

CANADIAN GAMBLING & SPORTS BETTING ADVERTISING TRENDS

2024

MEDIARadar | **VIVVIX**

EXECUTIVE SUMMARY

Gambling and Sports Betting Advertising Trends in Canada

Ad Spend for Online Gambling: Casinos; Sports Betting & Odds Information Class declined in 2023

- Total Media ad spend declined 7% Year-over-Year for the Online Gambling: Casinos; Sports Betting & Odds Information Class (hereby referred to as Online Gambling) in 2023 vs 2022, following four years of increases.
- In the final third of 2023, the peak sports season, there was a 15% decrease in Television Ad Spend vs the same period in 2022.

Television continues to be the main driver of activity for Online Gambling

- In 2023, Television makes up 73% of total ad spend for Online Gambling, with \$140M in TV Ad Spend. This represents only a 2% increase vs 2022, suggesting that overall activity is beginning to slow.
- Compared to all other activity in Canada, Online Gambling only represents 5% of Total TV Ad Spend and 2% of all TV Ad Occurrences in 2023.
- When compared to other key categories, Online Gambling represents 8% share of Total Media Ad Spend in 2023. Automotive, Financial & Insurance, and Fast Food all have significantly higher spend than Online Gambling for both Total Media. Pharma has higher Total Media ad spend than Online Gambling
- Only 6% of NHL Hockey Game occurrences were for Online Gambling ads and 4% for NBA Basketball Game occurrences.
- There is an overall 15% decrease in TV ad spend during the last third of the year, comparing 2023 vs 2022, during peak sports programming.

METHODOLOGY AND COVERAGE

Markets included in analysis: Total Canada

Time Frame: 2019 - 2023

Media Types: Television (Network and Selective), Print (Newspaper and Magazine), Out of Home, Radio, Digital (Desktop Display, Desktop Video, Mobile Web Browser)

Data Used in Analysis: Vivvix Ad Intel Canada

- Vivvix monitors advertising media spending activity in Canada, providing the industry standard measurement for ad intel across television, print, radio, out-of-home and digital media.
- This report includes analysis on Advertising Expenditures and TV Ad Occurrences across Total Canada.
 - Ad Intel Dollars are inclusive of standard ad formats, except for the following:
 - Print: Ads smaller than 100 agate lines; free-standing inserts; Corrections, notices & tenders; Community/Weekly newspapers; Classifieds; Publication self-promotion
 - Television: Station self-promotion; Paid programming, infomercials, Barter/contra; Ad lengths over 120 seconds
 - Radio: Direct buys negotiated outside of participating local market stations; Station self-promotion
 - Out of Home: Ad purchased through non-partnered media owners
 - Digital: Paid Social, Paid Search, Mobile App, Website Takeovers and Skins, Streaming Music Platforms
 - TV Ad Occurrences include the number of ad placements captured within Vivvix's GRP station coverage
- The Advertising Expenditures reported utilize two main methodologies for estimation: Declarative industry reporting in partnership with industry partners (TV, Radio, Out of Home); and Proprietary in-house estimation within our collection (Print, Digital)
- Market allocation for digital ad spend is determined by the language of the website the ads are captured on, either English or French. If the ad is captured from an English website, the spend is distributed proportionally across the English markets based on population. If the ad is captured from a French website, the spend is distributed proportionally across the French markets based on population.
- The analysis included in this report focuses on the Online Gambling: Casinos; Sports Betting & Odds Information class and makes comparisons to select product categories: Financial & Insurance, Automotive, Fast Food Restaurants, Snack Food and Soft Drinks, Pharma, Alcohol, Lotteries.

CATEGORY GROUPINGS

Online Gambling

- Includes Online Gambling: Casino, Sports Betting Odds & Info class: inclusive of advertising placed by web or app-based casinos and betting services. Also, for any online gambling aspects of a casino or betting service that has a physical location. Advertising is focused on quality or variety of available casino games, current or future sporting event bets available, gambling odds and advice, convenience and utility of their mobile app or website platform, promotions for using their service, or new sign-up/account offers.

Financial & Insurance

- Includes Financial Services & Insurance Services category

Automotive

- Includes Automotive: Cars, Vans, Trucks; Dealer category and Local Automotive Dealer Advertising category
- Does not include used vehicles or aftermarket activity

Fast Food Restaurants

- Includes Restaurants – Fast Food class
- Does not include non-fast food restaurants ie. Boston Pizza, The Keg

Snack Food + Soft Drinks

- Includes Cakes, Chocolate Bars, Boxed Chocolates, Confectionary Manufacturers: Image, Ice Cream, Frozen Yogurt and Treats, Snack Foods, Puddings, Portable Snacks, Candy without Chocolate, Cookies & Sweet Biscuits, Soft Drink Manufacturers: Image, Regular Soft Drinks and Diet Soft Drinks classes
- Does not include Sports Drinks or Extreme Energy Drinks

Pharma

- Includes Drug Products category which includes prescriptions drugs as well as over-the-counter drugs

Alcohol

- Includes Alcohol & Related Beverages category

TV PROGRAMMING INFO

NHL Hockey

- Includes NHL Hockey games, pre-season, regular season, playoffs, encore, All Star Games
- Does not include pre-game, post-game, classics, drafts, highlight shows or condensed games

NBA Basketball

- Includes NBA Basketball games, pre-season, regular season, playoffs, encore, All Star Games
- Does not include pre-game, post-game, classics, drafts, highlight shows or condensed games

Movies

- Movies that appear on linear TV

ADVERTISING SPEND FOR ONLINE GAMBLING PEAKED IN 2022

Following a change in regulations in April 2022, the Online Gambling category saw a significant increase in Ad Spend (142%), followed by a slight decline in 2023 (-7%).

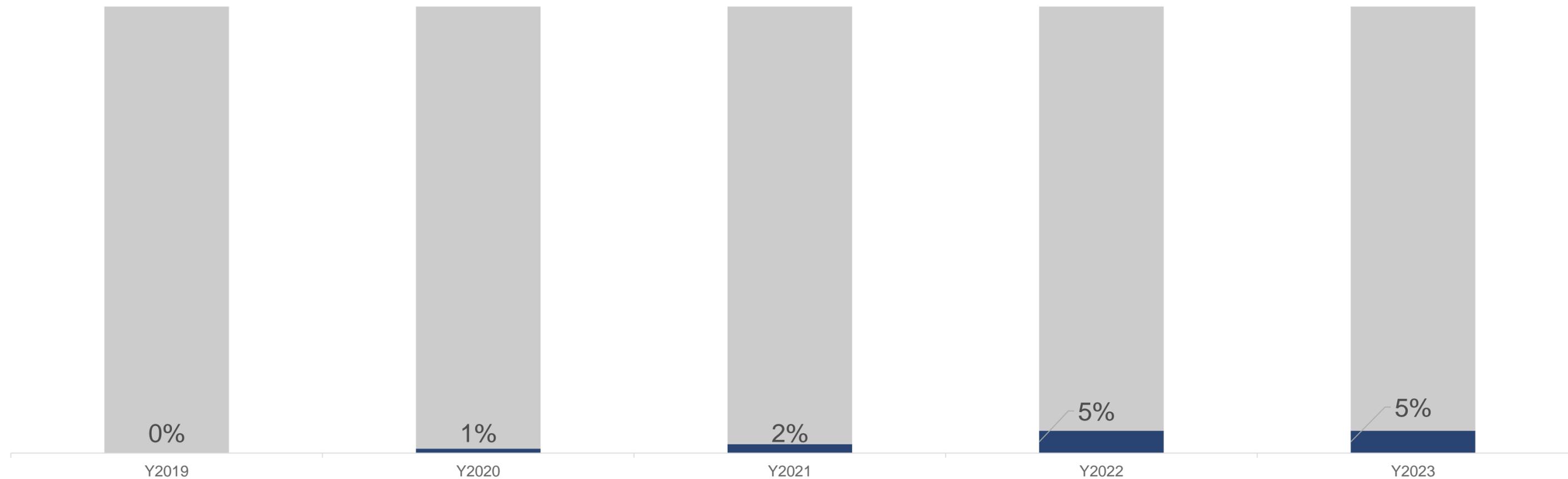
Annual Total Online Gambling Ad Spend, in Millions
2019-2023, Total Media, Total Canada



ONLINE GAMBLING ONLY CONTRIBUTED 5% TO TOTAL TELEVISION AD SPENDING OVER THE PAST TWO YEARS

Annual Online Gambling, Television Ad Spend, by Year
2019-2023, Television, Total Canada

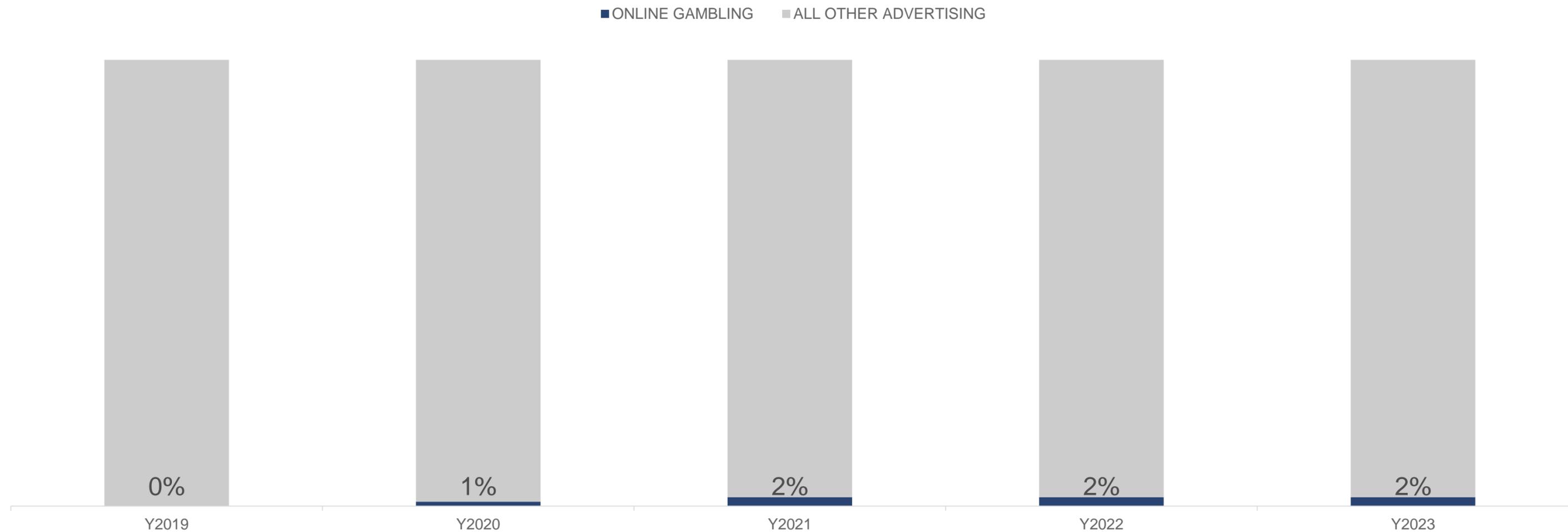
■ ONLINE GAMBLING ■ ALL OTHER ADVERTISING



ONLINE GAMBLING ONLY MADE UP 2% OF ALL TV AD OCCURRENCES OVER THE PAST 3 YEARS

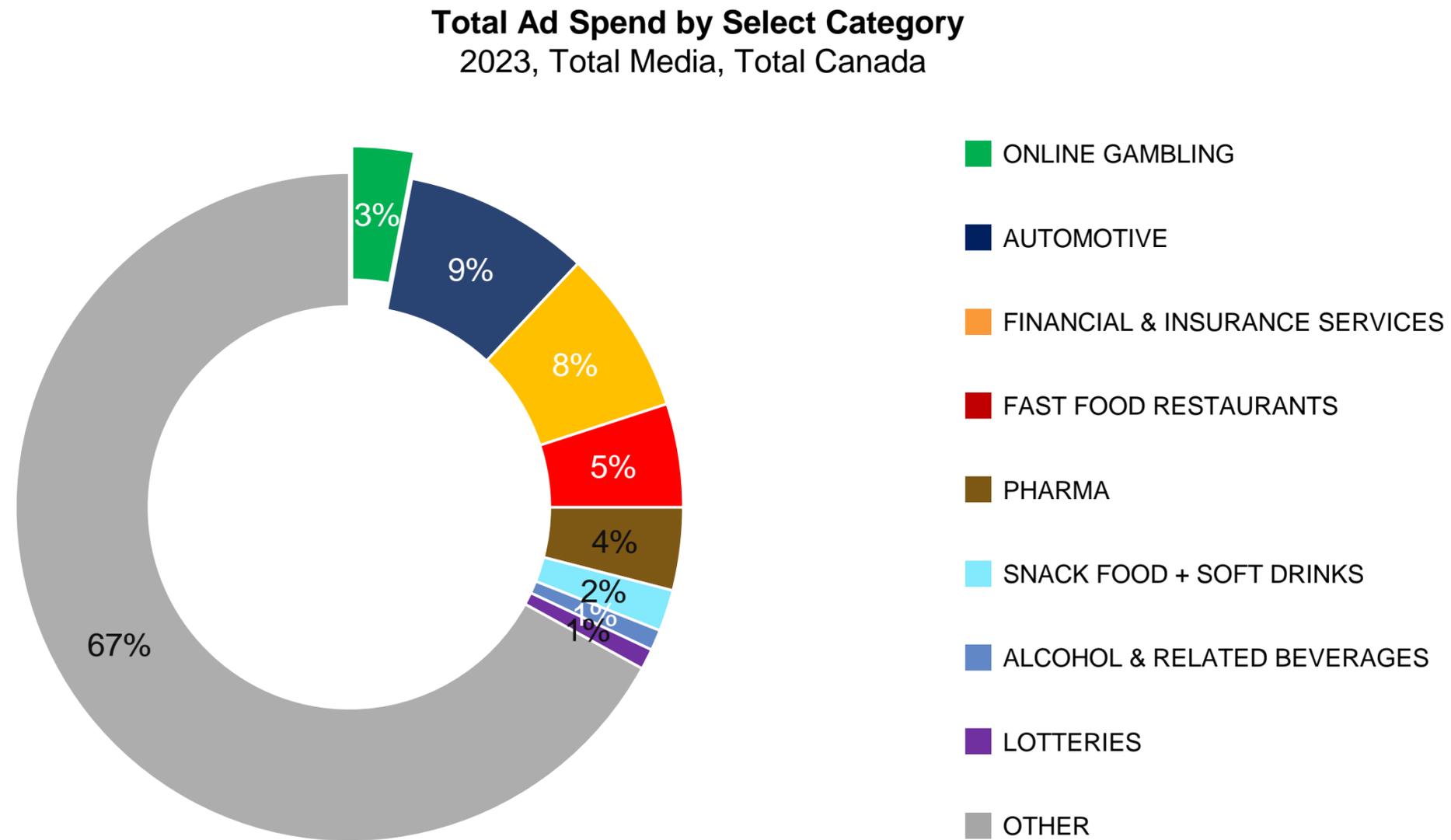
Relative to all other advertising, Online Gambling has not had a significant increase in overall proportion of TV ad activity.

Annual Total Online Gambling TV Occurrences, by Year
2019-2023, Total Canada



IN 2023, ONLINE GAMBLING ACCOUNTED FOR ONLY 3% OF TOTAL AD EXPENDITURE

Automotive, Financial & Insurance, Fast Food Restaurants and Pharma are all key categories that had more total spend than Online Gambling.

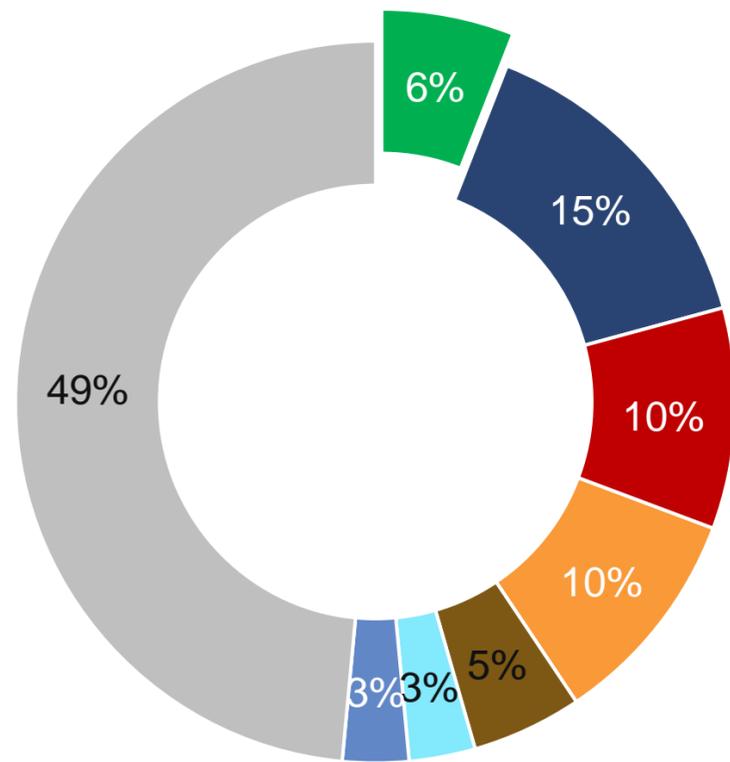


DURING NHL HOCKEY GAMES IN 2023, ONLINE GAMBLING ONLY ACCOUNTED FOR 6% OF THE TOTAL OCCURRENCES

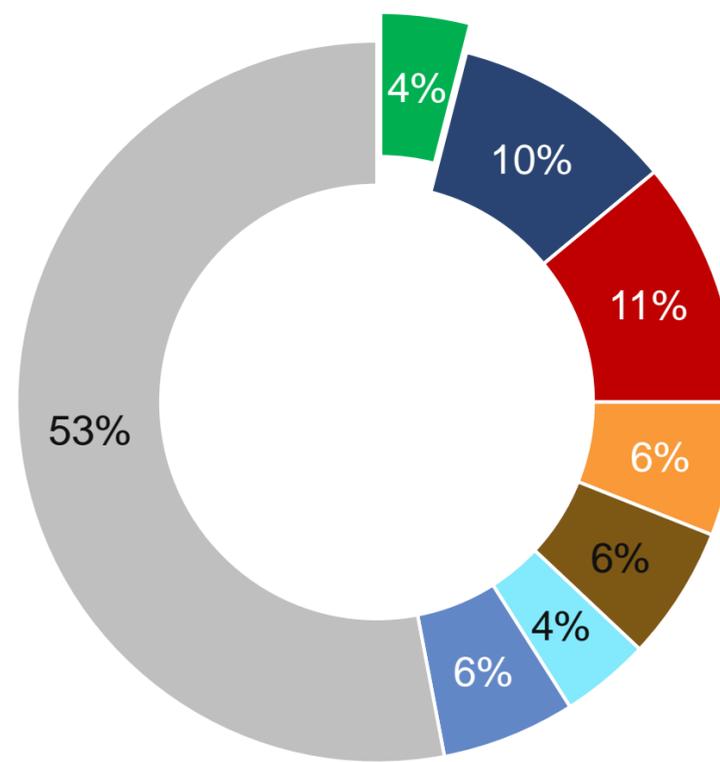
Lotteries category represented <1% for all 3 TV programming types below

Share of Ad Occurrences, by Program Type, Key Categories
2023, Total Canada

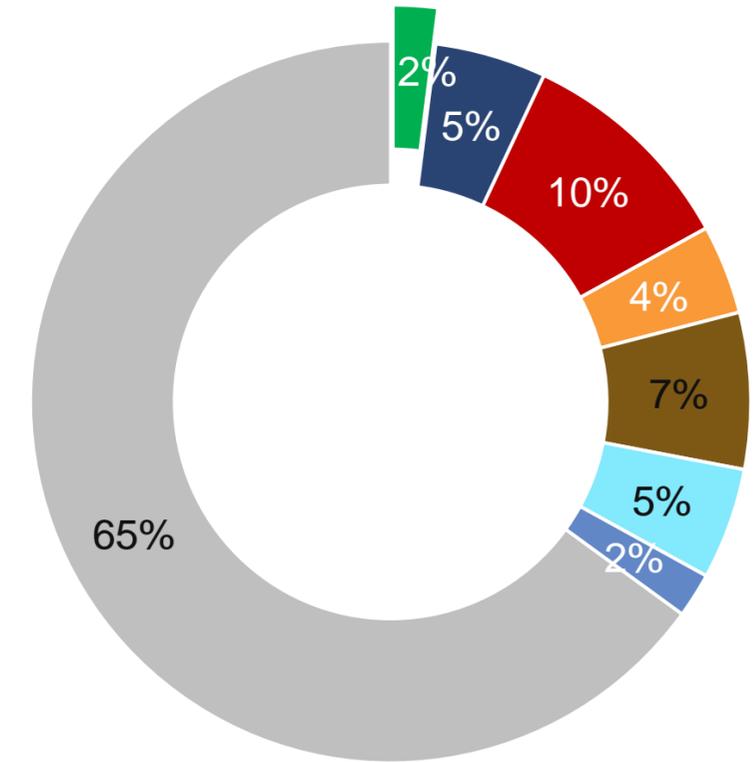
NHL HOCKEY



NBA BASKETBALL



MOVIES



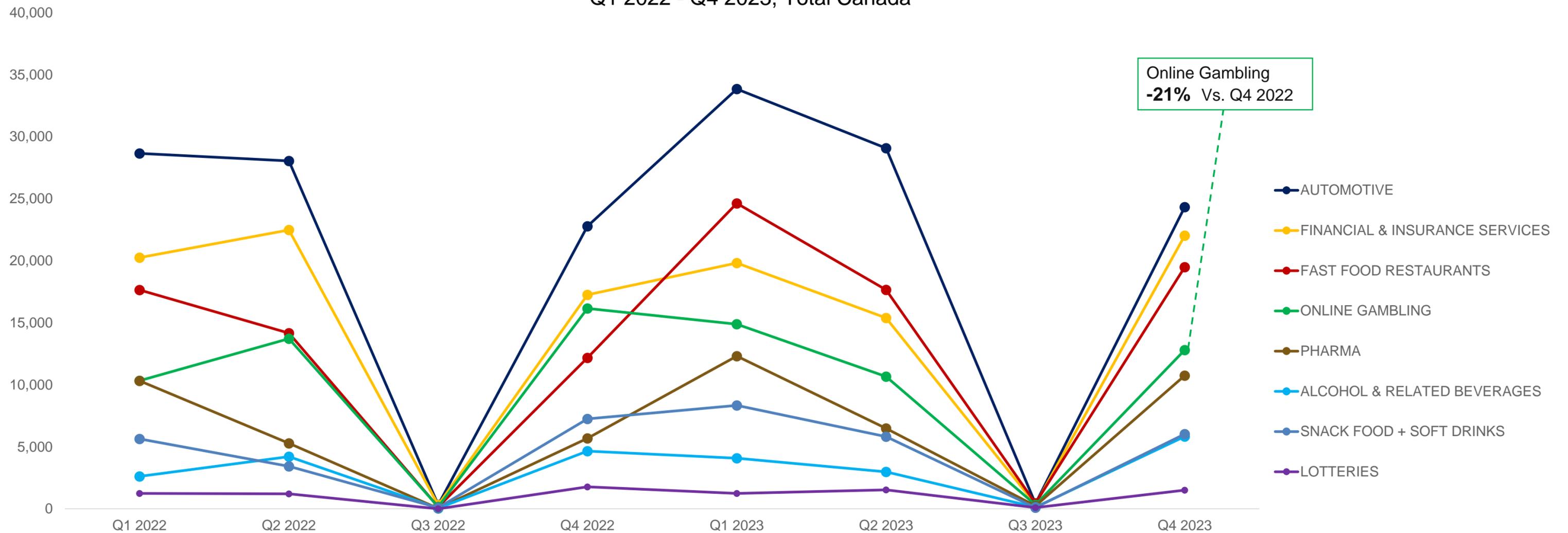
■ ONLINE GAMBLING
 ■ AUTOMOTIVE
 ■ FAST FOOD RESTAURANTS
 ■ FINANCIAL & INSURANCE SERVICES
 ■ PHARMA
 ■ SNACK FOOD + SOFT DRINKS
 ■ ALCOHOL & RELATED BEVERAGES
 ■ OTHER

ONLINE GAMBLING DECREASED 20% IN TV OCCURRENCES DURING NHL HOCKEY IN Q4 2023 VERSUS Q4 2022 WHILE AUTOMOTIVE, FAST FOOD, FINANCIAL, AND ALCOHOL ALL INCREASED



Automotive's Q1, Q2 and Q4 for 2023 were all higher in TV occurrences during NHL hockey YoY.

Quarterly TV Occurrences, NHL Hockey, Key Categories
Q1 2022 - Q4 2023, Total Canada



Source: Vivvix TV Occurrences, Select Categories, Total Canada, NHL Games, Q1 2022- Q4 2023