Technology's Influence on Sports Betting

By Marianna McDevitt

The United States Supreme Court's 2018 decision to overthrow the Professional and Amateur Sports Protection Act, which ended up allowing states to oversee sports betting, opened up significant changes and developments in the sports gambling space. In 2021, the sports betting market was valued at $61.5 billion with projections to reach $114.4 billion by 2028. Previously, not very many payment processors were providing services to the gambling industry due to its highly regulated nature. Currently, online sport betting is the most common means for sports betting in states that made online betting legal due to its convenience. There are still many states that only allow sports betting in person. This saturation of the market allows for bettors to shop around and find platforms that have better rates and are more user friendly.

The development of mobile betting allows betting to be accessible to people all around the world, which taps into new markets and increases profits. Fintech, finance focused technology, is a large part of this influx of accessibility. Fintech allows betting platforms to integrate checking accounts directly into the bettor's wagering ledger, which allows seamless and quick access to funds. Developments of the payments space provides for more security and protections for gamblers. Further, with gambling addiction being a serious battle many Americans struggle with, technology has the ability to integrate safety mechanism that are not ordinarily available. For example, users can set gambling limits based off a set limit they set or a percentage of their paycheck. This provides safeguards for those who want to gamble but need help managing the activity. Developing technology also provides the opportunity for cooling off periods and voluntary self-exclusion to keep gambling safe. Many states legalized sports betting without truly taking into account consumer protection, thorough legislation, and problem

gambling resources. Where technology may provide helpful tools to help with gambling addiction, it also creates accessibility that bettors did not previously have, which has led to over betting if they have not implemented safeguards, and the number of bets they place at the same time. Not only can you bet on multiple odds throughout one game, but you can also bet across multiple platforms. Sports teams, regulators, and trade groups are working to set standards for the gambling industry, but there is very little funding to provide help compared to the amount of money it is earning states. With the gambling industry pestering bettors with constant and glamorized advertisements, it is no surprise that the New Jersey Gambling Help Hotline has increased 60% since 2018. Industry standards and regulators need to get on the same page in order to enforce and protect consumers. Sports Betting is a polarizing industry, and it is only going to grow with the implementation of technology, so it is crucial that legislation keeps up. The adoption of better technology is not all bad. As mentioned previously, fintech patterns provide mechanisms for asset protection.

Developing technology also utilizes artificial intelligence to provide better odds to maximize profits and detect irregular betting patterns that could prevent money laundering and fraud. It also improves the customer interface by integrating chat boxes and virtual experiences that allow users to watch the game as if they were truly at the stadium. Further, technology and the integration of fintech allows casinos to adopt a cashless experience that helps with instantaneity and Know Your Customer standards. Cashless systems allow for better tracking and data collection, which ultimately assists with customer experience development.

Technology is capable of improving the sports betting industry and creating more access in a safe and informative fashion, regulations just need to keep the consumer in mind when developing legislation. Quickly.