

Video Segment 4: FanDuel and the Analytics of Sports Betting

“Once you’re in-market or even leading up to it, you’re looking at data to understand.”

-Amy Howe, CEO of FanDuel

NOTE-TAKING GUIDE

In this video segment, we learn that in 2018 the U.S. Supreme Court repealed a ban on online sports betting, thus paving the way for the industry and companies like FanDuel to begin building their business in the U.S. Take note of how FanDuel has used data and analytics to make decisions about spending when entering markets. Refer to the vocabulary list for help in understanding the language of business.

New State Launches:

Customer Acquisition:

Customer Behavior:

Explain these business concepts and how they apply to FanDuel, using insight from the video and vocab list:

Online Sports Betting Market:

First-mover Advantage:

Scale Player vs. Niche Player:

Amy Howe looks to how data and analytics will shape the future of the online sports-betting industry. Briefly describe how the following areas of business are and could impact FanDuel's strategy:

Bricks-and-Mortar Stores:

Product Innovation:

Emerging Technologies:

Reflection: While it's interesting to explore the growth of a new industry, online sports betting is controversial. After all, it is gambling. Who really benefits from the legalization of online gambling? Who gets hurt by it? Some people have called it "a new economy built on vice." Is it an exciting new opportunity? Or a moral disaster? Discuss your thoughts on the boom in online sports betting. How do you feel about all the money that is going toward making companies like FanDuel dominant players in an industry where people are encouraged to gamble? How does hearing from Amy Howe, a top exec in the industry, influence your thinking?

THE LANGUAGE OF BUSINESS

(Linked terms are defined in the Wharton Global Youth Video Glossary)

Brand	Marketing
Bricks-and-Mortar Stores	Marketing Analytics
Data	MBA or Master of Business Administration
CEO or Chief Executive Officer	Product
Company	Product Assortment
Competitive Advantage	Promotional Offer
Consumer	Regulated Market
Customer Valuation	Regulation
Demographics	Supreme Court
E-commerce	Web3
Industry	
Innovation	

Acquisition Cost: The total amount of money that a business spends to acquire new customers.

Adoption Curve: The time it takes for a market to embrace an innovation or new product.

Amy Howe: Chief Executive Officer (CEO) of FanDuel, who earned her Master of Business Administration (MBA) from the Wharton School in 1999.

Analytics: The systematic computational analysis of data or statistics. It is used for the discovery, interpretation, and communication of meaningful patterns in data.

Beyond Business: An ongoing conversation at the Wharton School of the University of Pennsylvania that explores the most complex and pressing issues impacting individuals and organizations across the world. Each year Wharton Global Youth creates [Explore Business mini-sites](#) for high school students around different Beyond Business themes.

Business Friction: Anything that prevents or dissuades customers from buying your products or services.

College Sports: Non-professional, collegiate-level sports and games.

Customer Lifetime Value: A measure of the total income a business can expect to bring in from a customer over the course of their relationship that helps the business develop strategies to get new customers and retain existing ones.

Designated Market Area (DMA): A designated geographic media market, usually for radio or television.

Eric Bradlow: A marketing professor at the Wharton School of the University of Pennsylvania and Vice Dean of [Analytics at Wharton](#).

Erika James: Dean of the Wharton School with research interests in crisis leadership, workplace diversity and management strategy. Erika James hosts the annual Beyond Business series of business conversations around which Wharton Global Youth's Explore Business mini-sites are built.

FanDuel: An online gambling company founded in 2009 that offers sportsbook, daily fantasy sports, and more.

First-mover Advantage: When a company gains a competitive advantage by being the first to the market with a product or service.

Generosity Strategy: A business approach in which a company provides generous offers to its customers to gain traction in the market and build customer loyalty.

Market: A place where buyers and sellers meet for the exchange or transaction of goods and services.

Market Access Partner: A partner that helps a business gain access to and build traction in a market.

The Meadowlands Sports Complex: A sports complex in Northern New Jersey, U.S., that includes MetLife Stadium, where the New York Giants football team plays its home games.

Metaverse: The metaverse represents the next iteration of the internet (Web3!) where participants will engage and interact online in entirely different and immersive ways. Instead of being “on” the internet, we will be “in” the internet exploring an expansive network of digital spaces and marketplaces.

New State Launch: Where FanDuel launches its platform, products and services once online sports betting becomes legalized in a new state.

Omnichannel Customer: A customer that buys a product or service across multiple channels, such as online, as well as offline through bricks-and-mortar stores.

Online Sports Betting Market: The market in which FanDuel operates that globally generated \$83.65 billion in revenue in 2022 and is growing rapidly.

Path to Profitability: Businesses seek to be profitable, which is to say they want to make money. Therefore, many of them will lay out their proposed path to profitability in their business plan in hopes of reaching that financial goal as quickly as possible.

Professional Sports: Sports such as football, baseball, basketball, soccer and more include professional sports teams, where players are among the best in their field and earn a salary for their game play.

Scale Player: A company that seeks to grow and even dominate within its market.

Sports Analytics: The analysis of sports data, including information on player performance and business operations, to make predictions and support decision-making on and off the playing field.

Sports Betting: Predicting sports results, like who will win a football game, and placing a financial wager on the expected outcome in hopes of winning even more money.

Sportsbook: An organization that takes bets on sporting events and pays out winnings.

Tech Sector: The technology sector, which includes businesses that sell goods and services in electronics, software, artificial intelligence and information technology.

Times Square: A major intersection and entertainment hub in midtown Manhattan, New York where throngs of New Year's Eve revelers celebrate the start of the new year.

The Wharton School: The Wharton School, also referred to as just Wharton, is the business school of the University of Pennsylvania, a private Ivy League university based in Philadelphia, Pennsylvania. Wharton is a world leader in business education and a hub for academic research in all areas of business.

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