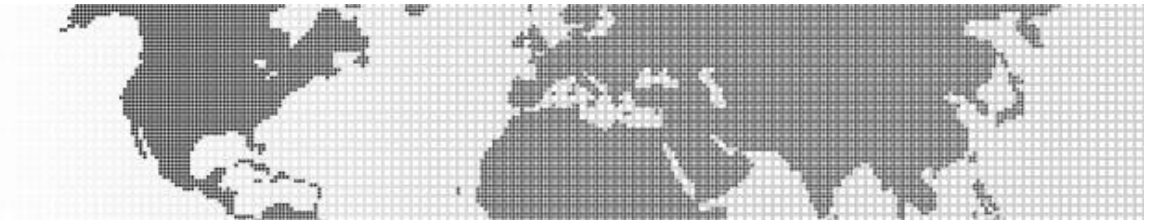




EILERS RESEARCH



Daily Fantasy Sports Player Survey - 2015

Adam Krejcik, Managing Director of Digital & Interactive Gaming, Eilers Research, LLC

July 14th, 2015

About Us

Eilers Research, LLC is a boutique research firm focused on servicing the gaming equipment, technology, and interactive gaming sectors within the global gaming industry. Our products and services include market research, company research, and consulting services designed specifically for traditional land based & online casino companies, gaming technology providers, digital & interactive gaming companies, and institutional investors.

- **Market Research** - Our proprietary market research offering includes multiple surveys and internally developed reports that are designed specifically to track key industry and product demand drivers, operating metrics, market share trends, and technology adoption rates.
- **Company Research** - Our company research offering includes the active coverage of all major gaming equipment and technology providers, as well as social gaming companies.
- **Consulting & Advisory Services** - Our consulting services division provides a wide range of customized research products and advisory services for both gaming companies and investors.

For more information on how to become a client of Eilers Research, LLC, please email akrejcik@eilersresearch.com or dleary@eilersresearch.com.

Survey Overview

This survey was conducted online between June 18th – July 9th, 2015. This survey was not commissioned by any 3rd party.

Total respondents (n) = 1,420. Note: participants could skip any question and therefore total responses for individual questions may vary.

Survey link was actively promoted on various distribution channels including: social media (i.e. Twitter, Facebook, LinkedIn), industry websites, and proprietary customer databases.

Special thanks to everyone who participated and helped promote this survey. In particular we would like to thank our media partners: [RotoGrinders](#), [RotoWire](#), [DFS Report](#) and [Legal Sports Report](#) and our strategic partners: [Fantini Research](#) and [IAGA](#).

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Some Key Findings...

We encourage readers to go through this entire report and draw their own conclusion based on the data we have collected. That said, some key findings & highlights include:

- DFS players = millennials (and essentially all males).
- Most DFS players also participate in season-long fantasy and many play in more than one league / sport. However, nearly half of all survey participants said they've significantly reduced their season-long fantasy activity (after they started playing DFS).
- The most common reason cited among participants who said they do not play DFS was “too intimidating / time consuming”.
- Most DFS users have been active for under 2-years and would consider themselves “intermediate” players. Most users first heard about DFS through a “friend / referral”.
- A majority of DFS users said the “deposit bonus” did not have a major impact on their decision to create an account.
- Our survey participants said their favorite DFS site (where they spend most time / money) was DraftKings. DraftKings also received the highest Net Promoter Score at 21.
- Over half of our survey participants said they do not play on any other site besides FanDuel & DraftKings; the most popular #3 site among our participants was a tie between Victiv and Fantasy Aces.
- Our survey indicates most DFS players spend 10-20 hours a week on research and RotoGrinders is their preferred site (by a wide margin).

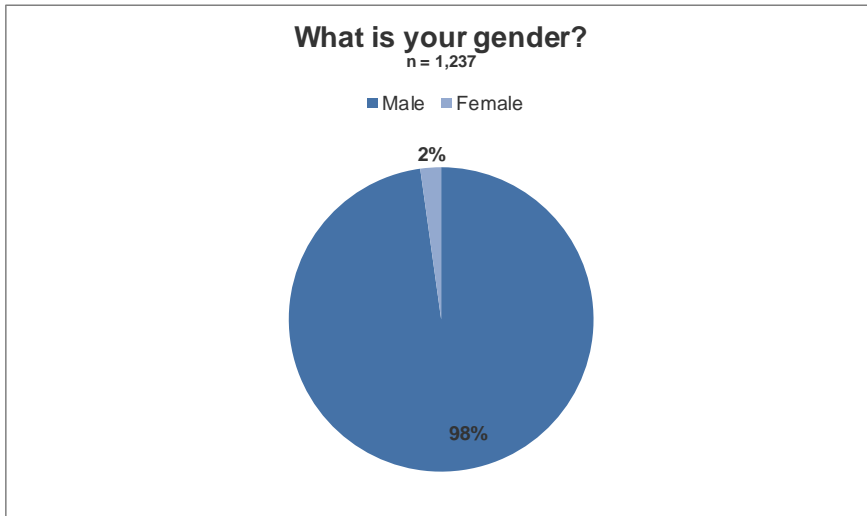
Some More Key Findings...

- Most survey participants said their average total entry fees on a weekly basis was \$100 or less. Most participants said \$5 or less was their preferred price point for a GPP.
- Our survey results indicate that roughly 70% of players are not generating a positive ROI from DFS. Nonetheless, most survey participants said they “love it and would never quit” and the industry as a whole received a Net Promoter Score of 46. “It makes watching sports more fun /engaging” was the most often cited reason for what users love about DFS, while “rake structure” and “unlimited GPP entries” was the most frequently cited response for what users hate about DFS.
- Approximately 48% of our survey participants said they used to play real-money online poker, but roughly 98% said they would not substantially limit their DFS playing time if real-money poker was legal & readily available in their state.
- Approximately 66% of our survey participants believe DFS is a legal alternative to sports betting, but 94% said they would not significantly reduce their DFS playing time if sports betting was legal & readily available in their state.
- Approximately 60% of our survey participants do not visit Las Vegas even once (during an average year). Roughly 45% of our participants said when they visit Las Vegas they typically spend more on food / entertainment versus gambling.
- Favorite form of gambling at a casino among survey participants was as follows (ranked highest to lowest): Sports Betting, Blackjack, Poker, Craps, Roulette, Slots, and Baccarat.

I Background Information

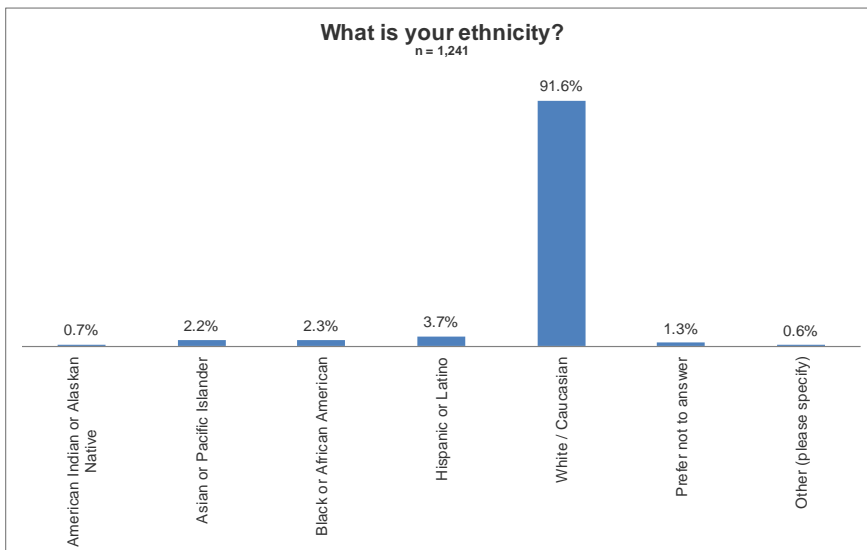
Questions 1-5 of the survey inquired about participant background / demographics.

Daily Fantasy Sports Survey – Background Information



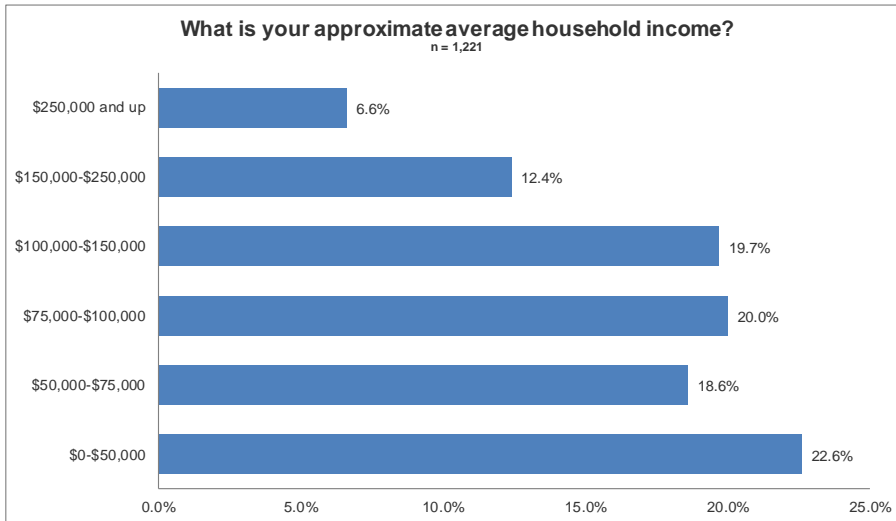
Our survey results indicate DFS is largely dominated by males. This differs from season-long fantasy at 66% males & 34% females, per recent FSTA Market Study - 2015 (conducted by IPSOS).

Our findings are consistent with a FanDuel Demographic Study (2014), which found 95% of its players are male.



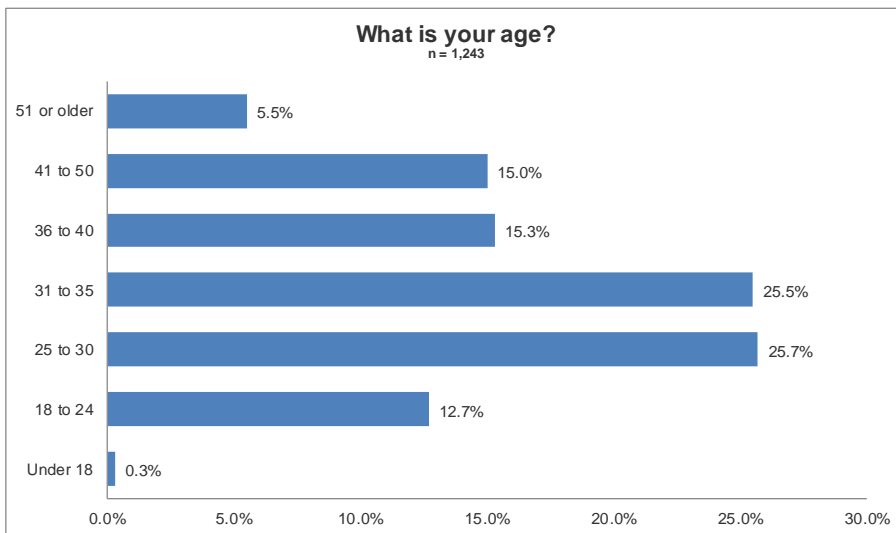
Our survey results indicate over 90%+ of DFS players are Caucasian / white.

Daily Fantasy Sports Survey - Background Information



Our survey results indicate that 59% of DFS players have an average household income of \$75,000 or greater.

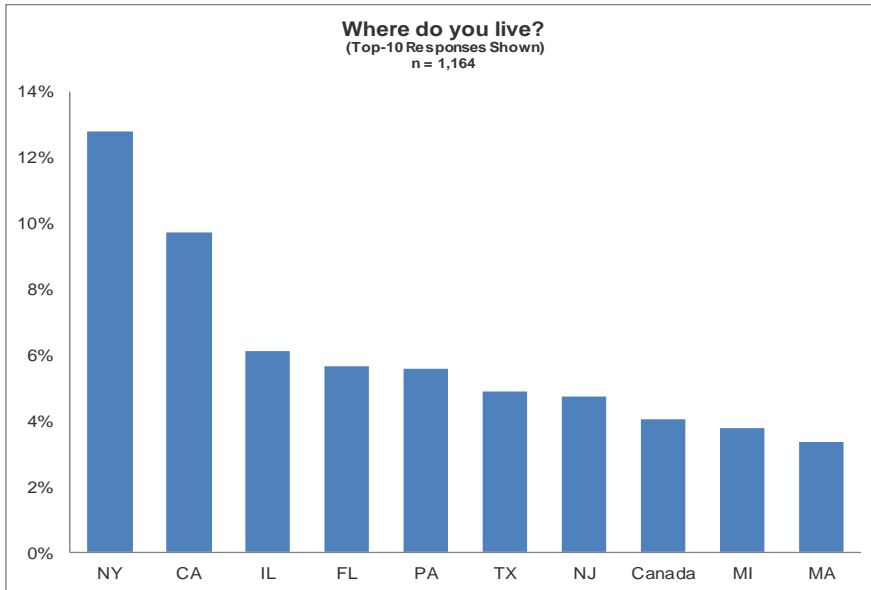
FSTA Market Study found average household income was \$77k/year, while FanDuel Demographic Study found \$93k/year.



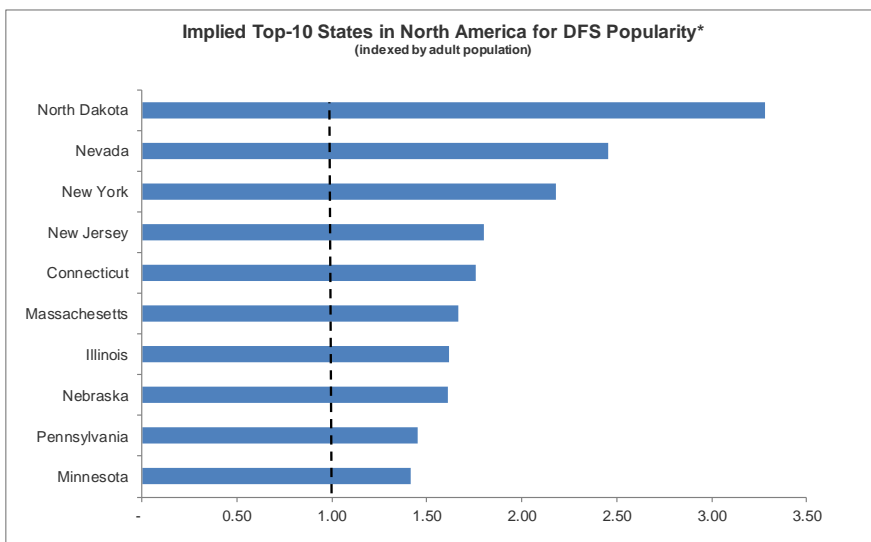
Our survey results indicate 51% of DFS players are between the age of 25-35.

This is consistent with FSTA Market Study, which found average age of 37.7 years old, and FanDuel Demographic Study.

Daily Fantasy Sports Survey - Background Information



Approximately 40% of our survey participants resided in these 5 states: NY, CA, IL, FL, and PA



Top-10 states for DFS popularity in North America is based on number of survey respondents from each state (indexed by adult population).

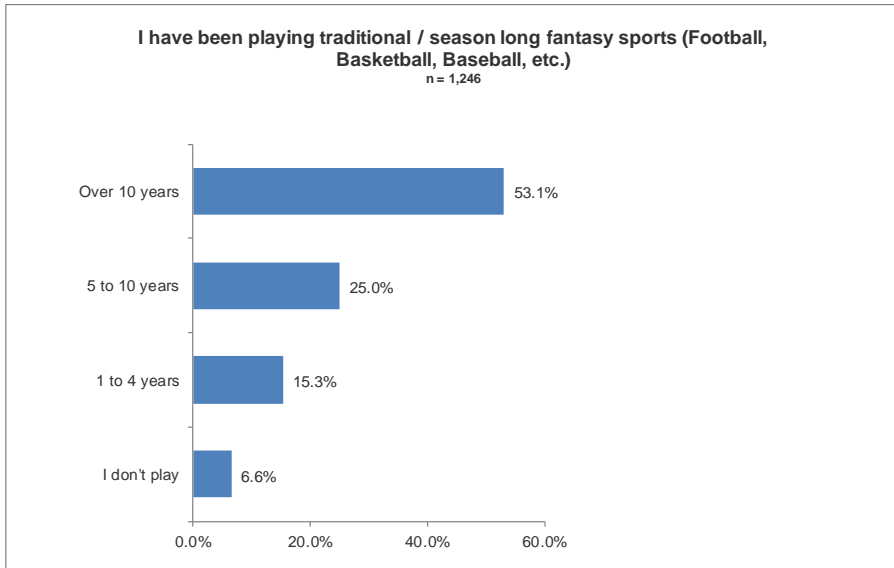
* Note: the small population size of North Dakota & Eilers Research large database of contacts from Nevada may have skewed results (i.e. over-indexed) for these two states.

II

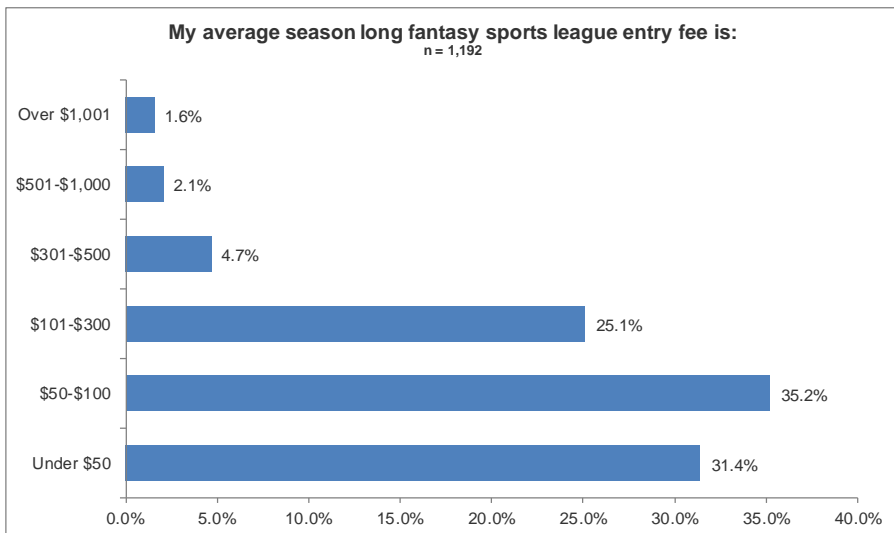
Season-Long Fantasy Preferences & Trends

Questions 6-9 of the survey inquired about participant preferences and trends as it relates to season-long fantasy sports.

Daily Fantasy Sports Survey – Season-long Preferences



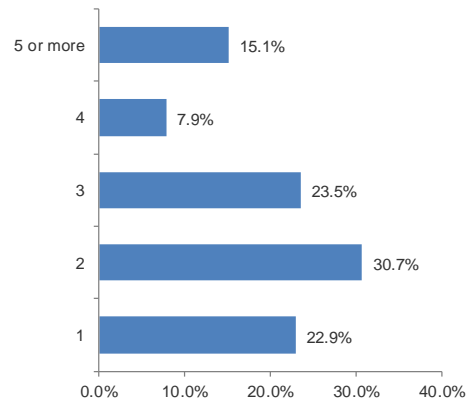
Survey results indicate most DFS players also play in season-long leagues and most have been playing for over 10 years. Roughly 7% of DFS players “do not play” season-long fantasy.



Survey results indicate that average season-long entry fee is \$50-\$100 for most DFS players.

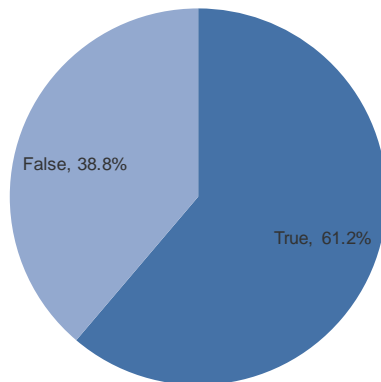
Daily Fantasy Sports Survey – Season-long Preferences

I typically play in "X" number of season-long fantasy leagues during the NFL season?
n = 1,168



Survey results indicate most DFS players play in two or more season-long fantasy leagues during the NFL season.

During the year I typically play in at least one other season long fantasy sports league besides NFL?
n = 1,222

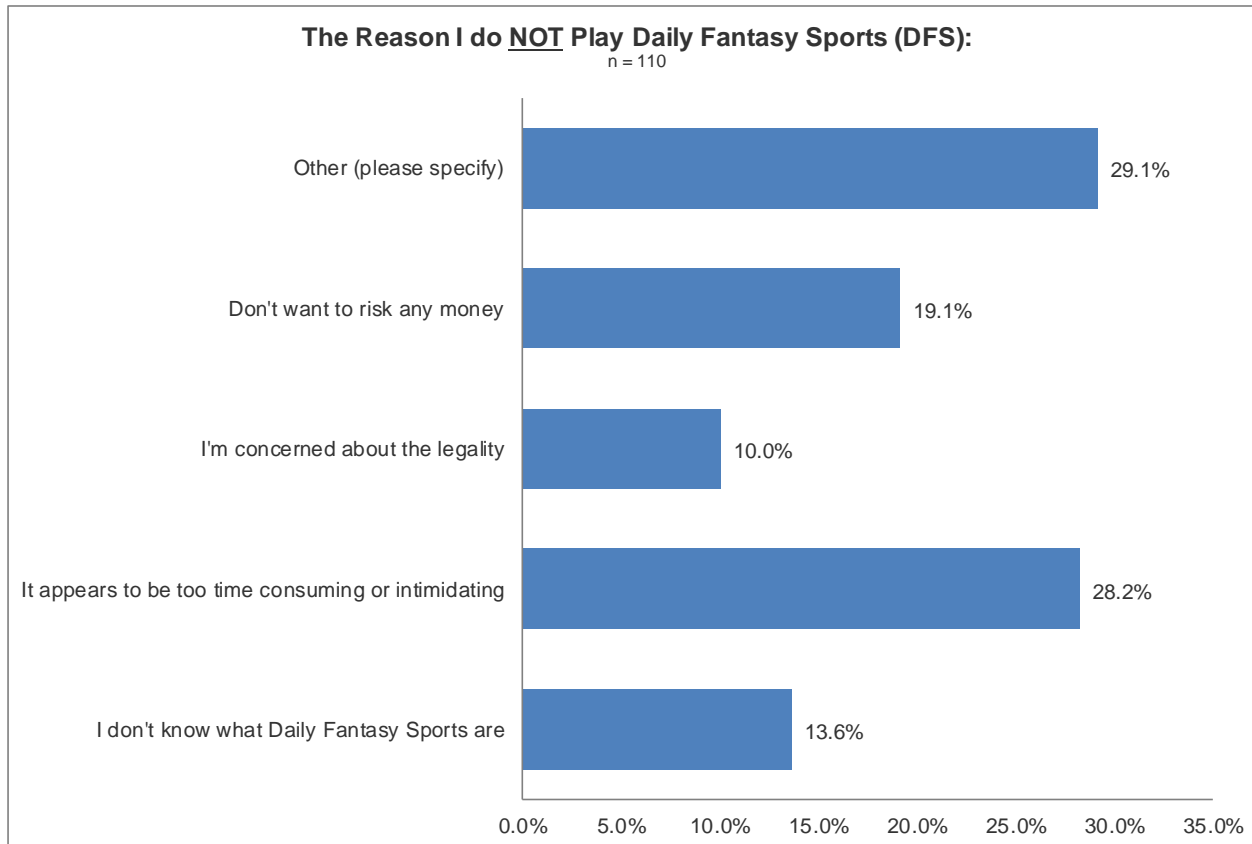


Survey results indicate most DFS players also play in at least one other season-long fantasy sports league (ex-NFL) during the year.

Daily Fantasy Sports Survey – Season-long Preferences

Of the 110 respondents who said they did not play DFS the most common listed response (28%) was that “it appears to be too time consuming or intimidating”. The most frequent written responses for “Other” included: “Too many sharks / only top-1% ever win” and “it lacked the social elements / GM features found in season-long fantasy”.

Note: we have excluded these 110 participants results from all the data we have provided throughout this report.



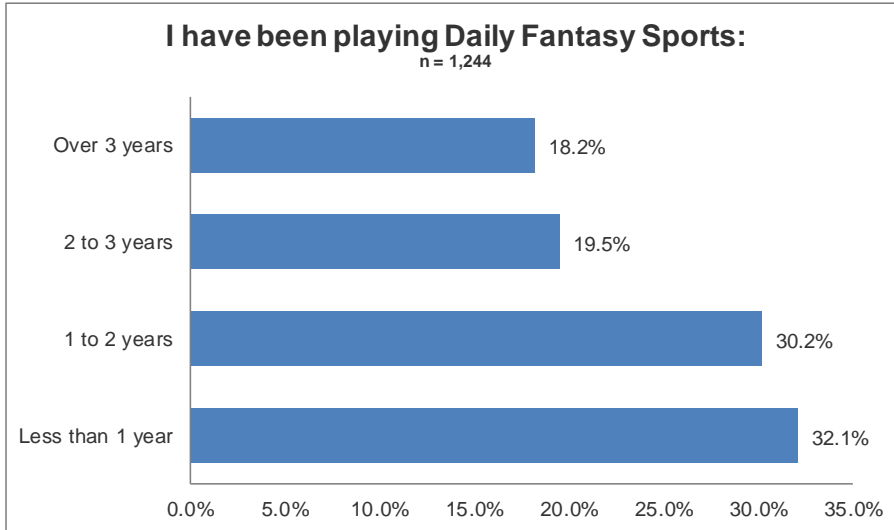
Source: Eilers Research “Daily Fantasy Sports Player Survey – 2015”

III

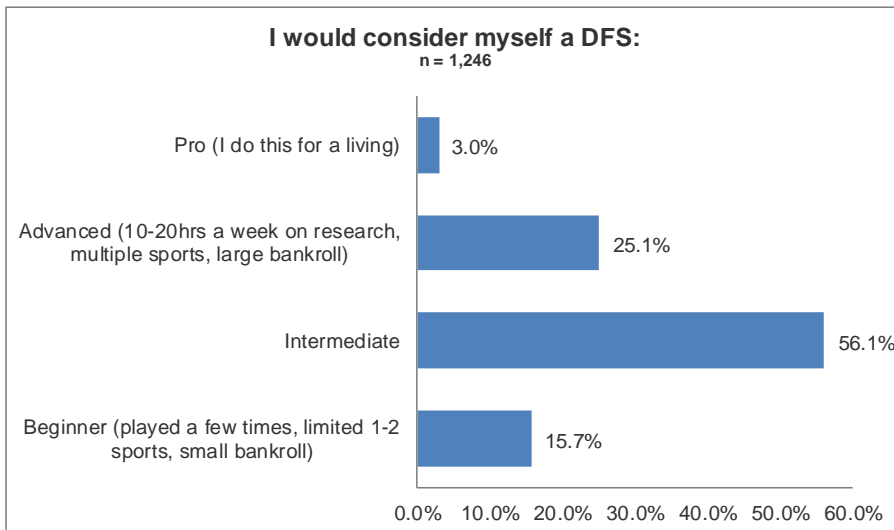
DFS Player Profile

Questions 10-17 of the survey inquired about participant background and history as it relates to Daily Fantasy Sports.

Daily Fantasy Sports Survey – Player Profile

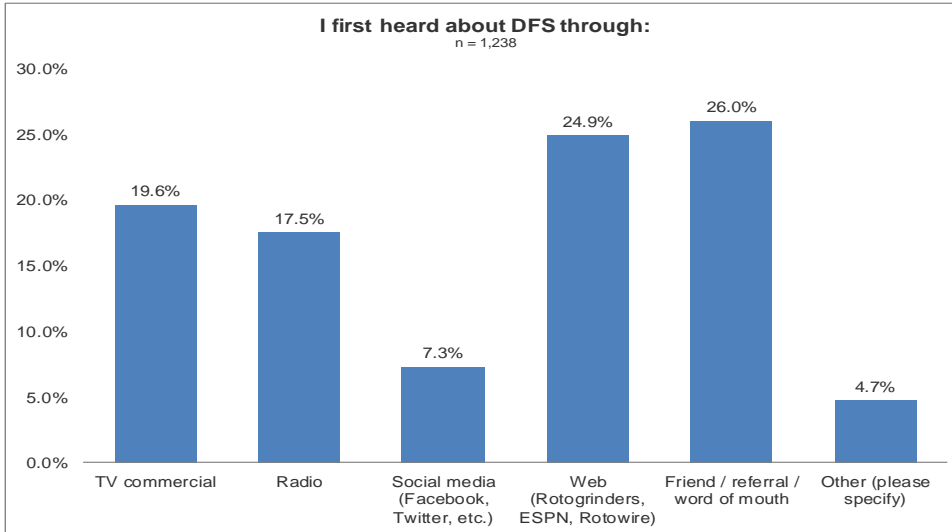


Survey results indicate that 62% of DFS players have been active for less than 2-years.

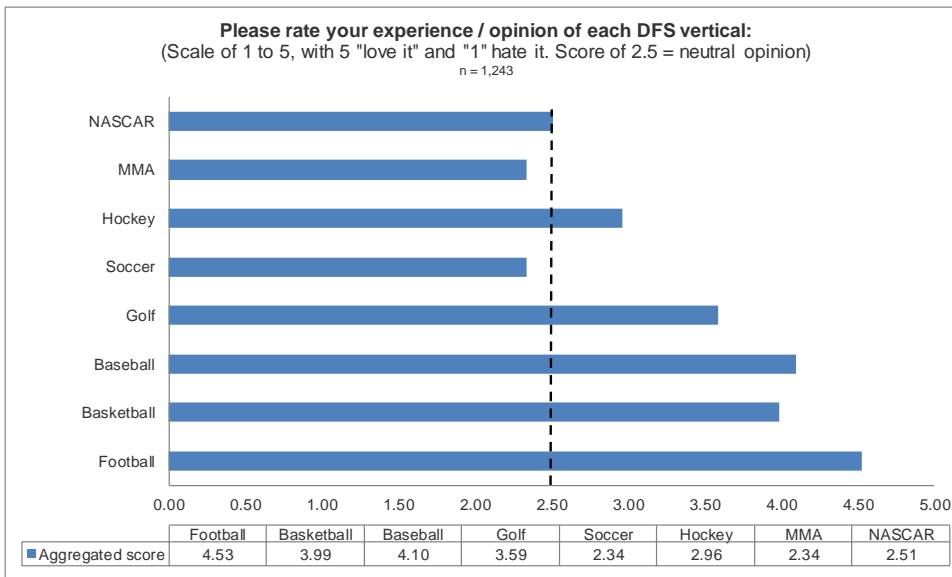


Survey results indicate majority (56%) of DFS users categorize themselves as “intermediate” players.

Daily Fantasy Sports Survey – Player Profile



Survey results indicate that most users (26%) first heard about DFS through “friend / referral / word of mouth” followed by “web” advertising (25%).

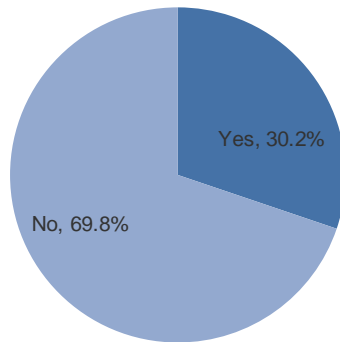


Survey results indicate that the most popular DFS sports among users is Football, followed by Baseball and Basketball.

Daily Fantasy Sports Survey – Player Profile

The "deposit bonus" played a major role in my decision to create my first DFS account?

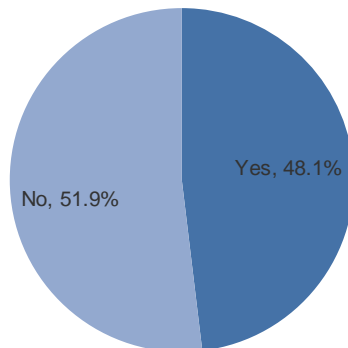
n = 1,239



Survey results indicate that the "deposit bonus" promotion does not play a major role in terms of new account registration.

Since I've started playing DFS I no longer play or have significantly reduced my season long fantasy activity?

n = 1,217

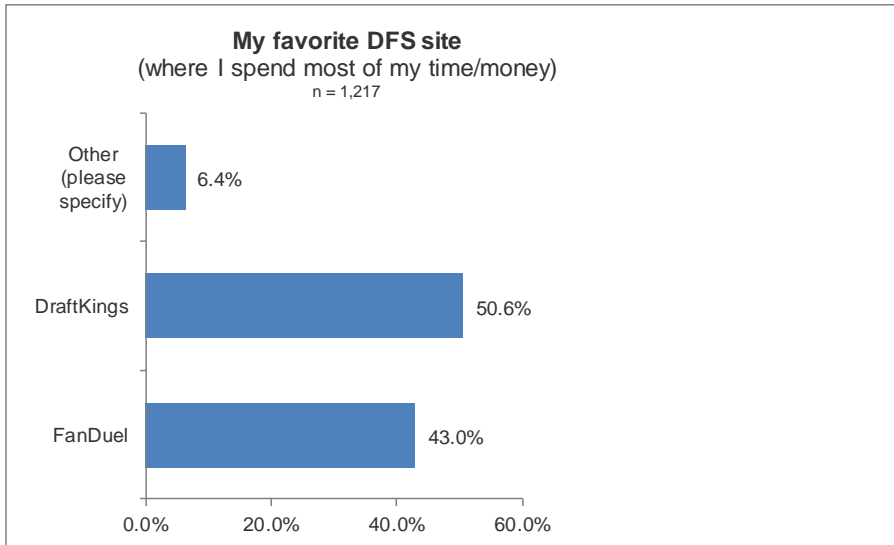


Survey results indicate that nearly half of all DFS players have "significantly reduced" their season-long fantasy activity after they begun playing DFS.

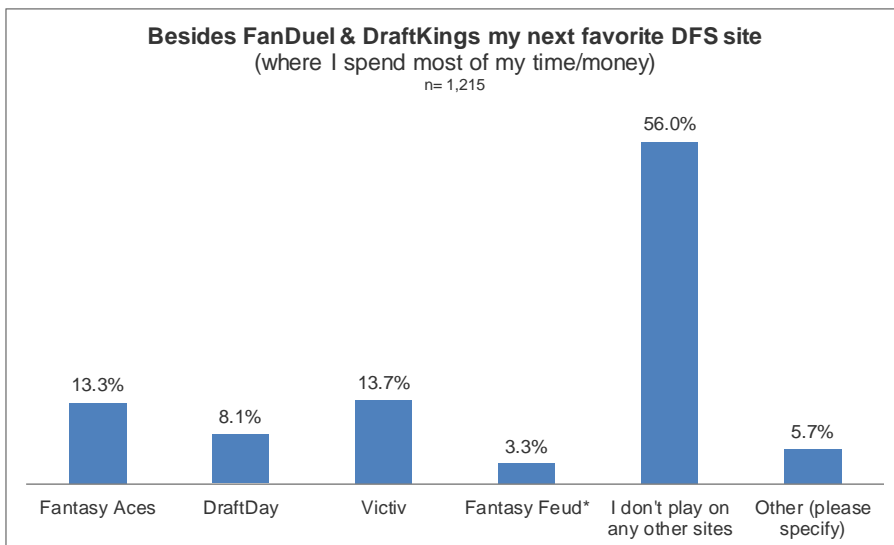
IV**DFS Usage & Preferences**

Questions 18-29 of the survey inquired about participant usage and preferences as it relates to Daily Fantasy Sports.

Daily Fantasy Sports Survey – Usage & Preferences



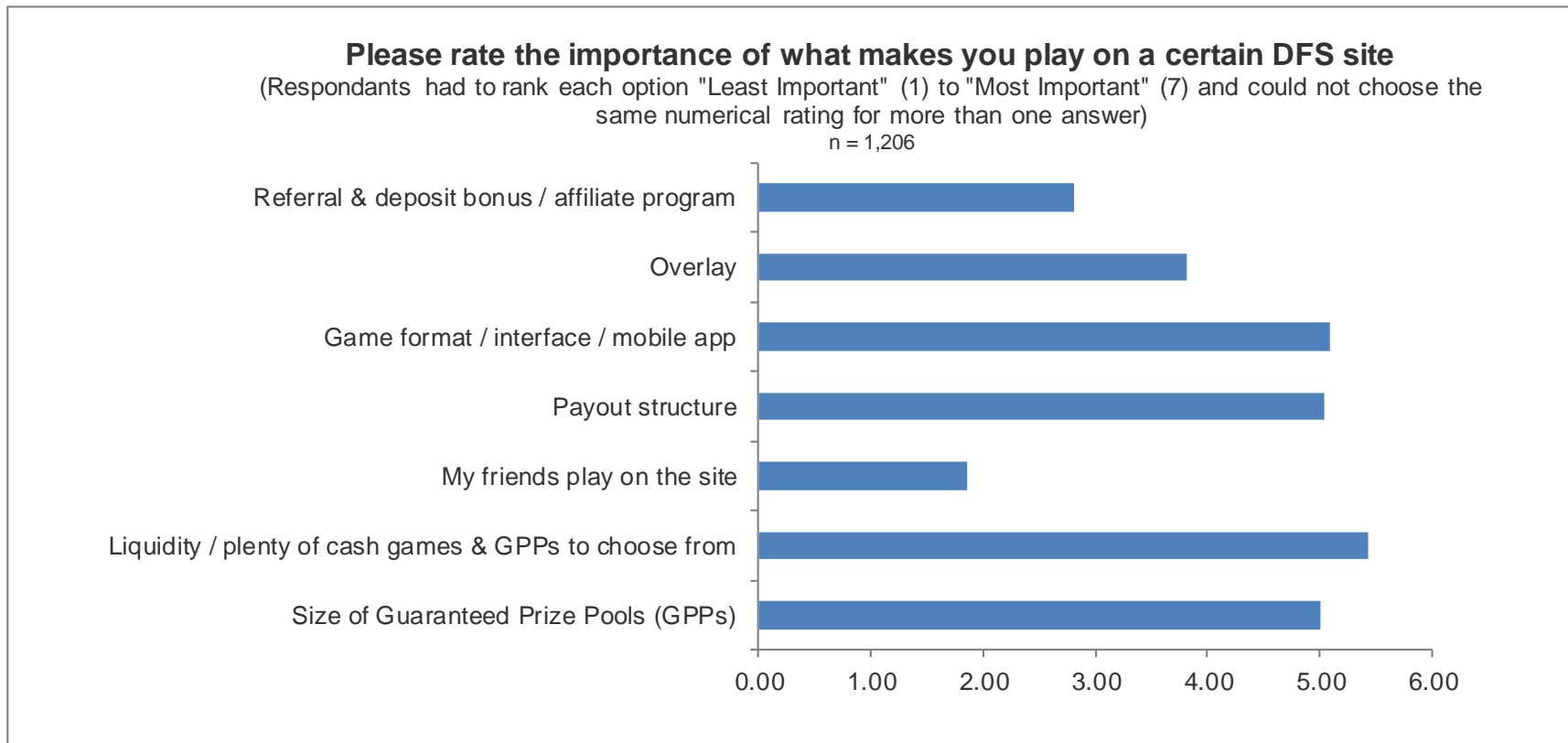
Our survey participants favored DraftKings over FanDuel, which is also consistent with Net Promoter Score question (asked later in the survey).



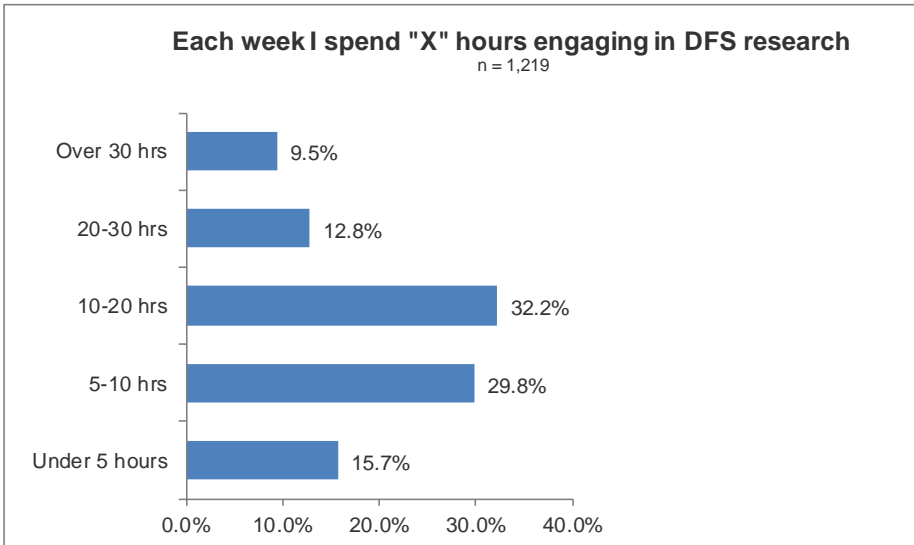
Outside of the Big 2 our survey participants said they spend a majority of their time/money on Victiv & Fantasy Aces. Notably, our survey implies that over half of all DFS players do not play on any other site besides FD & DK.

Daily Fantasy Sports Survey – Usage & Preferences

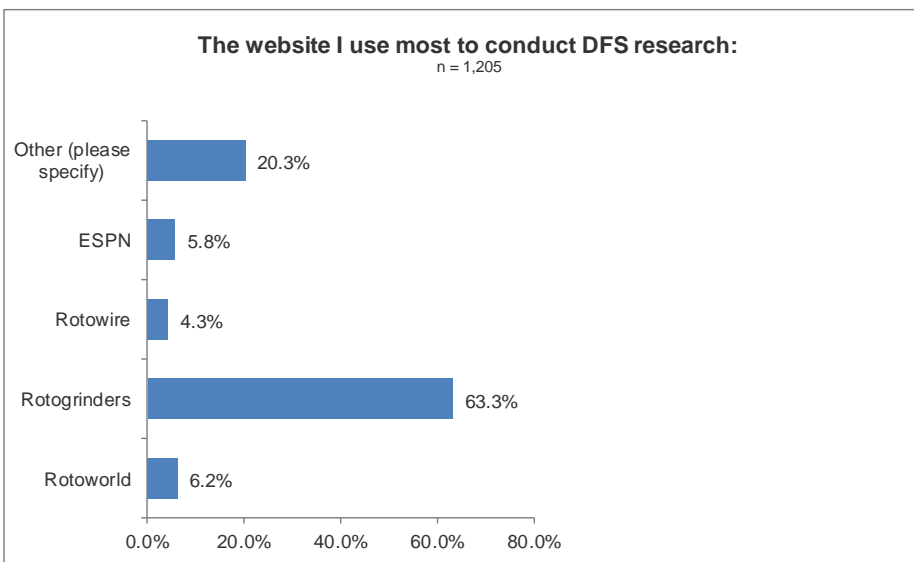
Our survey indicates that “Liquidity / plenty of cash games & GPPs to choose from” was the “Most Important” factor in terms of what makes a user choose a certain DFS site. “Game format / interface / mobile app” and “payout structure” were also considered to be important. The “Least Important” factors included: “My friends play on the site” and “referral & deposit bonus”



Daily Fantasy Sports Survey – Usage & Preferences

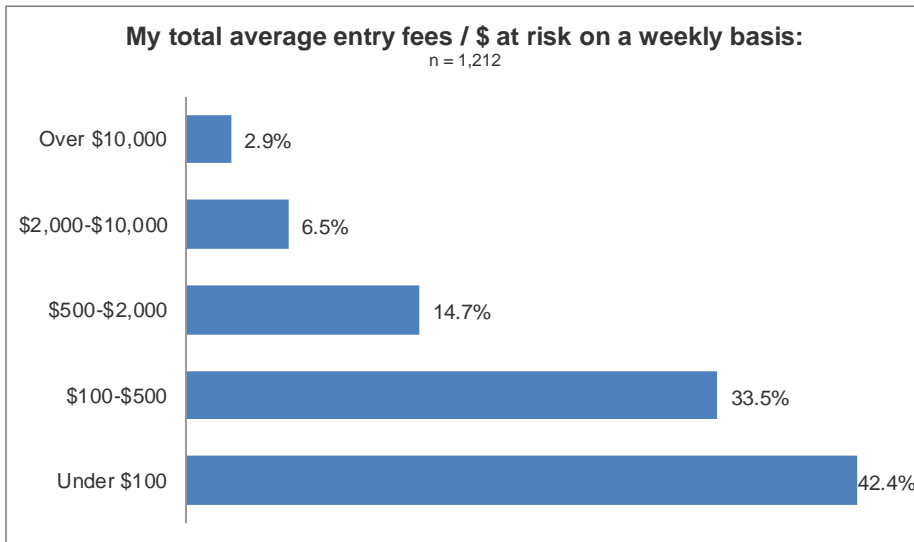


Survey results indicate that most users (32%) spend 10-20 hours a week engaging in DFS research.

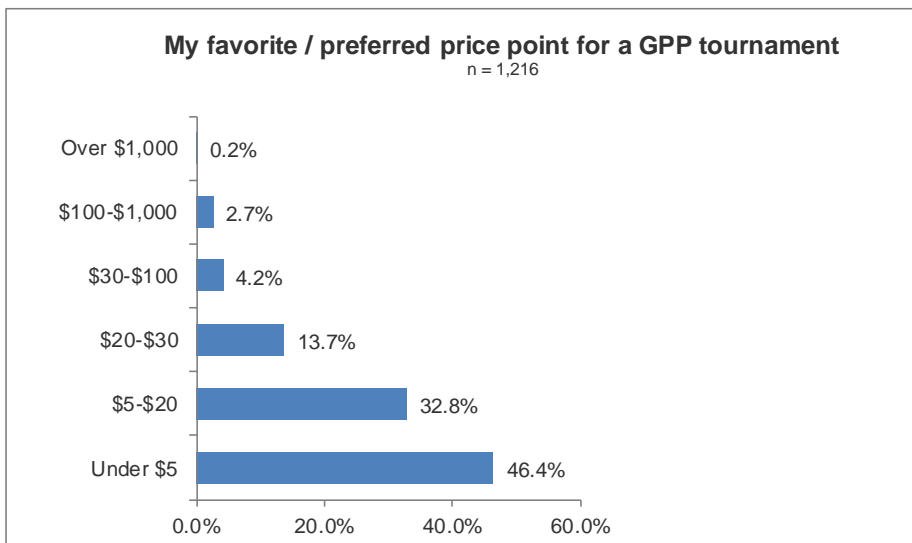


Survey results indicate that RotoGrinders is by far the most popular website used to conduct DFS research.

Daily Fantasy Sports Survey – Usage & Preferences

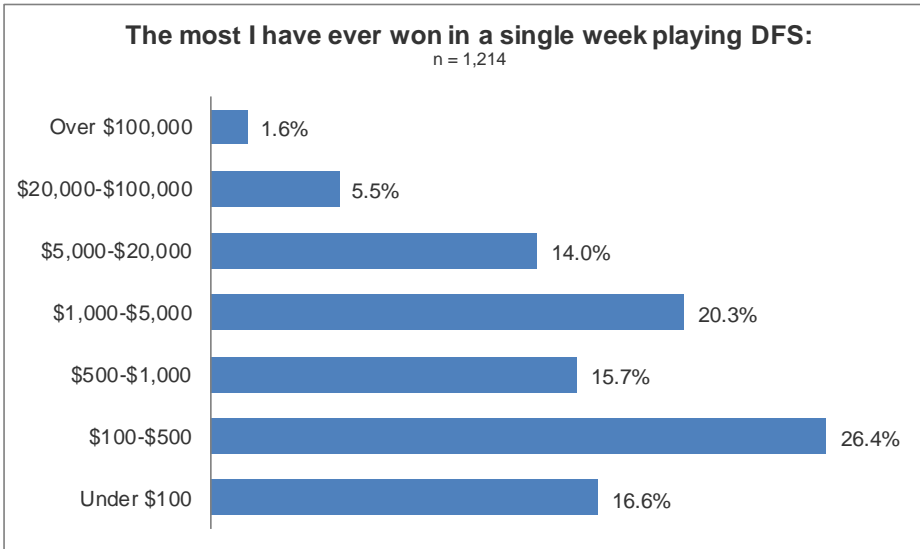


Survey results indicate that most users (42%) spend on average less than \$100 a week on DFS.

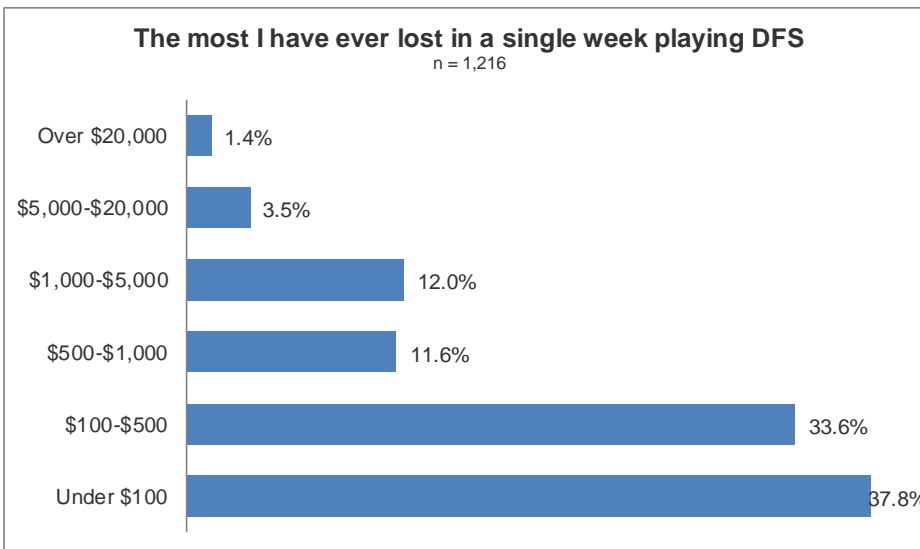


Survey results indicate that most users (46%) prefer GPPs that have a \$5 or less entry fee.

Daily Fantasy Sports Survey – Usage & Preferences



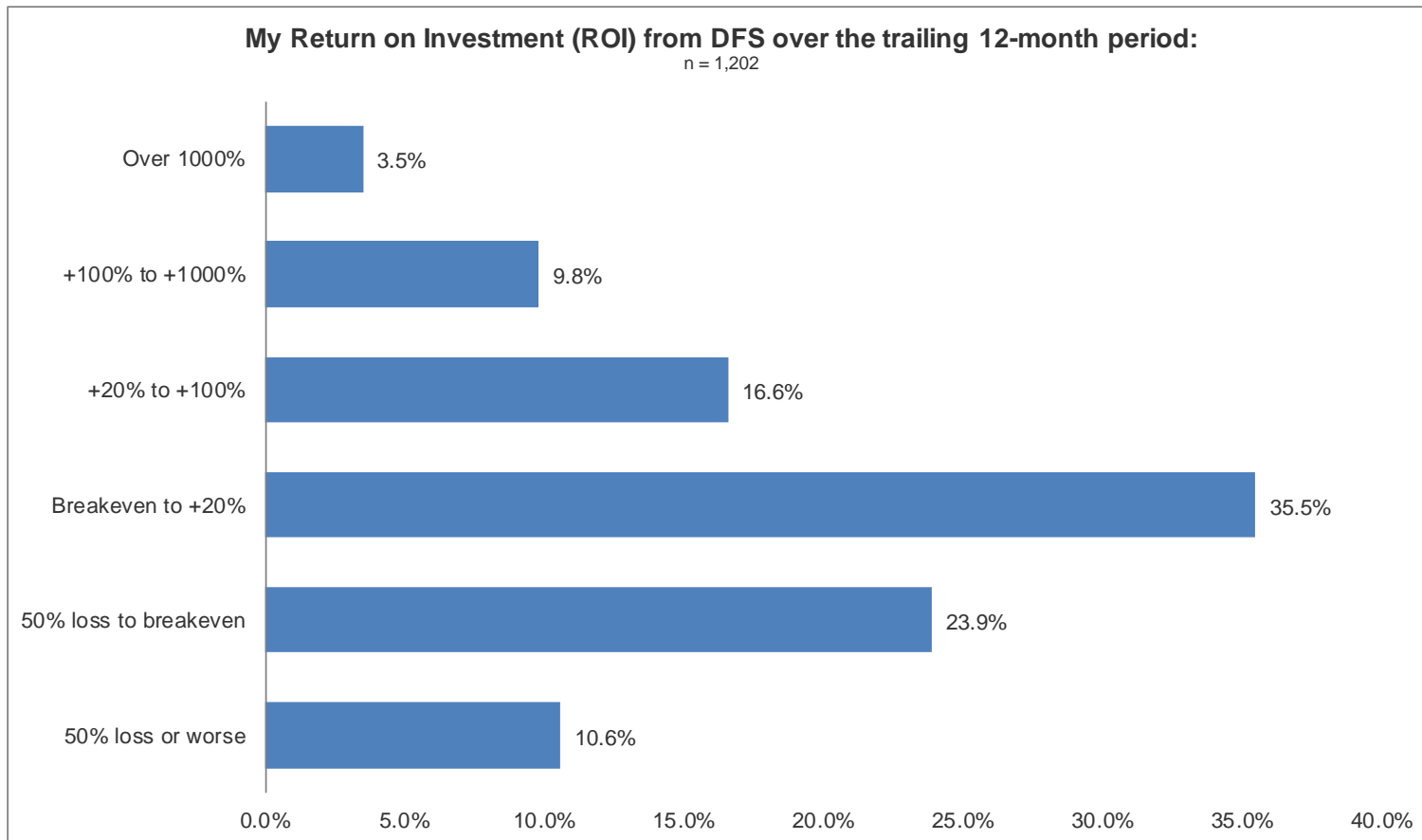
Survey results indicate that most users (26%) single biggest weekly win has been between \$100-\$500.



Survey results indicate that most users (38%) single biggest weekly loss has been under \$100.

Daily Fantasy Sports Survey – Usage & Preferences

Our survey results indicate that the ROI for most DFS players is between “Breakeven and +20%”. If we assume that most participants who selected “breakeven to +20%” were likely just breakeven (its human nature to round higher when it comes to investing or wagering and in reality most players are doing worse than they imagine) that would imply that 70% of players are not generating a positive return from DFS. This is consistent with our own due diligence and tournament payout structures at many DFS sites.

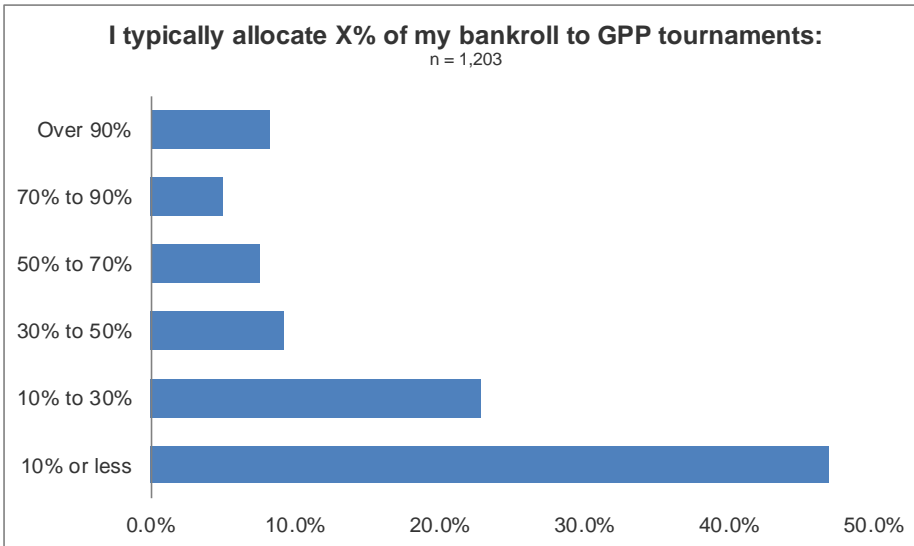


V

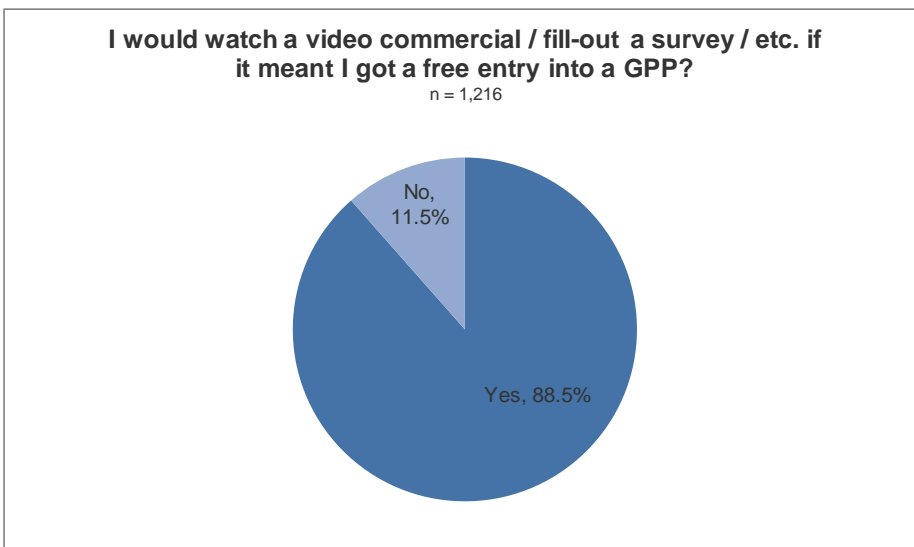
DFS Player Experience

Questions 30-39 of the survey inquired about participant experience and preferences for 3rd party tools & sites.

Daily Fantasy Sports Survey – Player Experience



Survey results indicate that most users (47%) allocate less than 10% of their “bankroll” to GPPs.

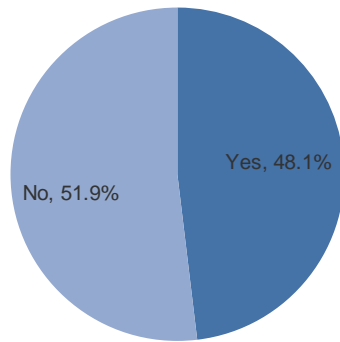


Survey results indicate that an overwhelming majority of users (88.5%) would watch an advertisement / fill-out a survey if it meant a free entry into a GPP.

Daily Fantasy Sports Survey – Player Experience

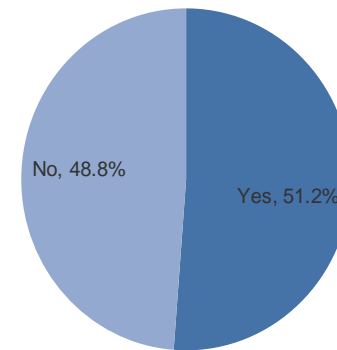
I use 3rd party tools or websites, which cost money to conduct DFS research and help me set lineups?

n = 1,208



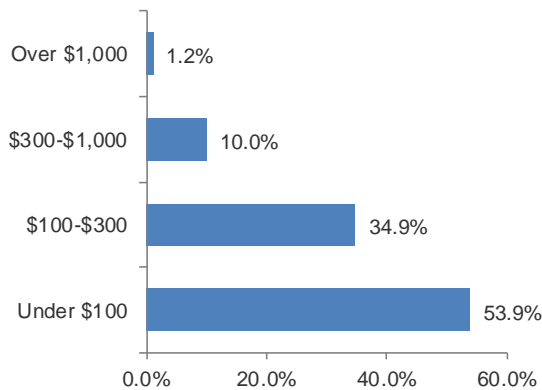
Have you used a lineup optimizer or lineup builder as part of your process to enter lineups?

n = 1,200



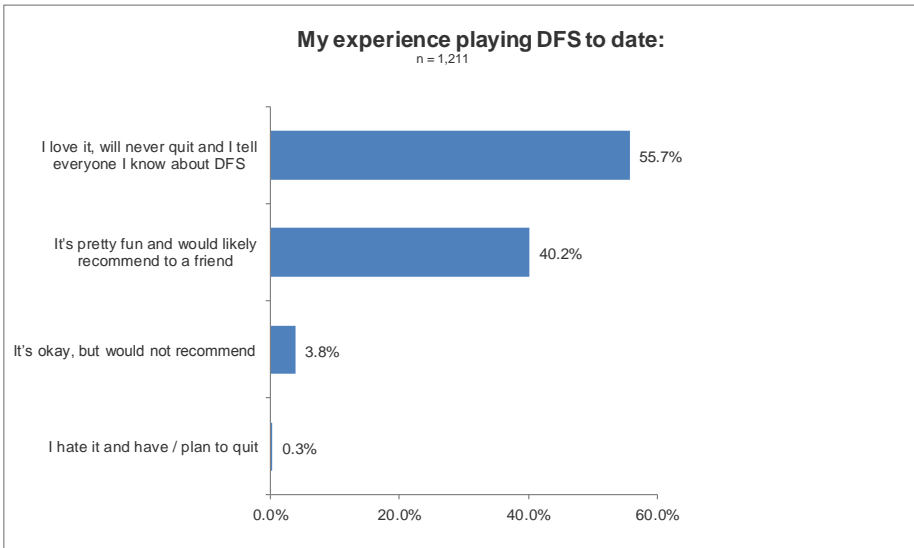
If you answered “Yes” to the above question, “the average amount I spend on 3rd party data/resources during a year”:

n = 568



Survey results indicate that nearly half of all players use 3rd party tools / websites that cost money; of these users 54% spend under \$100 or less per year.

Daily Fantasy Sports Survey – Player Experience

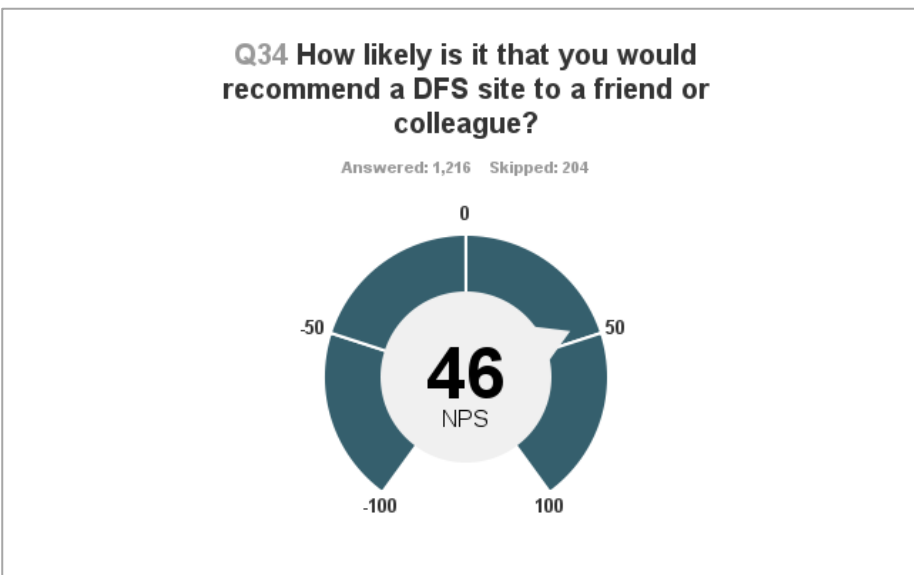


Survey results indicate that DFS player experience is overwhelmingly positive with 56% of users saying “I love it, will never quit and I tell everyone I know about DFS”.

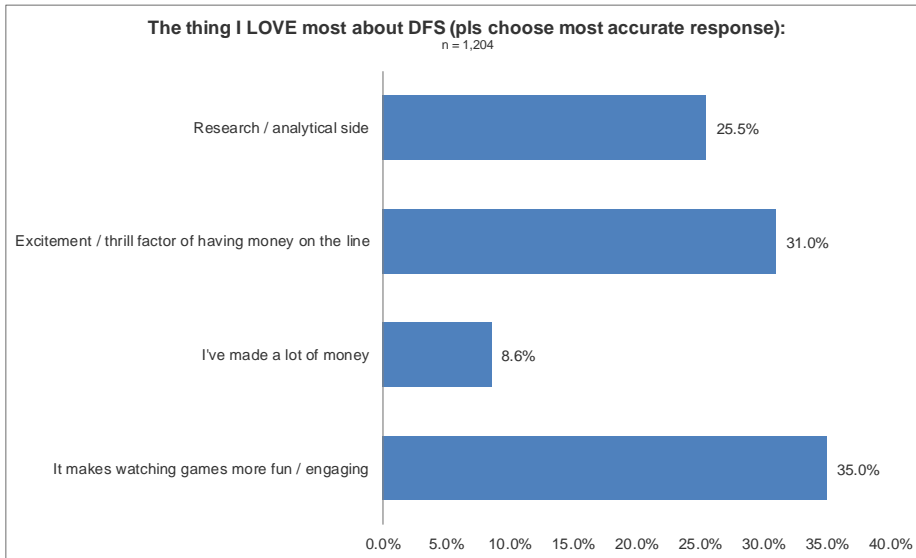
Net Promoter Score (NPS) for DFS industry as whole is also strong at 46.

NPS is calculated by taking the percentage of customers who are Promoters and subtracting the percentage who are Detractors.

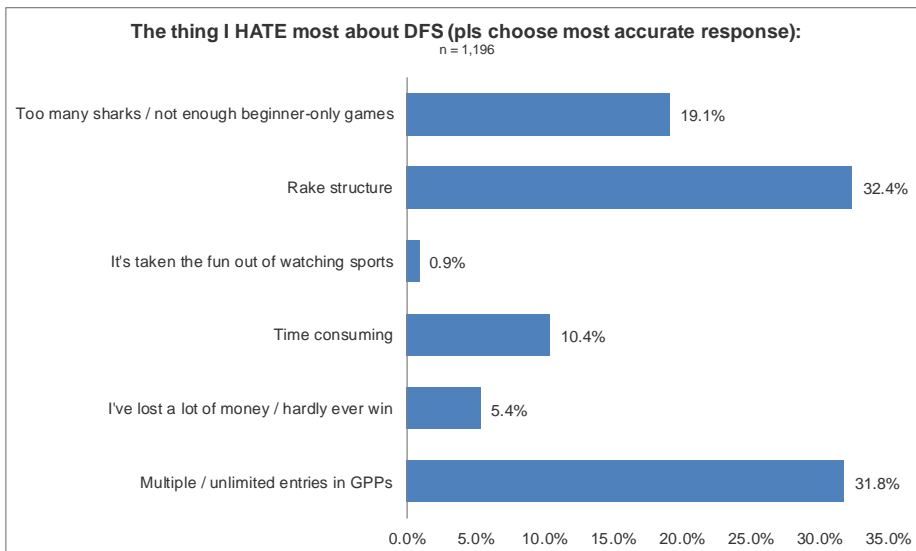
- Promoters (score 9-10) are loyal enthusiasts who will keep buying and referring others, fueling growth.
- Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.



Daily Fantasy Sports Survey – Player Experience



Survey results indicate the aspect that most players “love” about DFS is: “it makes watching the games more fun / engaging”. Notably, “I’ve made a lot of money” was the least cited response.

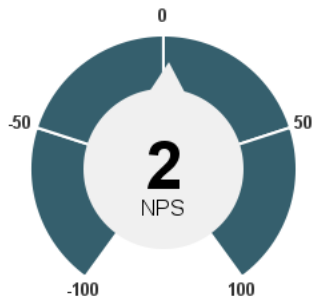


Survey results indicate the aspect that players “hate” the most about DFS is: “rake structure” followed closely by “multiple / unlimited entries into GPPs”.

Daily Fantasy Sports Survey – Player Experience

Q37 How likely is it that you would recommend FanDuel to a friend or colleague?

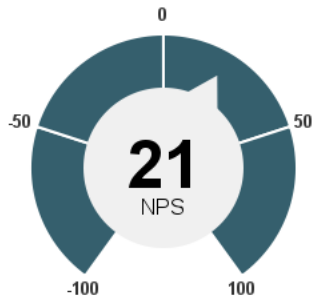
Answered: 1,204 Skipped: 216



FanDuel received a Net Promoter Score of 2 among our survey participants.

Q38 How likely is it that you would recommend DraftKings to a friend or colleague?

Answered: 1,196 Skipped: 224



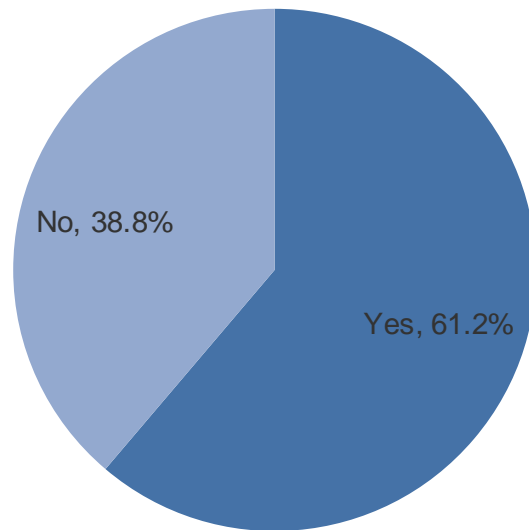
DraftKings received a Net Promoter Score of 21 among our survey participants.

Daily Fantasy Sports Survey – Player Experience

Our survey results indicate that most DFS users (61%) are active paying players on both FanDuel and DraftKings. This indicates, despite varying opinions about each site, a majority of users are still active on both sites.

I'm an active paying player on both FanDuel & DraftKings?

n = 1,201



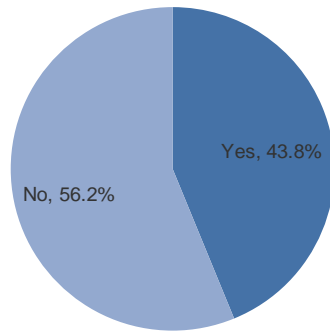
VI DFS Behavioral Background

Questions 40-48 of the survey inquired about participant background & preferences as it relates to the gambling industry.

Daily Fantasy Sports Survey – Behavioral Background

Does this statement accurately reflect you: “I used to play online poker for money”:

n = 1,209



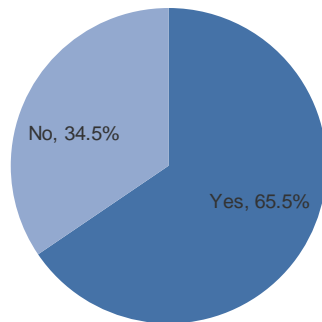
Does this statement accurately reflect your view: “If real-money online poker was readily available and legal I would mostly stop playing DFS”

n = 1,206



Does this statement accurately reflect your view: “DFS is a legal alternative to sports betting”:

n = 1,205



Does this statement accurately reflect your view: “If sports’ betting was legal and readily available in my state I would mostly stop playing DFS”:

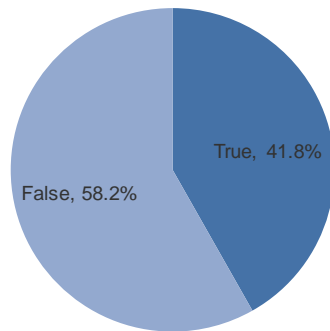
n = 1,201



Daily Fantasy Sports Survey – Behavioral Background

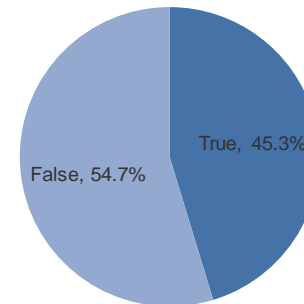
Does this statement accurately reflect your view: “I believe DFS is gambling”:

n = 1,204



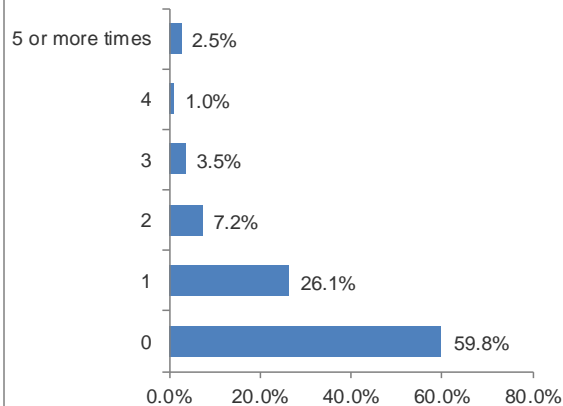
When I go to Las Vegas I typically spend more money on Entertainment (food, beverages, shows, nightlife, etc.) versus gambling?

n = 1,075



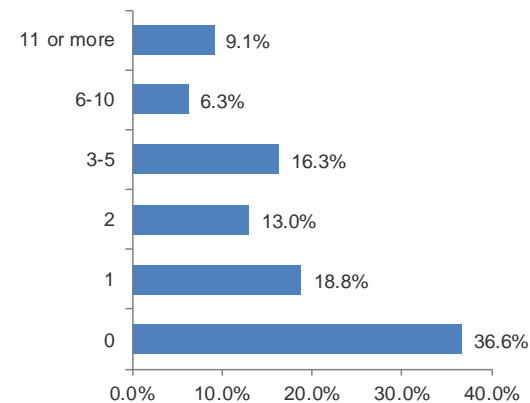
I visit Las Vegas "X" times a year:

n = 1,205



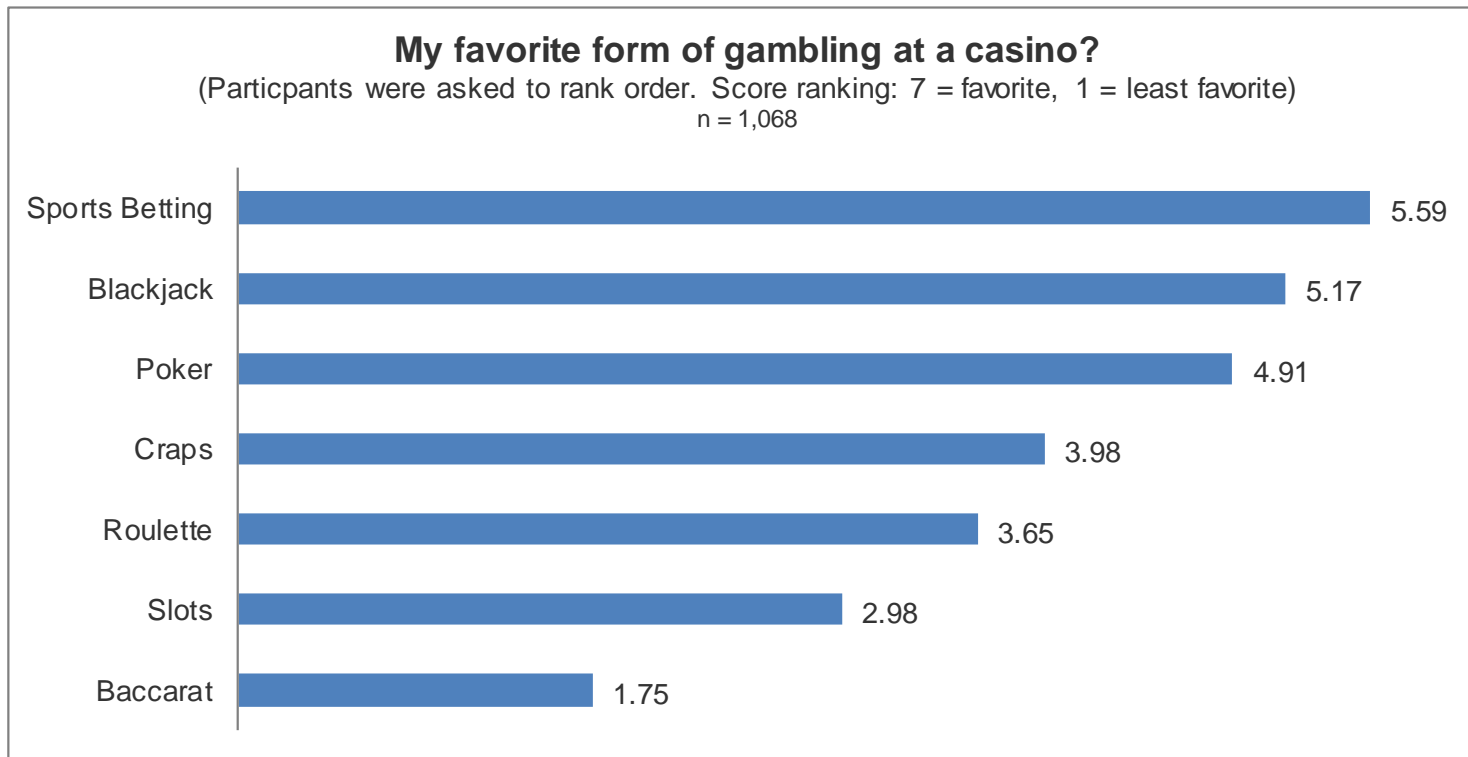
I visit a Casino (ex-Las Vegas) "X" times per year:

n = 1,203



Daily Fantasy Sports Survey – Behavioral Background

Our survey results indicate that most DFS users' favorite activity at a casino is Sports Betting, followed by Blackjack and Poker. Baccarat and Slots ranked the lowest in terms of preferred form of gambling at a casino.



Contact Information

For additional information or to inquire about purchasing data-sets & additional DFS related research please contact:

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