

Players to Spend Big on Daily Fantasy Sports: Doubling to \$5.3 billion by 2021

Submitted by: Juniper Research

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Yet Providers Face Revenue Constraints

Hampshire, UK: 21st November 2016: A new study from Juniper Research

(https://www.juniperresearch.com/home?utm_campaign=Daily_Fantasy_Sports_16_PR1&utm_source=sourcewirepr&utm_medium=email) has found that consumer spend on Daily Fantasy Sports will reach \$5.3 billion by 2021, up from \$2.6 billion this year, as key players seek to develop new markets including the UK, Australia and Latin America.

Juniper's latest research, *Daily Fantasy Sports: Growth Opportunities & Player Strategies 2016-2021*

(https://www.juniperresearch.com/researchstore/content-applications/daily-fantasy-sports?utm_campaign=Daily_Fantasy_Sports_16_PR1) argued that, despite revenue constraints, providers' interest in the market will remain high, with margins reaching over four times those of traditional online casino games providers in 2021.

Market Growth & Consolidation Ahead

Currently North America dominates the industry with US regulatory loopholes denoting the activity a 'game of skill', rather than gambling. Nonetheless, with several smaller players in operation globally, and an initial foray into the UK by the industry leaders, West Europe will become the next major market over the coming 5 years.

Current leaders DraftKings and FanDuel represent over 90% of the Daily Fantasy Sports market; a merger between the two, which Juniper anticipates will occur imminently, will see them consolidate their position and dwarf closest rival Yahoo.

Alternative Strategies Drive Market Forward

However, the research argued that pay-outs on guaranteed prize pools, sometimes worth millions of dollars, significantly constrain providers that may already have invested heavily in high-profile advertising campaigns. Furthermore, as research author Lauren Foye pointed out, "DraftKings and FanDuel have used aggressive marketing strategies that gave rise to accusations of false advertising and concerns with cost overruns. Both they and emerging players will need to quell suggestions that only 10% of 'professional' players win the monetary prizes on offer."

The research claimed that concerns could be addressed through private leagues, where users compete with friends, essentially removing the issue surrounding pro-players. Meanwhile, providers will attract casual players playing for smaller prize pools, increasing transactions and aiding in alleviating some of the concerns surrounding liquidity; an issue which has plagued the online poker industry.

The whitepaper, *Daily Fantasy Sports ~ from Rookie to Pro*

(https://www.juniperresearch.com/document-library/white-papers/daily-fantasy-sports--from-rookie-to-pro?utm_campaign=Daily_Fantasy_Sports_16_PR1) is available to download from the Juniper website together with further details of the new research.

Juniper Research provides research and analytical services to the global hi-tech communications sector, providing consultancy, analyst reports and industry commentary.

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