

The Problem of Sportsbooks Offering Welcome Bonuses

2023 gets off to an exciting start as sports betting becomes legal in Ohio. The new sportsbooks will be eager to attract as much custom as they possibly can. However, their welcome offers won't be as high as previously seen.

Welcome bonuses are offered to try and entice new customers in what is a highly competitive industry. January of this year saw online sports betting launched with great success in New York. The launch saw promotional offers of up to \$3,000 being made but that cost bookmakers a lot of money.

Now that the clock is counting down to the Ohio launch, the offers being made are substantially less than those seen in other states. Some are only a few hundred dollars, an attractive enough offer and there will be many who take them up.

As the launch date of January 1 gets ever closer, it's possible the value of the offers could increase. Companies not getting as many new members as anticipated may up their welcome bonus to try and attract more customers. It can be a major factor when deciding which sportsbook to join as was seen this year in Ontario, Canada.

Picture 1 of The Problem of Sportsbooks Offering Welcome Bonuses

The offering of welcome bonuses is an awkward subject. There are some offers that look far better than they actually are. If you are going to register with a new betting site, always look at the terms and promotions of any offer. There may be far too high wagering requirements or strict conditions on how the bonus money can be used.

That is a common situation with unregulated sites. That's why legalizing sports betting in Ohio is so important. Those companies opening up in January have had to go through a checking process before a license is granted to them. That's not the case with unlicensed and therefore unregulated sites. A recent American Gaming Association report highlighted the problem of unlicensed betting sites.

Another problem is the way in which bonuses can be abused. It's not a case where someone opens an account with just one gambling site. Many decide to register with several sites. That gives them the opportunity to compare odds for sporting events but also collect several bonuses.

They might even register with a site just to claim the bonus and then rarely bet with them again once the bonus has been used.

David Pashkes is the chief commercial officer for the online sportsbook Tipico. They'll be opening in Ohio after forging a partnership with the Columbus Crew. Just how high their welcome bonus is yet to be announced.

He's only too aware of the problems concerning bonuses. He believes that 'bonus hopping' has 'plagued' the gambling industry.

Some gambling companies in Ohio are spending a large amount of their revenue on promotion. For BetMGM in Ohio it's 64%, while at DraftKings a 44% figure has been recorded. However, over at FanDuel, an investor conference held last month revealed a figure of only 29%. Their aim is to 'acquire customers more efficiently.'

That seems a sensible tactic to employ. It's believed that hundreds of millions of dollars have been lost by some sportsbooks. All because of the offering of high amounts of free bets being offered to entice new customers.

With there being two dozen online sportsbooks having received licenses, it's perhaps inevitable the bonus amounts offered will increase. Everyone is looking to get a good slice of the Ohio sports betting pie, especially with the Super Bowl on its way.

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