Decided Wagers and Television Viewership Loss

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The financial importance of television broadcast revenues for NCAA FBS member institutions is well established (Fort, 2011). An extensive line of literature has empirically examined the drivers of sport television consumption (i.e., Mongeon & Winfree, 2012). Recent extensions of this literature have examined the degree to which wagering market interest drives consumption in NCAA football (Brown & Salaga, 2018; Salaga & Tainsky, 2015a&b), NCAA basketball (Kang, Salaga, Tainsky & Juravich, 2018), the NFL (Paul & Weinbach, 2015), and the NBA (Salaga, Tainsky & Mondello, 2019). Salaga and Tainsky (2015a) examined local market television ratings for Pac-10 football games finding evidence viewership may decline if over/under bets are decided before the game concludes. However, their sample included only a limited number of games in five media markets. This research further examines the possibility that “decided” betting market outcomes are a practically relevant determinant of viewership loss.

The data includes all nationally televised NCAA FBS regular season and bowl games from 2013 to 2015 which exceeded the pre-game over/under total (542 observations). The dependent variable is the logged total number of viewers for the contest. The transformation serves to avoid violating the assumption of normally distributed errors. Ordinary least squares with robust standard errors is specified.

The independent variable of interest equals the number of seconds remaining on the game clock when the total scoring in the contest exceeded the pre-game over/under total – rendering all over/under bets decided. If over/under wagering outcomes are indeed tied to viewership as suggested (Salaga & Tainsky, 2015a), the expectation is that viewership will drop the earlier an over/under bet is decided, as viewers switch their consumption to substitute programming.

The modeling controls for a variety of factors. Anticipated contest characteristics include the pre-game closing line point spread and over/under total, accounting for relative quality and anticipated scoring, respectively. Real-time and previous season power ratings (averaged for the competing teams) and indicators denoting within-conference matchups, conference championship games, and bowl games are included. Actual characteristics control for factors occurring during the broadcast (Chung, Lee & Kang, 2016). The difference between the closing line point spread and final scoring differential accounts for how closely the scoring margin matches pre-game expectations. A similar variable accounts for how closely total scoring matches with the market prediction. Temporal factors include time of day, day of week, and week of season the game was played. Lastly, indicators identify the channel airing the broadcast.

The variable of interest is statistically significant (1% level) and is practically relevant as a one standard deviation change is equivalent to a 6.90% reduction in total viewership. It is important to note the data covers a time period where single-game wagering was illegal in all but Nevada. In other words, the results indicate wagering and viewership are complements and wagering interest had a practically relevant impact on total viewership, even in an illegal environment. The findings are relevant given the increased legalization of sports betting and the growing complexity of industry relationships between sport and wagering properties.