

THE IMPACT OF THE BETTING INDUSTRY ON SPORTS

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Abstract: *Sports betting is the oldest form of gambling in the world. In the beginning, it was simply a leisure activity. We are currently talking about a multi-billion-euro deal. The sports betting industry has changed more in 15 years than in the last 50 years. In the 1950s, sports betting began to enter the world and almost nothing changed until the beginning of the 21st century. However, with the onset of the new millennium, online betting has changed the landscape dramatically, and is now developing at a fast pace than ever before. The future is always unpredictable, but we will try to imagine it based on current trends in sports betting. The paper "The impact of the betting industry on sports" aims to present a series of aspects regarding the history of sports games, the types of sports games existing today, a brief highlight of the Romanian sports games market and a short presentation of the positive and negative effects on sports.*

Key words: *Gambling, sports betting, sport, promotions, advertising.*

1. Introduction

Sports betting have thrived in the last decade. From a niche market to 1 billion \$ industry, sports betting is now compared to traditional sports in terms of revenue. As such, sports betting is similar to traditional sports betting. Players can bet with real money on their favourite team or on other different events from the game.

Sports betting represents the anticipation of the result of a match and the bet of a sum of money on that result and if the result at the end of the match corresponds to the bettor's prediction then he will collect a sum of money

directly proportional to the bet, otherwise the bettor will lose his bet.

Much of the betting change is due to the new ability to place bets during the game, which came with online bookmakers. Most bookmakers have already reported taking live bets from the market, bringing companies already a higher turnover than pre-bets.

Operators are already aware of this and are adding new doses of fun to live betting. Almost everywhere, every live match has live stats added to the site, and many companies have already started adding live videos from that site. Thus, watching sports is no longer occupied by

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the territory of television. Major betting sites have a turnover large enough to allow them to claim rights to major sporting events.

2. Literature Review

2.1. The history of sports betting

The history of sports betting is not a new issue. The origins of betting lie in ancient Greece. The first bets in history were made in Greece, more than two thousand years ago. The Greeks were known as great lovers of sports and sporting events such as the Olympic Games, where they took advantage of the opportunity and bet on their favourite competitions [4]. At that time, citizens were betting on various sports to have fun.

After becoming popular in ancient Greece, betting also attracted those from the Roman Empire.

The Romans quickly adopted these customs of the Greeks and turned it into a real business. The Romans bet a lot on gladiator's fights. But after the end of the Roman era, this practice survived and was adopted by the early medieval kingdoms. People were betting on gladiator fights and horse racing. The wrestling was one of the most popular sports in ancient Greece, the Roman Empire and the Byzantine Empire [3].

In the Middle-Ages, several European leaders tried to ban sports betting, but despite the measures taken, the bets persisted and continued to take place clandestinely. This custom has become especially popular in England, with betting enthusiasts betting heavily on horse racing. Eventually, English settlers took sports betting to the United States, where it spread rapidly and became one of the most popular pastimes for many people. Today, however, this activity is legal only in some American states.

Sports betting is made by people from all over the world, but the most popular are in Europe, where they have a long tradition and are a legal activity in most states [5]. Currently, this activity has turned into a big business, being a source of income for bookmakers and bettors.

Online sports betting

Online sports betting has been a great opportunity for betting enthusiasts. Online bookmakers have been set up in the United States and Canada to offer bettors the opportunity to bet online, from the comfort of their home or from anywhere with an Internet connection.

Sports betting experienced a massive boom after the Internet was invented and introduced. The ability to place bets directly from home has led many players to want to play more actively. Before the Internet age, bettors had to go to an offline bookmaker to place their bet, but things changed radically with its advent.

The biggest advantage of online betting is that it gives gamblers the chance to make quick decisions that can ensure them huge profits if they bet well, thanks to the live opportunity.

Tracking of the results. This type of bet is known as live betting, and has become one of the favourite bets of bettors.

Another aspect of online sports betting is the ability to place bets on virtually all types of sports on the planet and in all countries that exist. Today is possible to bet on other kinds of events, not just sports.

Bookmakers also offer free incentives for players who choose to sign up and deposit money into their account. These are called online sports betting bonuses and can even double your initial money invested if bettors decide to sign up on the main international sports betting pages [8].

Sports betting has a long history behind it and we can be sure that many other

generations will enjoy this activity. In fact, we can say that as long as there are sporting events on the planet, there will be sports betting, and on Earth there will always be human beings who will organize sports competitions.

2.2. Types of sports betting

Sports betting involves not only a passion for sports, but also a high level of knowledge designed to tip the scales in favour of the gambler [9]. The world of sports betting does not focus exclusively on luck. The advantage of betting on matches and other sports matches is that the bettor has a say, if he is familiar with the sport he is betting on.

Knowing the style of play of a team or a player, as well as the other participants in the game, it will be easier for you to place bets with higher chances of materializing in winnings.

Sports you can bet on in online casinos include football, tennis, boxing, golf, basketball, handball, but also horse racing, cycling, hockey and darts.

If we refer to the betting offer of the bookmakers that offer their services through the Internet, we can make a classification of the bets according to the ratio between the time of placing the bet and the period of the event. So, we have 'live betting' and 'classic betting'.

Live bets are those bets that are placed during the actual event. They are also called 'in-running bets', 'live betting', or 'in-play betting'. These types of sports bets have appeared on the market only in recent years and we can only find them at a few bookmakers in the world (of the order of tens). In general, for live bets, a simple prediction is chosen on which to bet. Although the term 'live' can be translated as 'happening right now', virtually no bookmaker offers 'live' bets in the true sense of the word [5].

From the moment you ask for your bet to be validated until the moment your bet is accepted by the bookmaker, a certain 'latency time' generally takes between 4 and 8 seconds.

If during this time nothing important happens during the match, the odds do not decrease or increase, you have a chance that your bet will be accepted. Some houses give the possibility to accept the bet (stake), and if the odds change, validating at the last odds (which may be different than the one you chose). During the development of different types of sporting events there are certain periods in which the odds offer is blocked by the bookmaker and no bets can be placed (e.g. tennis, football, etc.).

In general, at sporting events where a large number of points are scored, these odds blockages are rarer (e.g. basketball, handball, etc.). In the case of live betting, the bettor has the advantage of being able to watch the match on TV (or on the field). However, this advantage can never be raised at the level of bookmakers, which in addition to receiving live information about the match faster than a regular bettor (real-time broadcasts, use of terrestrial TV broadcasts instead of satellite, people seconded to matches), he also has a specialized man (bookmaker) who directs all the information received, including the stakes and odds set so far.

Classic bets are those bets that can only be placed before the actual start of the event. These types of sports bets can be placed either at an online bookmaker via the Internet, or at betting agencies where you pay with cash, receiving in return a ticket with the chosen bet [5].

The major advantage of these types of bets is given in terms of the maximum stake that can be placed for a simple bet. If in live betting, the maximum allowed bets generally do not exceed the value of a few hundred dollars, in classic bets these

maximum risky amounts can be at least 10 times higher.

If we refer to the type of bet that can be chosen, 3 types of bets are especially highlighted, namely: direct bets, handicap bets and total bets.

Direct bets are those bets by which the winner of the game or the tie at the end of the regular playing time is chosen. Each bookmaker defines its regular playing time for different sports according to its own rules. The regular playing time differs from many bookmakers in general for football, basketball and ice hockey.

Handicap bets are those bets that give a points advantage (or subunits of points) to the team considered by the bookmaker to be at a disadvantage so that the odds are balanced around the odds of 2.00[10].

This quantification of the disadvantage may depend on several factors such as: the statistical results obtained by the teams in the last period; injuries suffered by important players in teams; major imbalance in the total amounts bet on the combat teams.

In the offer of bookmakers there are offers with European handicap bets and offers with Asian handicap bets. The European Handicap is a particular case of the Asian Handicap in that it is full-fledged and with three possible variants.

Total bets are those bets that choose the number of total points scored during the regular time of the sporting event. These types of bets can be with two possible events 'below total' or 'over total' or with three possible events 'below total', 'over total' and 'exactly total'.

2.3. The sports betting market in Romania

The gambling industry is one of the most regulated and transparent in Romania, through GEO 77/2009, as well as through

the creation, in 2013, of the National Office for Gambling (ONJN).

In recent years, the sports betting market has evolved significantly, according to information provided by the Ministry of Finance. In 2010 the reported revenues were approximately 354 million lei, now they exceed 1.5 billion lei. The beginning of this progress was marked by the appearance of many betting houses, but in 2014 the trend was changed and the market began to mature. Now companies are not only relying on opening new centres, but especially on optimizing profits. The Association of Employers of Betting Operators in Romania attributes the increase in turnover in this sector to the development of online betting. Massive investment in advertising by bookmakers has influenced consumer behaviour in this sector. The marketing strategy of online operators has been aimed at attracting new customers through various incentives, bonuses and exclusive offers.

The top online sports bookmakers recommended by specialists are the following:

– At the Net betoperator, you will find an extremely rich offer of live bets, which consists of numerous sporting events, but also in the betting options available for each match, such as the fast markets at 1 and 5 minutes. At the same time, here you will be able to close your bets before the deadline, on the entire amount or on the desired stake part, using the partial Cash Out function.

– Unibet offers the most competitive shares on the market. The operator covers the most important competitions in the world, from local teams to traditional sports in Europe and the rest of the world. Every day you can find over 4000 sporting events that benefit from the best betting odds. On the operator's website you can also find detailed analyses of the most

important events in the world of sports. Unibet customers have access to a platform through which live videos are transmitted in real time.

– The Fortuna operator, known for its ground agencies, also offers online sports betting. The casino welcomes its customers with a welcome bonus that can be used for sports betting. If you have imagination you can choose special bets, accessible only to this operator. On the Fortuna online platform, you can bet on the most popular exports in the world.

At Betano online bookmaker you will find a few games every day in which the operator stops his 0% winning margin, as well as a series of extremely advantageous semi-permanent offers. In addition, you will be able to place voice command bets via mobile phone and watch over 24,000 live video events annually.

The sports betting agency Unibet can boast a rich history of awards obtained in the world of the gambling industry in the last decade. One of the most interesting functions of the operator is Action Betting, an ultra-fast betting platform with immediate solution, which can keep you in suspense minute by minute. In addition, the sports offer is extremely wide and includes many types of unique bets.

The volume of online and offline sports and casino betting (wagered amounts) in Romania amounts, on average have got to the value of 4 billion euros per year, according to estimates from the profile market.

Market players explain that the value of the volume expresses the totality of the bets played and not the turnover which represents the difference between the volume of bets played and the prizes paid.

Official estimates published by the Association of Gambling Organizers, Rombet, indicated a turnover in the local gambling industry in Romania of about one billion euros. Regarding the value of a

bet, it starts from 1-2 rons and reaches an average of ten rons, and field tennis is the second sport after football in which the most bets in Romania.

The biggest win in the history of sports betting comes from Bacău. Super bet paid over 300,000 euros. The bettor won in January 2018 the amount of 1,350,093.22 rons (almost 300,000 euros), the highest in the history of the prizes given by the betting house Super bet in the ten years of activity. He played no less than 42 tickets, all on football and all winners at a total odd of 11,808.61.

According to statistics, the gambling industry brings over 700 million euros to the state budget annually, through taxes and duties.

It is difficult to say what changes will bring us in the coming years, although the feeling is that at least for now the waters have calmed down and we should not have big "surprises" or technological advances like before. But at any moment we can be surprised by something new that we do not expect. Who thought that in the not too distant future we will be able to place sports bets using a mobile phone, with which we can also consult rankings from hundreds of different championships, or even watch live matches online?

3. Case Study: The Positive and Negative Effects of Sports Betting on Sports

Sport is actually a competition between people or teams that agree to compete according to the same rules [16]. Not knowing who will win is an essential part of the sport's attraction, which separates it from art and other entertainment [14].

The impact that the sport betting industry has on sports games highlights both positive and negative parts, which we will discuss further.

First of all, sports betting has attracted more and more people, some already fans of sports teams, others who later became fans, although initially they were attracted by the opportunity for financial winnings [15].

So, we can say that one of the effects of the betting industry is to increase the number of spectators of various sports matches.

Sports betting involves not only a passion for sports, but also a high level of knowledge designed to tip the scales in favour of the gambler [11].

The world of sports betting does not focus exclusively on luck. The advantage of betting on matches and other sports matches is that the bettor has a say, if he is familiar with the sport he is betting on.

Also, another effect of sports betting in recent times refers to the massive exposure that has come from sports sponsorship agreements. This is part of a major effort to link sports betting to large companies that sponsor various teams. They see the global popularity of the sport, as well as the money that comes from the live broadcast and want some of the action. Thus, we see commercials and various types of sponsorships during sports matches, stadiums, T-shirts and live broadcasts.

Gambling thus opens the door to a completely new source of sponsorship income, the one coming from the big sports betting companies. Therefore, there are many teams whose players wear sports equipment with the names of sports betting sites.

The growing presence of betting advertising during live broadcasts of sports matches is perhaps the most visible aspect of sports betting.

Sports betting advertising is fully incorporated into the match and its promotional materials. This highlights the connection between sports fans and bets

related to favourite teams, being very difficult for a sports fan to avoid betting when everything around him urges him to do so.

As positive effects of this industry on sports we can list the increase in the number of fans and spectators, the improvement of the image of sports teams and the publicity around them, the appearance of more and more sports sponsorships, and last but not least the increase of sports clubs due both the increase in the number of spectators watching each match [6].

But this industry also has a number of negative aspects that affect the integrity of sports.

If the result is determined in advance, the integrity of the sport is lost and with it much of its meaning and appeal to fans.

Therefore, one of the negative aspects refers to fixing the matches which is a major threat to the sport [7].

There are two different reasons for fixing the match, both with ancient origins. First of all, sport can be fixed for sporting reasons: various opportunities offered to encourage a person or a team to lose a certain match. Second, people might try to make money through gambling in a match in which they know the outcome before it takes place because they have established the outcome [1].

Many people believe that the advent of sports gambling has increased the risk of fixing matches for financial gain. The huge scale of the global gambling industry (legal and illegal) is attractive to organized crime, and the range of types of bets available can increase the value of inside information. Globalization also plays an important role - criminals who want to establish matches can connect and meet athletes, coaches and officials from around the world.

The very nature of corruption in sports betting involves a number of sports participants (athletes and officials, but

also administrators), highly mobile corrupt, operating across various sports and national borders and betting on both legal and illegal markets.

With the advent of sports betting, clubs have developed a new method of corruption. It focuses primarily on winning money in the betting markets, but this time causing its own team to lose - which is easier than convincing another team to lose - and thus betting large sums of money on its own defeat.

This method is sometimes used by clubs that are in financial difficulty and / or have to enter competitions or matches of very little sporting importance.

Two factors favour this type of behaviour on the part of some clubs: on the one hand, especially the difficult financial situation in some sports environments, on the other hand, the organizational system of the clubs [12]. In fact, corruption has always been closely linked to gambling.

Thanks to the expansion of the Internet and the increase in the total volume of bets, operators have been able to offer new types of bets and other innovations that have them contributed to the attractiveness of bets and their growth.

The Internet has also allowed the development of "live betting", in other words the ability to bet during a match. Players can watch a match live on the Internet and bet online in real time, depending on how the match unfolds. Betting operators use "betting sets", which simultaneously track the match and bets on it and change the odds according to the events during the event.

The sports movement is essential for maintaining the integrity and honesty of the sport in various competitions.

Fixing the match is only possible if at least one of these parties plays an active role.

Combating the manipulation of sporting events, whether or not such manipulation

is related to betting, is primarily a matter of ethics and values for the world of sport [13]. The manipulation of a result or any other secondary aspect of a game is the antithesis of sports values [2]. Therefore, public and private sector stakeholders need to work together to combat this threat, sometimes in different legal and sports jurisdictions, while often being limited by limited resources and restrictions on the ability to share information.

4. Conclusions

Sports betting involve not only a passion for sports, but also a high level of knowledge designed to tip the scales in favour of the gambler. The world of sports betting does not focus exclusively on luck. The advantage of betting on matches and other sports matches is that the bettor has a say, if he is familiar with the sport he is betting on.

This sports betting industry has experienced the same development as sports due to globalization and technology, the connection between the two being quite obvious.

We have seen the impact that sports betting has on sport, both positive and negative, the latter still requiring enough effort to be diminished.

It is difficult to say what changes will bring us the sports betting in the coming years, although the feeling is that at least for now the waters have calmed down and we should not have big "surprises" or technological advances like before. But at any moment we can be surprised by something new that we do not expect.

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