

Fantasy Games In The Era Of Digital Media: A Study On Its Evolution, Development And Economic Potential In India

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ABSTRACT

Fantasy games have emerged very popular in the era of digital media. Their popularity is spreading to even small cities in India. According to Statista 2023, the number of registered users has increased from 2 million in 2016 to 180 million in 2023 and it is expected to reach 500 million by 2027. These games have huge economic potential which grabs the attention of millions of Indian youngsters. The study primarily focuses to trace the evolution and development of fantasy games in India and attempts to understand its economic potential. The study is based on exploratory research design in which extensive review of literature has been done under the qualitative approach.

Keywords: Digital, Fantasy, Games, India, Youth, Popularity

Introduction

Fantasy games involves a group of people who choose a set of individual athletes for a fantasy team from a given sport, aggregate the statistical performances of these athletes, and then compete with one another to see whose team generates the highest points in total (Baerg, 2009). Real-world sporting events are carried over into fantasy sports. In the early 21st century, the phenomena started to take shape and gained prominence. Fantasy games can also be described as a digital entertainment platform that relies on skill, where sports enthusiasts have the opportunity to create their own fantasy sports teams. It can be played with single-player or multiplayer on a variety of platforms, including personal computers, consoles, tablets and mobile devices. There are some games that offer multiplayer online experiences where the players can interact and collaborate with others across the world.

In fantasy games the teams are formed by real-life players of various teams and the points are secured through the field performance of the selected players that considers goals, runs etc. The teams can be created for a specific match or it can be for an entire league. The digital nature of fantasy games platforms lends itself to creating multisport ecosystems.

The combination of the growing popularity of sports leagues in India and the significant advancements in digital infrastructure and payment systems has led to a surge in enthusiasm for fantasy games among sports enthusiasts. This has provided them with a unique platform to engage with their favorite sports, putting their skills and knowledge of the game to the test.

However, in the last decade, fantasy games market has grown significantly as technology advances and availability of interactive platforms have made it easier than ever to participate in fantasy sports, considering these important developments this paper traces the evolution, development and economic potential of fantasy games in India.

Objectives:

1. To trace the evolution and development of fantasy games in India and;
2. To understand the economic potential of fantasy games in India.

Methodology of the study

The study undertakes an exploratory research design in which qualitative research approach has been employed. Extensive review of literature has been done on the subject matter, which includes research papers, articles, books, policy papers and reports etc.

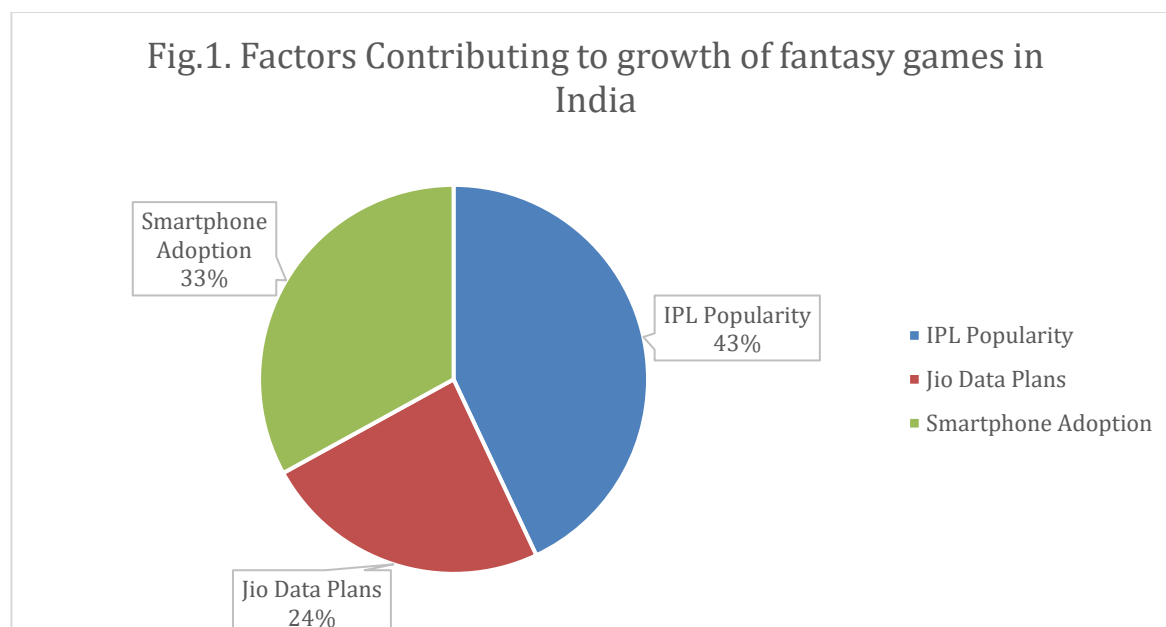
Fantasy Games and its Evolution and Development: The origin of fantasy games can be traced back to the 1960s in the United States, specifically with the introduction of Fantasy Golf and Fantasy Basketball. However, its surge in popularity coincided with the growing fame of Baseball in the United States. As Major League Baseball became a household phenomenon, the sales and popularity of fantasy sports skyrocketed. Additionally, in the early 1990s, Fantasy football gained traction and revolutionized the way football was perceived by introducing a higher level of fan engagement.

The advent of the digital era brought significant changes to the landscape of fantasy games, opening up new opportunities for market expansion and globalizing the industry (Akshay & Kavan, 2020). One interesting issue in the growth of the fantasy games industry is its membership clause. Free membership and services have been a trend for several years (Tedesco, 1997).

Fantasy Games in India: Fantasy games have a great deal of potential in India. It is becoming popular in India at a fast pace, both in metropolitan and non-metropolitan cities. The user base of fantasy games in India has increased at a compound annual growth rate (CAGR) of 212% (KPMG, 2019). Digital platforms have played a significant role in the rise and popularity of fantasy games. It provides real-time updates and information related to sports events, player performances, and team lineups. Users can track the progress of their fantasy teams, monitor scores, and make changes to their lineups based on live data.

The launch of fantasy games in India has seen a magnificent transformation after two years of its introduction. ESPN-Star Sports launched its 'Super Selector Fantasy Game' in 2001, which was amongst the earliest fantasy games in India to gain user traction. The online fantasy games platforms have witnessed a stupendous growth in the last three-four years with operator companies such as Dream11, MyTeam11, My11 Circle, Fancy11, Fanfight, Faboom, CricPlay, Fanmojo, 11Wickets etc. (FIFS, 2020).

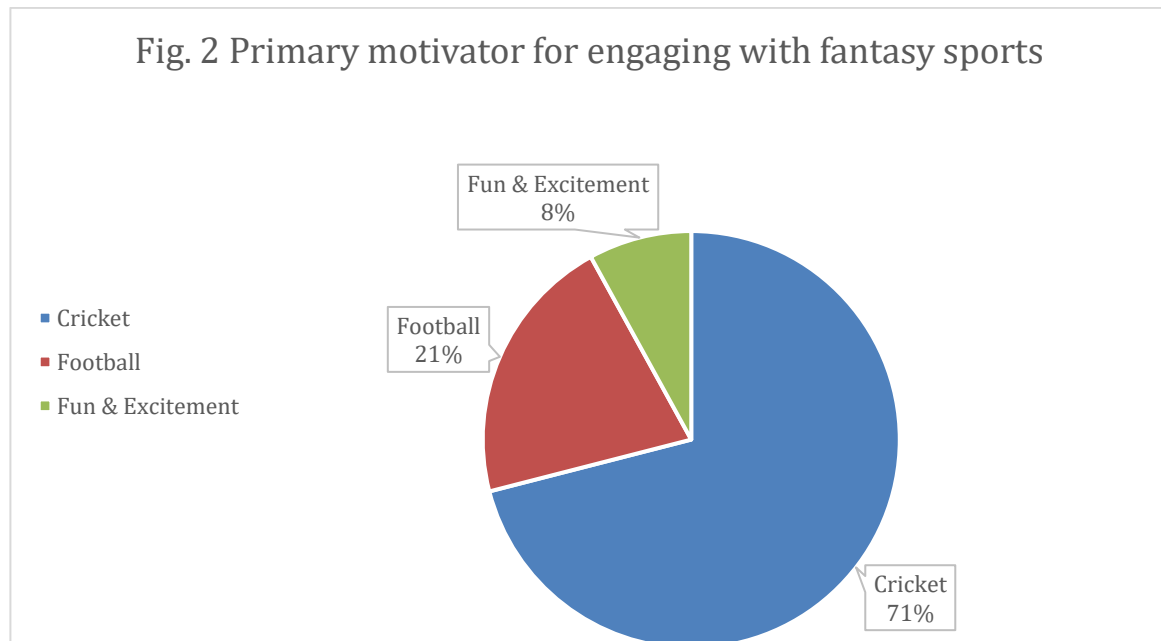
There have been several factors contributing to the growth of fantasy games, 43% has marked its empire in India because of the popularity of cricket and huge fan base of Indian Premier League (IPL) that started in 2008. Also, the growth of smartphones in India and mobile broadband internet in tandem, expedited by the launch of Jio's affordable data plans in 2016 contributed to 24% and the launch of smart feature phones by Jio and other players have made 33% contribution to help emerge the growth of fantasy games (The Economic Times, 2019).



The increase in the adoption of digital payments and availability of user-friendly payment modes such as payment wallets and UPI have also contributed to the growth of paid users of fantasy games in India. The transaction volume on UPI and digital wallets has witnessed growth at a CAGR of 469% over FY17-FY19, helping users transact seamlessly on the platforms (KPMG-IFSG, 2019).

A significant factor contributing to the current success of fantasy games is the social media community that has emerged around it. Social media platforms like Instagram, Twitter, and YouTube have become go-to places for fantasy games enthusiasts to get tips, strategies, and insights on how to build their teams. The community

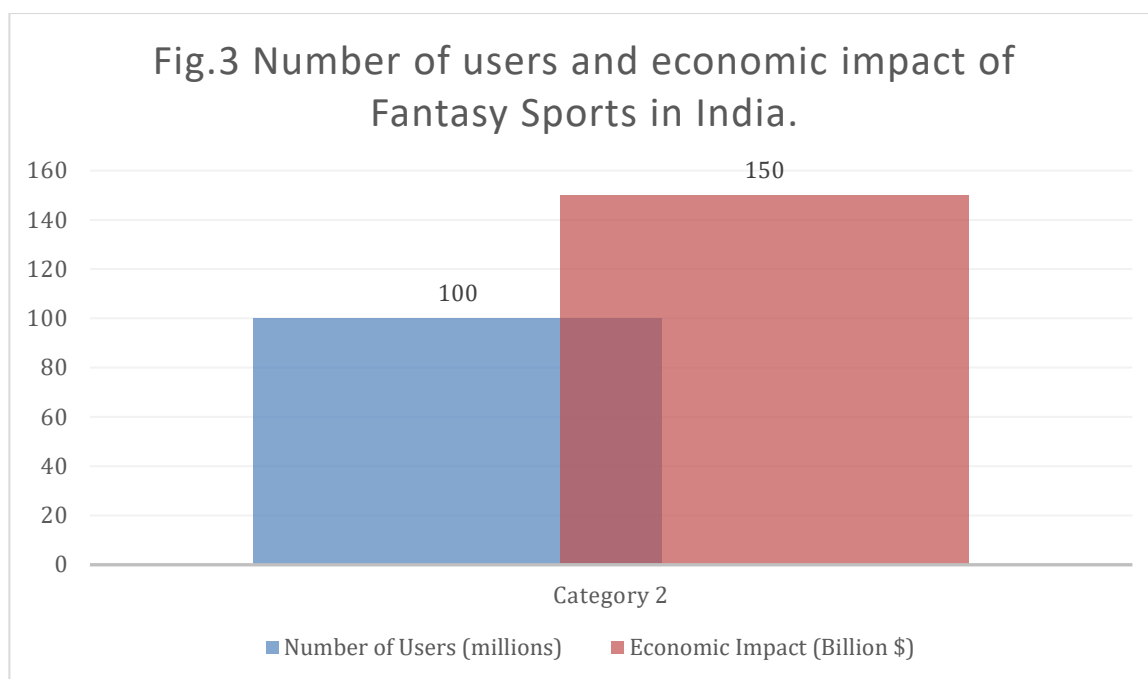
has also helped in creating a buzz around the game, leading to increased participation and engagement. Mobile phones are most preferred device amongst the online games which provides a service of anytime, anywhere usage. Reports suggest that there are two segments of online gaming: e-sports and particularly fantasy sports. There is a dynamic behind participation of users with fantasy sports platforms and fantasy sport is vastly different from sports betting (FIFS, 2019). Data reveals 74% people play fantasy sports 1-3 times a week, with the majority playing once a week, 80% played fantasy games on mobile apps and 71% play fantasy cricket and 21% play fantasy football, 8% of the respondents consider 'Fun and excitement' as the primary motivator for engaging with fantasy sports platforms and so on (FIFS, 2019).



It has been identified that there has been incredible growth of fantasy sports users in India. It is mentioned that there were 90 million Fantasy Sports users in 2019 which is expected to be estimated to nearly 170 million Users by the end of 2023 (FPJ, 2022). Changes are also expected in Fantasy Sports which will add features and enhance the user's experience. The anticipated developments in the Fantasy Sports sector include the introduction of round-the-clock customer service to cater to user needs, facilitating cash withdrawals through bank account linking, and incorporating the use of cryptocurrency for game investments (FPJ, 2022). Fantasy games industry in India has undergone substantial growth in recent years, reaching a market size of more than INR 34,000 crore. This growth has been supported by strategic investments, enabling the industry to serve over 13 crore registered users. Within a span of five years, the industry has become the largest in the world, and the acquisition of customers continues to increase in a nation with a strong passion for sports (FICCI & EY, 2022). Forming partnerships and collaborations with super leagues had made fantasy games reach its peak and it continues to have a huge fan base. Further, it has the potential to draw Foreign Direct Investment (FDI), which is expected more than INR 10,000 crore in the coming years, as well as produce 1.5 billion online transactions by 2023 (KPMG & amp, 2019).

As the sports industry progresses, financial services operators are proactively searching for ways to strengthen their mutually beneficial partnership and make meaningful contributions to the sporting industry. Their growing digital presence is playing a significant role in generating employment opportunities in fields such as artificial intelligence (AI), machine learning (ML), and analytics. This, in turn, reflects their commitment to supporting the growth of both Indian sports and the digital ecosystem, aligning with the principles of Atmanirbhar Bharat (self-reliant India) and Digital India (FICCI & EY, 2022). Moreover, the remarkable expansion of the sector has attracted investments, including foreign direct investment, thereby stimulating economic growth. Today, the fantasy games industry stands as a prominent example of the flourishing Indian startup ecosystem. With substantial capital influx and the emergence of two fantasy sports unicorns in Dream11 and MPL, the sector is motivating more entrepreneurs to recognize fantasy sports as a viable and scalable business opportunity (FIFS and Deloitte, 2022).

Economic Potential of Fantasy Sports in India: Fantasy sports in India involve over 100 million users across the country, with an expected direct economic impact of \$150 billion by 2020 (as reported by Economic Times). This growth has been attributed to the expansion of the digital landscape, growing interest in diverse sports, and the secure flow of capital through digital channels, all contributing to an increase in the user base (Akshay and Kavan, 2020).



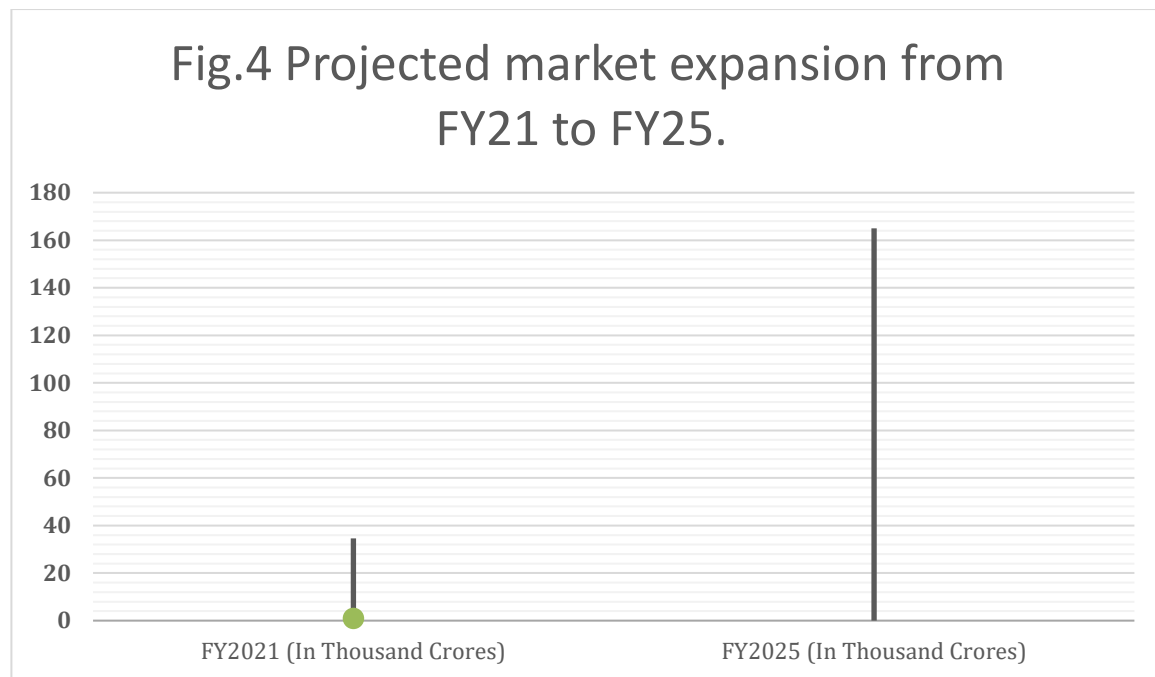
The study reveals that Dream11 holds the largest market share in the Fantasy Sports industry. Furthermore, Dream11 has achieved the distinction of being the first Indian gaming company to join the prestigious "Unicorn Club" in April 2019. Fantasy Sports is a perfect fit in the current era of technological advancements, employing innovative statistical methods and adapting to evolving trends on social media. It combines the elements of sports and financial gain while also facilitating the development of participants' knowledge in the field (Akshay and Kavan, 2020). Studies also suggest that there are different characteristics of Online Fantasy Sports that helps to establish its market potential, contribution to sports, consumer insights, current legal recognition approved by courts and the need for stronger self-regulation that is necessary to help the industry grow by protecting interests of sports enthusiasts (Kailasam and Mathur, 2020).

The fantasy sports industry in India makes a great impact on the economic potential, community and sports engagement. The current regulatory framework in India for fantasy sports highlights the key challenges that exist within the sector. One of the key issues is the need to distinguish between games of skill and chance-based games, which are crucial to determine the legality of such games in India. There are several other challenges which include issues related to data privacy, cyber security, and fair play (FIFS, 2022).

Certain recommendations are also made to advance the discourse toward implementing a regulatory ecosystem for fantasy sports in India. These recommendations include developing guidelines and standards for the industry, establishing a self-regulatory organization, and educating and creating awareness among stakeholders (FIFS, 2022). The legality issue in fantasy sports is caused because the game involving real money transactions. It is believed that fantasy sports need a self-regulatory body.

NITI Aayog a policy thinks tank of the Indian government, emphasizes the necessity of a self-regulatory organization to oversee games like fantasy sports. It is believed that such an organization would be responsible for educating and creating awareness about fantasy sports, as well as preparing strong guidelines to govern the industry. The Supreme Court of India has recognized fantasy sports as a game of skill, exempting it from the definition of gambling, which is prohibited in most states.

According to a report by the Federation of Indian sports in collaboration with Deloitte, India has the world's biggest fantasy sports market with 13 crores registered users. The Fantasy sports market in India is anticipated to expand from Rs 34,600 crore in FY21 to an estimated Rs. 1,65,000 crores by FY25, driven by the activities of vendors and service providers within the industry.



The report shows that cricket remains the highest contributor to the overall revenue of the fantasy sports industry and along with that it is expected that for the next four years continuous growth is seen in CAGR for cricket at 32%. It has been mentioned how the Indian Premier League (IPL) played a crucial role as a big contributor in addition to users in the fantasy sports space. In 2021 edition of IPL, the fantasy sports user base in India grew by over 20 lakhs users.

While cricket will continue to hold a prominent position on fantasy sports platforms, the report highlights substantial growth in other sports like Kabaddi, Hockey, Football, and Volleyball. Besides its influence on the core sports sector, fantasy sports serve as a significant catalyst for fostering digital skills, including artificial intelligence, machine learning, and cloud-based analytics. This, in turn, has led to the emergence of new industries centered on these skills. The report underscores the remarkable growth of the fantasy sports sector, attracting investments and contributing to economic growth.

Key Findings and Conclusion:

This study clearly suggests that fantasy sports and its participation have developed at a brisk pace over the last decade. The study attributes the proliferation of fantasy sports to the crucial role played by digitization and identifies that fantasy sports apps have plenty of choices to offer attracting large number of players in upcoming years. Overall, this study highlights that there has been a significant growth of fantasy sports in India but there are expected changes to be made for enhancements in the industry.

There has also been revelation of the fact that digitization has played an enormous role in expanding the reach of fantasy sports and offering users more options to engage with the games. The projected increase in the number of users indicates the immense potential and popularity of fantasy sports in India's sports and gaming landscape. The results also suggest that fantasy sports gained popularity among youth in India because it provided them with a platform to actively participate in sports, act as managers, and create communities where they could share their experiences and engage with other fans. This active and social aspect of fantasy sports has contributed to its growing popularity, particularly among the younger generation in India. The study finds that the significant expansion of fantasy sports in India has been fueled by elements like widespread smartphone use and reasonably priced internet connection.

Additionally, the paper's findings highlight the close relationship between fantasy sports and sports consumption, showing industry's immense potential for growth and opportunity in the economic arena, along with highlighting key challenges and providing recommendations to address the need for a regulatory body. Reports also prove that India is the largest market for fantasy sports and is expected to grow by leaps and bounds in the near future.

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