

A REAL LOOK AT FANTASY: DOES MONEY MATTER?

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Abstract

In 2006, legislation was passed making many online gambling activities illegal in the United States. However, while sports betting and online poker were included in this legislation, fantasy sports were specifically given an exemption which has sparked considerable debate within the gambling literature (Holleman, 2006; Leonard, 2009). This exemption is significant given the rapid and precipitous growth of fantasy sports into a multi-billion dollar industry with 30 million participants within North America alone (Fantasy Sports Trade Association [FSTA], 2008).

Within the legal debate are two primary points of contention. First, fantasy sports may or may not lead to the same anti-social effects associated with traditional forms of gambling. Second, fantasy sports may be considered a game of luck or a game of skill and this distinction is likely to lead to markedly different behavioral outcomes. However, while many authors have theorized about the answers to these questions through legal research, there are currently no consumer-focused investigations regarding the impact of playing fantasy sports with a league entry fee (LEF). Therefore, the current study was driven by the following research questions:

RQ1: Do attitudinal differences exist between participants with respect fantasy baseball motives, locus of control, perception of skill or chance, and anticipated fantasy baseball finish based on the amount of fantasy baseball LEFs allocated?

RQ2: Do behavioral differences exist between participants with respect fantasy baseball participation and forms of MLB consumption based on the amount of fantasy baseball LEFs allocated?

The target population for this study was fantasy baseball participants over the age of 18. A sample of 1,500 FSTA members was randomly selected to participate in this study. A total of 253 usable surveys were returned for a response rate of 16.9%. The questionnaire used for the current study consisted of three sections with a total of 38 items including Dwyer and Kim's adapted Motivational

Scale for Fantasy Football Participation, locus of control items, and behavioral intention items. A question on how much money participants allocated to fantasy baseball league entry fees for gambling purposes was also included. Responses from this item were assessed and used to segment participants into three categories (non-entry fee participants [NEFP] – allocated no fees, low entry fee participants [LEFP] – allocated less than \$100 in league fees, and (3) high entry fee participants [HEFP] – allocated more than \$100 in league fees).

With regard to the research questions, MANOVA results suggested significant differences between the groups with respect to attitudinal and behavioral contrasts ($F [df]=5.526 [14], p<.001$; $F [df]=3.603[18], p<.001$). Interpreting the Tamhane's post hoc results, the entertainment motive scores were different between NEFPs and HEFPs, while the gambling and social interaction motive scores were different between NEFPs and both LEFPs and HEFPs. Additionally, a significant difference between NEFPs and HEFPs for the amount of money spent on fantasy baseball products, the likelihood of purchasing MLB Extra Innings, and the likelihood of purchasing favorite team merchandise. Significant differences between NEFPs and both LEFPs and HEFPs were present for the likelihood of attending a MLB game and the likelihood of purchasing MLB merchandise. Lastly, a significant difference resulted between HEFPs and both NEFPs and LEFPs for the total number of years of fantasy baseball participation.

There were several interesting motivational differences between groups. Of particular importance was the difference in the social interaction motive. Specifically, those who made a LEF contribution of any amount were, on average, more highly motivated by the social benefits associated with fantasy baseball. While the literature suggests one of the primary reasons many forms of gambling remain illegal is due to their "anti-social effects" (Holleman, 2006, p. 74), these findings suggest fantasy baseball has just the opposite effect on its participants. The findings related to the gambling motive also merit additional discussion. First, the scale scores remained low meaning that for all participants, money is not a primary reason to play fantasy baseball. Second, while it confirmed the distinction between respondents who do not pay fees and respondents who pay fees, there was not a significant difference between the low fee group and the high fee group. These surprising results further indicate the limited influence of gambling in fantasy baseball participation which once again supports fantasy sports exemption from anti-gambling legislation. The current study also yielded several interesting results related the impact of LEFs on consumption behavior. These additional results, discussions points, and suggestions for future research will be presented.

References:

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