

Impact and Growth Potential of Fantasy Sports in India

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Abstract-Fantasy sports have emerged as a game-changing phenomenon in India, blending the nation's love for sports with the digital revolution. Beyond just entertainment, these platforms are shaping a new era of data-driven fan participation, creating opportunities and challenges alike. It has been witnessed how fantasy platforms like Dream11, MPL, and others have transformed how fans interact with live sports. This research is to interpret the Impact and Growth Potential of Fantasy Sports in India. This project also critically examines the broader impacts of fantasy sports, including economic contributions through job creation, sponsorships, and revenue generation. However, it also addresses the challenges, such as the need for regulatory frameworks, the ethical implications of responsible gaming, and the thin line between skill-based games and gambling.

Keywords: Fantasy Sports, Game of Skill

INTRODUCTION

Fantasy sports is a game, played on the Internet, where users get together imaginary teams composed of real players of a professional sport. The user's fantasy team earns points on the performance of the players in the actual game. The total points of the team are totalled and the highest pointed team wins the roster. These points are calculated using computers tracking actual results of the sport or match. Fantasy sports are not just a game of chance but skill-based competitions. Participants use their knowledge of players, teams, and match conditions, in order to draft teams within financial constraints and compete for points based on real-time statistics. The Asia-Pacific region, especially India, represents the fastest-growing segment. India's tryst with fantasy sports began in the mid-2000s, but the real breakthrough occurred with the rise of the Indian Premier League (IPL) in cricket.

This growth is attributed to large populations, increasing popularity of IPL, introduction of sports leagues like Indian Super League (ISL), Pro Kabaddi League (PKL). Furthermore, regulatory changes and technological innovation in this region are opening new avenues for growth. Regardless the rapid growth of fantasy sports, platforms face numerous challenges that obstruct their growth. One major challenge is regulatory uncertainty. Since

fantasy sports operate in an undefined legal area in many countries, platforms struggle with varying state laws, taxation policies, and compliance issues. Another challenge is user retention, as competition among platforms is fierce, and users often switch based on incentives and rewards. Data security and fraud prevention also remain critical concerns, as platforms handle sensitive user information and financial transactions.

The Federation of Indian Fantasy Sports (FIFS) represents a significant milestone in the evolution of the fantasy sports landscape in India. At its core, FIFS is dedicated to promoting best practices within the fantasy sports sector. The organization advocates for platforms to adopt a "Game of Skill" framework, that differentiates fantasy sports from games of chance, thereby aligning the industry with Indian legal standards. This distinction has been critical in enabling the legitimacy and growth of the sector. Currently, it has 21 member organizations, including some of the biggest platforms like Dream11 and A23. The federation's leadership is composed of experienced professionals from various fields, ensuring that it remains well-equipped to tackle emerging challenges in the fantasy sports arena. The growth potential of fantasy sports in India is extensive, reflecting a bold intersection of sports culture, technology, and sports passion. As of 2023, the Indian fantasy sports market was estimated to be worth ₹6,800 crore and by 2027, it is expected to have grown to ₹25,240 crore, at a CAGR about 33%. This remarkable growth track is supported by a growing user base that has reached approximately 180 million participants, with expectations to reach 500 million within 5 years. (Federation of Indian Fantasy Sports and Deloitte)

REVIEW OF LITERATURE

The discussion surrounding fantasy sports often revolves around their classification as "games" versus "gambling." Critics highlight the gambling-like elements in fantasy sports, such as monetary pooling and reward distribution based on player performance. In India alone, around 180 million users engage with fantasy sports platforms, particularly among the 18–25 age group, raising

concerns about potential gambling issues among college students. Understanding these students' attitudes towards fantasy sports is crucial, as their perspectives can influence their gambling behaviours and engagement levels. (Balhara, Y. P. S. et al (2024). Motivation in fantasy sports is driven by both intrinsic and extrinsic factors, encompassing three key components: ability, expectation, and means. Intrinsic motivation occurs when individuals engage in activities, they find personally meaningful, while extrinsic motivation is linked to external rewards like money or recognition. In India, the primary motivation for participating in fantasy sports is enjoyment and excitement, with other factors including managing virtual teams and staying connected to the sport. (Iyer, K. V. et al (2024).

The legal status of fantasy gaming in India depends on whether these games are classified as games of skill or chance. If viewed as games of chance, they would fall under the Public Gambling Act of 1867 and be considered illegal. (Hazarika, A. (2023). However, Indian courts have consistently ruled that fantasy sports involve a greater element of skill, thus categorizing them as legal activities protected under Article 19(1)(g) of the Constitution, which allows for legitimate trade and professions. Various High Courts have declared this classification, particularly regarding platforms like Dream11, which have been recognized as skill-based games. The rise of fantasy sports has led to focus on the importance for sports marketers to understand the motivations and behaviours of fantasy participants. There is significant potential for economic growth and enhanced fan engagement. The expanding appeal of fantasy sports not only enriches the sports viewing experience but also presents unique opportunities for businesses to tap into a vibrant community of engaged fans. (Sharma, M. R., & Shrimankar, M. N. (2020). The interactive gaming experience blends sports knowledge, statistical analysis, and strategic decision-making, as participants aim to construct teams that maximize points. This helps in understanding the success in fantasy sports requiring a deep understanding of player performance histories, tournament dynamics, and other factors, demonstrating that well-crafted teams outperform randomly assembled ones. This complexity can pose challenges for new users or those lacking experience, emphasizing the skill involved in excelling in fantasy leagues. (Bhattacharjee, S. et al (2024).

RESEARCH METHODOLOGY

The research is done with a blend of both primary and secondary data collection techniques. For primary data collection, the instrument used for gathering data was a questionnaire. The purpose of the questionnaire was to identify the impact and potential of growth of fantasy sports. In this research project, Descriptive and Applied research design is used. This method is used because the research is done in order explore gender, age, and interest in the topic. In order to analyse the various variables that influence people's perception, and ideas regarding this topic, it was also intended to find out how people feel and think about it. In this research project, Descriptive and Applied research design is used. This method is used because the research is done in order explore gender, age, and interest in the topic. A structured questionnaire is prepared and a sample of minimum 50 respondents was taken from the age category of 18 & above, wherein respondents in the category 20-25 years of age contributed the most. This research aims to explore the impact and growth potential of fantasy sports within the Indian context, focusing on user engagement, market dynamics, and socio-economic implications.

DATA COLLECTION AND ANALYSIS

The data was collected using Questionnaire with a sample of 50 people. The motive was to understand who plays or is interested in fantasy sports, how and when does one play fantasy sports, why do they play fantasy sports, what is their perception about fantasy sports and how do they perceive the future of fantasy sports.

The survey conducted provides key insights into the demographics, behaviours, and perceptions of respondents regarding fantasy sports. This highlighted most respondents were primarily young adults (20-25), with a male majority (79%). Most participants (48 out of 53) were students, highlighting fantasy sports' strong appeal among academically engaged youth. Competition with friends is the main motivation for playing fantasy sports, though most participants invest less than ₹500 monthly. Prize money drives contest participation, with Dream11 being the top platform. Notably, 13 out of 20 respondents use data analysis, highlighting the role of skill and strategy. For those who do not play fantasy sports, 15 out of 33 respondents expressed potential future interest. 58% of respondents indicated that betting wouldn't

motivate them, highlighting gambling concerns (18 out of 33). Lack of interest 49% of the respondents is the main reason for non-participation. Notably, 30 out of 53 view fantasy sports as educational, beyond just entertainment. A majority of respondents perceive strong growth for fantasy sports in India, with 77% respondents believing it enhances live sports engagement. Support for major tournaments like the Olympics and Ranji Trophy on fantasy platforms indicates demand for diversification. Even though gambling concerns persist, interest in betting on multiple sports exist.

FINDINGS AND CONCLUSION

The analysis of user demographics reveals significant insights into the profile of fantasy sports participants in India. The majority of respondents fall within the age group of 20 to 30 years, indicating that fantasy sports primarily attract younger audiences. The data indicates that respondents engage with fantasy sports primarily for entertainment and social interaction. Approximately 60% of participants reported playing fantasy sports at least once a week, with cricket being the most popular sport among users, followed by football and kabaddi. Around 35% of respondents indicated that competition with friends is the key motivation suggesting that entertainment is a primary driver. Also, the platforms must continue to keep the prize money attractive as it influences most of the users to participate in a contest. The fantasy sports platforms must also take some steps in changing the perception of people, as many people also perceive fantasy sports as gambling. Most users also believe that playing fantasy sports can also be educational, which improves one's sports knowledge, enhances decision-making ability and also increases the sports instincts of users. Most of the users believe that fantasy sports will have a rapid growth in the future and would also increase viewership of sports. Also, most users also would be interested to play fantasy sports, if it would have a regulated betting section. Additionally, other fantasy sports must be added as well like F1 and UFC. As these are not team sports, these sports would strive better with a regulated betting section.

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