

ESPN could soon strike a betting partnership with DraftKings

Article

The news: Disney is close to striking a deal with **DraftKings** to bring betting to the sports broadcasting company **ESPN**, Bloomberg reports.

What would the deal look like? Exactly how the partnership could take form is unclear, but other broadcast and sportsbook crossovers provide hints.

- ESPN could begin producing DraftKings-sponsored programming or content on statistics and betting. In fact, gambling content is already a part of ESPN's slate: It regularly features [articles](#) with betting tips as well as [videos](#) suggesting how best to wager on matches.
- But the partnership will almost certainly go beyond that. **FuboTV**, for example, recently allowed users in some states to [place bets directly via their TVs](#) and apps. It may not be long before ESPN begins to feature in-app betting on phones and TVs, or at the very least overlays with data relevant to gambling.
- Multi-screening is also likely to be encouraged, especially if ESPN doesn't end up allowing betting through its own services. We've seen sportsbooks push for similar behavior: **FanDuel's [upcoming TV network](#)** will be "the first network built from the ground up that is designed to be watched with a phone in your hand," CEO **Mike Raffensperger** said.

No matter how it goes down, one thing's for certain: While Disney will almost certainly get a cut of gambling revenues, **it will not handle wagers itself**. Gambling's legalization may be reducing its stigma, but it's still a fraught topic that Disney wants to keep its Mickey Mouse gloves washed clean of.

- In a recent interview, CEO **Bob Chapek** [stated](#) that "ESPN is never going to be a sportsbook," and instead was looking for a "respected" partner to handle wagers.

Why the sports betting push? Thankfully, this one's pretty simple: There's money to be made.

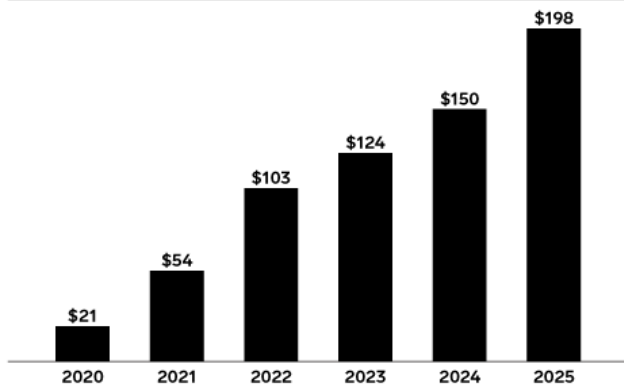
- Sports betting is generating significant revenues. In its first nine days in New York state this year, mobile sports betting topped **\$600 million**.
- Demand for sports gambling is also increasing. The number of online sports bettors increased 40.6% last year, and sports gambling ad spending more than doubled. Gambling integration could help ESPN carve more space out in the increasingly [fractured and competitive](#) sports streaming space.
- For DraftKings, it means a partnership with one of the world's biggest media companies and sports broadcasters that could spare it from having to spend big on advertising—something that's been a [point of concern](#) for sportsbooks and driven their stocks down.

The big takeaway: Sports betting is a no-brainer for ESPN, or any sports broadcaster for that matter. But the logistics are still complicated, as are the repercussions on company brands.

- A betting partnership would certainly funnel more users and dollars into Disney's coffers, but the still-fraught space could open it up to unwelcome scandal.

**Total Amount Wagered on US Sports Betting,
2020-2025**

billions



Source: Activate Inc., "Technology & Media Outlook 2022," Oct 20, 2021

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