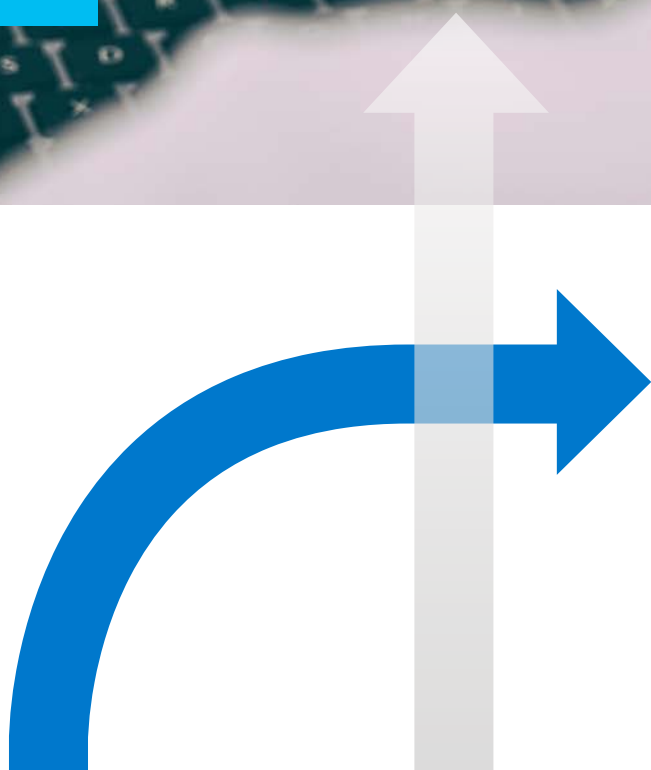




# The Beautiful Partnership

UNDERSTANDING THE  
SPORTS BETTING MARKET





## FOREWORD

Sports betting has enjoyed unprecedented growth over the past two decades, transforming itself from a niche pursuit associated with smoky betting shops into a truly global industry.

This transformation has been driven by the industry's willingness to develop a greater understanding of its customers, and in turn, offer them a stronger product.

Of course, this is an ongoing process, and in light of current pressures the industry faces in the UK – not least negative media attention and the upcoming triennial review – this feels like a good point to take stock.

**The following research from Opinium, provides an important snapshot of the different types of British sportsbook customer, their preferences, their dislikes and the brands that best resonate with them.**

In the more than 10 years Square in the Air has been working alongside many of sportsbook's most successful brands, we've observed first-hand its rapid growth and professionalisation.





While this process has been an undoubted positive, it has also brought with it a number of challenges, including increased competition, greater regulatory scrutiny and a more demanding punter.

Against this backdrop, branding has never been more important, and these insights into how the UK's most successful sports betting brands are received by customers are of immense value.

With a mix of legacy brands, digital first-movers and challenger entrants all spending heavily in the crowded UK market, only those with a true understanding of the composition of sportsbook customers will succeed.

These punters have been segmented by Opinium into four distinct profiles that offer opportunities for a wide range of brands, products and approaches to sports betting.

If we as an industry are to build upon the success of the last two decades, it will be research like this that provides the tools and direction for future growth.

**Robin Hutchison**  
*Director, Square in the Air*

## INTRODUCTION

For some, sport and betting have always gone together, but since the de-regulation of advertising, the relationship has become so strong that the two now seem inseparably linked.

**If you watch any sporting event these days on TV it is not a case of if there will be a betting advert during breaks, but rather how many there will be. Sports fans are bombarded with betting opportunities every time they tune in.**

This has created a wealth of opportunity for operators, but has also brought with it a number of challenges. Undeniably, it has helped those operators with scale to grow their businesses at an unprecedented rate. However, with competition fierce, it has also meant that branding and messaging has never been so important, with British, European and increasingly Asian operators competing for eyeballs.

It is not only in the ad break where the competition between the bookmakers is fierce. If you are a fan of a Premier League football club, there is a strong chance your team shirt will be emblazoned by a betting logo. And football is not alone, with many major sports now seen as a natural fit for betting brands.

But has the tide turned? The FA recently ended its relationship with gaming giant Ladbrokes, and there is increasing scrutiny on the conduct of operators, and the relationship between betting and sport.

If this is a sign of things to come, then opportunities for the plethora of bookmakers looking to advance their brand may start to become more challenging. The key for brands is to better understand the market to really target potential customers.

The Opinium Sports research team have spoken to 1,500 regular punters to gain an insight into their habits and behaviours in the new digital world of gaming.

We have now turned our attention to the sportsbook sector, speaking to 500 sports betting customers to find out in more detail their thoughts about the major brands competing for their custom.

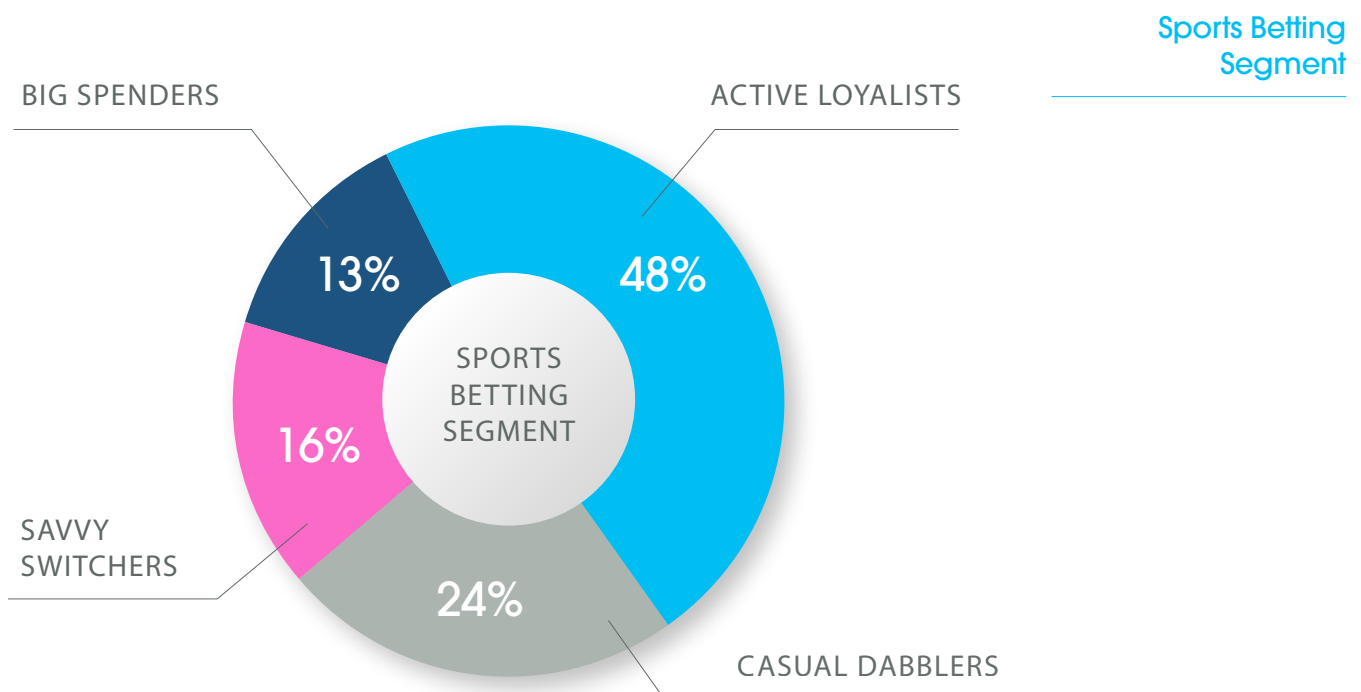






## TARGETTING KEY CONSUMERS

Sports betting is very much a male-dominated past time but within our group of regular punters we identified four different segments. We have named them 'Big Spenders', 'Savvy Switchers', 'Active Loyalists' and 'Casual Dabblers'.

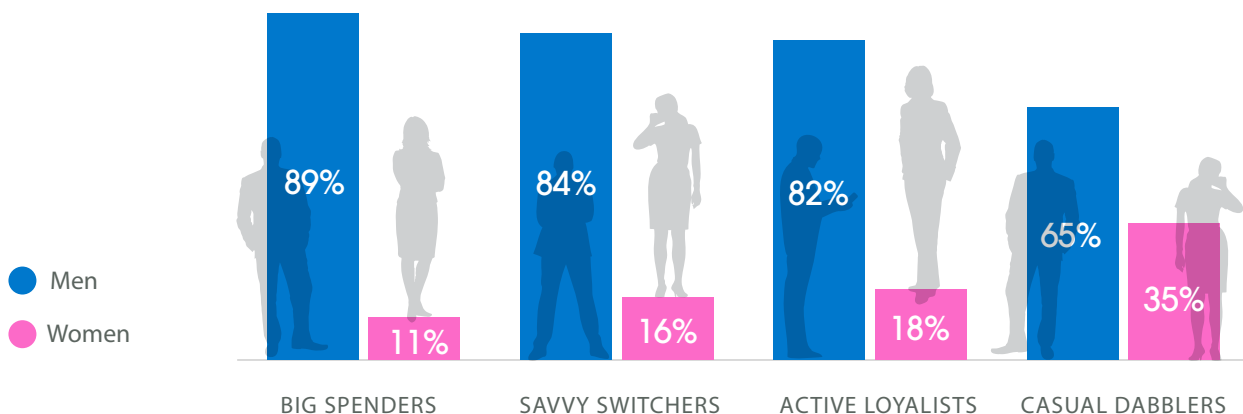


The biggest group by some distance are our Active Loyalists. These are regular punters with 76% of them betting at least once a week with an average spend of £52 per month. Most importantly for brand owners, however, is that 69% of them have only **ever** signed up to between 1-3 accounts and 90% have never switched at all, meaning this very large group of customers are very loyal to the brands they have in their small repertoire. The number one brand amongst this group is bet365, showing the impact that “a bit of in play action with Ray” can have.



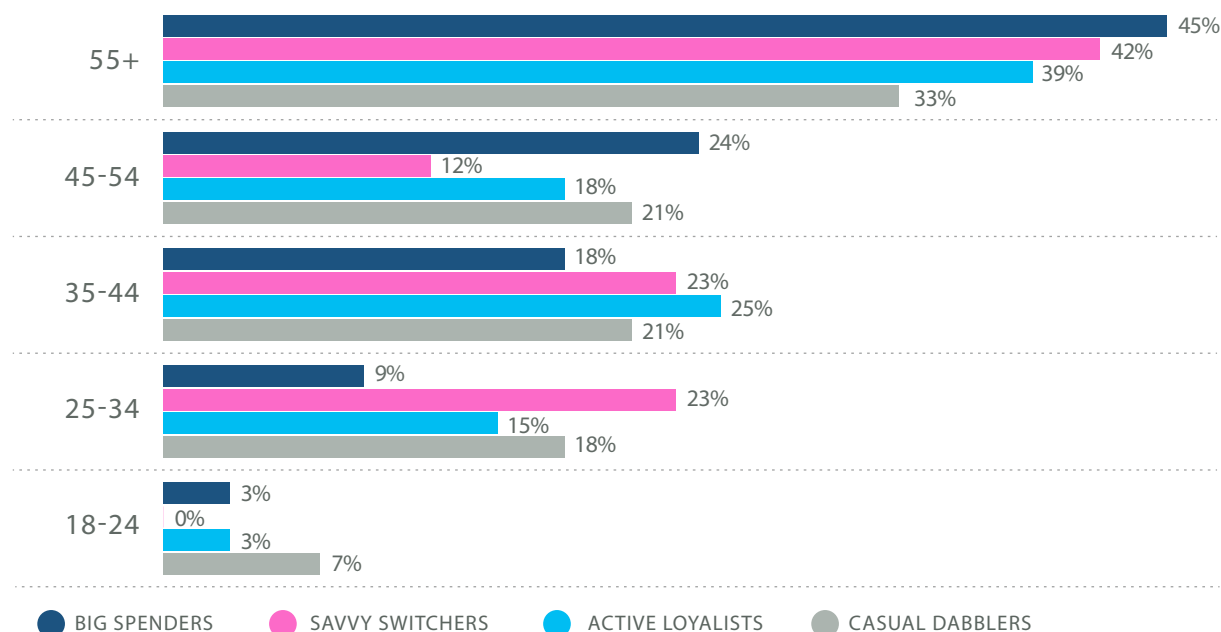
The next biggest group are Casual Dabblers. As the name would suggest, they bet a lot less frequently than other groups with just 32% betting at least once a week. On average this group bets just £6 per month and 95% bet less than £10 per month. Although still predominately male, this group does have the highest percentage of women at 35% compared to the other groups, which are split close to 85% men, 15% women.

### Gender Breakdown



The Casual Dabblers group tends to be a little younger than the other segments, with 25% being under 34. This group are even more loyal than the Loyal Dabblers, as 52% of them have only ever signed up to one account. This suggests shouting at this group about introductory offers is rather wasting time and media budget. However, Sky Bet is the brand they choose to use most often, highlighting the impact of the strong links to TV coverage that Casual Dabblers are watching when betting.

## Age Breakdown



The third segment are Savvy Switchers. These punters are the most affluent, with 45% of them living in a household with income of over £60K a year.

However, this is not necessarily reflected in their monthly wager amount, with the average being £32. This group is similar to a degree to the Loyal Dabblers, although they don't bet quite as frequently with 47% betting at least once a week. The big difference is in the brands they bet with. This group are the kings of sign ups, with 22% having registered for more than four accounts in the last 12 months. This group are highly promotions driven, as reflected by the brands they use most often: Paddy Power, bet365 and 888, which they also regard highly in terms of their promotions.

The final group are the Big Spenders. They are the oldest group with 69% of them being over 45 years old and, as you might expect, this group love their sport and rate their interest in the majority of sports higher than the other groups.

They are easily the most prolific punters with 91% betting more than once a week, and with 61% placing more than £75 a month, they are a highly attractive group for betting firms to target. They are happy to move their money around with 53% having opened up more than six accounts in their betting careers. The brands that are managing to capture the Big Spenders' custom more often are bet365, William Hill, Ladbrokes and Sky Bet.



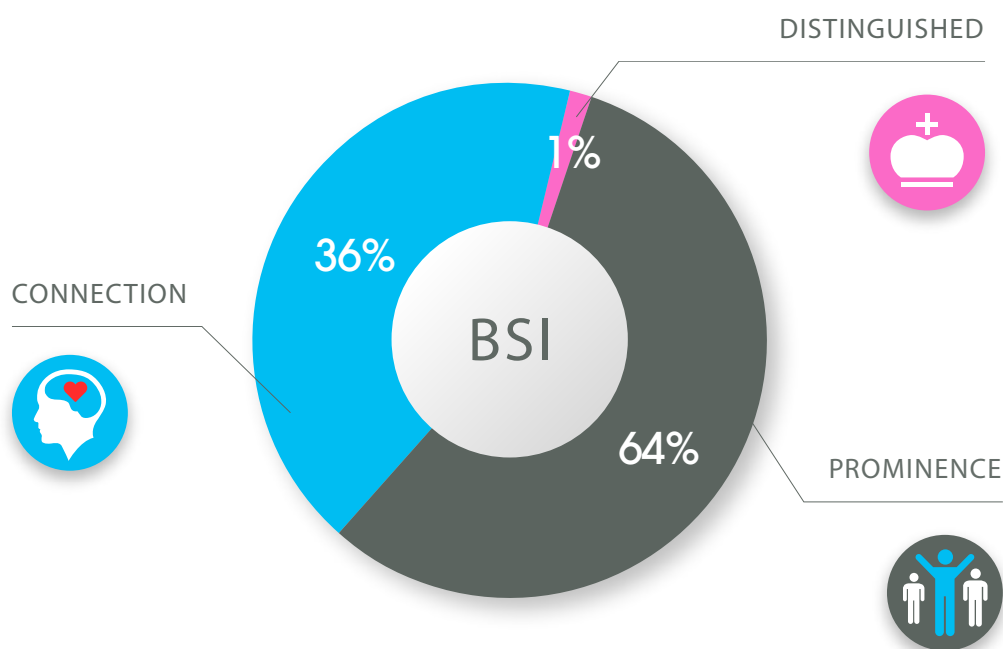
## WHAT DRIVES BRAND CHOICE?

As we have seen from the four market segments, different brands are managing to appeal to different types of customers, which begs the question: what makes punters choose one brand over another in such a crowded market?

Utilising the Opinium Brand Strength Index (BSI), we can see what drives brand usage in the category.

The BSI model is based on three key elements that makes brands successful: emotional connection, prominence in the market, and being distinguished. As every category is different, these measures are weighted to reflect their importance on determining usage in the sportsbook category.

### Brand Strength Index (BSI)



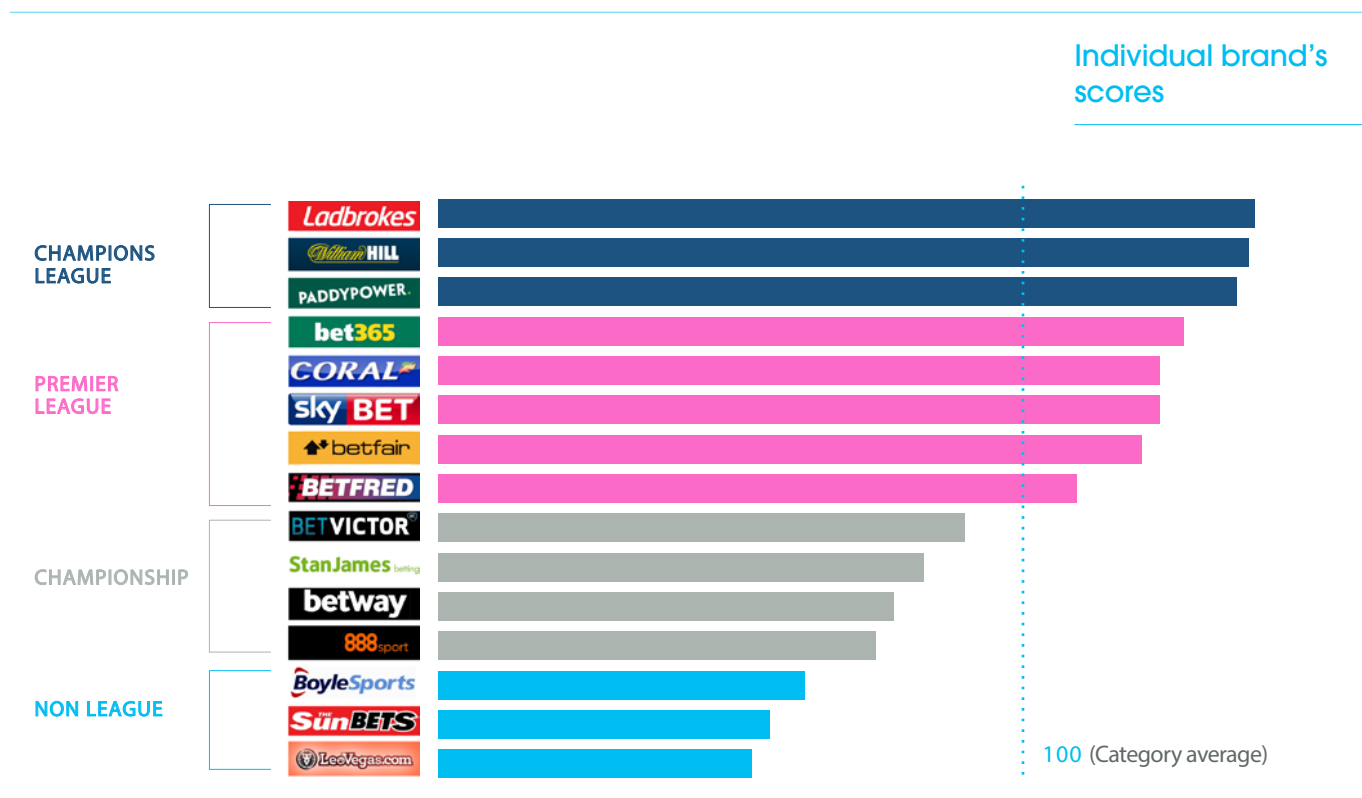
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The sportsbook market is dominated by prominence and connection as customers do not see much differentiation in the category. Clearly the huge marketing budgets that are being spent on acquiring and keeping customers is having a direct influence on brand choice.

To provide the overall Brand Strength Index, we weight the individual brand's scores on connection, prominence and how distinguished they are. A score of 100 is the average within the category.





Ladbrokes and William Hill, the most well-known bookmakers in the country, along with Paddy Power, are the three strongest brands in the market and form a group we have called the Champions League brands. They are followed by a group of brands that we have called the Premier League brands, who all have reasonably good brand equity and are trying to break into the Champions League group. The group includes bet365, Sky Bet, Coral (who historically might have been considered a Champions League brand), Betfair and Betfred.



BETVICTOR

**BETFRED**

**betway**

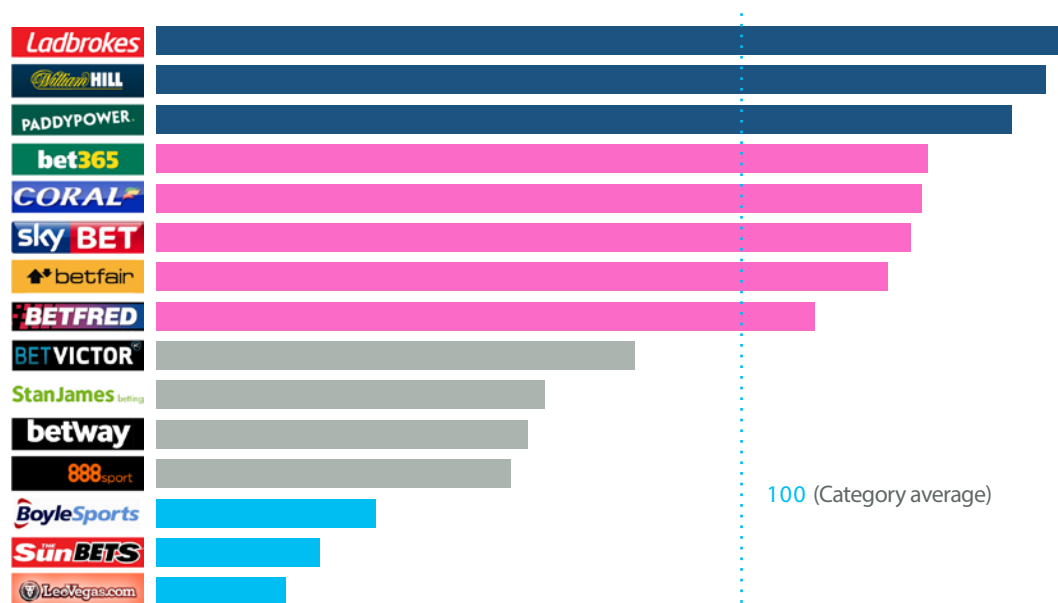
The third group, the Championship, are a mix of brands that have been around for a long time such as BetVictor and Stan James, and new players Betway and 888sport. The final group, Non-League, are brands that are little known to the majority of punters and include Boylesports, Sun Bets and LeoVegas.

As we have seen, the key category drivers within sportsbook are prominence and connection, so the challenge, for example, of a Premier League brand will now be to understand their performance in these areas but then most importantly understand what the key levers are to improve their brand equity and ultimately gain market share.



## PUNTING ON PROMINENCE

### Prominence Index



Given the importance of prominence to category usage, it's not a huge surprise to see the rank order of brands on prominence looking very similar to the overall BSI rank order, but what is clear is just how much of a difference there is and how big a job the smaller brands have on their hands to bridge that gap. However, Paddy Power are a great example to challenger brands that it can be done. Founded in Ireland in 1988, it only got serious about trading in the UK since the turn of the century.

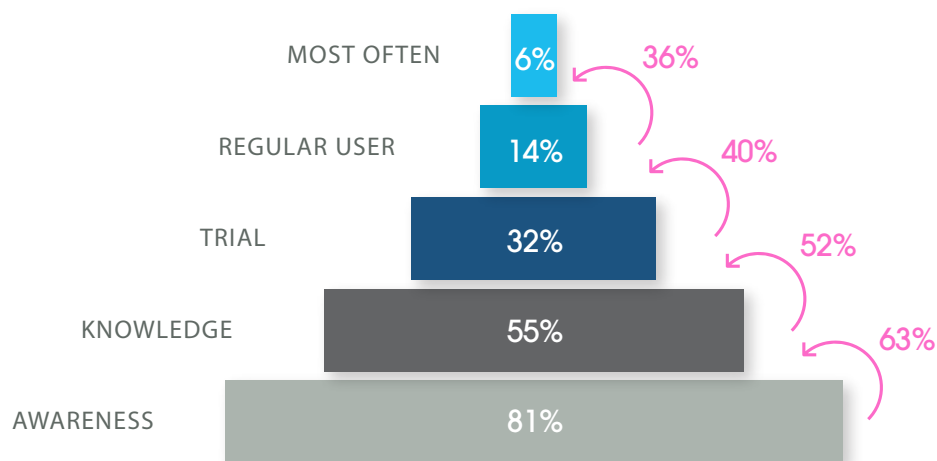
**PADDYPOWER.**



It's not just about gaining awareness, but also making sure that the brand converts that awareness in such a competitive market.

Below we can look at how the brands in the category do in terms of converting punters from basic level awareness to regular users, and to the ideal position of preferred brand. The chart below shows a category average for the different levels of brand familiarity for all of the brands.

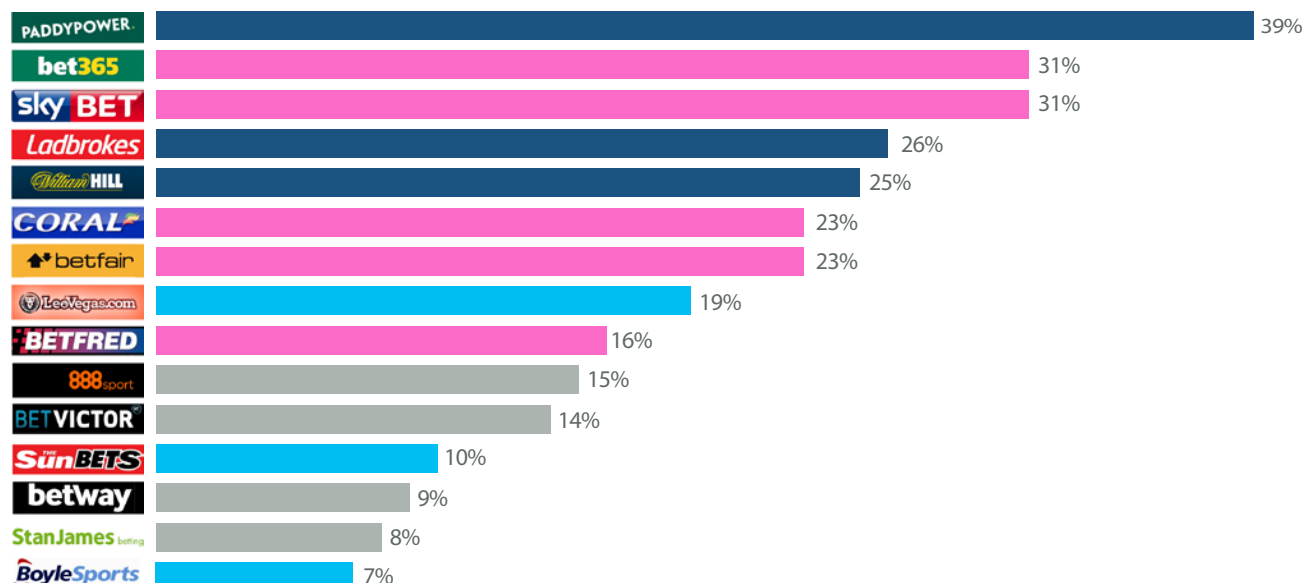
### Category average



The numbers in pink by the arrows are the conversion rates, i.e. how well brands in the category are building on the awareness they have created. On average, brands are managing to convert around 50% of those who know something about them into trial, and then moving 40% of those who have bet with them at least once into more regular customers.



## Awareness of marketing activity



As you might expect, our Champions League brands perform strongly on the numbers of punters at the top of this usage pyramid. However the brands that perform best in terms of converting their customers from trialists through to regular users makes interesting reading.

It is three Premier League brands, namely bet365, Betfair and Sky Bet that outperform the Champions League brands, and this, coupled with high levels of marketing activity and better promotions, mean they are registering a credible threat to breaking into that top bracket of brands in the category.







## MAKING A CONNECTION

Of course brand building is not all about shouting the loudest and most frequently. In a cluttered market, brand owners have to deliver a proposition and experience that makes customers come back time after time, or at the very least keeps the brand in the consideration set.

To gain a deeper understanding of what perceptions drive brand strength we asked punters to choose which brand they believe delivered on a range of brand attributes. We then conducted some factor analysis to pull out the overriding themes.

Below is a factor analysis that shows the key themes that arose from the sportsbook category:



Good customer service



Innovative



Trustworthy and reliable



Easy to use technology



Understand needs



Better offers and odds



Speedy transaction



Strong social media presence



Performance on these themes does tend to fall into groups with the high street brands of Ladbrokes, Hills and Corals being perceived to have good customer service. Those brands who are seen as being trustworthy and reliable tend to be those more traditional brands such as Stan James, Boyle, and Bet Victor.

Then there is a group of brands who are perhaps some of the more recent entrants into the market, such as Paddy Power, bet365, Betfair and Sky Bet, who are known for innovation, offering good odds and promotions, being easy to use, and understanding customer needs.

The key for these brand owners is to know which brand perceptions will have a greater influence on improving brand strength and also which messages are going to be more impactful across the four customer segments which exist in the sportsbook category.

What is clear from looking at the consumers and brands in this category is that it is highly competitive and potentially at saturation point. Brands that are currently strong will need to continue to work hard to stay there, as there is plenty of competition waiting to steal their crown. For the challengers, the key is finding their own path to grabbing a share of punter's wallets.

**Look out for our forthcoming reports which put the spotlight on the online bingo and casino sectors.**



## ABOUT US



### Steve Looney // Research Director

Steve leads the Opinium Sports & Leisure team and has over 15 years of experience working in market and consumer research delivering insight across many areas of the business world from small start-ups through to iconic global brands.

Steve's experience comes from across the FMCG, retail, B2B & service categories dealing with many facets of marketing information such as: communication evaluation, concept testing, brand planning & strategy development, and customer satisfaction.

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### Jordan Wood // Senior Research Executive

Jordan is a member of the Opinium Sports & Leisure team and is currently working for clients in the gaming & sports categories. His expertise lies in online research, both quantitative and qualitative, working predominantly in the thought leadership and brand and comms spaces in both the UK and overseas markets.

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What people  
think, feel and do.

### About Opinium

OPINIUM is an award winning strategic insight agency built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on pulse of what people think, feel and do. Creative and inquisitive, we are passionate about empowering our clients to make the decisions that matter. We work with organisations to define and overcome strategic challenges – helping them to get to grips with the world in which their brands operate. We use the right approach and methodology to deliver robust insights, strategic counsel and targeted recommendations that generate change and positive outcomes.

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