financially vulnerable.

In order to understand user perception, a survey was disseminated to Fantasy Sports users across multiple Online Fantasy Sports Platforms in India. The survey questionnaire received nearly 10,000 responses.



# 3 Survey Findings

## 3.1. Myth 1: Online Fantasy Sports can be addictive

### Survey Findings:

- **78% of the users stated that their primary engagement is only with the real-life sport after a match begins, therefore making Fantasy Sports intrinsically non-addictive.** Online Fantasy Sports are dependent on actualities, seasonality, and availability of real-time sports matches.
- **73% of users spend over 30 minutes researching statistics, playing conditions and other information before making their Online Fantasy Sports teams before a match.** This indicates that the users exercise their knowledge, experience and adroitness regarding the relevant sport before creating an Online Fantasy Sports team. The time spent is on understanding the sport better and improving their knowledge and skill of the sport.
- **93% of the users said that they have been participating in Online Fantasy Sports platforms for more than a year.** This indicates that Online Fantasy Sports platforms are not a new product and have existed in the Indian market for the past few years. With sustained existence in the market, users have had enough time to become accustomed to Online Fantasy Sports platforms and understand the offerings and how they work.

### Conclusion:

**73% of users spend over 30 minutes researching statistics, playing conditions and other information before making their Online Fantasy Sports teams before a match.** Close to 80% of the users indicated that once the fantasy teams are created by them, they only engage with real-time sports events and not the Online Fantasy Sports platform. Hence our findings do not support this myth that Online Fantasy Sports can be addictive

### 3.2. Myth 2: Online Fantasy Sports can have a negative impact on the youth

The section attempts to understand, from a user perspective, whether participating on Online Fantasy Sports platforms creates a value addition to their lives in terms of skill and interest enhancement in sports.

#### Survey Findings:

- **The survey findings show that 88% of respondents believed that their interest in sports has increased due to participation in Online Fantasy Sports.** This is due to the nature of Online Fantasy Sports platforms which emphasize the application of in-depth knowledge, judgement, and skill to real-life sporting events to create an immersive experience. Online Fantasy Sports platforms focus on sparking and augmenting user interest and engagement with a variety of real-life sports, wherein the essential reward is developing one's skills and interests. This increase of interest in sports is also reflected by the rapid emergence of online sports communities where like-minded enthusiasts can further engage with each other.
- **It is noteworthy that 81% of respondents agreed that by virtue of using Online Fantasy Sports platforms, they have become more aware of other sports like Kabaddi, Hockey, and Handball - those beyond the popular ones like Cricket and Football.** These findings indicate that Online Fantasy Sports platforms do not confine users to developing their interests in only the most popular sports. Rather, Online Fantasy Sports platforms have the potential of enabling users to engage more meaningfully with other sports as well, therefore enhancing their popularity while also cultivating potential talent. Additionally, this format of engagement also enhances user understanding of various game formats, rules, and player performances.

#### Conclusion:

**88% of the users said that Online Fantasy Sports platforms increase their interest in sports.** More than 80% of the users also said they became more aware of non-traditional sports like Kabaddi, Handball, and Volleyball, etc. due to participating in Online Fantasy Sports. Thus, contrary to the myth that Online Fantasy Sports can have a negative impact on users, like promoting gambling and addiction, these findings show their potential to enhance users' interest and awareness of sports, especially for non-cricket ones – definitely a positive impact on youth.

The overall impact that Online Fantasy Sports platforms have on users is important to study since there is a perception around lack of value generation by Online Fantasy Sports platforms, the impression that they lead to addictive behavior which again is not supported by this survey.



### 3.3. Myth 3: Online Fantasy Sports can leave users financially vulnerable

#### Survey Findings:

- **85% of the survey's respondents agreed that the option of participating in free contests allows them to use Online Fantasy Sports purely as a means for engaging with fellow sports fans and enhancing their viewing experience, without the fear of incurring any financial loss.** Moreover, these respondents believe that this option allows them to focus more intently on the real sport/match – encouraging them to become more intellectually invested in the sport and learn more about it.
- **87% of respondents said that the terms of use for paid contests were easy to find and understand before they participated in paid contests.** This showcases that the users make an informed decision when participating in paid contests.

#### Conclusion:

Majority of the users were able to find and understand the terms and conditions for paid contests and were, therefore, able to make an informed decision. Furthermore, most users found that the free contests allow them to use Online Fantasy Sports purely as an engagement tool to interact with fellow sports fans and enhance their viewing experience. Industry reports indicate that 99.2% of all users have either won or lost less than INR 10,000 net in their entire lifetime. Fantasy Sports users participate in contests to engage with sports and compete with friends, with all contests being 100% transparent. The average ticket size is INR 35 with more than 50% of users winning back their participation fees or much more. Hence money involved is relatively small, however Consumer VOICE suggests that the Online Fantasy Sports sector needs to be regulated to protect consumer interests from fly by night operators especially during peak sports seasons such as IPL





## 4 Conclusion

Based on the survey responses, users do not seem to perceive Online Fantasy Sports as a simulation game but as a sports engagement platform. Because users can only participate in a contest before the start time of a live sporting event, they are likely to spend less time on the platform. **With less screen time spent on Online Fantasy Sports platforms, they inherently become less likely to give rise to addiction.**

Rather, the uniqueness of Online Fantasy Sports platforms makes the youth more engaged with different sports apart from Cricket and promote their analytical abilities. Online Fantasy Sports platforms serve as an arena for young players to display their skills and active in-depth knowledge about the players' stats, game, and its contingencies. To be 'successful' or win on Online Fantasy Sports platforms, users need to constantly learn, practice and refine their skills to be able to perform in a contest. **This becomes one major reason to distinguish it from gambling/ betting since the Online Fantasy Sports platform format focuses on skill and not luck or chance.** Instead, Online Fantasy Sports is a form of engagement with the real sport which requires skill and increases overall interest in sports - a net positive for society.

Users are also becoming increasingly aware of the terms and conditions of Online Fantasy Sports platforms. With an increasing sense of security, users are open to transitioning from free contests to paid contests as they perceive them as a **financially safe, skill-based activity which augments their interest and engagement with sports.** Therefore, participation in paid contests is a voluntary and informed decision taken by users at their own discretion.

The results of this survey suggest that there is dissonance between how users of Online Fantasy Sports platforms perceive Fantasy Sports vis-à-vis the myths and negative narratives surrounding it.

The Online Fantasy Sports industry has the potential to promote sporting culture amongst the users across all age groups above 18 and across all sports in tandem with growth in the industry and its allied entities. Therefore, in order to ensure the continued and responsible growth of the Online Fantasy Sports industry and protection of user interests, the following recommendations are offered to aid in the development of a holistic regulatory and legal framework for the industry.

- a. The survey's findings demonstrate that Online Fantasy Sports is perceived as a unique game of skill based on real life scenarios. This is in line with NITI's guiding principles that suggest Online Fantasy Sports platforms should only offer contests which are games of skill and based on real-life officially sanctioned sporting events covering one full match. Hence, it is recommended that the current and future regulations (by State Governments) with respect to Online Fantasy Sports reflect a similar understanding of the industry. Additionally, formalization of NITI Aayog's Guiding Principles could be an effective strategy to support States in formulating legislations for the sector.
- b. Government regulations for any emerging sector should be based on protecting user rights and safeguarding industry interests for the industry to grow responsibly. Further, findings of this survey present a user perspective of the industry in comparison to the current general perceptions of Online Fantasy Sports' impact on its users. Therefore, it is important that the growing adoption and acceptance of this industry from users should be considered for making any policy.
- c. Awareness of free contests, educating the users on the terms of use of paid contests and the overall format of Online Fantasy Sports platforms should be promoted among various stakeholders. This will help in enhancing user awareness and further promoting the responsible growth of this industry. Additionally, this will help in building an accurate perception of the industry on a long-term basis.

### Recommendations: There is a need for regulation to ensure:

a. Age restrictions for free and paid Online Fantasy Sports formats shall be clearly defined and followed by all stakeholders with a proper self-regulating mechanism and penalty regime.

b. Money involved is relatively small but needs to be regulated. Proper regulatory safeguards are required because such activities attract unscrupulous elements.

c. Proper regulation is needed to ensure that no consumer is led to paid contests unknowingly or surreptitiously.



## About VOICE

Voluntary Organisation in Interest of Consumer Education (VOICE) is a consumer protection group set up by teachers and students of Delhi University in in 1983 and our mission is Consumer Empowerment, Awareness, Redressal and Advocacy. In 1986, it was registered as a Trust. When the activities of VOICE increased manifold and became multi dimensional, VOICE Society was registered in the year 1999 under Societies Registration Act of 1860. Consumer VOICE has strong network of Voluntary Consumer Organizations (VCO's) across India in 24 states and we are operating across the Nation. We have successfully implemented projects across India through our VCO networks and through our strong linkages with Civil Society Organizations and Universities as we work on Education and Empowerment. Consumer VOICE does not publish any commercial advertisements and does not accept commercial donations to be free from corporate pressures and obligations.



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