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How 5G Could Drive Mobile Sports Betting

Faster wireless service could connect more fans, provide opportunities for fans to bet on games as they watch



Last month, Monumental Sports & Entertainment signed an agreement with U.K.-based betting company William Hill to open a sports-betting complex inside the District of Columbia's Capital One Arena. PHOTO: NED DISHMAN/NBAE/GETTY IMAGES

By Sarah Krouse

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The advent of faster 5G wireless service could be a boon for the fledgling U.S. mobile sports-betting industry.

In particular, the technology is expected to make it easier for fans to make wagers during games—such as whether a quarterback will complete his next pass, or a basketball player will make free throws—as the action unfolds.

The U.S. Supreme Court opened the door to legal sports betting in the U.S. in 2018 when it struck down federal prohibitions on such wagering and left it up to states to set their own rules. Since then New Jersey, along with 11 other states and the District of Columbia, have legalized sports betting over smartphones, according to the American Gaming Association.

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Now, wireless carriers are rolling out 5G networks in select U.S. cities, lighting up professional football stadiums and basketball arenas with the faster service. The technology allows more devices to be connected at a time and promises to reduce latency (the amount of time that machines take to respond to each other), which could keep fans on their phones longer and encourage more of them to wager while they watch. Outside stadiums, 5G service could enable fans to make mobile bets while simultaneously streaming games on their phones.

“Can you pull it off on 4G? Maybe. But can you pull it off on 5G? For sure,” Tim Sullivan, chief executive of the New Jersey Economic Development Authority, says of in-game

betting.

Staking a claim

The confluence of 5G and mobile sports betting is expected to open up new revenue

opportunities for sports leagues, gambling companies and telecommunications firms alike, executives say. Enhancing today's popular fantasy sports leagues with online betting, for example, could prompt consumers to spend more time and money in those apps.

Among the companies making new inroads in this area is New York-based Verizon Communications Inc., which owns Yahoo Sports, a provider of sports news, scores and fantasy sports leagues. In October, Verizon's media unit formed a partnership with casino giant MGM Resorts International, linking the Yahoo Sports app with the casino giant's BetMGM platform to allow sports betting.

Scott Butera, president of interactive gaming at MGM, says fantasy and live-sports content are complementary. "If Tom Brady is your quarterback this week in fantasy, maybe you will also be inclined to bet on whether he'll throw two or more touchdown passes in a game," he says. (The geolocation feature in phones helps betting apps determine whether consumers are located in states that allow mobile wagers.)

Faster 5G service will help connect more sensors within stadiums and bring much lower latency, which translates into more in-game betting opportunities, says Guru Gowrappan, chief executive officer of Verizon Media Group.

AT&T Inc. also has taken an interest in the sports-betting space. Earlier this year the sports-news website Bleacher Report, part of AT&T's WarnerMedia unit, formed a partnership with Caesars Entertainment Corp. to produce sports-betting related content, including videos.

"We don't want to be, you know, running books. That's not our gig," Randall Stephenson, chief executive of AT&T, said on a Recode podcast earlier this year. But gambling is critical to the business AT&T is in, he said.

"There's nothing that changes the fan engagement more than having something on the line on a game," he said.

Gambling is also slowly making its way into sports venues. Last month, Monumental Sports & Entertainment, the owner of the Washington Wizards basketball team, Washington Capitals hockey team, and Washington Mystics women's basketball team, signed an agreement with U.K.-based betting company William Hill to open a sports-betting complex inside the District of Columbia's Capital One Arena. Monumental said the agreement is the first of its kind for a professional sports venue in the U.S.

In the U.K., more than 70% of all mobile sports bets are in-play or after the game has started, while sports betting in the U.S. has focused primarily on which team will win or lose, says Stephen Master, president of sports-business advisory firm Master Consulting.

U.S. sports are well positioned for in-game betting, he says, because games like baseball and football are less free-flowing than soccer. Every at-bat, drive or kickoff has an outcome on which to bet.

But "if in-play betting is really going to take off like it has overseas, you really need the low-latency, high-speed connectivity" of 5G, he says.

Challenges remain

Professional sports leagues already are affixing sensors to players and sports equipment to collect biometric, performance, speed and velocity measurements.

Zebra Technologies Corp., based in Lincolnshire, Ill., partners with the NFL to put chips on player uniforms and balls that track statistics such as player speed and proximity to each other.

To date, that information has been used to help coaches and players improve performance, but sports-betting executives expect that data to eventually be piped into fan-wagering platforms. Such data, for example, would allow consumers to bet on the speed of a player as he scores a

touchdown or how fast a quarterback's pass was.

Still, fusing 5G service with mobile sports betting may take some time. U.S. consumers are holding on to their smartphones longer—often more than three years—so the adoption of devices compatible with 5G service could be slow.

And although carriers began rolling out 5G networks this year in select cities and some sports arenas, it could take years before the service is widely available nationwide.

Meanwhile, constant interaction with devices during games could drain phone batteries, reducing some fans' incentive to engage in mobile sports betting. And those who want to simultaneously stream games and bet on them via their phones may need larger screens to have the best user experience, sports-betting consultants say.

Nevertheless, some states expect the broader adoption of mobile sports betting to fuel new and existing industries. Behind the fan placing bets on the Jets or Giants on a Sunday afternoon is sophisticated wireless-payments and financial-services technology and regulatory infrastructure, says New Jersey's Mr. Sullivan. Betting on in-game action requires even faster connectivity and further investment by the companies that provide those services.

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