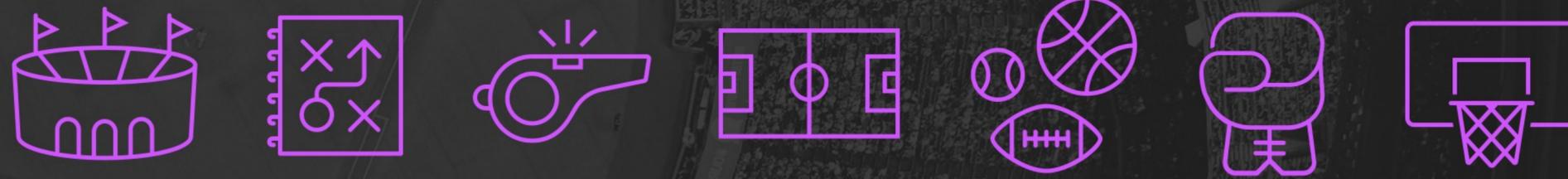


CHANGING THE GAME | BILL C-218



SPORTS BETTING REFORM IN CANADA

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NOW IS THE TIME

Expanding sports betting in Canada

The entertainment and gaming industry in Canada is on the threshold of major transformation that could open the door for tremendous growth and revenue generation opportunities, while mitigating illicit, unregulated, grey-market and offshore betting activities.

An estimated **\$15 billion was bet on sports** in Canada in 2020. Just **3%** of those bets were completed through legal, licensed, or regulated operations.¹

Never has there been a more pivotal moment to seize the opportunity and legalize single-event sports betting in Canada.

COVID-19 has exploited a need for expanded betting options amongst an audience that is hungry for engagement and entertainment. This at a time when the pandemic has taken a serious toll on legitimate industry revenues.

CURRENT STATE

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SEISMIC SHIFT

An industry in flux

In June 2020, commissioners of the NBA, NHL, MLB, MLS, and CFL jointly proclaimed that regulated single-game sports betting would benefit both sports and fans.²

Broadcasters have seen subscriber numbers and advertising revenue steadily decline over the past decade as audiences cut the cord on traditional cable and ad spends shift to online channels.³

Sports betting reform could enable broadcasters to capitalize on a rise in **casino and sports-book ad spending**. Broadcasters could also **leverage OTT technology**, offering enhanced and immersive experiences via second-screen integration.

For sports betting businesses, eased restrictions would enhance revenue streams, **like data sales**, and open the door for new sponsorship agreements, partnership ventures, and platform collaborations.

LEARNING FROM EXPERIENCE

Across the border and further abroad

Sports betting outfits that do business in regulated US states often secure relationships with traditional sports organizations and provide in-stadium marketing opportunities. For example;

- US casino-resort operator **Caesars** and UK gambling group **William Hill** are the title sponsors for two lounges at the arena of the NHL's **New Jersey Devils**.⁴
- In the UK, eight of the 20 soccer teams in the English Premier League feature a **global gambling company** as their shirt sponsor for the 2020/21 season.
- **Bet365**, a major UK online gaming company, is the **title sponsor for NFL games** in the United Kingdom and provides VIP offerings and short-form media content as well.⁵
- In Australia, **BetEasy** has the rights to use NBA assets in its marketing material. The company also has access to official NBA data and **works with the league to promote responsible gaming** to protect the integrity of the sport.⁶

LEARNING FROM DRAFT KINGS

Exclusivity partnership

Earlier this year, **DraftKings** and the **NFL** reached an agreement to expand their current daily fantasy sports and content partnership to **Canada**. Previously, the landmark deal was limited to the US.

In 2019, the NFL and DraftKings entered into a distinctive partnership that established DraftKings as the **exclusive sponsor of the daily fantasy sports category**, as well as provided the company access to NFL branding and opportunities to collaborate on product and content offerings across the DraftKings app and NFL Media properties.⁷



FEELS LIKE DÉJÀ VU

We've been here before

Cannabis, like gambling, was historically banned because of its perceived links to criminal activity and immoral behavior. The legalization of cannabis was cited on two core principles: **to minimize underage access to cannabis** and **to reduce criminal activity surrounding its illegal trade**.

This policy rationale is entirely applicable to the legalization of single-event sports betting. Canada's newfound stance on cannabis signifies the need for a modernized approach to single-event betting.⁸

Achieving success amid a constantly shifting, regulatory-driven landscape doesn't come without a lot of hard work, flexibility, and determination. The ability to understand and work collaboratively with legal and regulatory affairs officials to develop very nimble and proactive processes is essential.⁹



⁸ Canadian Gaming Lawyer, Spring 2019

⁹ Case Study – <https://sawhorse.ca/projects/medreleaf/>

FUTURE STATE

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CHANGE IS INEVITABLE

There's a new game in town

Leagues that used to pretend gambling didn't exist, for fear of integrity issues, now routinely announce **new partnerships and sponsorship arrangements** with gambling companies.

Broadcasters that were not long ago afraid to utter the words "point spread" on air during a game are now **using gambling terminology as a regular part of game coverage**, as well as on highlight shows.

ESPN routinely provides two separate feeds of NBA games: the normal one, and **one with gambling-specific content**, with hosts analyzing both the bets that could have been made prior to tip-off as well as in-game betting opportunities.

As an industry, we must strive to solve and find answers to important questions, in order to address the opportunities and challenges faced in this dynamically shifting market.

CHANGE IS **EXPERIENTIAL**

Cross-channel collaboration

- ▶ How can we amplify our brands and drive revenue by collaborating creatively with sports betting partners?
- ▶ How can we impact the fan experience inside the stadium or arena – and outside, across different channels?
- ▶ How can we promote and educate existing and potential customers about new, legal betting products and services? How do we become an authority in this space?
- ▶ How can we ensure we are effectively monetizing all available channels, from partnerships, and media rights, to data sales?
- ▶ How can we purposefully embed our offerings into real-world experiences? What might partnerships with restaurants and bars look like?

CHANGE IS CFL

Reinvigorating a fanbase

Legalizing single-event sports betting in Canada could revolutionize how young people engage and interact with the CFL. By offering **in-stadium betting opportunities**, like exclusive lines, prop bets, and game day prizes, the CFL could coerce millennial bettors to put down the remote and purchase a ticket to attend live games.

Taking it a step further, why not take advantage of millennial phone screens by providing fun, interactive gambling opportunities for a unique in-person experience? Imagine picking a spread and **competing head-to-head with the people in your row or section** of the stadium?

The league could increase gambling revenue while attracting younger fans to purchase tickets in one fell swoop. That's a big win.



CHANGE IS **INTERACTIVE**

Content delivery innovation

- ▶ What kinds of original betting content – such as gambling-focused programming – can be produced to increase viewing time?
- ▶ What media integrations (i.e., bespoke brand content and experiences, viewing technology) can be used to enhance the betting experience?¹⁰
- ▶ How can media interactions on various channels – OTT, broadcast, social media – be gamified? Can free-to-play experiences be created to encourage viewers to interact with live games and adjacent content?
- ▶ What opportunities exist to reach new customer demographics authentically, through partnerships with media and sports organizations?



CHANGE IS **ADAPTABLE**

Untapped audience engagement

- What innovations from esports and fantasy betting can be used to spark advances in our product offerings?
- How can the growing momentum of the video game/esports sector be capitalized on within our existing products? How can the experience be gamified?
- How can the unique, powerful digital distribution model inherent in the video game/esports sector be applied to reach target markets more effectively and educate new customers?
- How can micro-betting and peer-to-peer wagering impact our ability to evolve betting markets and create community, camaraderie, and competition culture (i.e., freemium modelling, gamified currency, etc.)¹¹



THIS IS OUR MOMENT

A real Canadian game-changer

Imagine watching a football game on TV, smartphone in hand. You can bet on the match at any point, and even wager on the outcome of individual plays or stats — all in real time, and fully personalized for your own immersive experience.

We strive to stir passion and ignite dialogue around this landmark legislation. We're here to help stakeholders and industry-players make important decisions, by evaluating impacts and opportunities across the sports betting ecosystem.

Contact us today for a quote or a conversation.



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About Sawhorse

A start-up mindset with transformative chops. Harness the power.

Sawhorse Consulting Group is a Southern Ontario based brand marketing and consulting agency. We provide clients with subject matter expertise and guidance as part of fixed-term and ongoing commitments, working in an advisory capacity to bring about dramatic shifts and improvements in organizational performance. We provide audit, consulting, and advisory services to public and private clients spanning a full spectrum of industries.

Over the years, we've partnered with a broad array of businesses, each with unique objectives and desires. Whether your needs are strategic in nature or data-driven, contact us today.

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