

# Arizona sportsbooks debut with most wagers, revenue in first month

By Richard N. Velotta Las Vegas Review-Journal

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Sportsbooks in Nevada's southern neighbor debuted with the most bets taken and the most gross revenue of any state in its first month, the Arizona Department of Gaming announced.

Arizona opened with seven commercial sportsbooks in September and the department reported they took \$291.2 million in wagers with gross gaming revenue of \$32.3 million.

Arizona books became operational the day the National Football League season opened on Sept. 9.

The nearly \$300 million in wagers surpassed the opening-month total of \$131.4 million set by Tennessee in its first calendar month of operations in November 2020.

By comparison, New Jersey, the United States' busiest market, didn't hit \$290 million in bets until its ninth month of operations when it reported \$385.3 million.

“Arizona has enormous potential as a market, but it is encouraging for the industry to see such a strong debut,” said C.J. Pierre, lead analyst for PlayAZ.com, part of a group of analysts that monitor sports wagering nationwide.

“Setting a record in the first month would qualify as getting the market off on the right foot,” he said. “The next question is how quickly the state can ramp up and compete with more established markets. It appears that won’t take long.”

Analysts said the 4-0 start by the Arizona Cardinals NFL team helped drive betting interest.

“Football is the straw that stirs the sports betting drink, so launching ahead of the NFL’s first game and with college football going full tilt was critical,” said Eric Ramsey, an analyst for the PlayUSA.com Network, which includes PlayAZ.com. “Most of the country’s best-known sportsbook brands jumped in early, too. And with nearly a full month to operate, it made for a remarkable debut.”

The nation’s two largest commercial sports-betting operations — DraftKings and FanDuel — operate in the Arizona market.

DraftKings topped the market with \$97.7 million in wagering, which produced \$12.7 million in gross revenue. FanDuel was second with \$57.7 million in online wagers and \$1.9 million in retail bets, yielding \$594,897 in gross revenue.

DraftKings and FanDuel, popular as daily fantasy sports providers, aren't licensed in Nevada.

Brendan Bussmann, director of government affairs for Las Vegas-based Global Market Advisors, said he wasn't surprised by Arizona's strong start.

"While Arizona sports betting is still in its infancy, the strong start out of the gate is not surprising if you look at similar states such as Colorado or Michigan," Bussmann said. "A strong base of professional and collegiate sports in a state provides a solid foundation for those interested in sports betting."

Bussmann said the competitive landscape in Arizona provides for a robust marketplace and he thinks that is what has been seen initially. The Department of Gaming selected 20 outlets — 10 each among tribal operators and the state's professional sports teams and home venues.

"It will take some time for this market to settle in but the revenue opportunity is good and will continue to grow sports betting as more people embrace the legal market," Bussmann said.

"The Arizona model still needs some work especially when it comes to licenses for tribes, but I see long-term success as the revenue opportunity will continue to grow," he said.

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