



The Sports Betting Pre-Game: How Operators and States Should Prepare for Launch

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Recommendations / Agenda

- Communicate before legislation and regs are developed
- Understand the revenue impact(s)
- Your biggest asset is your database
- Make decisions purposefully



Big Operating Questions

1. Communicate before legislation and regs are developed

Saints -6.5	Redskins +6.5
\$110 wagered Paid \$210 Net book win -\$100	\$110 wagered Paid \$0 Net Book win +\$110
Total Wagered (Handle): \$220	
Total Win: \$10 (4.5%)	
Total Profit: \$2.50	

Kentucky BR29:

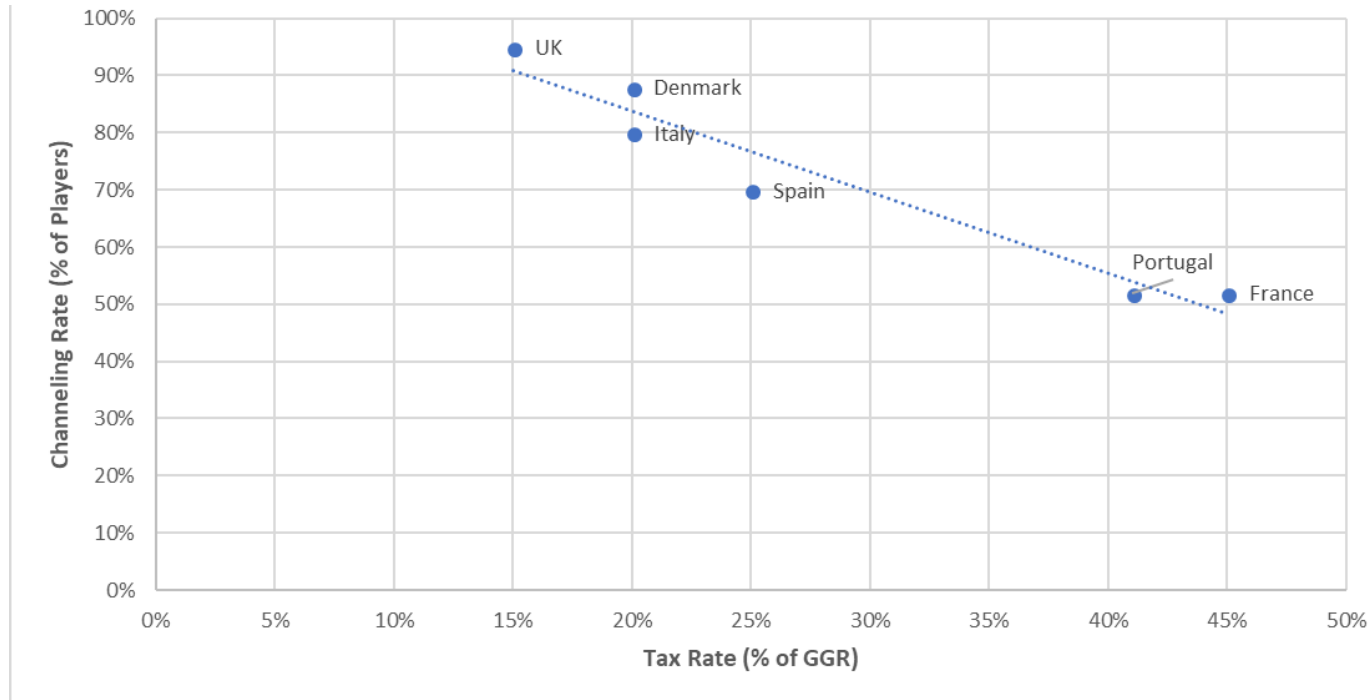
...An excise tax is hereby imposed on all sports wagering facilities at the rate of three percent (3%) of the total amount wagered...



Big Operating Questions

1. Communicate before legislation and regs are developed

Sports Betting – Channeling vs Tax Rate



Source: Copenhagen Economics



Big Operating Questions

2. Understand the revenue impact(s)

- How large is sports betting market?
- Spillover into gaming, iGaming, F&B, Hotel
 - Any cannibalization?
 - Total gaming tax impact?
 - Impacts of inaction? / Defensive
- Are you sized appropriately? Amenities?
- Impact on racing?



3. Your biggest asset is your database

- Cost Per Acquisition is astronomical – you’ve already done this!
- You can talk to – and even prequalify – your database now!
- How much ownership of customer experience/journey will you give up?
 - Limits?
 - Comps?



4. Make Decisions Purposefully

- Physical Integration, Sizing, Experience
- F&B and amenity complements
- Vendors / Operating Models – talk to other operators!
- Preparation for online and mobile