

worldpay
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GLOBAL GAMING PAYMENTS REPORT 2022

October 2022

CONTENTS

METHODOLOGY

The report draws upon Worldpay from FIS' decades of experience in providing global gaming eCommerce solutions to hundreds of gaming operators in multiple countries. It asserts Worldpay from FIS' own view of the market, based on internal expertise, our own research, and third-party vendor data. This report also benefits from the strength of our growing team of payments experts based in the US, the UK, and around the globe.

Worldpay's Market Intelligence team compiles this report using a mixture of third-party vendors and other publicly available data. This data is analyzed using a proprietary data model and categorization scheme. The resulting data is rigorously tested and validated by Worldpay product and regional commercial teams. The gaming market figures contained in this report were sourced from H2Gambling Capital, the industry's leading market data and intelligence provider and was updated on 14th July 2022. Individual payment methods actual shares by country and region are calculated using the aforementioned data model. The model contains a detailed breakdown of payment methods used for online transactions and in person, which were sourced from a variety of data sources including GlobalData's 2022 Consumer Payments Insights Survey.

We continually seek to improve the report based on feedback received from our merchants and other readers. In this year's edition, we combined two payment methods "credit cards" and "charge/deferred debit cards" into one, simply called "credit card". This is because both type of cards offer credit but only differ in the way a consumer pays the balance.

Forecast breakdown by payment method for each region is calculated using historical % share growth trend (in CAGR) supplemented by payments expertise from both FIS and external experts.

Additional secondary sources for this report include data from local card banking and payments associations; card scheme and payment providers; eCommerce industry reports and studies; news articles; and international organizations including the World Bank and United Nations. It is important to note that all predictions and conclusions are indicative only, based on current data. They are naturally subject to changes in world events and market dynamics over the period concerned (to 2026).

WELCOME TO THE 2022 GLOBAL GAMING PAYMENTS REPORT

Here at Worldpay, our commitment to the gaming industry runs deep. We're proud to have colleagues across commercial, strategy and functional teams like legal and risk with over 200 years of collective experience within gaming operators themselves. Over the past 20 years, we've processed billions of transactions for some of the biggest and best gaming brands out there (over 200 at the last count). That's a lot of knowledge to try and condense into one report, yet this is what we attempt to do year in, year out!

As usual, we've leveraged our global footprint to bring you country-specific insights into the top 19 countries we think will be of interest to the industry. This includes everything from established markets in EMEA, drivers of explosive growth like the USA and Canada, and the opportunities of tomorrow across Latin America and Africa. In addition, in our article ***Emerging Markets: Where should operators place their next bets?***, we take a deeper dive into some exciting opportunities in markets coming to life around the globe.

Fraud management has always been critical to this industry, and with more and more markets opening in recent years – and fraud rates rising – having the right tools to manage fraud has never been more important. We share our views on how operators can effectively manage fraud in our article ***Under siege:***

How can operators combat the rapid increase in gaming fraud?

The world may be moving on from the pandemic, but the impact continues to be felt across many industries, including gaming. One of the trends accelerated as a result of players shifting online was a desire for a more unified, omnichannel experience now that their favourite casino resorts have reopened. In ***Calling all channels: How can operators provide the omnichannel experience that players want?***, we explore the trend, the technology, and what opportunities that has created.

Finally, with over 300 million people now holding digital currencies and more and more virtual worlds – or metaverses – springing up online, we couldn't publish this report without exploring what that might mean for the industry as a whole. Check out ***Enter the Metaverse: How can operators facilitate a smoother payment experience within game-changing digital environments?*** if you want our take.

We hope you enjoy the 2022 Global Gaming Payment Report as much as we enjoyed putting it together, and we look forward to discussing it with you!

Alex Morgan-Moodie,
Senior Director, Vertical Growth



KEY INSIGHTS

This year, we're taking a deep dive into Omnichannel, Fraud and Virtual Experiences as we explore what the future holds for gaming. Discover why the gaming industry is witnessing rapid change and how regulation is opening doors to new opportunities across the world.

OMNICHANNEL

CALLING ALL CHANNELS:
**HOW CAN OPERATORS PROVIDE
THE OMNICHANNEL EXPERIENCE
THAT PLAYERS WANT?**

**Consumers are becoming increasingly digital-first,
and players in the gaming industry are no exception**

OMNICHANNEL

For operators, failing to provide a seamless experience online and offline could result in lost customers, revenue, and market share.

Operators that embrace digital change stand to benefit significantly from providing the omnichannel offering and seamless payments that players demand.

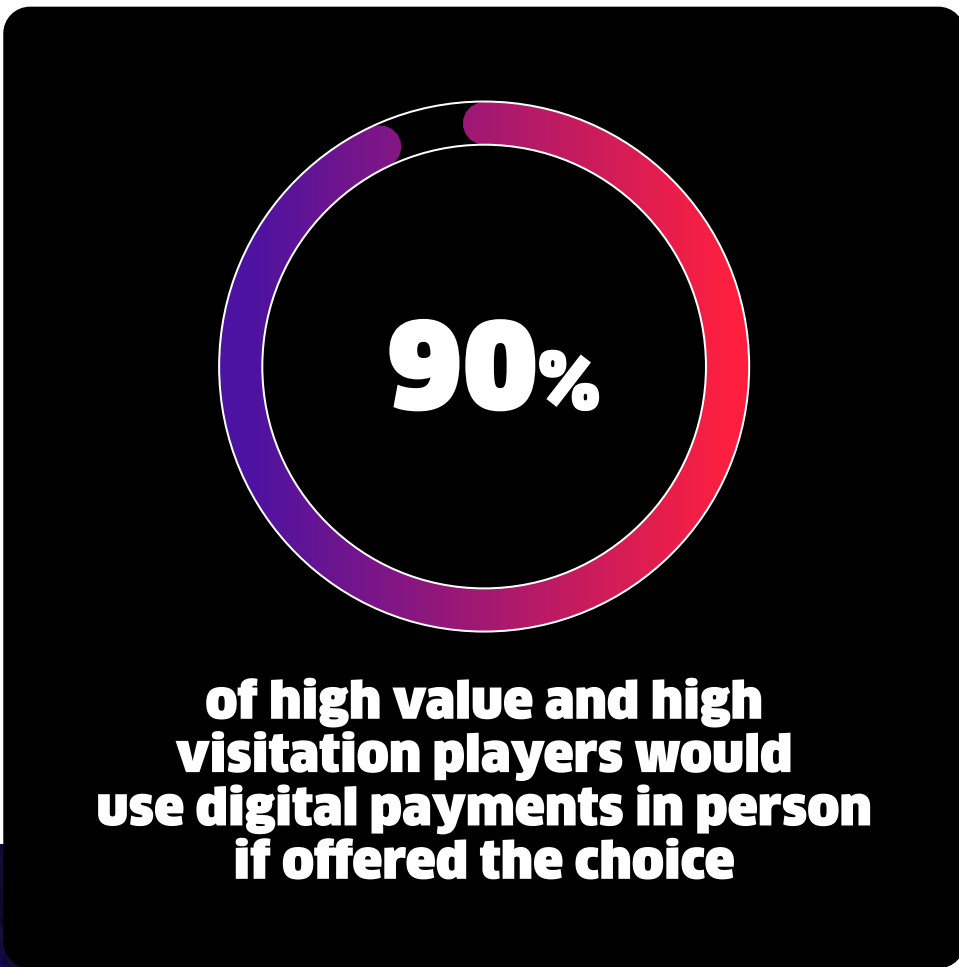
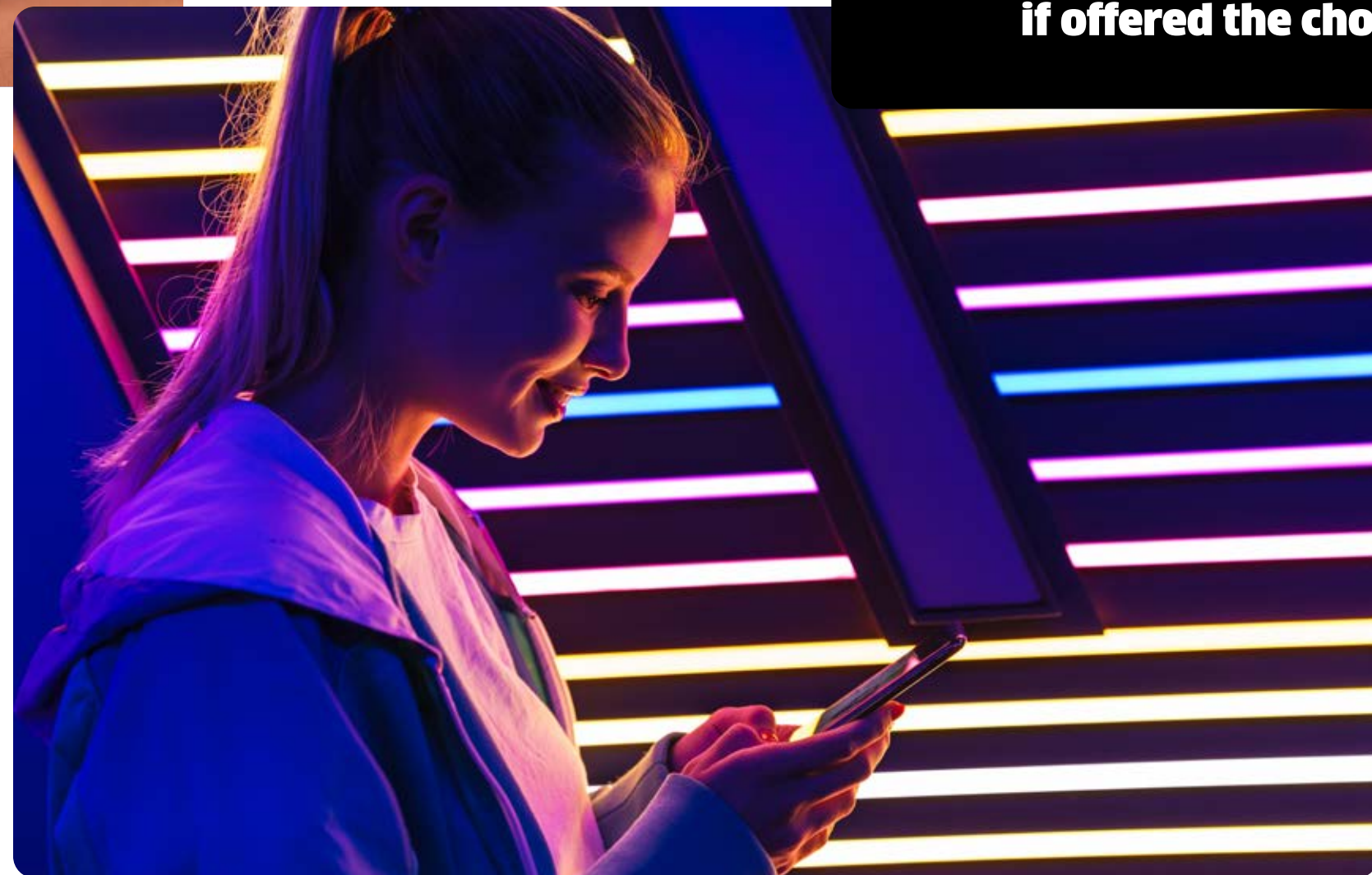
Online gaming is undergoing significant growth due to increased regulation and legalization from governments worldwide. With this type of explosive growth comes significant market competition. TV advertising for sports wagering in 2021 exceeded over \$1.7 billion alone, more than double any year on record. Online advertising, especially in jurisdictions that are new and have many licenses, has become exponentially expensive as evidenced in Arizona where cost per click advertising exceeded \$300. All of which has resulted in exponential increases in customer acquisition cost, promotional spend, and diminishing profitability for operators. This is not a sustainable winning strategy.

Operators have already invested billions into their world-class brick-and-mortar gaming operations, so it's essential that online gaming supports and

reinforces the physical side of the business, and doesn't just swallow it whole. One way operators could do this and stand out among the increasing competition, is to provide an omnichannel offering with a cashless operating model, both on and offline.

Seamless payments across all channels will be a key differentiator for gaming merchants moving forward. Data from the AGA shows that 90% of high value and high visitation players would use digital payments in person if offered the choice. The ability to offer sports wagering, iGaming, and in-person gambling in a seamless and digital way – where funds are available across all channels, players earn the same rewards, and can receive enhanced offers based on their overall spend – may well be the winning strategy in the operator race to capture bigger shares of the online gambling market as new markets open across the world.





For now, establishments that are offering cashless gaming in person have done so purely as an alternative option, but kept all of the underlying cash operations intact. Eventually, operators need to take the leap and run a truly cashless operation to benefit from:

- No cash on the floor: no more “dead” money at slot machines, instead, these funds can support the business in more valuable ways
- More room on the floor: no more ATMs, which means more room for revenue generation
- No manual cash counting: all transactions are tracked, so there’s no possibility of bill stuffing and reduced AML concerns broadly
- Increased time on device: customers no longer must physically get up to get more cash

The operational benefits and upside of cashless payments will change the gambling industry forever. But it’s not just the operators themselves that stand to benefit from cashless transactions, but customers too.

From a safety perspective, customers no longer need to feel uncomfortable or hesitant to walk to their car or around a casino with large sums of cash. Cashless operations also result in huge time saving for customers, as they no longer need to wait in line for ATMs, at the casino cage, for a marker, or a hand paid.

Cashless payments also save customers money. There’s no need to pay high credit card advance fees or ATM fees, so customers have more money to spend playing. Players could also receive improved and personalized offers as all play and pay is tracked, and they can easily set limits and enforce self-imposed responsible gaming budgets.

Omnichannel payments enable operators to provide the seamless payment experience players want, regardless of where and how they choose to gamble, while providing operators with the upper hand to gain significant market share. Worldpay works with gaming operators worldwide, helping scale businesses and provide a unified customer experience across all channels, via our seamless digital payment offerings.

Easy and frictionless payments are the keystone to a great online gaming guest experience, but the future of gaming is the delivery of a world-class omnichannel experience for customers. Today’s consumers demand a seamless and convenient way to spend with their favorite companies, and gaming is the next frontier.

FRAUD

**UNDER SIEGE:
HOW CAN OPERATORS COMBAT
THE RAPID INCREASE IN
GAMING FRAUD?**

**For gaming operators in the fight against fraud,
the stakes are high**



FRAUD

Lost revenue, a hit to reputation and reduced customer satisfaction are all on the table.

Despite this, operators that play their cards right could see a considerable reduction in successful fraud, whilst preventing legitimate transactions from being declined.

Across the gaming industry, fraud is on the rise. It's estimated that while global digital fraud levels are actually on the decline, for gaming, we're experiencing an increase of up to 50% in digital fraud levels (Q1 '22 vs Q1 '21)¹. This may be due in part to the rapid growth of online gaming. With Germany, Spain and the USA amongst countries all recently legalizing aspects of online gaming, operators must ensure they remain vigilant against fraud. The opening up of new markets also represents new opportunities for fraudsters who are always actively looking for new vulnerabilities to target.

In emerging markets such as Brazil, the threat of fraud could even be impeding the expansion process. Taxpayer number fraud and scams surrounding Boletão, a popular local payment method, are two issues that could be slowing down legislation approvals and ultimately stifling the growth of gaming in Brazil².

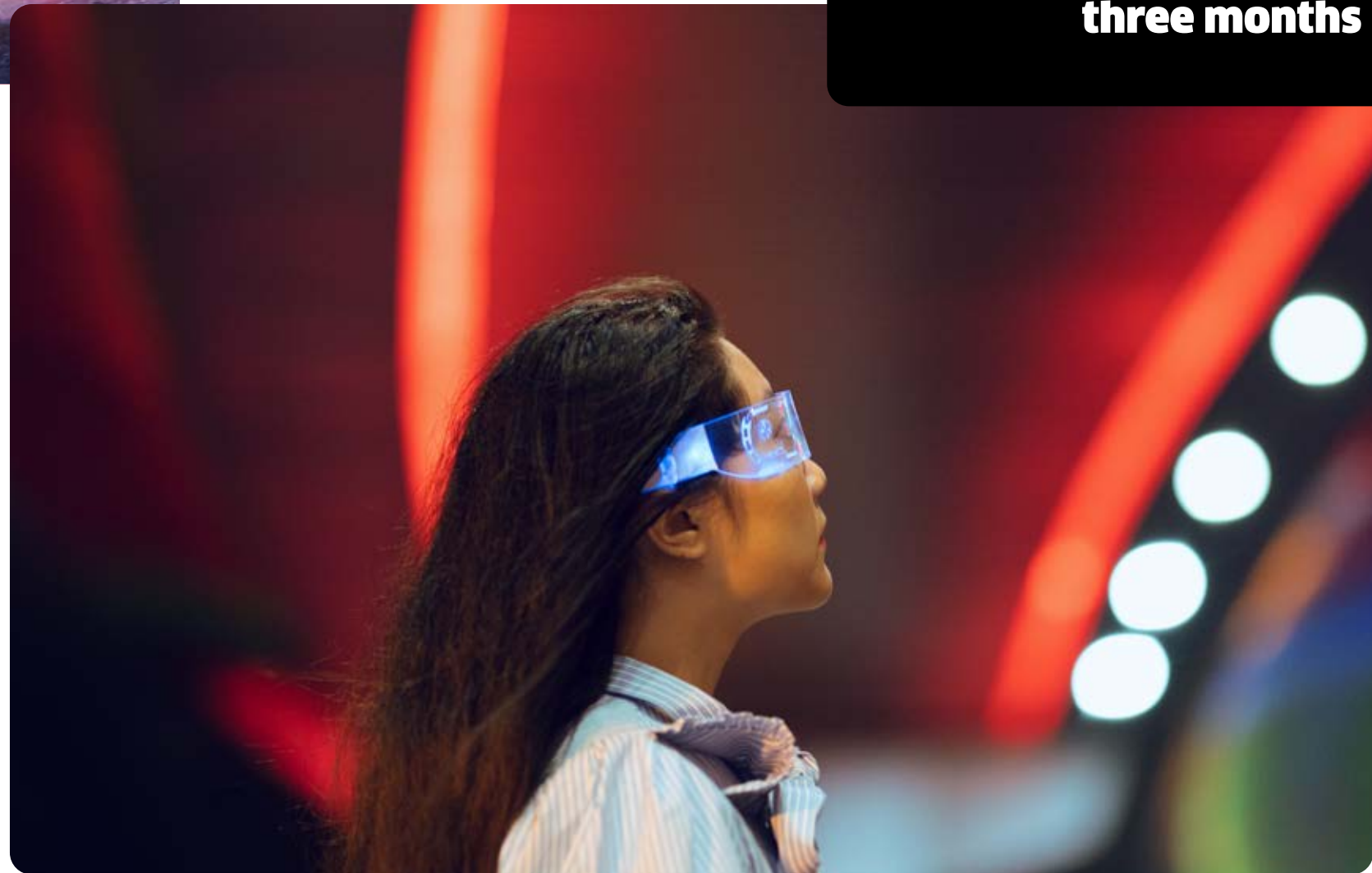
Operators in this market could potentially do more to mature regulations and highlight the potential of the gaming industry, but only if they can show that fraud doesn't need to run rampant.

For the industry, payment fraud is high-risk, but the implications for operators who can't protect themselves against bad actors are considerable. Primarily, the short-term risk is lost revenue, whether that's by paying out "winnings" to illegitimate accounts, the cost of chargebacks, or wasted resources chasing fraudsters and maintaining processes.

Direct costs aside, fraud unchecked can impact operators on a business level, putting licenses at risk, having to deal with industry regulators, and impacting brand reputation with reputable customers.

In contrast, going all in on fraud prevention can have a knock-on effect for the user experience of legitimate players. When security is tightened to mitigate unlawful transactions, the risk of false positives increases. Successful fraud prevention tactics need to be able to identify and lock down fraudulent payments, without blocking legitimate ones.





While the thought of managing fraud may appear overwhelming, intelligent payment technology may be the solution. Smart fraud solutions, such as FraudSight, help merchants protect themselves and their customers from bad actors, unnecessary fees and fines, interruptions in their payment activities, and otherwise avoidable business expenses.

FraudSight is a real-time fraud mitigation solution that leverages an award-winning machine learning technology to protect merchants from a variety of fraudulent transactions. By applying a fraud score alongside flexible business rules, the platform can approve and decline transactions in real time, while improving overall transaction approval rates.

The platform is fully managed and designed to work in the background, reducing customer friction and admin time. In the UK, and across US states such as Idaho and Tennessee, gaming merchants are required to block credit cards, or in the case of New York, limit credit card spend.

FraudSight can support these compliance requirements by stepping in with no additional action necessary from the merchant.

With FraudSight, operators have been able to reduce fraud threefold, while improving acceptance rates in as little as one month.

One online sports betting operator reduced their fraud levels by 94% in just three months, while improving transaction approval rates from 68% to 96%.

Worldpay partners with online gaming merchants to help them grow their businesses in new ways. In addition to overall fraud mitigation and the reduction of excessive chargebacks, FraudSight protects against card testing and velocity incidents, two popular methods of fraud targeted at merchants launching in new states or regions.

CRYPTO

**ENTER THE METAVERSE:
HOW CAN OPERATORS FACILITATE
A SMOOTHER PAYMENT EXPERIENCE
WITHIN GAME-CHANGING DIGITAL
ENVIRONMENTS?**

**Technological innovation is opening new
doors for the gaming industry**



CRYPTO

New and emerging technologies such as cryptocurrency, VR, and the metaverse present operators in the sector with countless opportunities to tap into new markets, increase revenue and drill down into consumer preferences. Could immersive payment experiences be the key?

The online gaming industry is constantly evolving and is poised to change more dramatically in the coming years. While the sector is projected to be valued at \$33 billion by 2025³, this increase is in part being driven by new innovations such as cryptocurrency, VR gaming, and perhaps most excitingly, the metaverse.

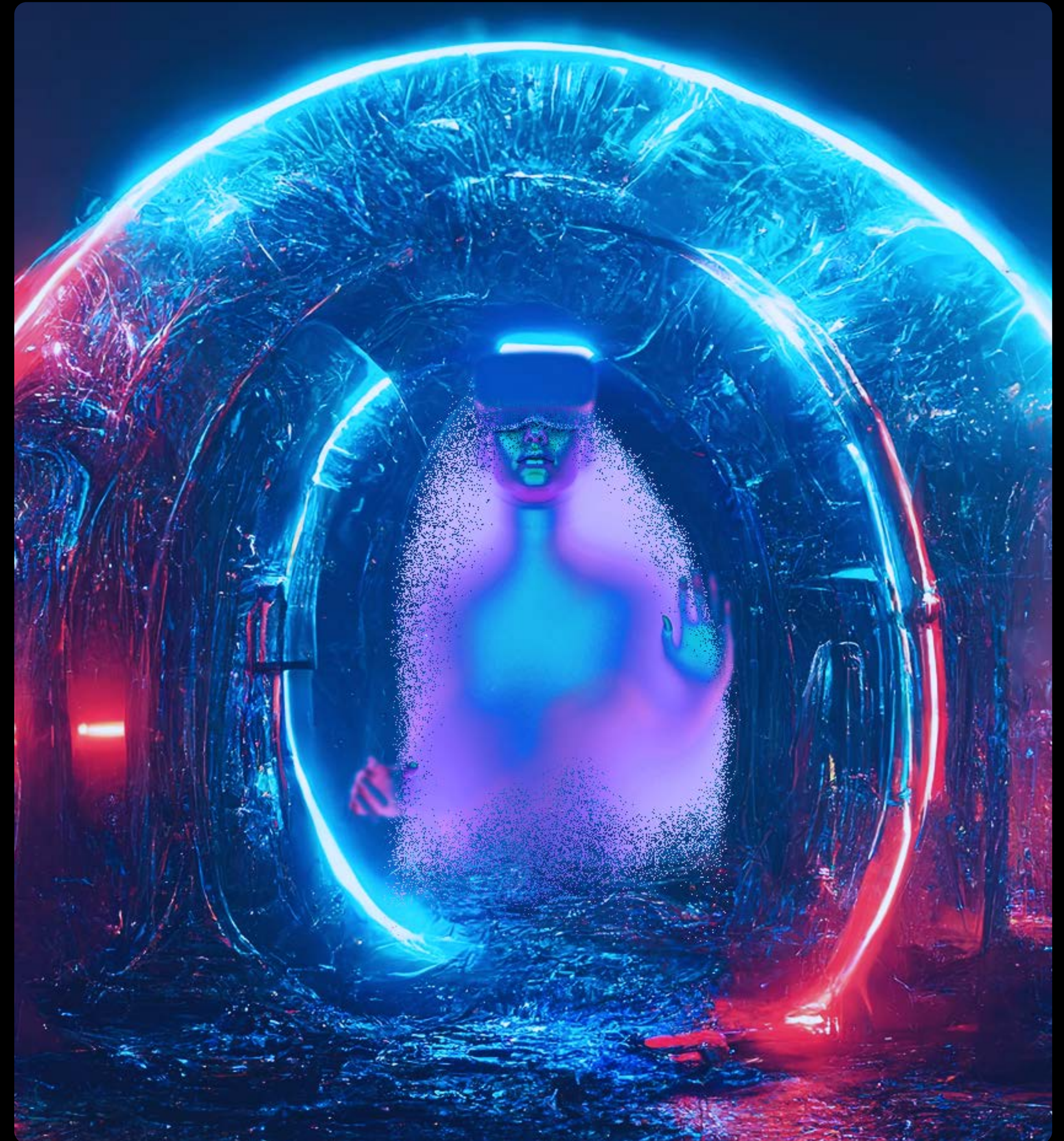
Over the last five years, cryptocurrency has become one of the fastest-growing payment methods globally. In 2018, only 7.95% of people in the US owned crypto, a figure which rose to 14.4% in 2019, and 23.16% in 2021⁴.

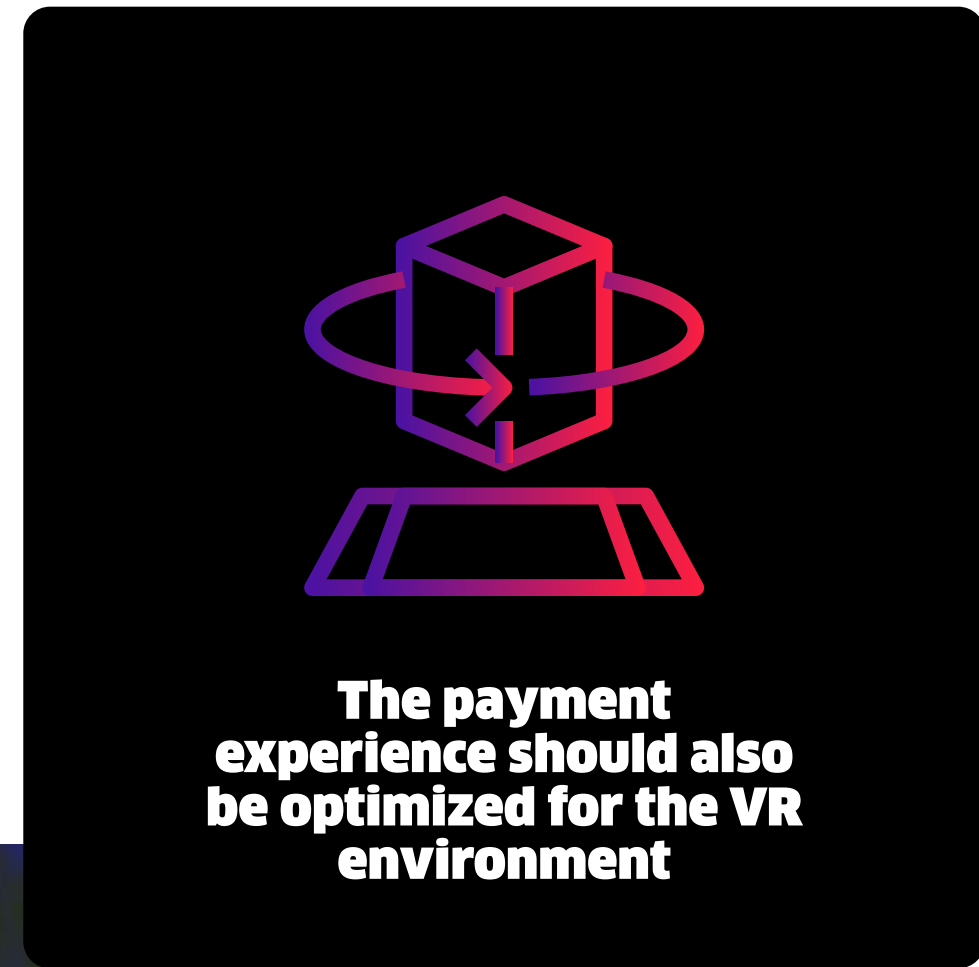
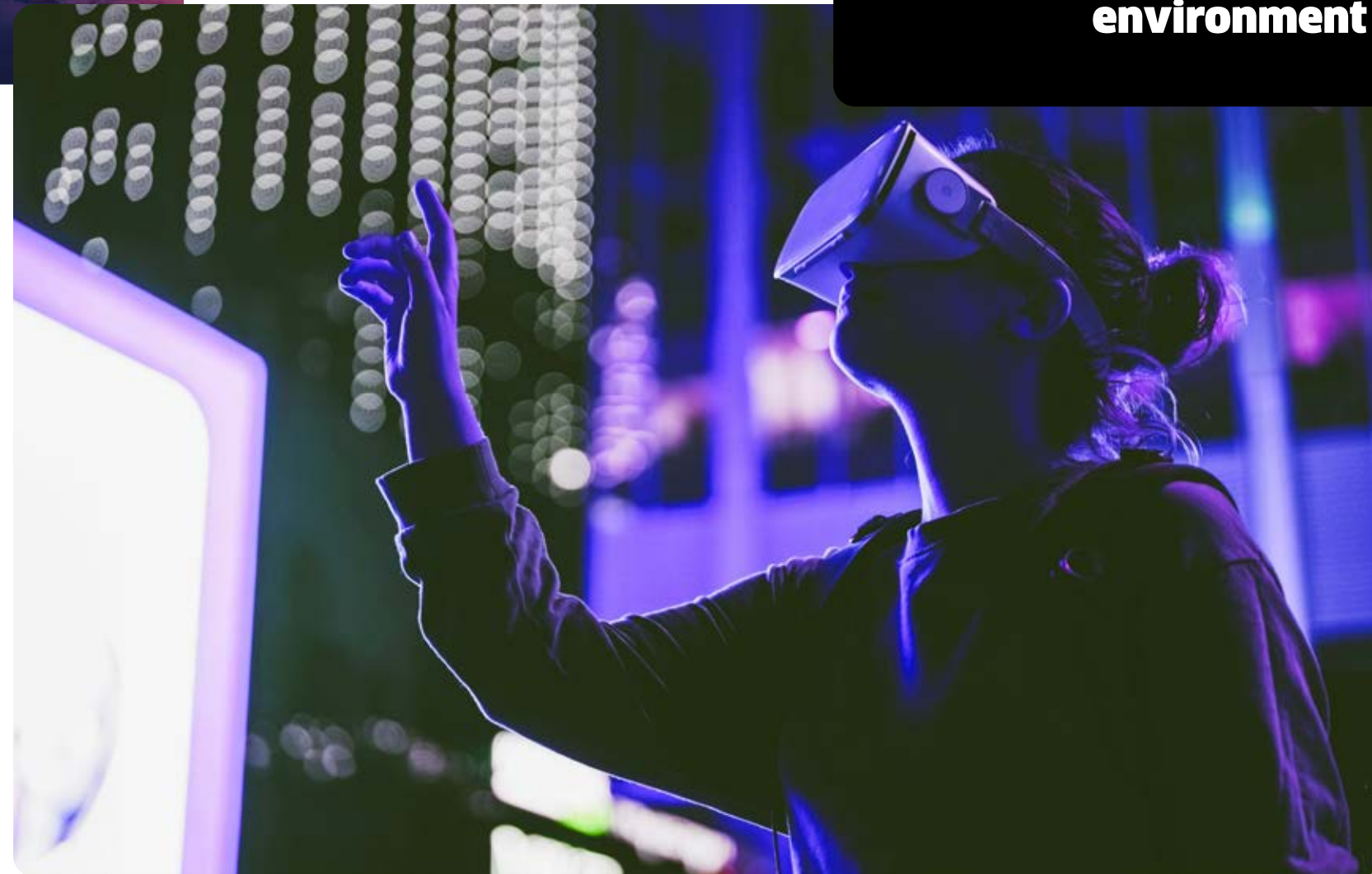
The rise of crypto is particularly prevalent in the gaming industry. It's estimated the sum of bets in digital coins in Q1 2022 more than doubled compared to the same period in the previous year. More precisely, it has grown by more than 116%⁵ both from online casinos that exclusively accept crypto as payment, and more established companies adding digital assets to their payment arsenal.

Many players are now opting to use cryptocurrencies for their gaming habits. The wallet-to-wallet nature of crypto can rapidly reduce the time it takes for players to make a withdrawal compared to fiat currencies. Every crypto transaction is accompanied by a smart contract, creating an immutable truth for the movement of winnings that can help to develop trust.

Alongside the opportunities that crypto presents, online gaming operators are also quickly moving into new media, and VR is a game-changing trend that is transforming the way users play. Immersion is the biggest USP of VR, so incorporating each and every factor of a realistic and physical gaming experience into a virtual environment is crucial to providing an effective experience, and payment is no exception.

Completing credit or debit card and crypto transactions while remaining fully immersed in a VR setting is vital to maintaining a realistic and seamless experience. The metaverse promises just this. While a shared 3D reality world where people can play, socialize, work, buy and sell goods and services online sounds idyllic, a metaverse on this scale is still likely decades away.





More short-term, virtual casinos are a potential metaverse use case that's gaining further traction. Casino-style games already exist on VR headsets, and as the technology evolves and offers a more realistic and enjoyable experience, they could gain further relevance among operators and customers. There are already a variety of virtual casinos and poker rooms available for players to engage with; some within larger metaverse environments⁶, and others acting as dedicated VR experiences⁷.

To successfully deliver a truly immersive mini-metaverse, the payment experience should also be optimized for the VR environment. Paying via a VR headset today tends to be a clunky experience that is only partially mitigated by having stored card credentials on file via a companion app. Wallets have the potential to resolve some of these usability challenges, and play a bigger role in the future.

The combination of VR and crypto in virtual casinos is still in its infancy. As the metaverse continues to develop, blockchain and VR are set to become more intertwined, while payments will become more frictionless and invisible.

It's worth mentioning that operators still have concerns about the fact that these innovative technologies exist outside of the regulated financial environment, potentially leaving them open to widespread fraud, scams, rug pulls, and market manipulation. A key challenge facing regulators is a lack of understanding of cryptocurrencies and the role

they could play as a viable, widespread currency in the future. Broadly speaking, crypto is still very junior, and is only just emerging as a means of payment in other industries. In the US, Colorado and Virginia are the only two states that allow consumers to pay for taxes by crypto exchange. This, alongside other developments such as the US Executive order on the development of digital assets⁸ are both good signs that reception to crypto could warm up over the coming years.

Globally, regulators are already taking steps to address crypto regulation. The US Library of Congress found that the governments of 103 countries gave financial regulatory agencies directions to develop priorities and regulations for financial institutions concerning cryptocurrencies.

Ultimately, the gaming industry needs to pivot towards where consumer preference lies in terms of the innovative technology and payment methods that they offer. This involves a huge effort and extensive education program for operators and regulators alike, in order to become comfortable with the risks and opportunities, and how to manage them.

Worldpay is already supporting gaming operators by providing them with the right tools to enable a seamless payment experience, regardless of customers' currency and casino environment preferences.

AT A GLANCE

AT A GLANCE:
**WHAT'S IN THE CARDS FOR
BETTING, CASINOS, BINGO AND
LOTTERY VERTICALS?**

**Fueled by digital transformation, evolving customer habits
and changing regulations, the gaming industry is witnessing
a period of rapid change**

AT A GLANCE

Across its various verticals, we're seeing a transition in the way people interact with operators online and on-premises, but what do these changes mean for the future of this vibrant and energetic industry, and what can industry players do to stay ahead of the pack?

Betting – the core of innovation, but also disruption

Within the gaming universe, betting is a vertical that has seen significant evolution over the last few years. Driven largely by digital transformation, better access to information, and the ability to place bets from anywhere, the most substantial recent change to the betting landscape has been how we fundamentally place bets. Players are moving away from placing single-event or accumulator bets before the event starts, to in-play, real-time bets.

In the UK a whopping 60% of players placed a bet in-play in the month prior to being surveyed (UKGC)¹⁰. This dynamic approach to betting represents a total shift of the player mindset, and from a technological point of view has meant operators have to refine their models to one where every second counts.

Online Betting

Online betting is seeing widespread and rapid growth, largely driven by in-play betting (74% of in-play bets were placed on a mobile – UKGC), which naturally goes

hand in hand with support from a responsible gaming perspective. 62% of betting Global Gaming Revenue (GGR) now comes from online channels, a figure anticipated to grow with a CAGR of 11% from 2021 to 2026¹¹. As US states and markets across the world begin to regulate online gaming, this opportunity is only anticipated to grow.


It's vital for future growth that operators can heed the call of today's modern player and ensure their end-to-end digital experience is accessible and user-friendly on every device.

So what's next for betting?

Alongside the evolution of real-time betting, we could also see blockchain being introduced as a means of improving betting transparency, and even allowing bets to be traded as an asset. We could also see an extended list of events for players to bet on, including the billion-dollar esports industry. As betting continues to evolve, it's important that platforms, operators and payment providers can adhere to new customer expectations by delivering best-in-class gaming services.







The lottery vertical is estimated to grow from \$120bn in 2021 to \$149bn by 2026

Gaming (casinos and bingo) – still a couple of steps away from true omnichannel

While betting is moving into the digital ecosystem in leaps and bounds, casinos and bingo continue to be dominated by land-based operations. Players are still attracted to the glittering lights of Las Vegas and Macao, with 82% of this vertical’s GGR in 2021 still transacting in physical locations. Part of this is due to the pace in which online gaming regulation is opening up the digital marketplace. Taking the USA as an example, while online Sports Betting is regulated in 31 states, iGaming is only regulated in seven¹². In contrast, there are 981 physical commercial and tribal casinos spanning 44 states¹³.

As regulation in the US and across the world improves, doors are likely to open to new opportunities. Improvements to connectivity infrastructure in emerging markets such as Africa should support that regulation and make access to iGaming more prolific. We can also anticipate the arrival of further improvements to real-time dealing and the metaverse, enhancing the online experience and closing the gap between what’s possible on the casino floor and on a digital space. Likewise, the explosion in digital wallet usage¹⁴ should not be taken lightly by operators, offering the potential to tie online and offline gaming experiences together and ensuring players can participate seamlessly.

Lottery – the most robust gaming

Throughout the pandemic, the lottery industry appeared to be least afflicted by the disruption and uncertainty that accompanied this period.

When sporting events were cancelled and casinos shuttered, the nature of lotteries around the world meant they were still accessible to players through multiple channels (online or via retail channels). This led to a drop of just \$6bn GGR throughout 2019-20, compared with a significant \$80bn for the casino vertical¹⁵. Now in a period of recovery, the lottery vertical is estimated to grow from \$120bn in 2021 to \$149bn by 2026¹⁶, but why could this be?

The growing success of lotteries worldwide could in part be attributed by the growing demand and subsequent growth of digital sales

Online growth is projected to be higher than any other gaming vertical with a 13% CAGR between 2021 and 2026¹⁷, largely driven by operators and providers trying to bring the next generation of players into the vertical. Lottery has typically been participated within by an older demographic (50-64 year-olds spend the most on lottery tickets in the US)¹⁸.

The digital experience is now critical to the success of lottery operators, a perfect example being in the United Kingdom, where the 28-year incumbent supplier has been replaced with the new supplier being tasked with “revitalizing” the lottery¹⁹.

As digital market share across these three verticals grows, ensuring that payments can be processed, and winnings paid out as seamlessly as possible, has never been more important.

EMERGING MARKETS

WHERE SHOULD OPERATORS PLACE THEIR NEXT BETS?

When new regulations are brought into an industry, businesses are often presented with huge challenges to overcome. For the gaming sector, regulation is progress; it represents new markets to expand into

EMERGING MARKETS

Throughout 2021 and 2022, long-awaited regulations have finally been implemented across New York, the Netherlands, Ontario, Argentina, Germany and more, creating a wealth of new opportunities for operators.

EMERGING MARKETS

LATIN AMERICA

With almost every country within the region moving towards the full regulation of online gaming, all eyes are on Latin America.

Brazil remains our hot watch for 2023. Projected to become one of the largest regulated sports betting markets in the world, Brazil boasts a forecasted CAGR of 29% for online betting, and a potential GGR of \$1 billion by the end of 2023²⁰. Real-time payments are growing in popularity, with Pix fast becoming the leading payment method of choice within the population (volume of PIX transactions for person-to-business hit R\$21.5BN in March 2021, up from R\$1.4BN six months prior)²¹.

While regulation in Brazil has been progressing since 2018, elsewhere other countries are entering the fray. The Peruvian National Congress has recently approved a bill to regulate online gaming. As part of this, the government plans to drop the current GGR tax rate from 20% to 12%, a pivotal move likely to encourage international operators to seek licenses, helping to drive the market toward its 2025 CAGR forecast of 10%²².

The last region on our list to watch within LATAM – and a first for the global gaming payments report – is Chile. Legislation filed in March 2022 should lead to the regulation of both online casino games and sports betting outside the current state-supported operators Polla Chilena and Lotería de Concepción. However, a potential 20% GGR tax rate²³ could mean operators are reluctant to enter the market, alongside strong encouragement for players to use digital wallets.



**Brazil remains
our hot watch
for 2023**

EMERGING MARKETS

NORTH AMERICA

Across the US, the sports betting market has undergone significant changes – 33 states are now live (as of October 2022)²⁴, with nine states regulated between 2021 and 2022. While this market offers significant opportunity, competition is fierce, sparking leading operators to “race across the states”.

In contrast to sports betting, at the time of writing iGaming is only regulated across seven states²⁶. California is currently debating regulation, and if implemented, will prove to be a huge milestone for the industry and a likely leader for other states to follow suit. For operators still deciphering whether to enter the market, digital wallets and card payments could help set them out from the competition.

In Canada, where regulation is managed on a provincial level, Ontario has also recently regulated, launching with more than 45 operators (including those awaiting final approval)²⁵.

Alberta will likely be the next province to regulate with Alberta Gaming, Liquor and Cannabis (AGLC) already starting the application process for operators. However, Alberta is restricting the initial launch to just two private operators, with additional licenses to follow²⁶. While this limits the initial opportunity, the province still offers big potential for operators in the future. From a payments perspective, those looking to win market share should look to the interbank network Interac for direct processing and e-Transfers.



**33 states
are now
live**

EMERGING MARKETS

EUROPE, THE MIDDLE EAST AND AFRICA

Enhancements to digital infrastructures across Africa are increasing access to the internet, unlocking a significant growth opportunity for international operators. The GSMA predicts that 615 million unique mobile subscriptions will be in place across the region by 2025²⁷, creating vast potential for gaming operators looking for new mobile users. It's important to note that no two countries are the same from a socio-cultural stance, as well as regulatory. This means that operators need to develop a tailored approach for each market, including offering a suite of local payment methods to players.

Nigeria is a key market to watch in Africa. Improved mobile availability in the market has led to shifting consumer attitudes, resulting in more trust being placed online over physical gaming sites, with H2GC figures forecasting its online figures to surpass \$1 billion GGR by 2025²⁸.

Looking further south, sports betting remains the largest gaming opportunity in South Africa.

Sports betting licenses are being obtained and pursued by global operators, while online gaming remains prohibited, and the lottery is still monopolized by current license holder Ithuba²⁹. The market is set to near \$1 billion GGR by 2027, and while operators vie for market share, with an even split preference for both card and wallet payments, it's important operators can offer a mix of regional payment methods that also covers mobile-friendly payments and bank transfers.

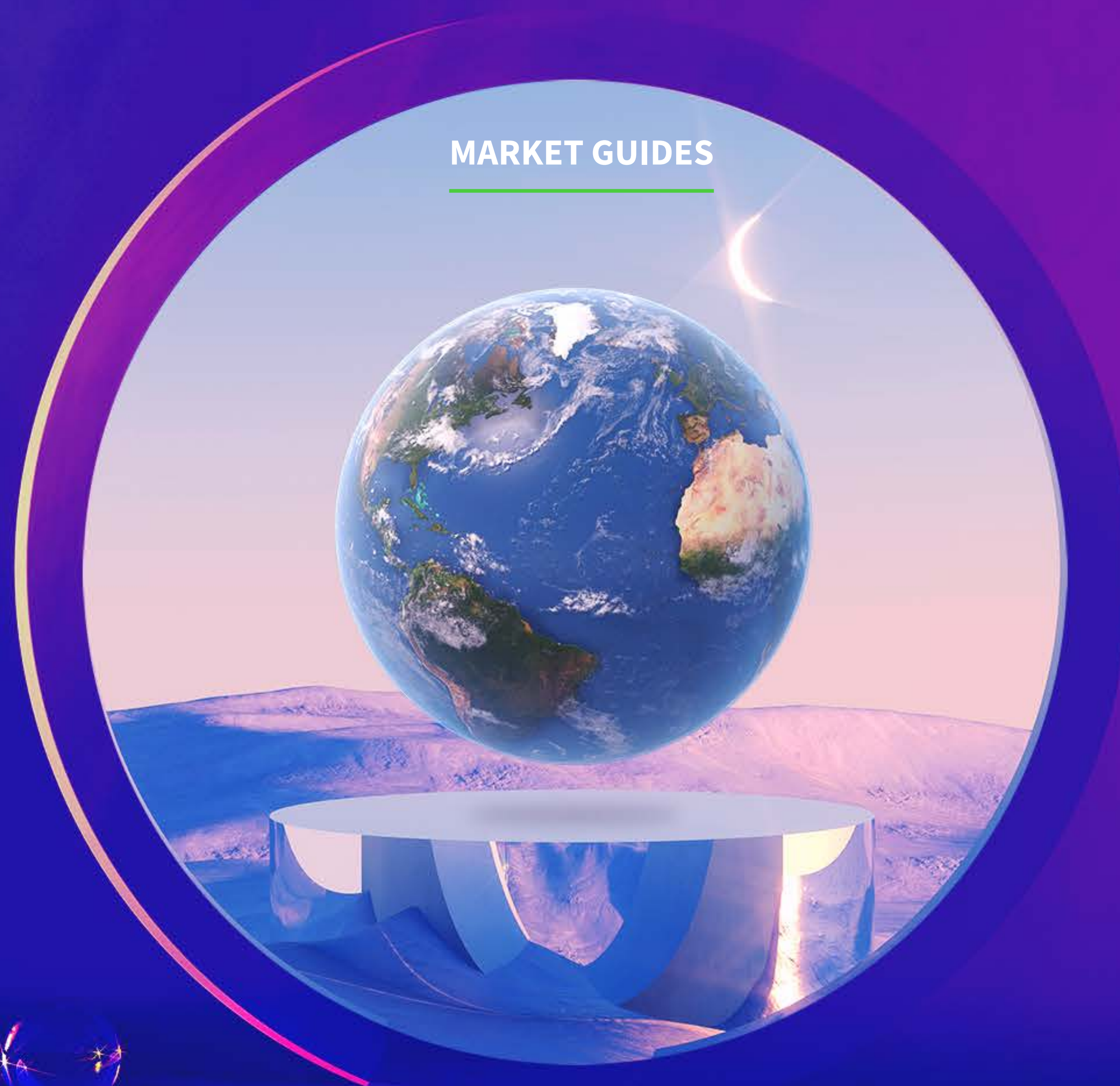
As we see an increasing number of countries and regions implement regulations or improve access to digital services, it's clear there are gaming opportunities for operators to tap into globally. At Worldpay, we're excited to see these opportunities unfold. To help our customers enter these markets, we'll continue to ensure that relevant payment methods remain available and that we can support operators in making the right choices around what to offer.



**Nigeria is
a key market
to watch**

**Please select a country
to view gaming payment
methods data**

MARKET GUIDES



ARGENTINA

Argentina’s gaming market continues to reach new heights, with an online CAGR forecast of 28% between 2022 and 2027. This is the highest online growth across all markets in the report. Regulation continues to open up new markets within the country; 2021 saw Buenos Aires City to be the fourth region to legalize online gaming. As more provinces are regulated in the near future, this opportunity is only set to increase.

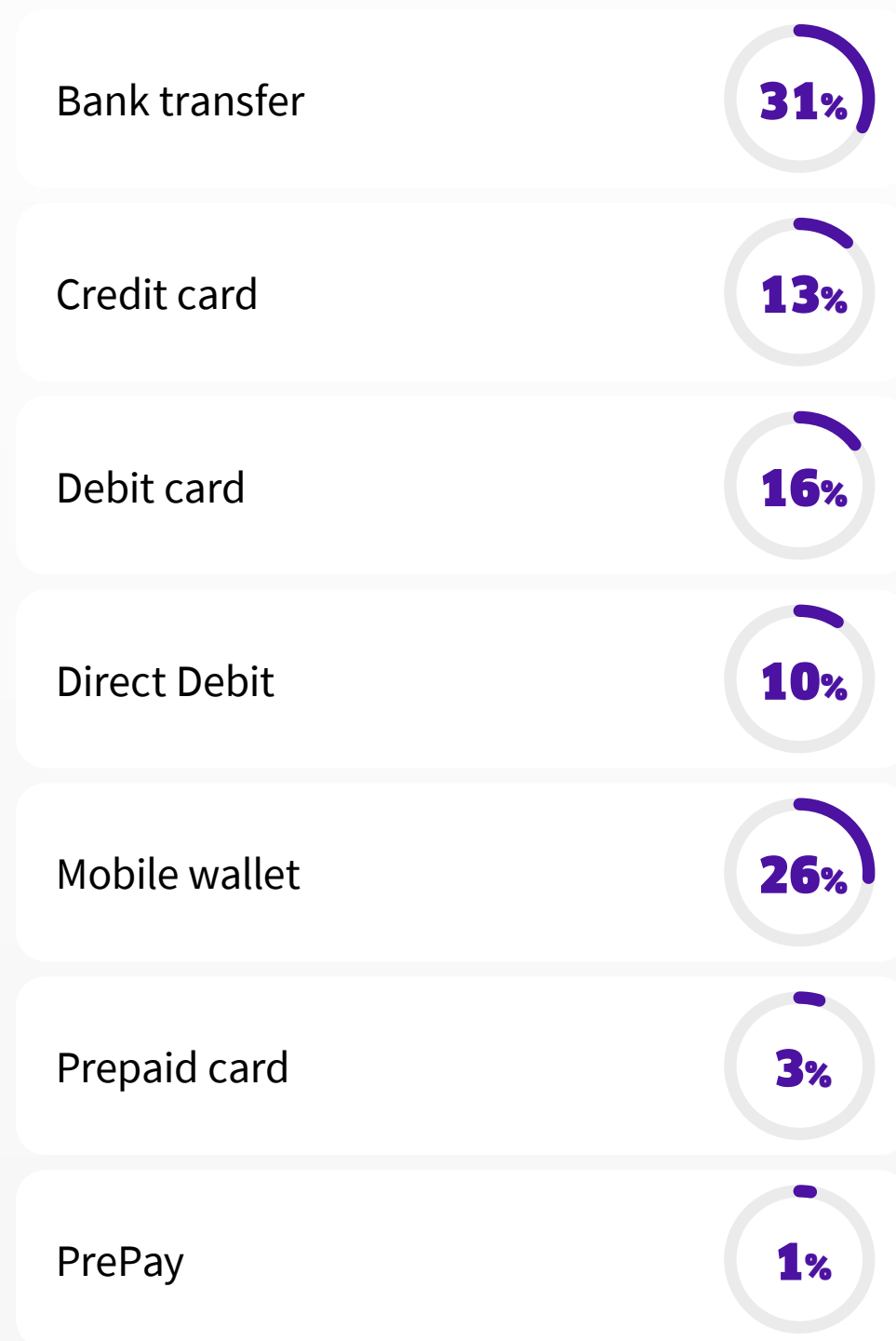
Payment options continue to be diverse across the country. With a variety of payment preferences driving a range of payment methods, operators should ensure their suite of payment options match the broad expectations of their players.

The rate of payments made by bank transfer has skyrocketed compared to 2021 figures. This may be in part due to the introduction and accelerated use of real-time system Transferencias 3.0 and its accessible QR code-based payment system.

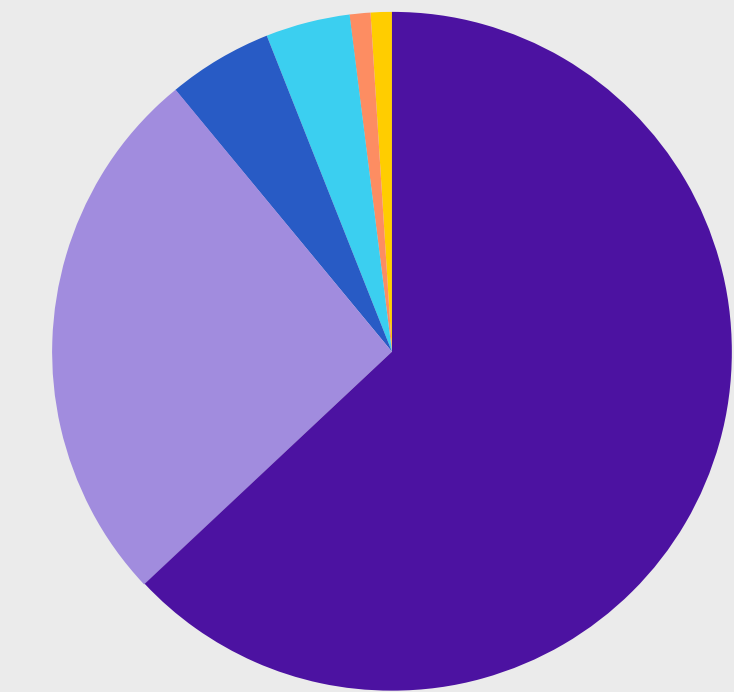
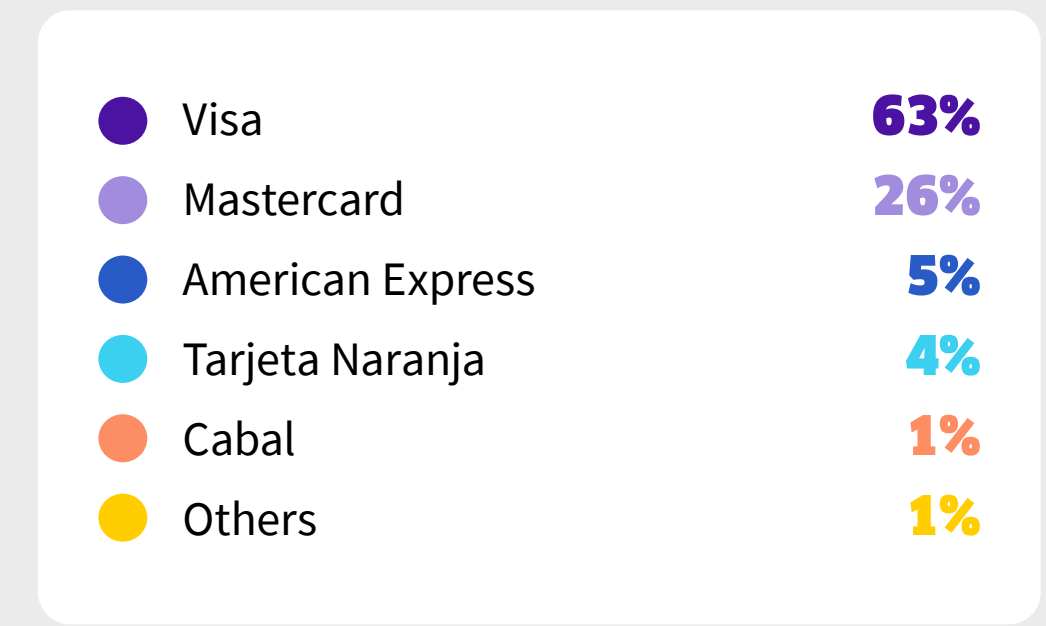
Top tip

Mercado Pago remains a popular Alternative Payment Method. As a whole, the popularity of digital wallets surpasses preferences for credit card or debit cards.

eCommerce payment methods



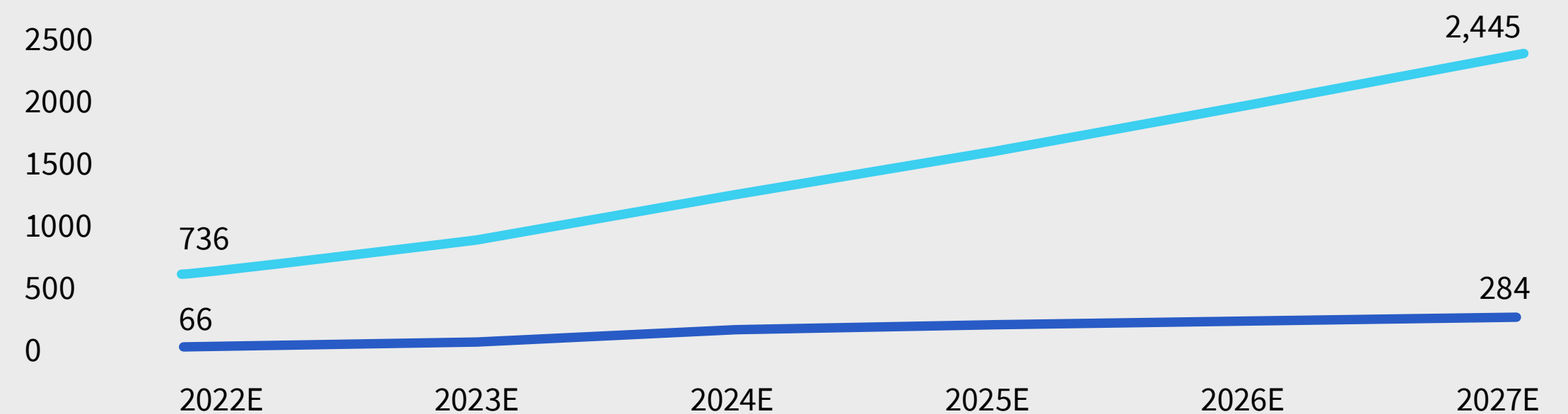
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 28% ● Land based - CAGR 22%

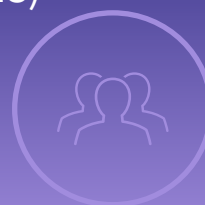
USD (\$ millions)



2022 fast facts

*UN World Population Prospects 2022
 ** H2 Gambling Capital, July 22 Update
 *** Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
 **** Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

32.9m
2022 Adult (+18) population*



28%
Expected online gaming growth 22-27**



76%
Mobile user penetration***



26%
eCom spend using digital/mobile wallet****



Top APMs in gaming



AUSTRALIA

On the heels of pandemic disruption, online gaming continues to outperform Australia’s land-based ecosystem, with the market set to surpass USD\$7B gross gaming revenue (GGR) in 2024.

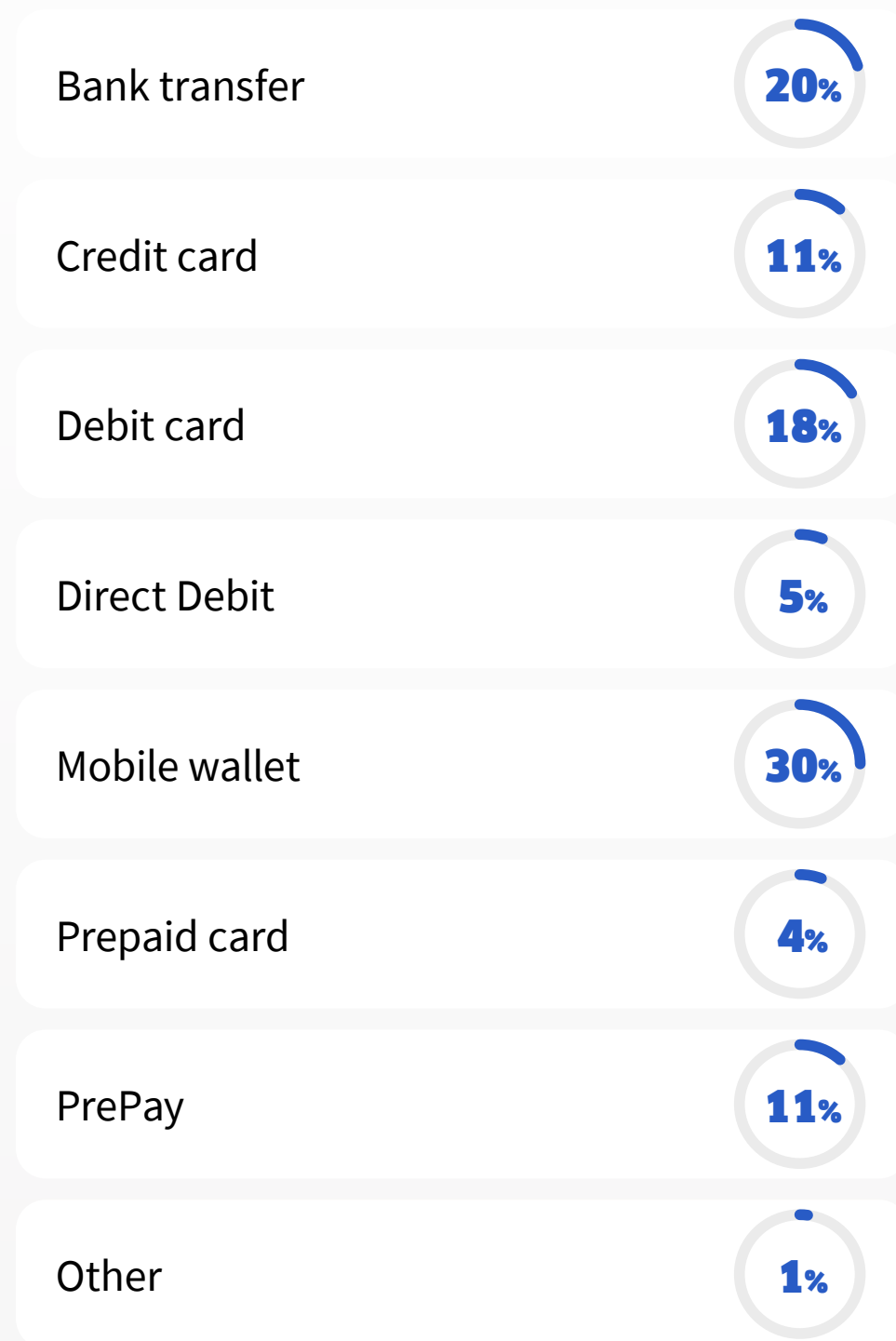
Sports betting remains extremely popular, perhaps no surprise given the important role sport plays in “Aussie culture”. More than 90% of Australian adults have an interest in sport¹, a passion that extends to the gaming industry. On average, the market size of the Horse and Sports Betting industry has grown 4.8% per year between 2017 and 2022².

In terms of payment preferences, card payments remain popular, underpinned by home-grown favorite eftpos.

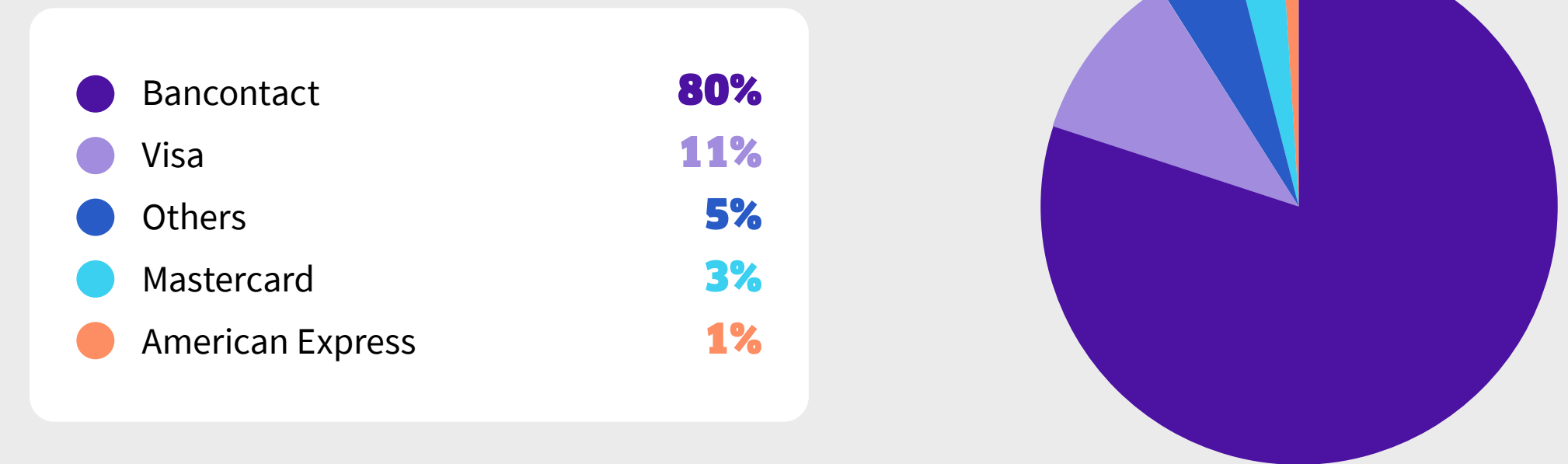
Top tip

As eftpos continues to invest in a digital upgrade of its banking services³, operators could expect to see the market share of this payment method increase for online gaming. eftpos is also by far the largest card scheme in Australia, greatly overshadowing global leaders Visa and Mastercard.

eCommerce payment methods

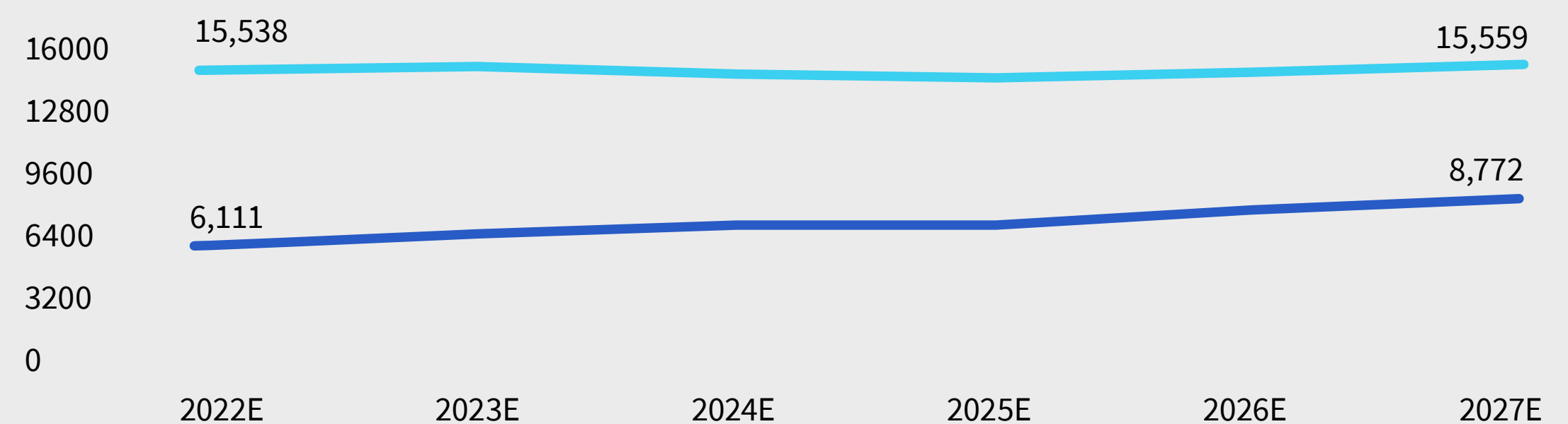


All card scheme breakdown



Projected gaming growth 2022-2027

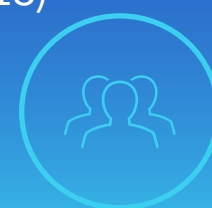
USD (\$ millions)



2022 fast facts

¹UN World Population Prospects 2022
²H2 Gambling Capital, July 22 Update
³Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
⁴Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

20.4m
2022 Adult (+18) population*



6%
Expected online gaming growth 22-27**



84%
Mobile user penetration***



26%
eCom spend using digital/mobile wallet****



Top APMs in gaming



BELGIUM

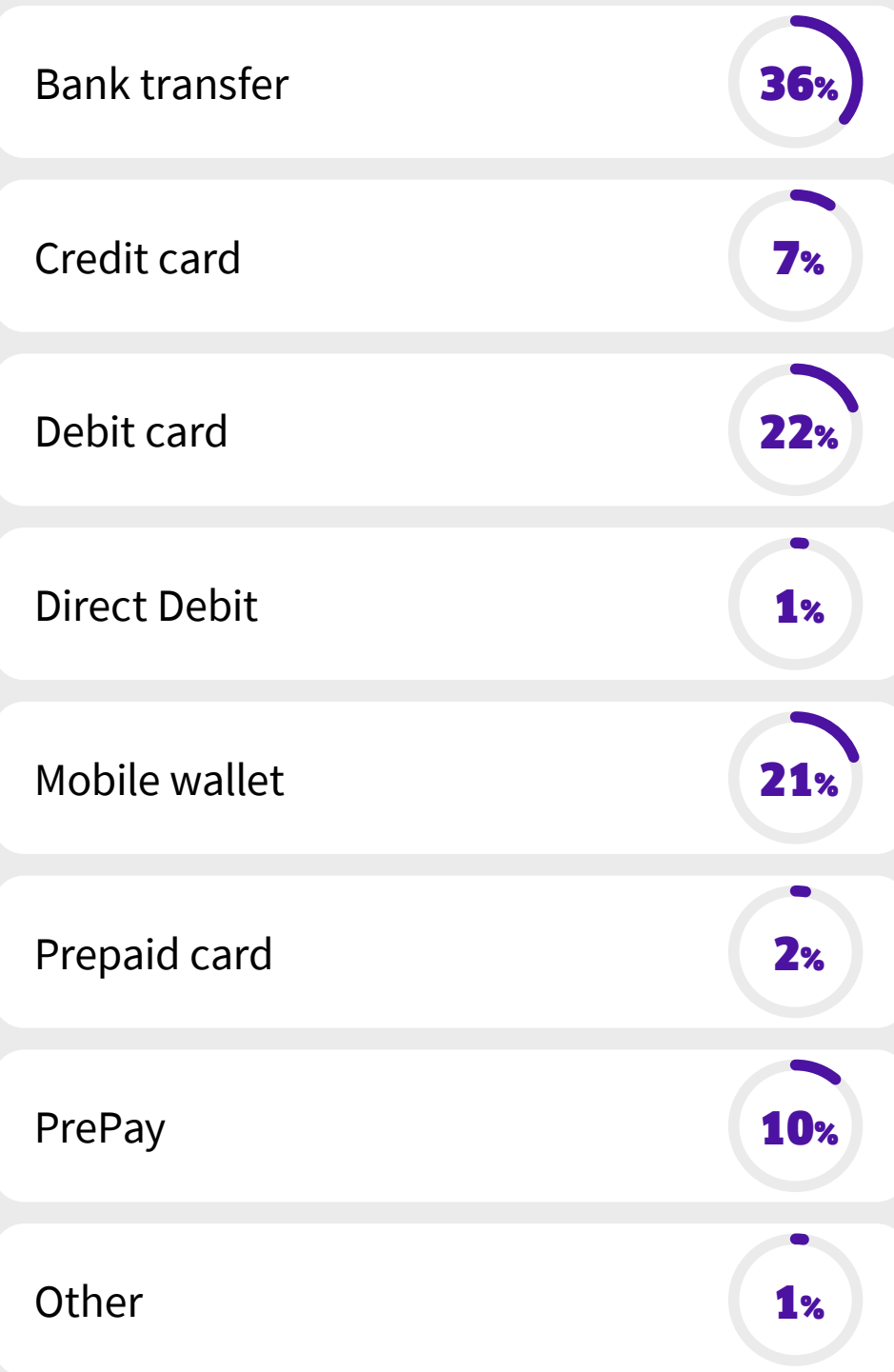
Belgium is currently undergoing a tightening of gaming regulation. The country is planning a complete ban on gambling advertising¹ and has already implemented a weekly deposit hard limit of €200². From October 2022, sports betting shops, newsagents and other shops will need to register customers before they can engage with gaming services³.

Rather than shuttering the industry, the government is instead opting for “controlled expansion” across its state-owned lottery monopoly and licenses granted to private enterprises. These restrictions aim to ensure a safe, addiction-free gaming ecosystem, As such, restrictions also apply to payment methods, with credit cards (and digital wallets funded by credit cards) prohibited other than in land-based casinos⁴.

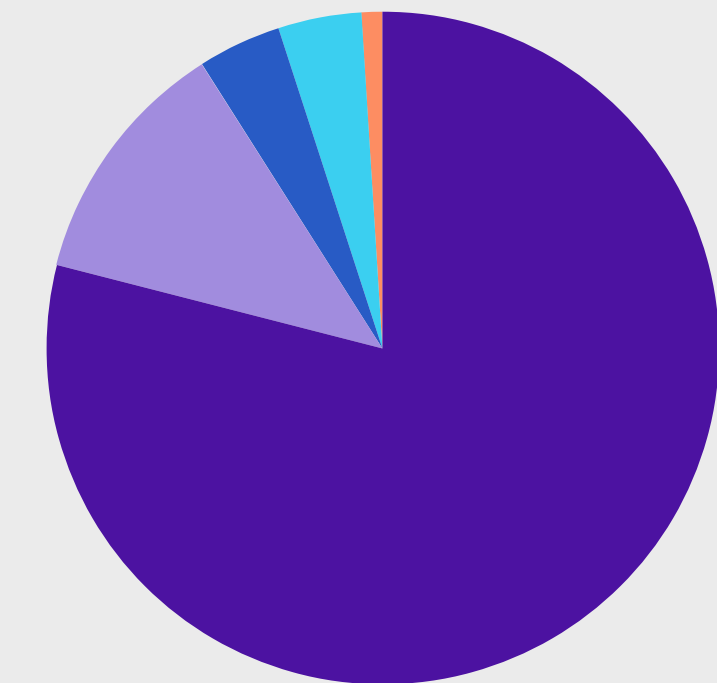
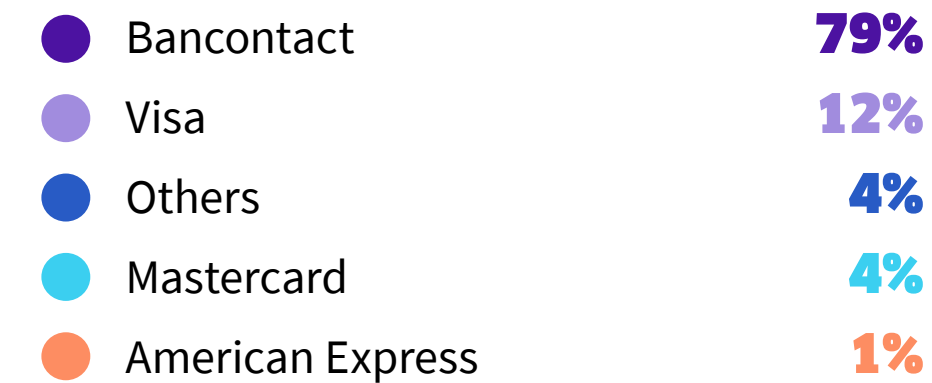
Top tip

Bancontact remains a highly popular payment method in Belgium with 36% of all eCommerce payment made via bank transfer. Consider offering as a priority.

eCommerce payment methods



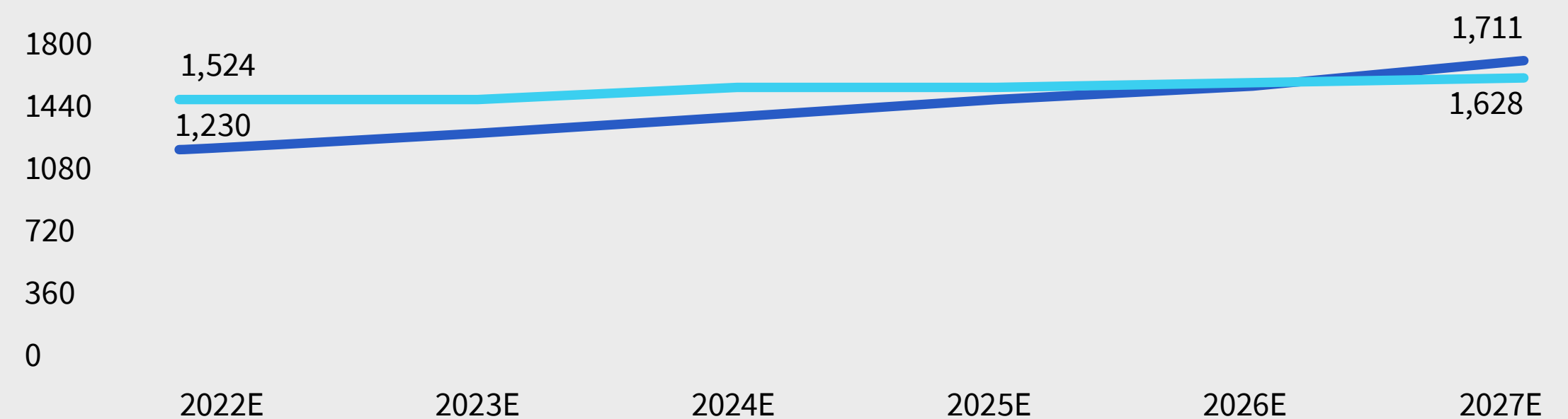
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 6% ● Land based - CAGR 1%

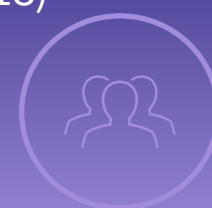
USD (\$ millions)



2022 fast facts

^{*}UN World Population Prospects 2022
^{**}H2 Gambling Capital, July 22 Update
^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

9.3m
2022 Adult (+18) population*



6%
Expected online gaming growth 22-27**



83%
Mobile user penetration***



15%
eCom spend using digital/mobile wallet****



Top APMs in gaming



BRAZIL

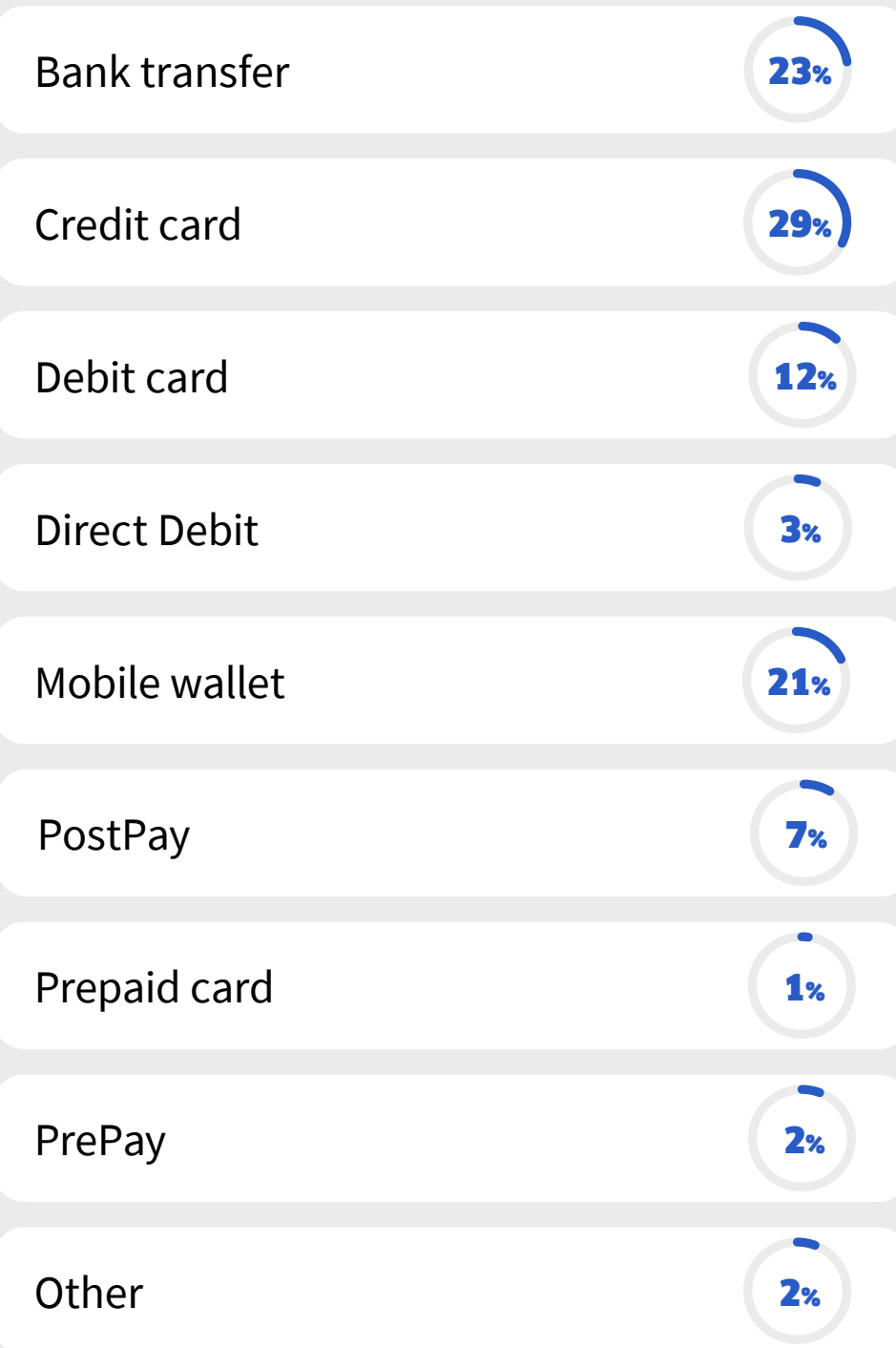
With the FIFA 2022 Qatar World Cup set to close the year's sporting calendar, all eyes are on soccer-mad Brazil to see whether the gaming market will regulate before kickoff in December. Brazil has a huge soccer fanbase, with two of the largest clubs, Flamengo and Corinthians, each boasting more than 30 million fans¹. The esports market is also one of the world's largest, only surpassed by the USA and China².

With a large population, high internet penetration and strong interest in the world of sport, the potential for gaming operators is huge when Brazil regulates. Current estimates forecast Global Gaming Revenue to surpass USD\$1.5B by 2025 – but only if those regulations are finally drafted.

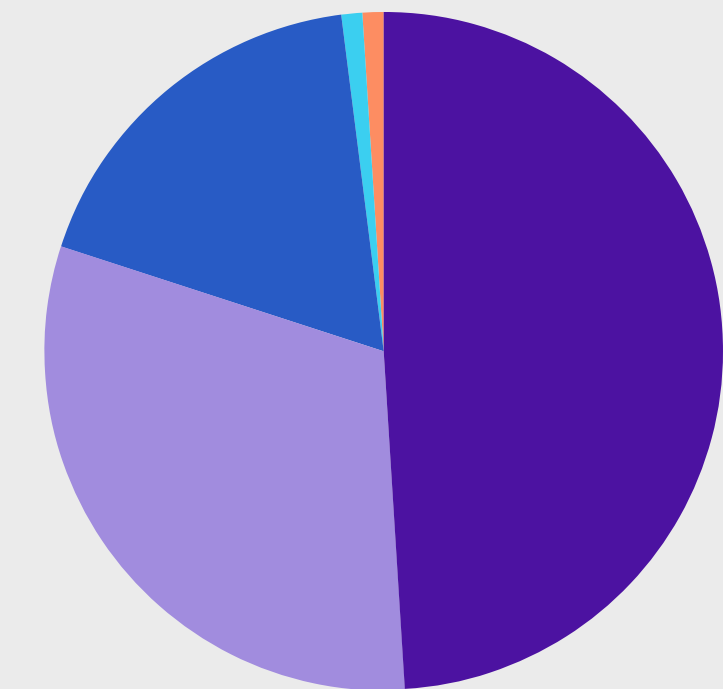
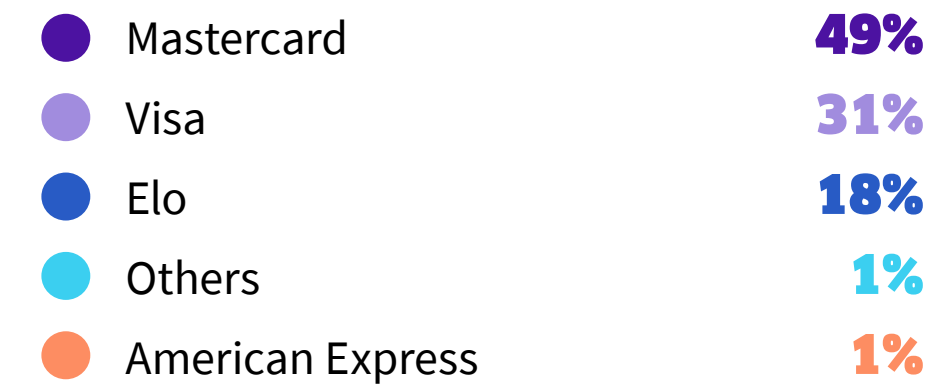
Top tip

In just 15 months after launch, Brazil's real-time payment system PIX has been used by 114 million users – that's 67% of the adult population³. If Brazil regulates this year, operators could find success by ensuring PIX is on their starting lineup.

eCommerce payment methods



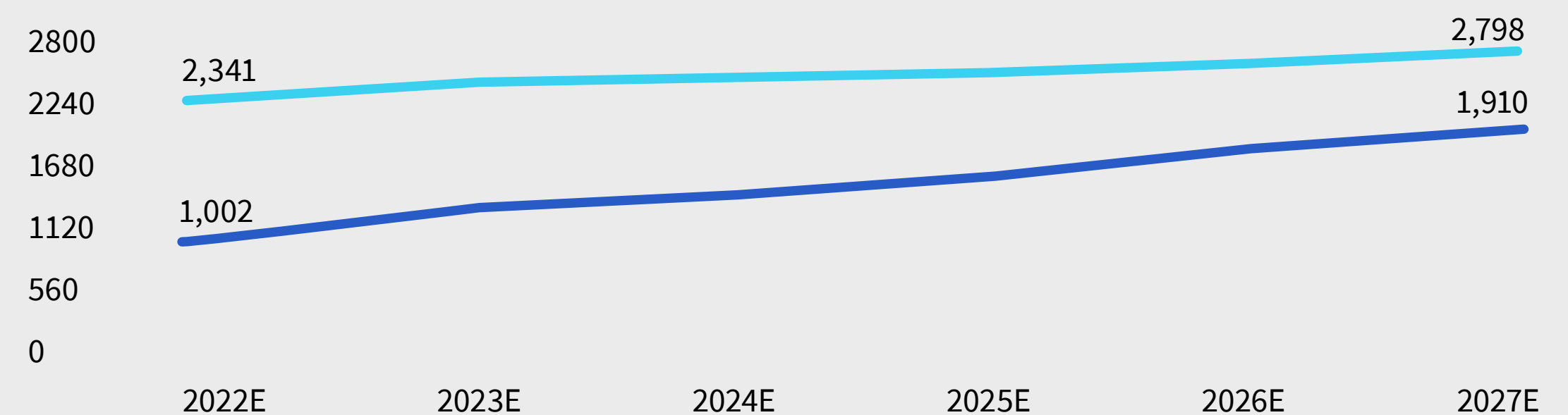
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 11% ● Land based - CAGR 3%

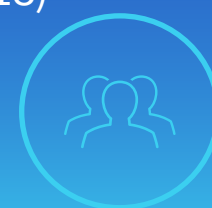
USD (\$ millions)



2022 fast facts

¹UN World Population Prospects 2022
²H2 Gambling Capital, July 22 Update
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⁴Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

162.3m
2022 Adult (+18) population*



11%
Expected online gaming growth 22-27**



71%
Mobile user penetration***



16%
eCom spend using digital/mobile wallet****



Top APMs in gaming



CANADA

Single-event sports betting was only regulated in August 2021, providing clarity for operators in Ontario, the first province to go live, following years of ambiguity and a burgeoning grey market. This regulation has created an energetic and highly competitive market with around 45 operators seeking a license. We anticipate this heated excitement currently being experienced in Ontario to accelerate roads to regulation across the country. Alberta is most likely the next province to follow suit, although British Columbia is also considering regulation in addition to single-event bets.

Top tip

Interac is a payment method rapidly increasing in popularity. In May 2022, Interac announced it had processed 1 billion transactions in 12 months – a first for the business and a 16% increase over 2020¹. And, with Canada’s Real Time Rail scheme getting switched on in 2023², Interac is poised to become more prolific nationwide as a key contributor to the project. Interac could be the best way in for operators looking to offer real-time payments to their players in the near future.

eCommerce payment methods

Bank transfer **21%**

Credit card **13%**

Debit card **8%**

Direct Debit **2%**

Mobile wallet **38%**

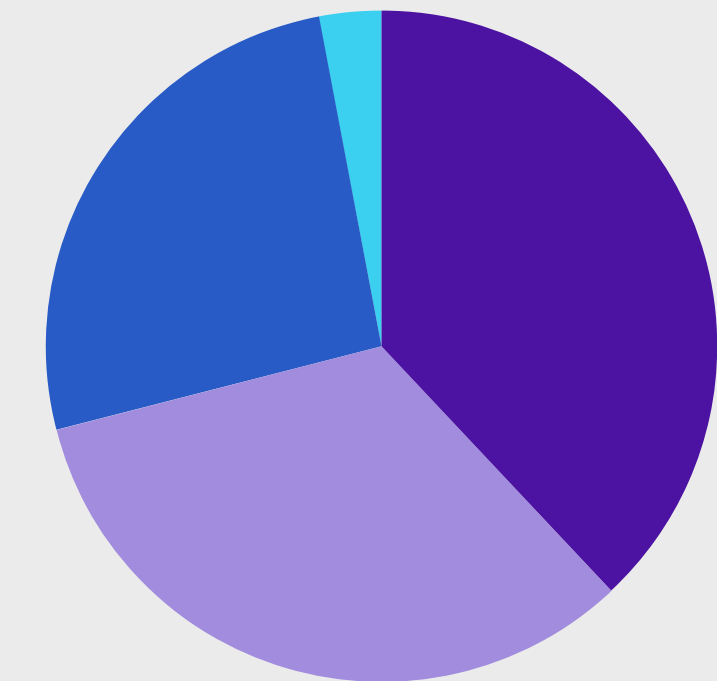
Prepaid card **9%**

PrePay **8%**

Other **1%**

All card scheme breakdown

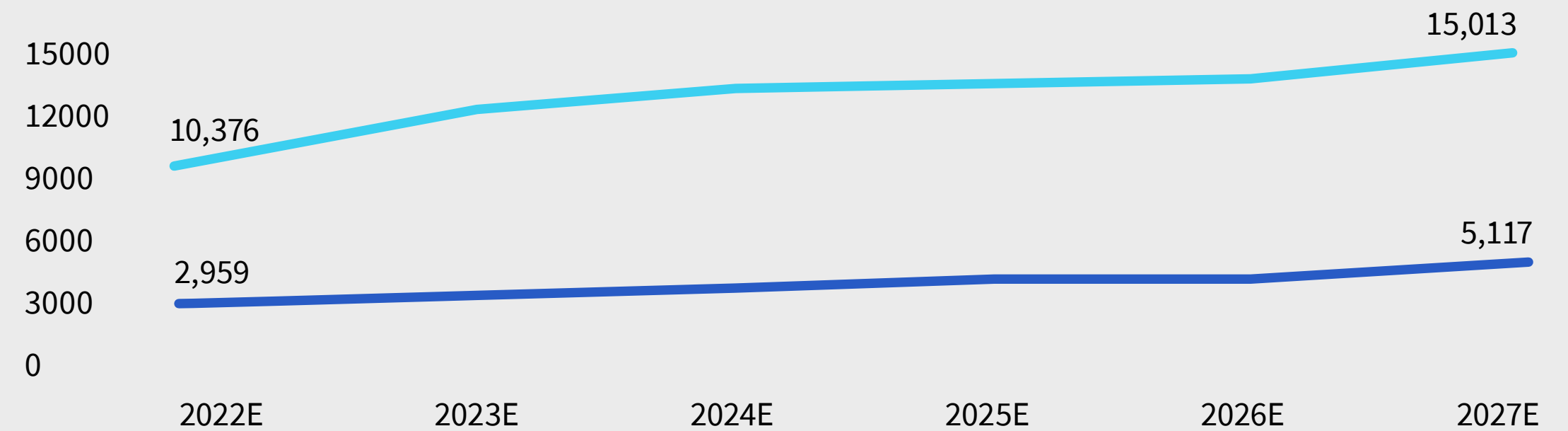
- Visa **38%**
- Interac **33%**
- Mastercard **26%**
- American Express **3%**



Projected gaming growth 2022-2027

● Online - CAGR **10%** ● Land based - CAGR **6%**

USD (\$ millions)



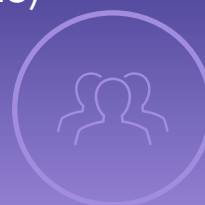
2022 fast facts

^{*}UN World Population Prospects 2022
^{**}H2 Gambling Capital, July 22 Update

^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022

^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

31.2m
2022 Adult (+18)
population*



10%
Expected
online gaming
growth 22-27**



83%
Mobile user
penetration***



22%
eCom spend
using digital/
mobile wallet****



Top APMs in gaming



COLOMBIA

Like many countries across Latin America, Colombia's gaming sector is enjoying a period of rapid growth. Q1 figures released by gaming regulator Coljuegos showcase a 17% increase on the same period one year prior, with a value of USD\$44.1M. Online gambling was responsible for \$12.9M¹.

The stakes are high for Coljuegos, who have high hopes to make regulated gaming one of the most important sectors for Colombia. Technology is set to play a key part in this story, with the regulator looking how innovation can cut down illegal gaming, improve the user experience and diversify the gambling portfolio.

Top tip

49% of players in Colombia opt to pay using bank transfer, a high figure that can most likely be attributed to non-card payment method SafetyPay. With a relatively low market share for credit and debit cards, operators should consider how Alternative Payment Methods could contribute to a smoother payment journey.

eCommerce payment methods

Bank transfer **49%**

Credit card **7%**

Debit card **5%**

Direct Debit **3%**

Mobile wallet **20%**

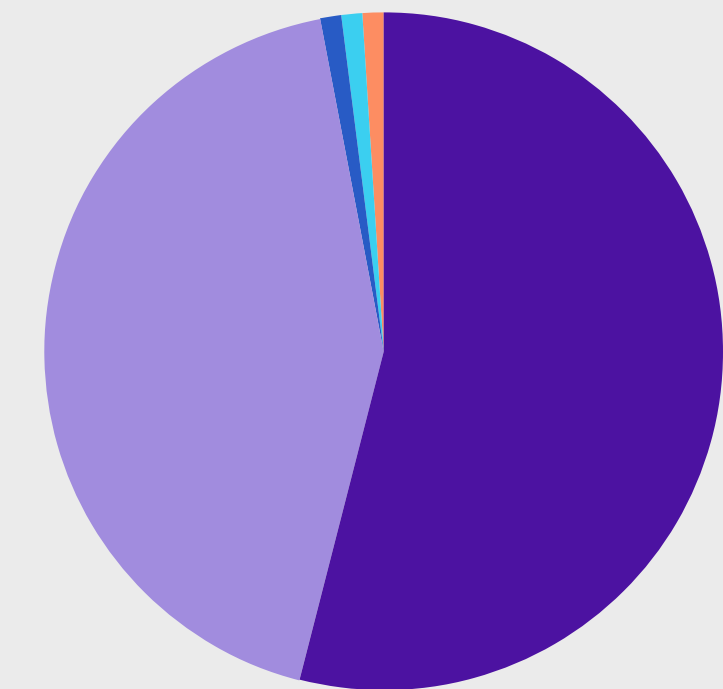
PostPay **7%**

Prepaid card **2%**

Other **7%**

All card scheme breakdown

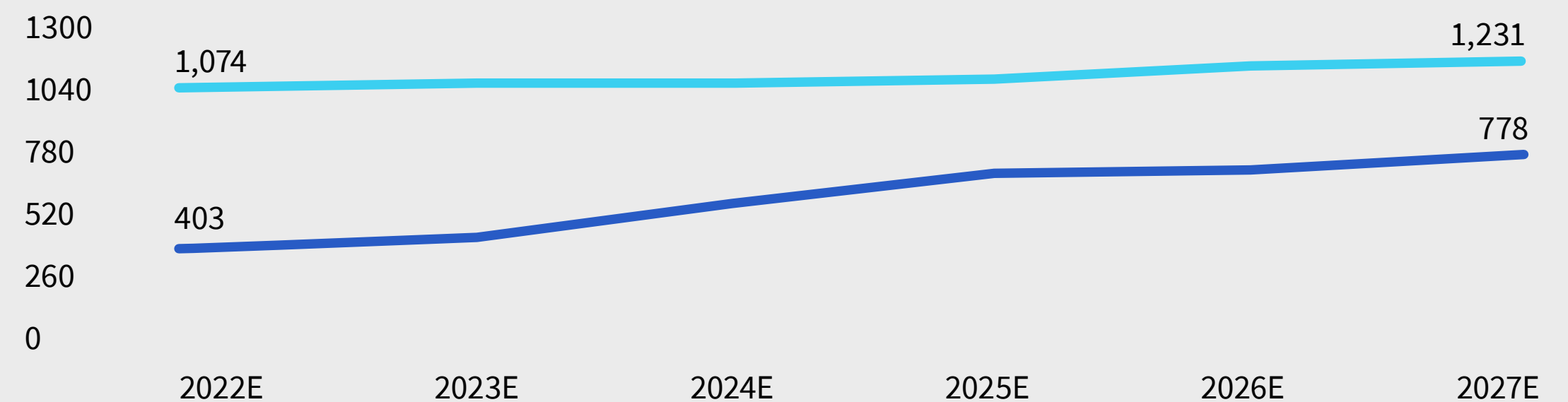
- Mastercard **54%**
- Visa **43%**
- American Express **1%**
- Diners Club **1%**
- Others **1%**



Projected gaming growth 2022-2027

● Online - CAGR **12%** ● Land based - CAGR **2%**

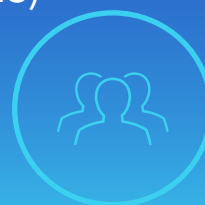
USD (\$ millions)



2022 fast facts

¹UN World Population Prospects 2022
²H2 Gambling Capital, July 22 Update
³Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
⁴Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

38.4m
2022 Adult (+18) population*



12%
Expected online gaming growth 22-27**



72%
Mobile user penetration***



14%
eCom spend using digital/mobile wallet****



Top APMs in gaming



DENMARK

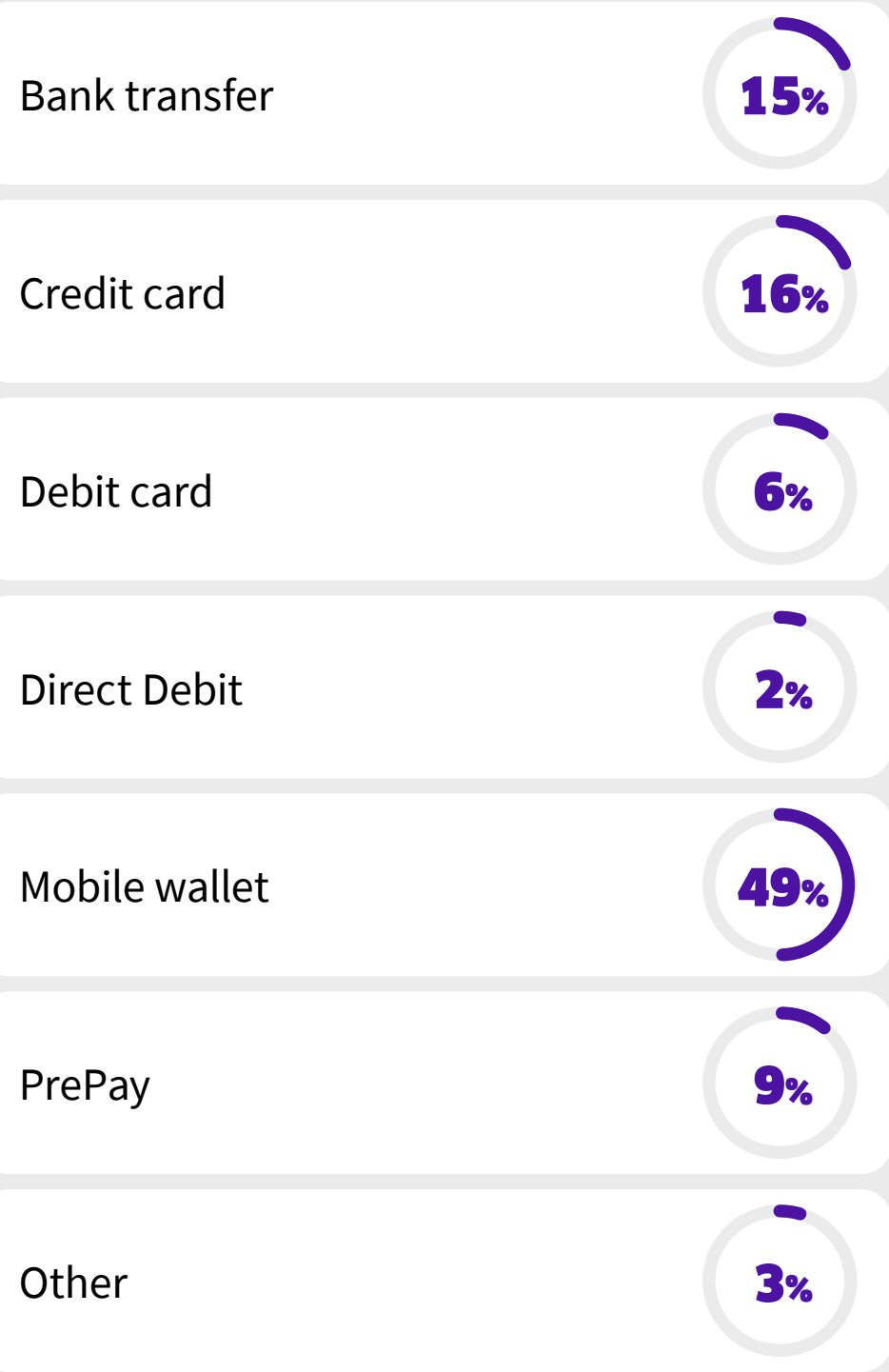
Countries across Scandinavia have high adoption rates for technology, and with 98% of Danish adults having access to the internet¹, it's perhaps little surprise that online gaming has grown rapidly since its 2012 regulation. Gaming brands should consider how digital-first payment methods such as mobile wallets could positively improve the player experience.

Operators should be aware that Denmark is tightening anti-money laundering procedures amid high profile breaches in the early part of the year². This includes mitigating risks associated with certain payment methods such as prepaid cards. Ensuring the correct tools are in place to prevent harmful action is essential to prevent regulator action, including knowing your customers and applying strong customer authentication on players.

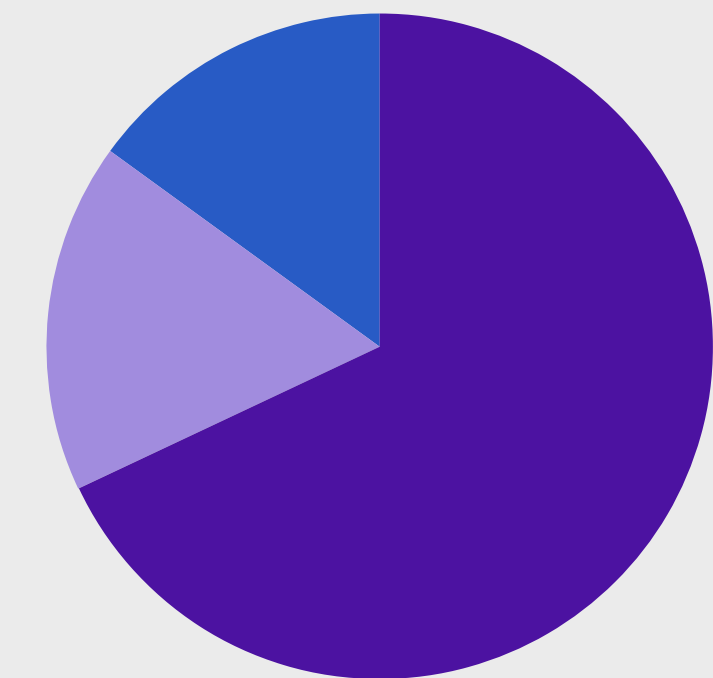
Top tip

Digital wallets lead the charge here, with 49% of all users opting to use this payment method. MobilePay is a popular mobile wallet across Denmark and Finland that removes the needs for users to add card details when paying online.

eCommerce payment methods



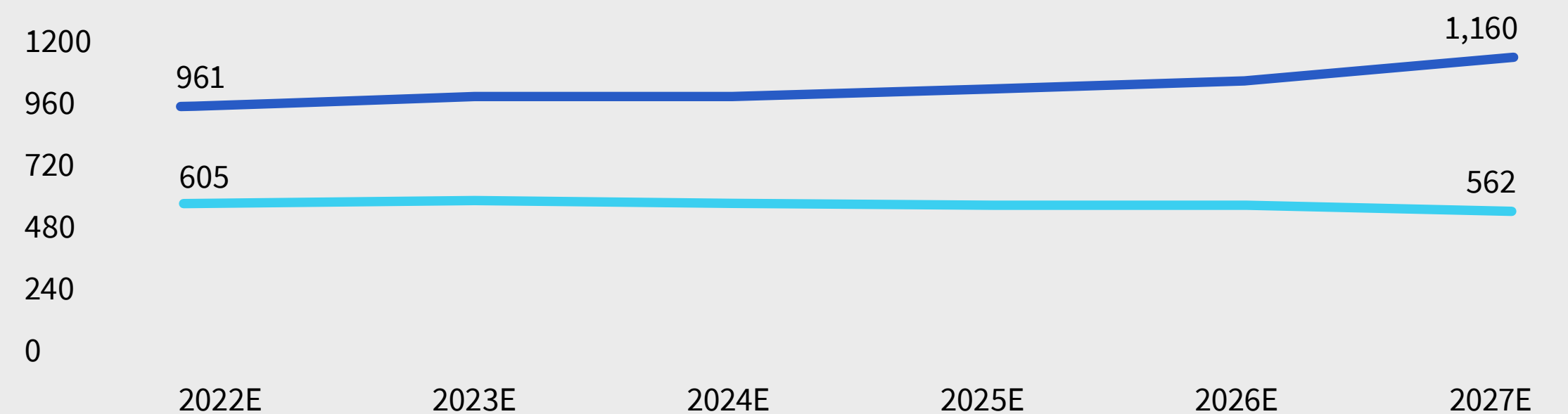
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR **3%** ● Land based - CAGR **-1%**

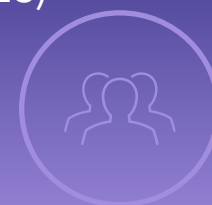
USD (\$ millions)



2022 fast facts

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^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

4.7m
2022 Adult (+18) population*



3%
Expected online gaming growth 22-27**



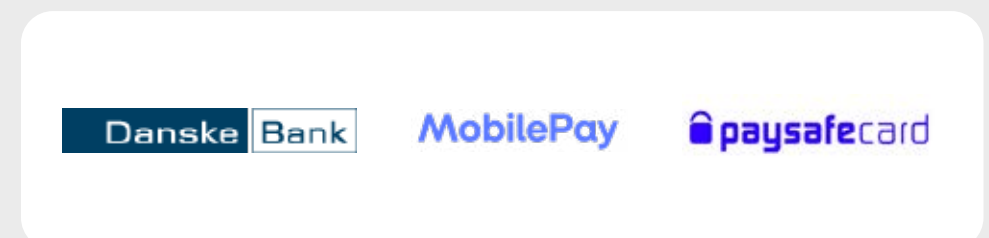
92%
Mobile user penetration***



26%
eCom spend using digital/mobile wallet****



Top APMs in gaming



FRANCE

With an online gaming market CAGR of 8%, France has the joint-highest growth rate in Europe, alongside Italy. Yet despite this growth, French regulator ANJ has recently tightened gambling advertising rules following an “oversaturation” during the 2020 Euros. Alongside this crackdown on marketing, ANJ has also launched a working group designed to protect against a perceived trend of underage gambling¹ which may lead to further regulation down the line.

From a payment perspective, digital and mobile wallets have huge penetration, responsible for just under half of all payments made in France. PayPal is a popular wallet in France, as is local contender Paylib, an option which allows users to add cards supported by Carte Bancaire scheme.

Top tip

Visa and Mastercard schemes have a minimal presence in France, responsible for just 4% of all transactions. In contrast, France has a considerably more popular local card scheme, Carte Bancaire, which cobrands its cards with Visa or Mastercard, allowing users to process payments over their networks too.

eCommerce payment methods

Bank transfer **8%**

Credit card **26%**

Debit card **14%**

Direct Debit **3%**

Mobile wallet **46%**

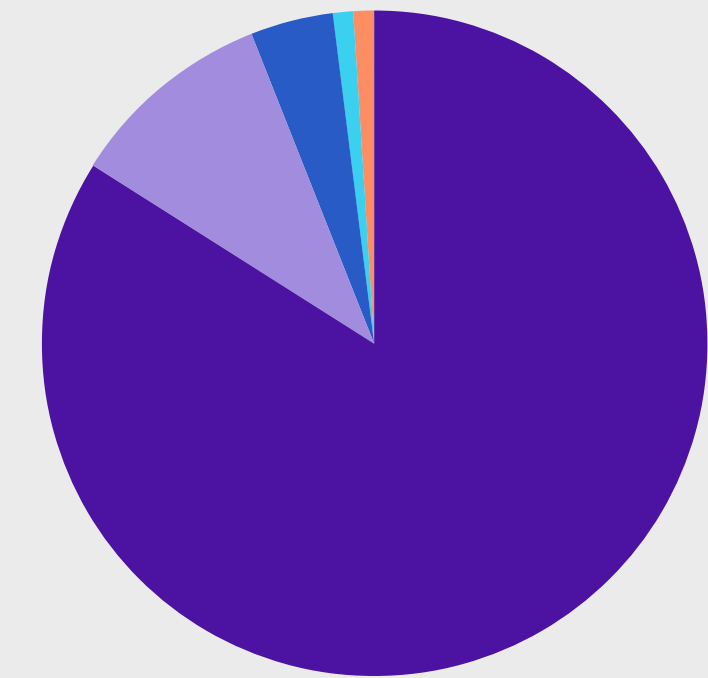
Prepaid card **1%**

PrePay **1%**

Other **1%**

All card scheme breakdown

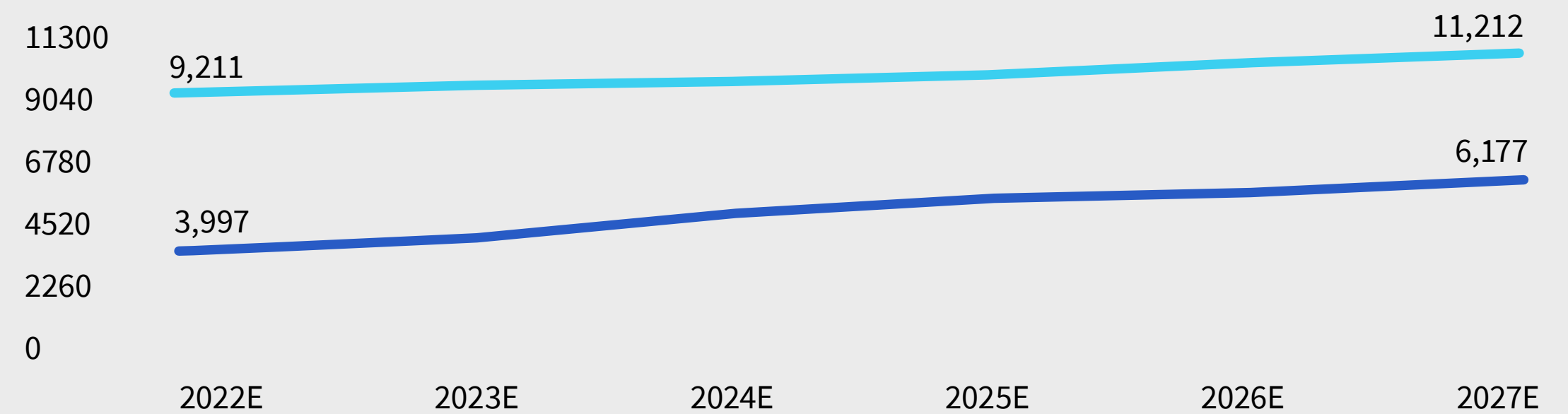
- Cartes Bancaires **84%**
- Others **10%**
- Mastercard **4%**
- American Express **1%**
- Visa **1%**



Projected gaming growth 2022-2027

● Online - CAGR **8%** ● Land based - CAGR **3%**

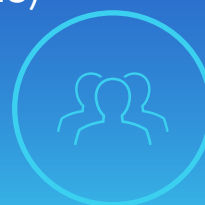
USD (\$ millions)



2022 fast facts

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51.1m
2022 Adult (+18) population*



8%
Expected online gaming growth 22-27**



83%
Mobile user penetration***



25%
eCom spend using digital/mobile wallet****



Top APMs in gaming



GERMANY

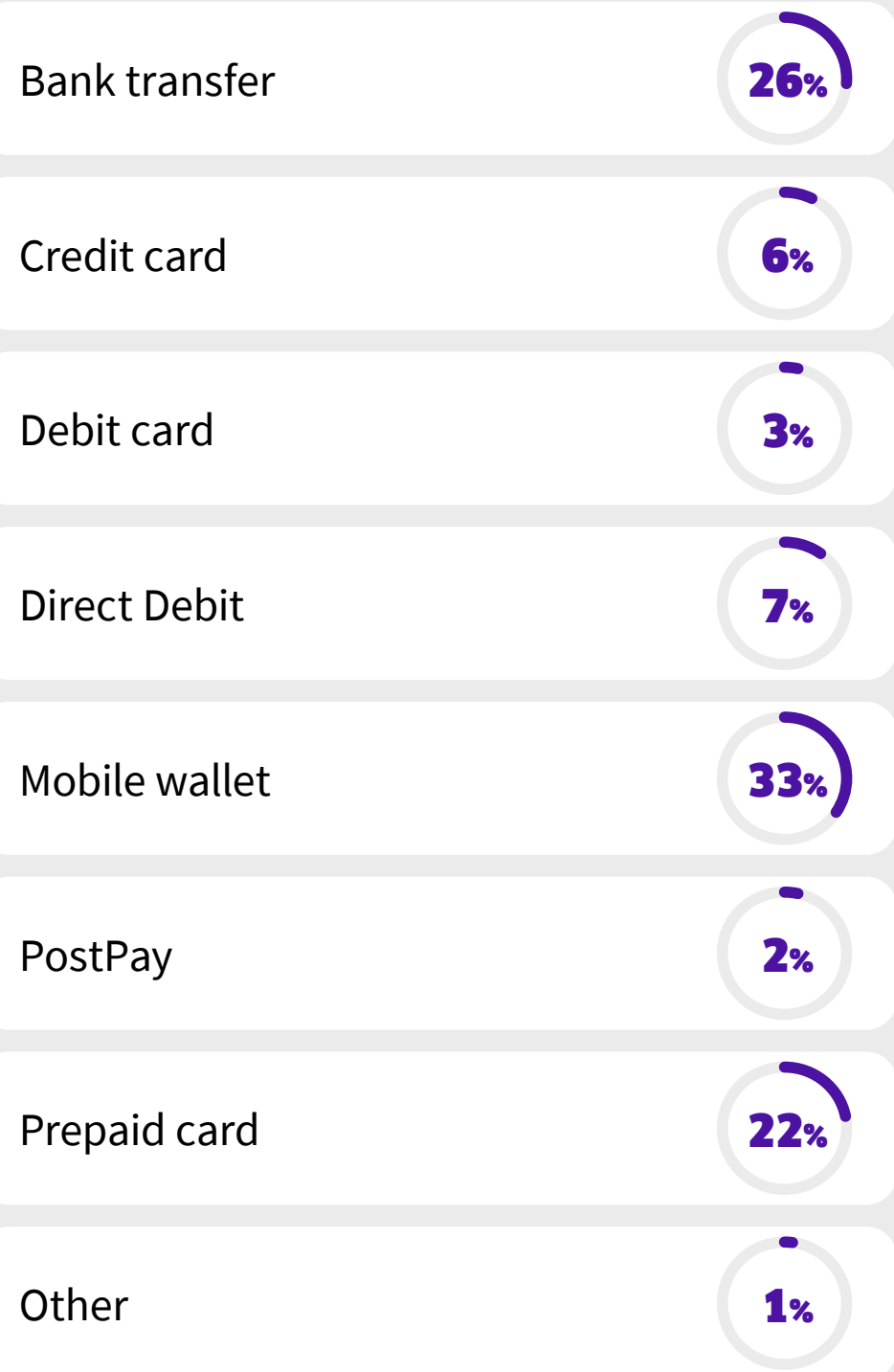
September 2021 saw a sea change in Germany’s approach to online gaming with the ratification of the Interstate Treaty of Gambling. This legislation included the legalization of online gambling, as well as an easing of restrictions around sports bets designed to reduce the impact of black market gambling in Germany. This clarification has led to a number of operators pulling out of the region, by removing a grey area around the legality of sports betting and clearly defining which organizations are operating above board.

Heated discussions surrounding taxation rates are currently underway, with German regulators proposing an additional 5.3% tax for online poker and 8% for virtual slot machines over terrestrial offerings¹. This high taxation rate could slow down the growth of the online market. With Germany’s interim regulatory authority set to expire in December 2022, it will be interesting to see if things change.

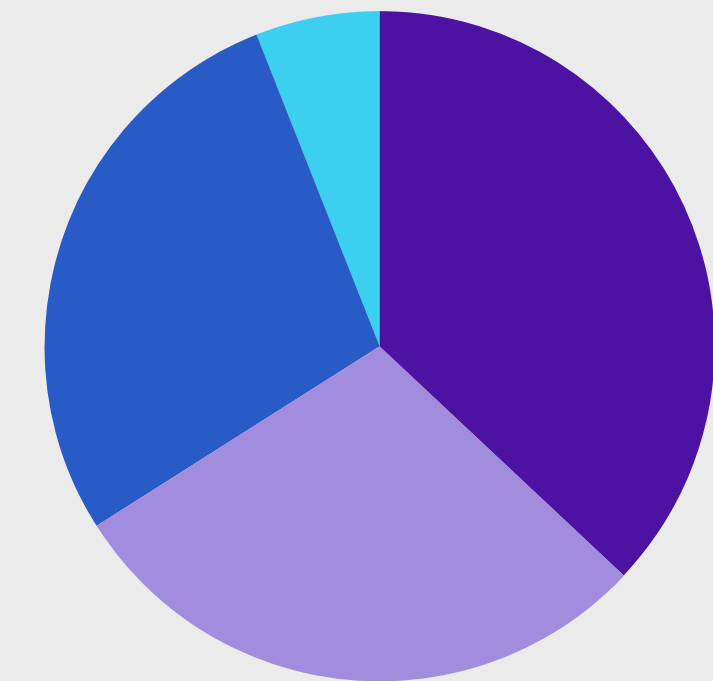
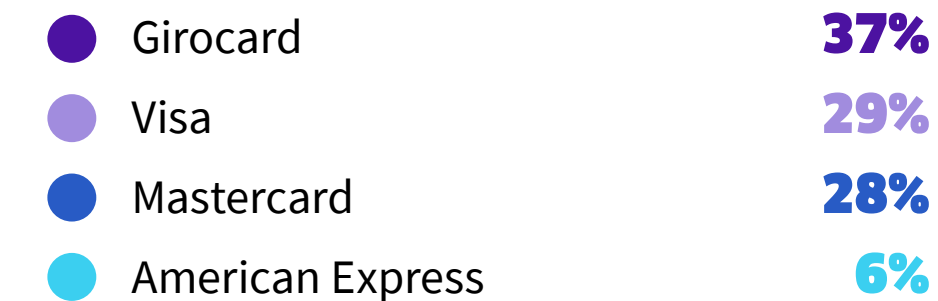
Top tip

Germany is host to a huge bank transfer market and e-wallet market, with prepaid cards also popular. Open Banking is likely to see massive adoption when implemented at scale.

eCommerce payment methods



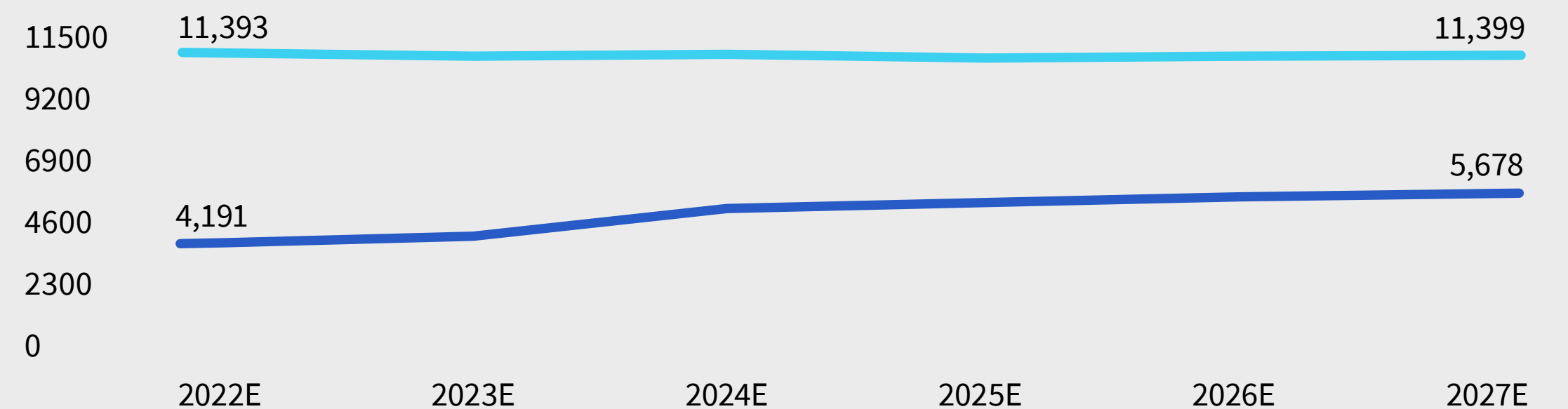
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 5% ● Land based - CAGR 0.01%

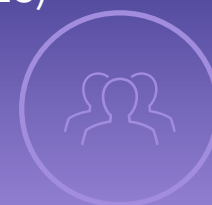
USD (\$ millions)



2022 fast facts

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69.4m
2022 Adult (+18) population*



5%
Expected online gaming growth 22-27**



84%
Mobile user penetration***



29%
eCom spend using digital/mobile wallet****



Top APMs in gaming



ITALY

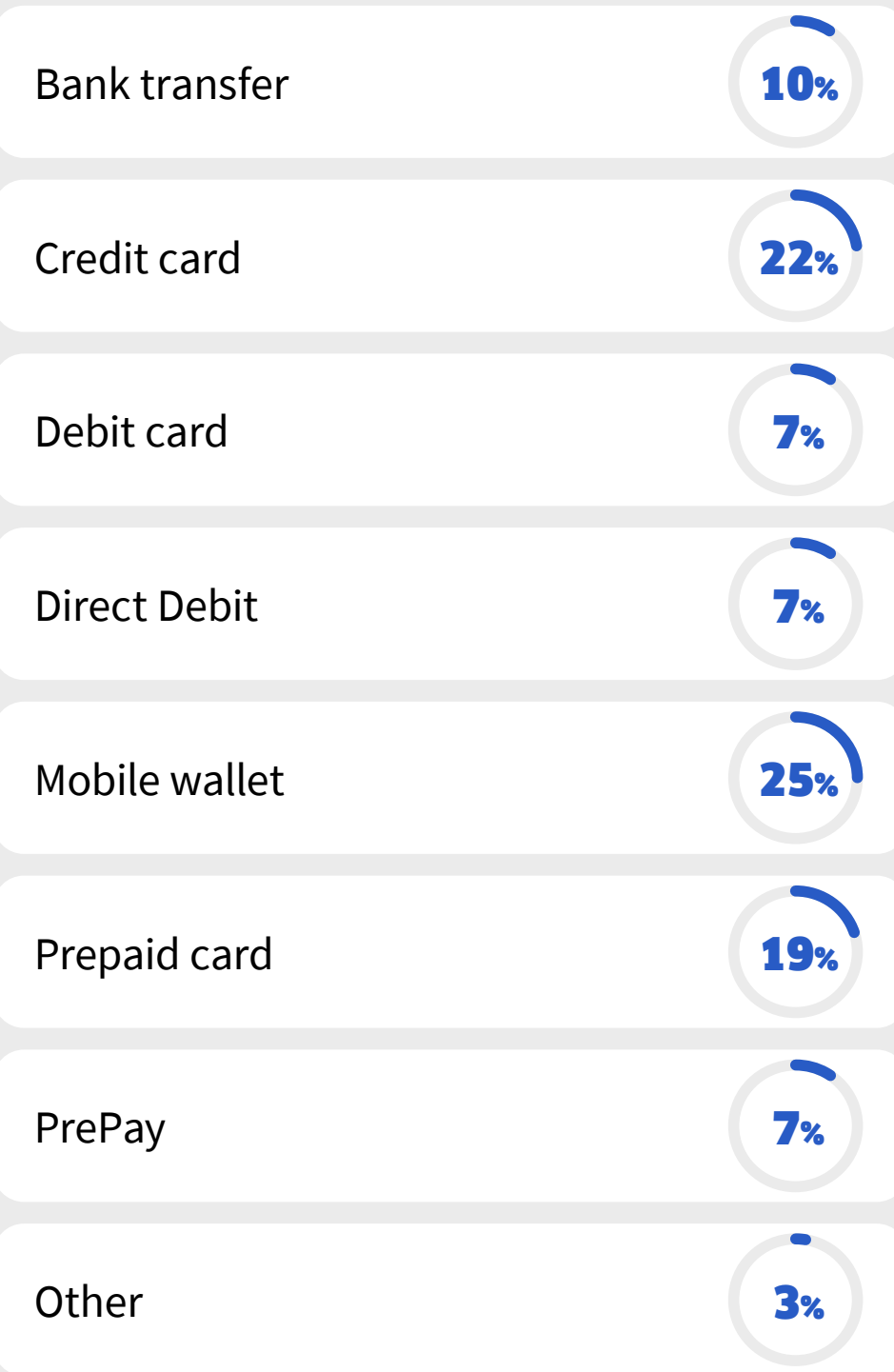
Like France, Italy boasts an online gaming CAGR of 8%, putting it in the joint #1 slot for gaming growth across Europe. Italy is also home to the second-largest land-based gaming market across all the countries studied in this report (behind only the USA), and is also host to a noteworthy online presence.

Until the end of 2021, operators in Italy were required to pay a 0.5% tax rate on betting turnover. While now expired, this may be a period of brief respite for operators, with current talks debating the implementation of a 1% rate which would secure an additional €160m in duties in addition to the €500m currently collected from land-based and digital activities¹.

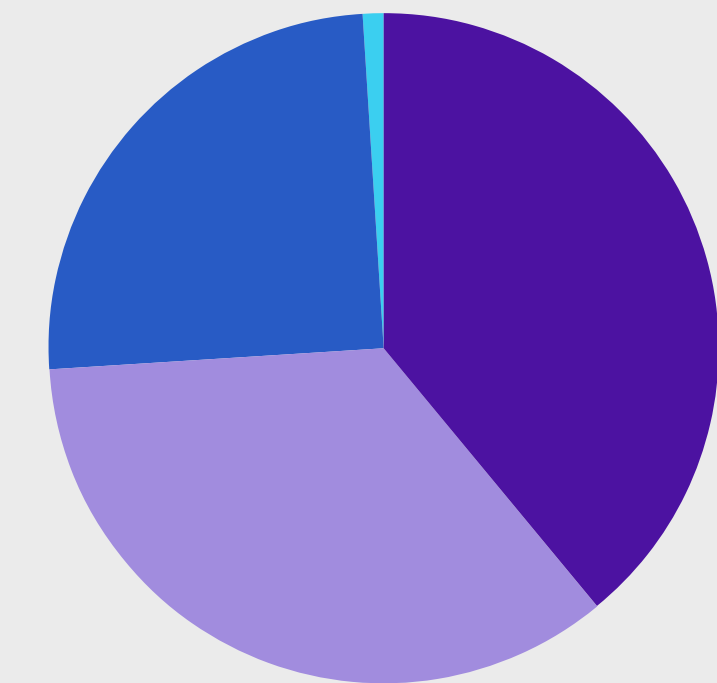
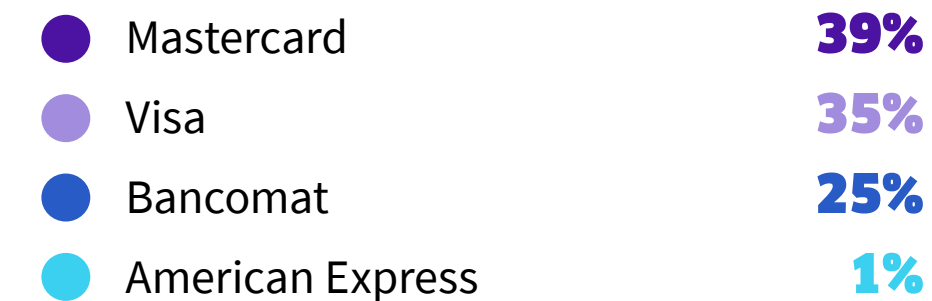
Top tip

The use of prepaid cards for gaming purchases in Italy has increased on last year's rate of 13%. At the end of 2020, digital wallet provider Skrill offered its solution for free for two months. At the end of 2021, British Fintech REPX partnered with an Italian football club to offer a bespoke prepaid card for fans². Promotions like this may have contributed to an increase in popularity that is still being felt today.

eCommerce payment methods



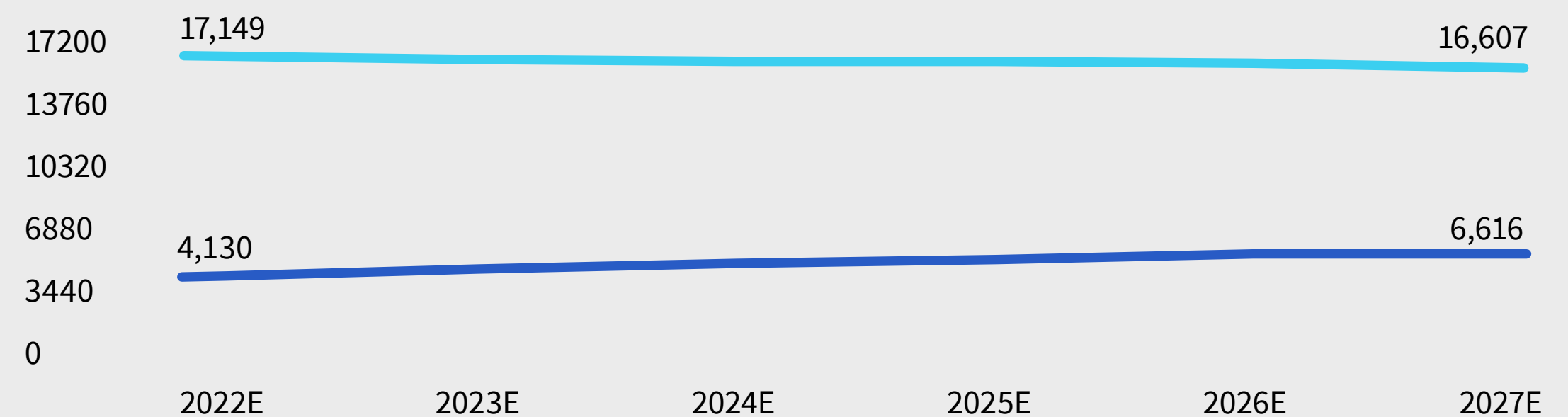
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 8% ● Land based - CAGR -1%

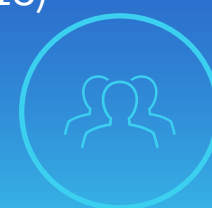
USD (\$ millions)



2022 fast facts

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^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

49.9m
2022 Adult (+18) population*



8%
Expected online gaming growth 22-27**



84%
Mobile user penetration***



34%
eCom spend using digital/mobile wallet****



Top APMs in gaming



MEXICO

Like many countries across Latin America, Mexico is also set for a period of strong growth, with an estimated online gaming CAGR of 10% between 2022 and 2027. Considering Mexico has one of the lower levels of mobile phone user penetration at 71% of the population, this represents a considerable growth rate for online gaming services, perhaps accelerated by the temporary closure of land-based operations¹. With a population of 130 million, the gaming industry of the second-strongest economy across Latin America is moving up in the world.

Top tip

With a love for soccer, it's perhaps no surprise that 60% of players opt for sports betting. Many of these services are provided by international operators, so it's important to ensure the experience can trump top-tier competition².

eCommerce payment methods

Bank transfer **25%**

Credit card **18%**

Debit card **18%**

Direct Debit **2%**

Mobile wallet **18%**

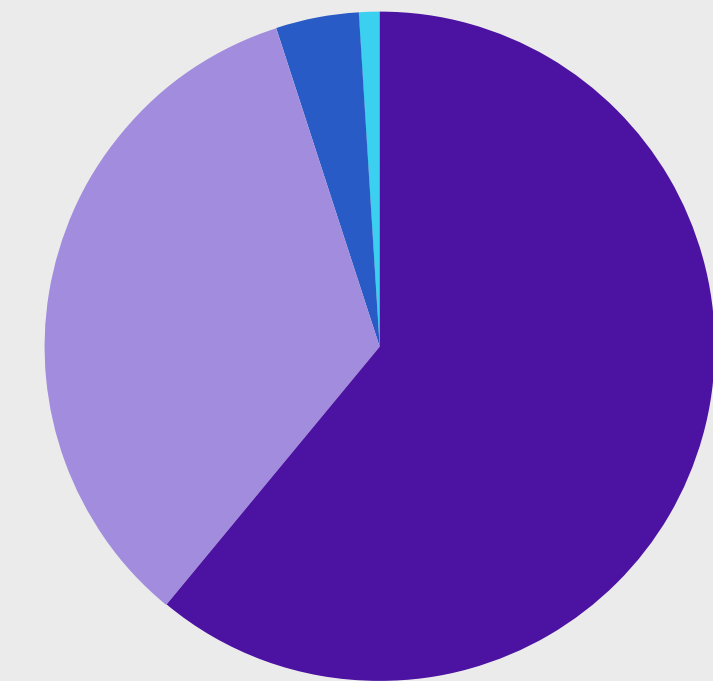
PostPay **1%**

Prepaid card **9%**

PrePay **9%**

All card scheme breakdown

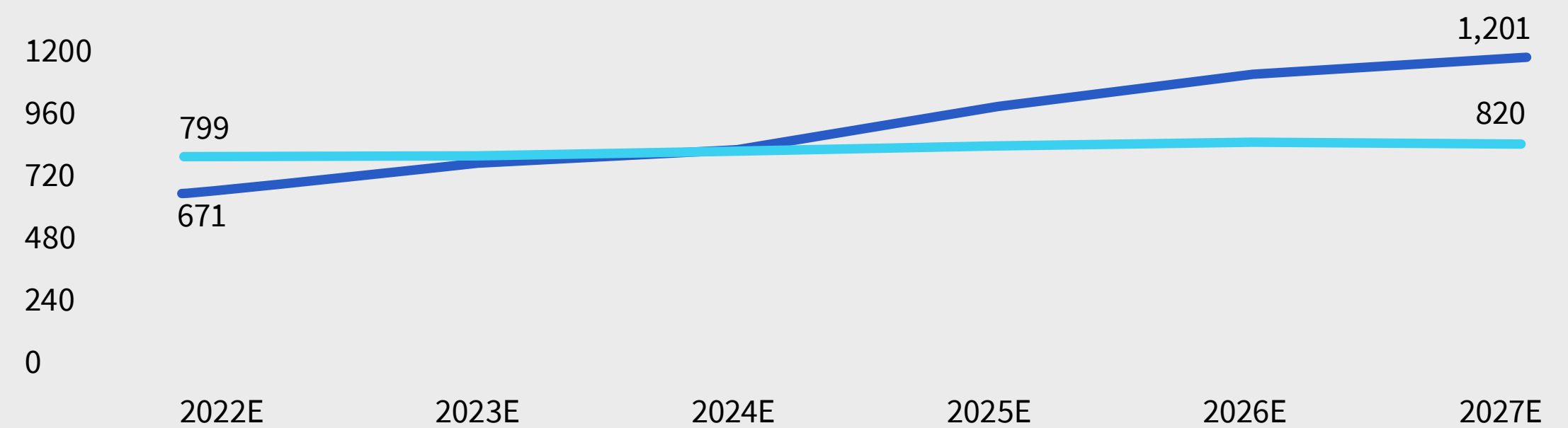
- Visa **61%**
- Mastercard **34%**
- American Express **4%**
- Others **1%**



Projected gaming growth 2022-2027

● Online - CAGR **10%** ● Land based - CAGR **0.4%**

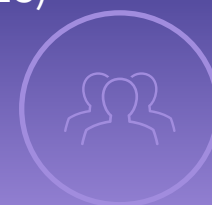
USD (\$ millions)



2022 fast facts

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^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

89.7m
2022 Adult (+18) population*



10%
Expected online gaming growth 22-27**



71%
Mobile user penetration***



27%
eCom spend using digital/mobile wallet****



Top APMs in gaming



NETHERLANDS

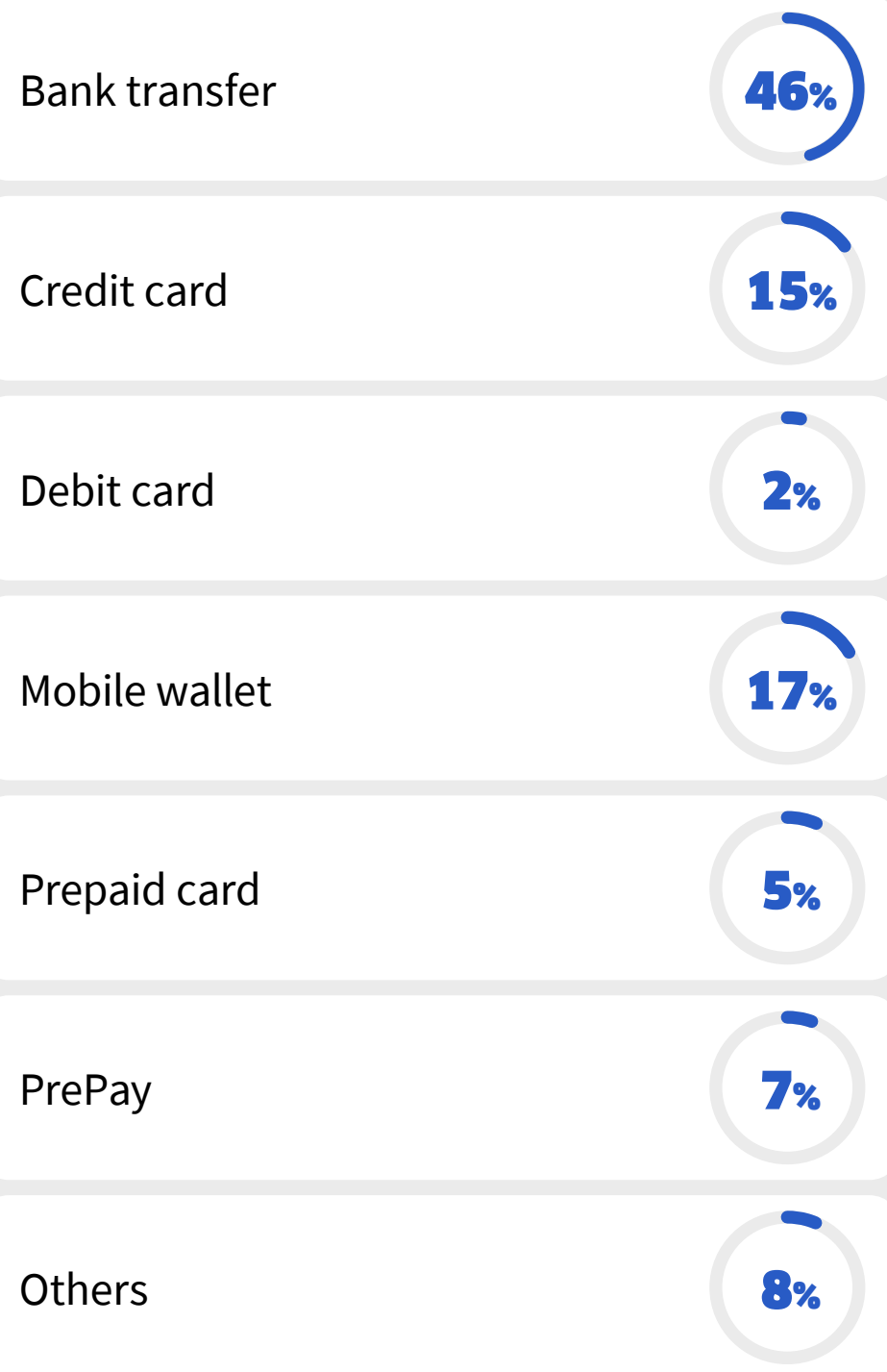
Following years of delays, October 2021 finally saw the launch of the Netherlands' regulated online gaming market with the enactment of the Remote Gambling Act (KOA). With the bar for approval set high, many operators without a KOA license have since ceased taking bets from the Netherlands as they hope to receive their own license.

2023 also heralds the start of phased restrictions on gambling advertising, with all untargeted advertising (for example TV ads) banned outright. Online advertising will still be allowed, albeit with tight monitoring from the government.

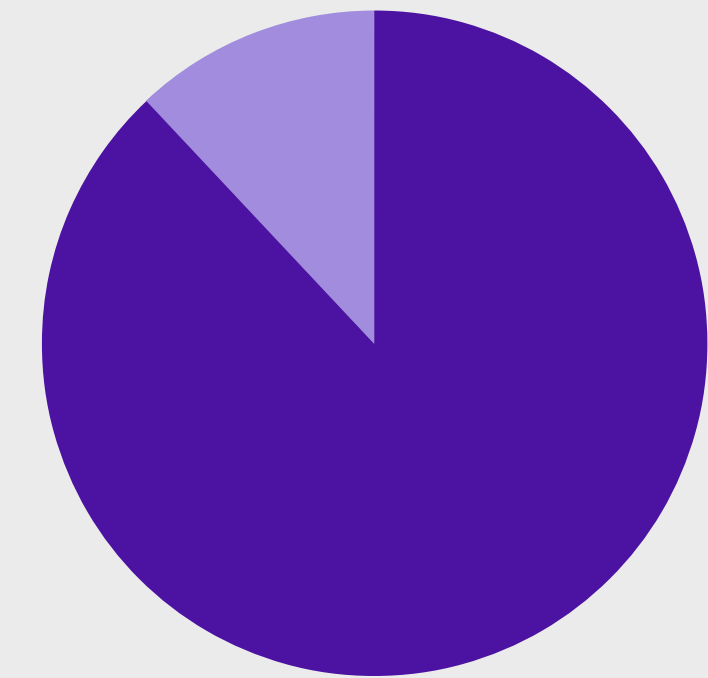
Top tip

iDEAL, a payment method local to the Netherlands, remains highly popular amongst consumers in the country. This online banking payment method allows customers to pay for products and services online via bank transfer.

eCommerce payment methods



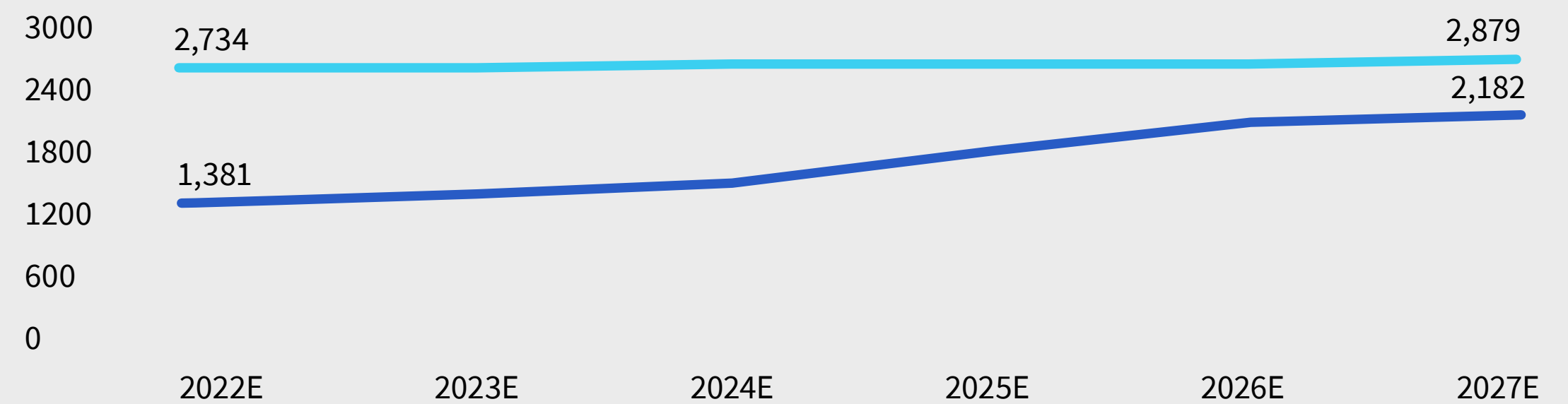
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 8% ● Land based - CAGR 1%

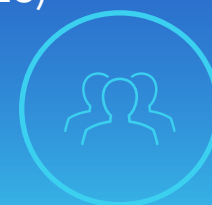
USD (\$ millions)



2022 fast facts

*UN World Population Prospects 2022
 ** H2 Gambling Capital, July 22 Update
 *** Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
 **** Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

14.2m
2022 Adult (+18) population*



8%
Expected online gaming growth 22-27**



85%
Mobile user penetration***



8%
eCom spend using digital/mobile wallet****



Top APMs in gaming



NIGERIA

Nigeria enters the Global Gaming Payments Report with a bang, boasting a CAGR of 19% between 2022 and 2027 and second only to Argentina. This growth is in part thanks to heavy investment in infrastructure across the country, which is rapidly opening the online market to players able to utilize mobile devices. If this growth continues at its current trajectory, GGR for its online segment could surpass USD\$1B by 2025¹.

Players in Nigeria are able to place bets with overseas operators as long as they adhere to local regulations overseen by the Nigerian Lottery Commission. While online sports betting is legal, online games of chance are restricted or require additional licenses from the Commission.

Top tip

Better access to internet-connected mobile devices are vastly improving financial inclusion across the country. Mobile payment and carrier billing solutions such as Kongapay and Jumia Pay are all increasing in popularity and viable solutions for funding betting wallets, while OPay takes ease of use a step further by allowing users to add funds to popular gaming sites directly from its website².

eCommerce payment methods

Bank transfer

13%

Credit card

25%

Debit card

23%

Direct Debit

6%

Mobile wallet

23%

Prepaid card

2%

PrePay

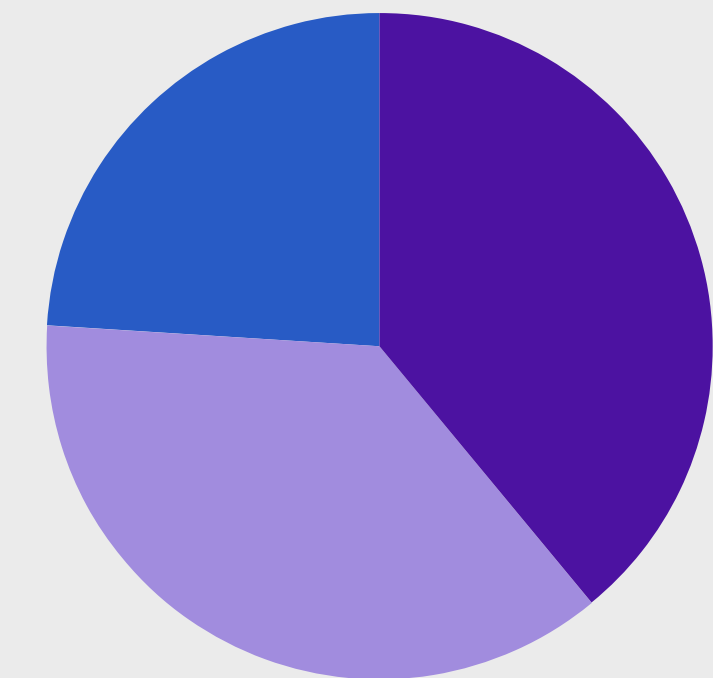
5%

Other

3%

All card scheme breakdown

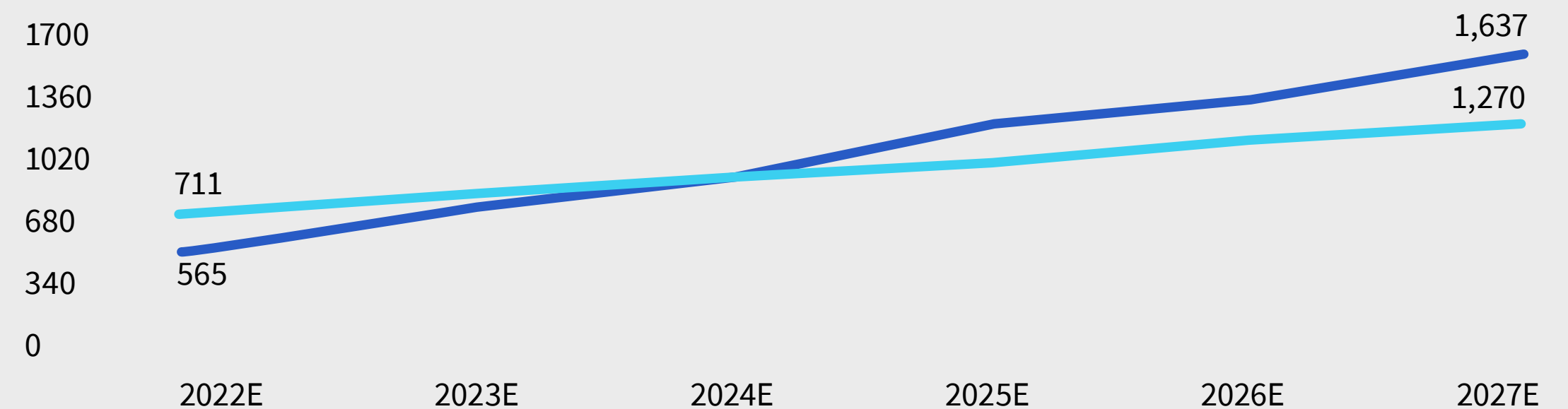
- Verve **39%**
- Mastercard **37%**
- Visa **24%**



Projected gaming growth 2022-2027

● Online - CAGR **19%** ● Land based - CAGR **10%**

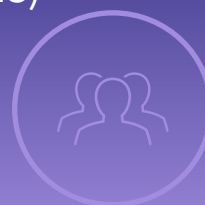
USD (\$ millions)



2022 fast facts

¹UN World Population Prospects 2022
²H2 Gambling Capital, July 22 Update
³Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
⁴Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

109.8m
2022 Adult (+18) population*



19%
Expected online gaming growth 22-27**



58%
Mobile user penetration***



8%
eCom spend using digital/mobile wallet****



Top APMs in gaming



PERU

The Peruvian President, Pedro Castillo, has signed into law a statute to regulate online gaming and sports betting on August 12, and will take formal effect 60 days after its publication in the Government. Operators without licenses in the country will soon be subject to IP blocking and other sanctions, as well as restrictions advertising or sponsoring sports teams¹.

As well as an initial license cost of 200 UIT* and additional cost of 5 UIT per game room, a tax rate of 12% GGR will be imposed on operators. All of this revenue doesn't go back to government coffers, with 20% distributed among mental health initiatives, and a further 20% to the Peruvian Institute of Sports.

Top tip

Digital wallets are opening the potential for unbanked users to access online services. With high mobile penetration (over 80%) and low levels of access to bank accounts², e-wallets such as Bim could improve access to gaming services.

eCommerce payment methods

Bank transfer

14%

Credit card

22%

Debit card

20%

Direct Debit

1%

Mobile wallet

25%

PostPay

11%

PrePay

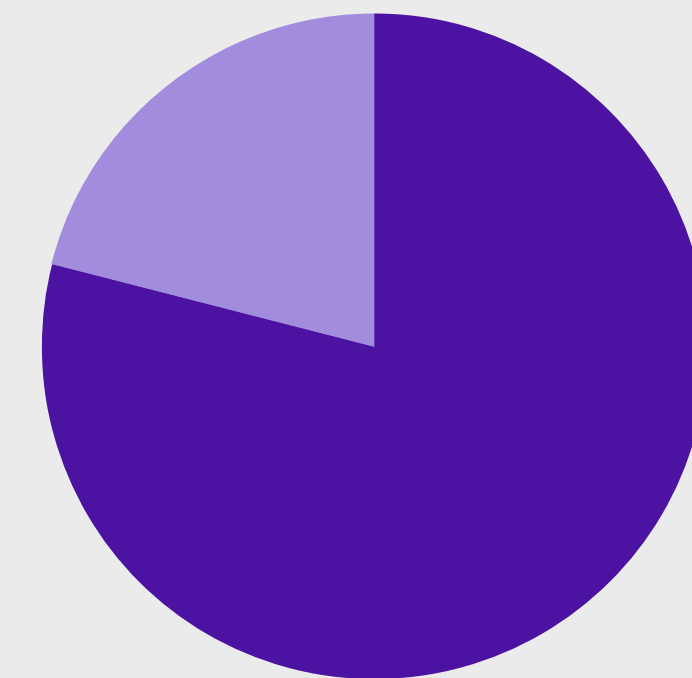
2%

Other

5%

All card scheme breakdown

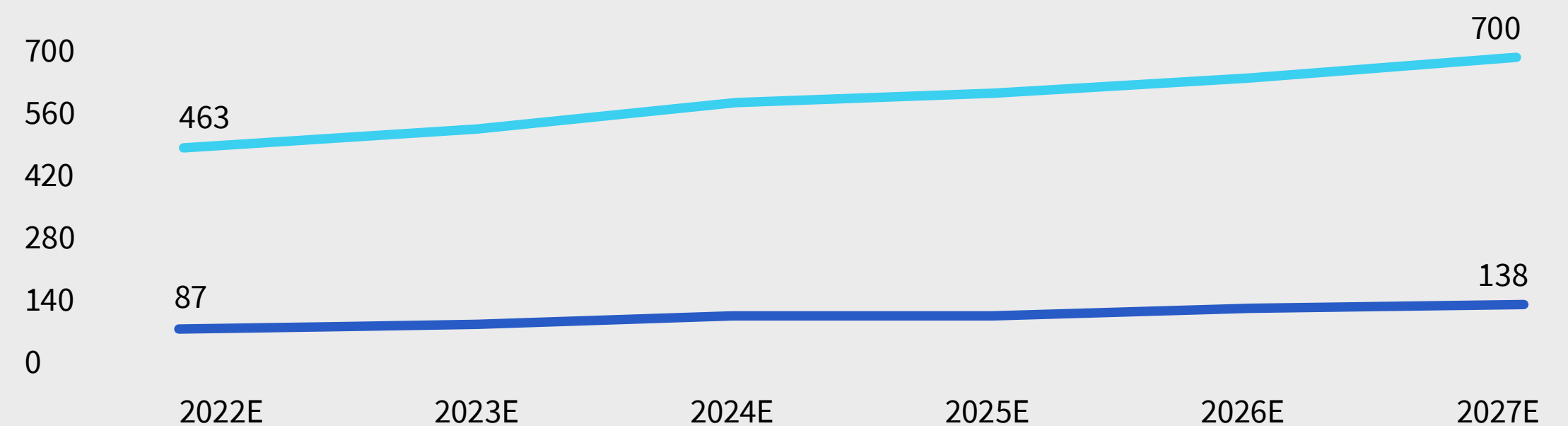
● Visa **79%**
● Mastercard **21%**



Projected gaming growth 2022-2027

● Online - CAGR **8%** ● Land based - CAGR **7%**

USD (\$ millions)

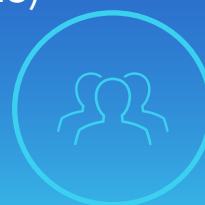


*Unidad Impositiva Tributaria – is a reference unit set annually by the Peruvian Ministry of Economy (MEF) to determine taxes and other Government fees with a value of 4,600 Peruvian Soles (at the time of writing)

2022 fast facts

^{*}UN World Population Prospects 2022
^{**}H2 Gambling Capital, July 22 Update
^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN World Population Prospects 2022
^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

23.4m
2022 Adult (+18)
population*



8%
Expected
online gaming
growth 22-27**



69%
Mobile user
penetration***



9%
eCom spend
using digital/
mobile wallet****



Top APMs in gaming



South Africa

South Africa boasts the largest gaming market on the African continent, with an estimated 2022 GGR of over USD\$2B across online and land-based gaming.

Online gaming activities in South Africa are restricted to sports bets only via a licensed South African Bookmaker, while “interactive games” are banned outright. Despite pandemic disruption, while iGaming options have become more popular, the land-based market remains much larger than its online counterpart.

Top tip

With a broad range of payment preferences including a strong preference toward digital wallets, operators may be able to deliver better experiences by providing a mix of payment options.

eCommerce payment methods

Bank transfer **27%**

Credit card **12%**

Debit card **17%**

Direct Debit **5%**

Mobile wallet **23%**

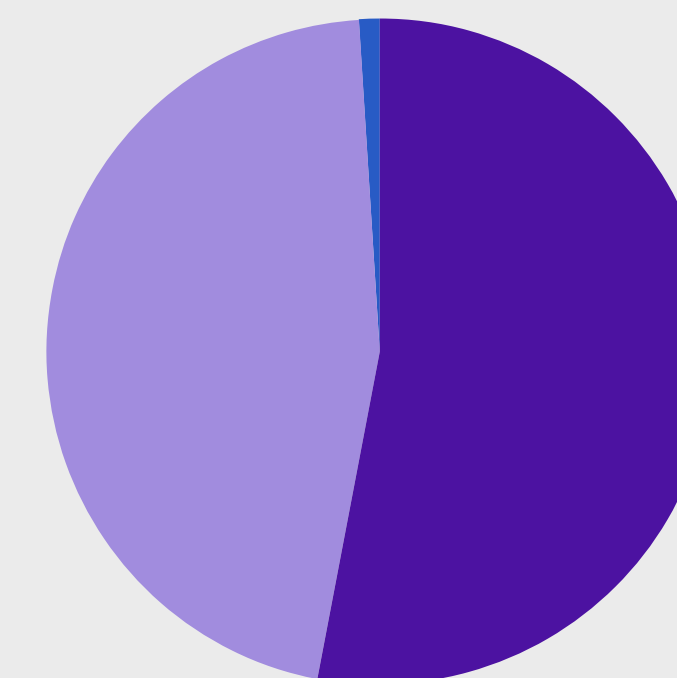
Prepaid card **1%**

PrePay **2%**

Other **13%**

All card scheme breakdown

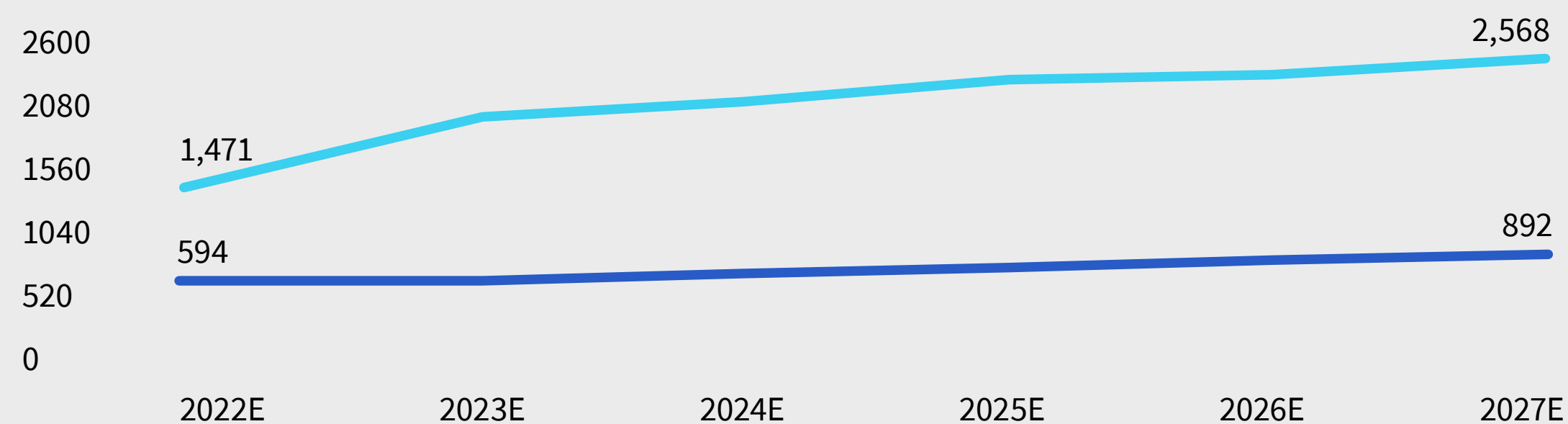
- Visa **53%**
- Mastercard **46%**
- American Express **1%**



Projected gaming growth 2022-2027

● Online - CAGR **7%** ● Land based - CAGR **10%**

USD (\$ millions)



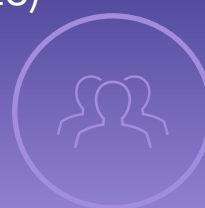
2022 fast facts

*UN World Population Prospects 2022
 ** H2 Gambling Capital, July 22 Update

*** Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022

**** Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

39.7m
2022 Adult (+18) population*



7%
Expected online gaming growth 22-27**



78%
Mobile user penetration***



19%
eCom spend using digital/mobile wallet****



Top APMs in gaming

SAMSUNG Pay

SPAIN

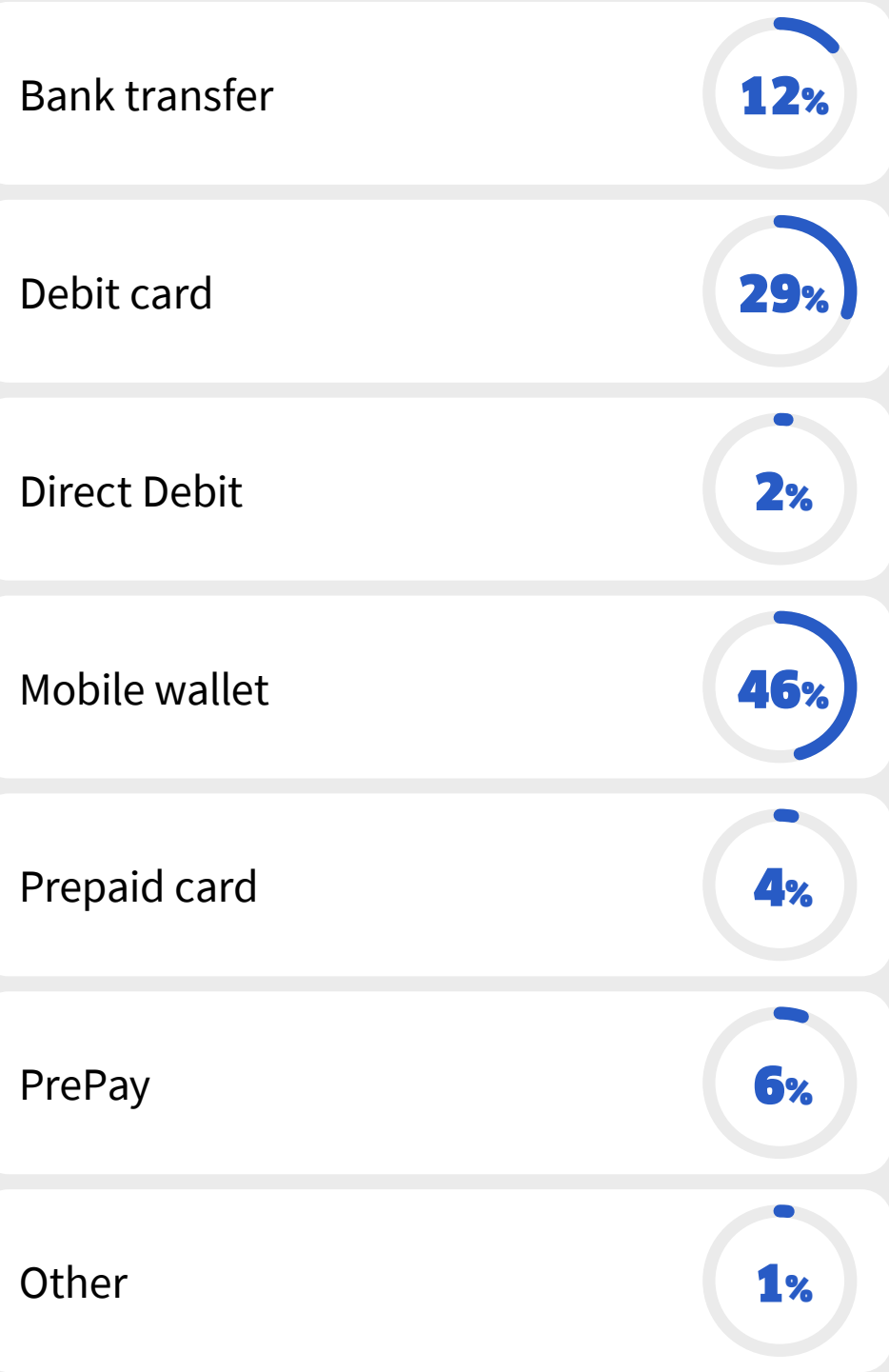
The pandemic saw rapid growth of Spain's online casino industry which, while good news for online operators, raised a few eyebrows across Spanish government and regulation boards¹. There are currently rumblings of a regulation being drafted to amend the 2011 law in order to better protect players. While this is yet to take a more formal shape, since 2020 Spain has been subject to advertising restrictions in a bid to reduce exposure to minors, yet this is currently being appealed by a major Spanish online operator, calling for fairer laws.

While there are no formal restrictions on payment methods in Spain, it's forbidden for gaming operators to provide credit to players, effectively eliminating credit cards as a means of payment. Debit, bank transfer and e-Wallets are the three main sources to fund accounts.

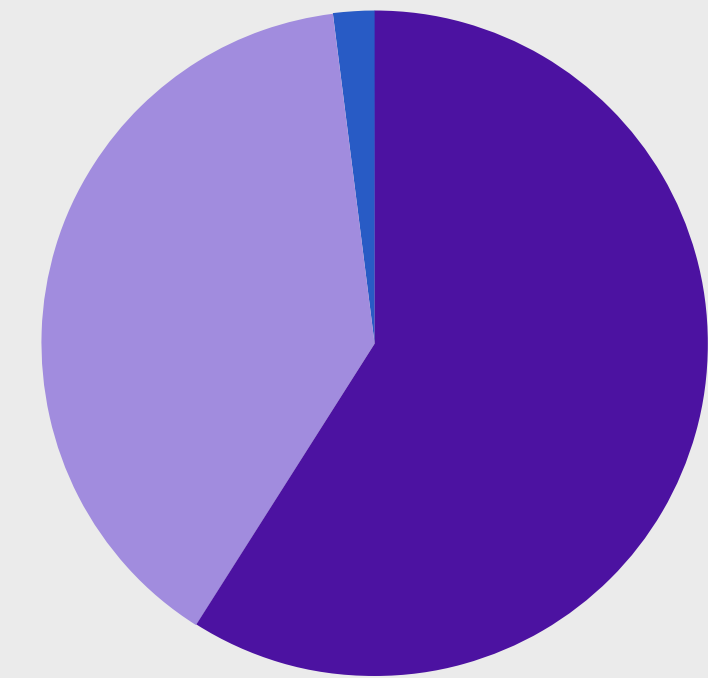
Top tip

The Person-to-Person payment service Bizum has rapidly increased in popularity in Spain and now holds 40% of the market.

eCommerce payment methods



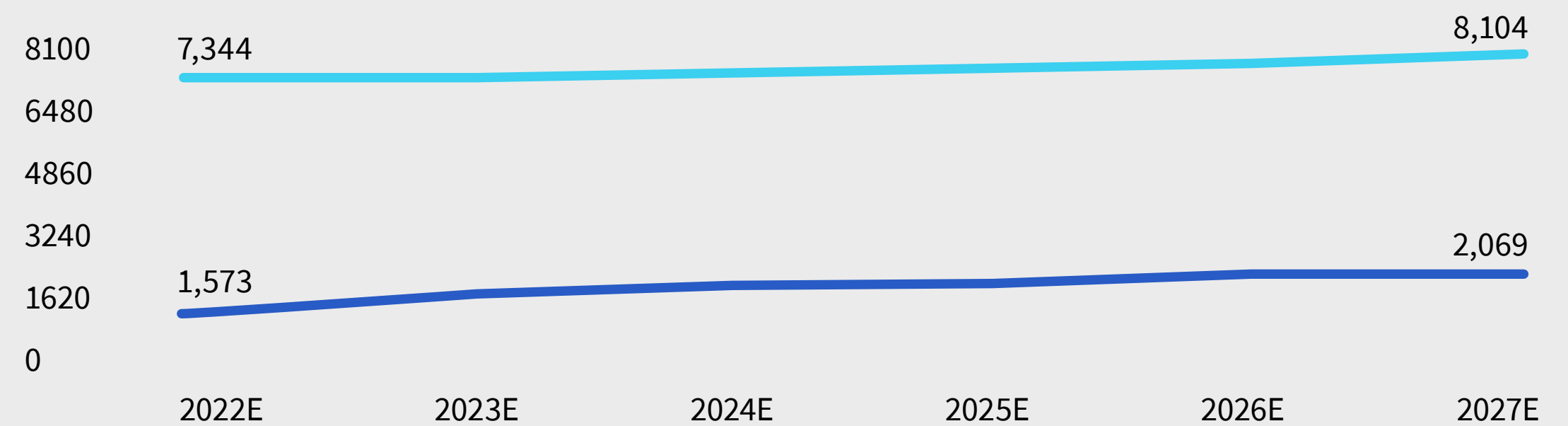
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 5% ● Land based - CAGR 2%

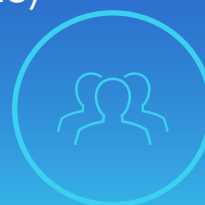
USD (\$ millions)



2022 fast facts

^{*}UN World Population Prospects 2022
^{**}H2 Gambling Capital, July 22 Update
^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

39.4m
2022 Adult (+18) population*



5%
Expected online gaming growth 22-27**



85%
Mobile user penetration***



30%
eCom spend using digital/mobile wallet****



Top APMs in gaming



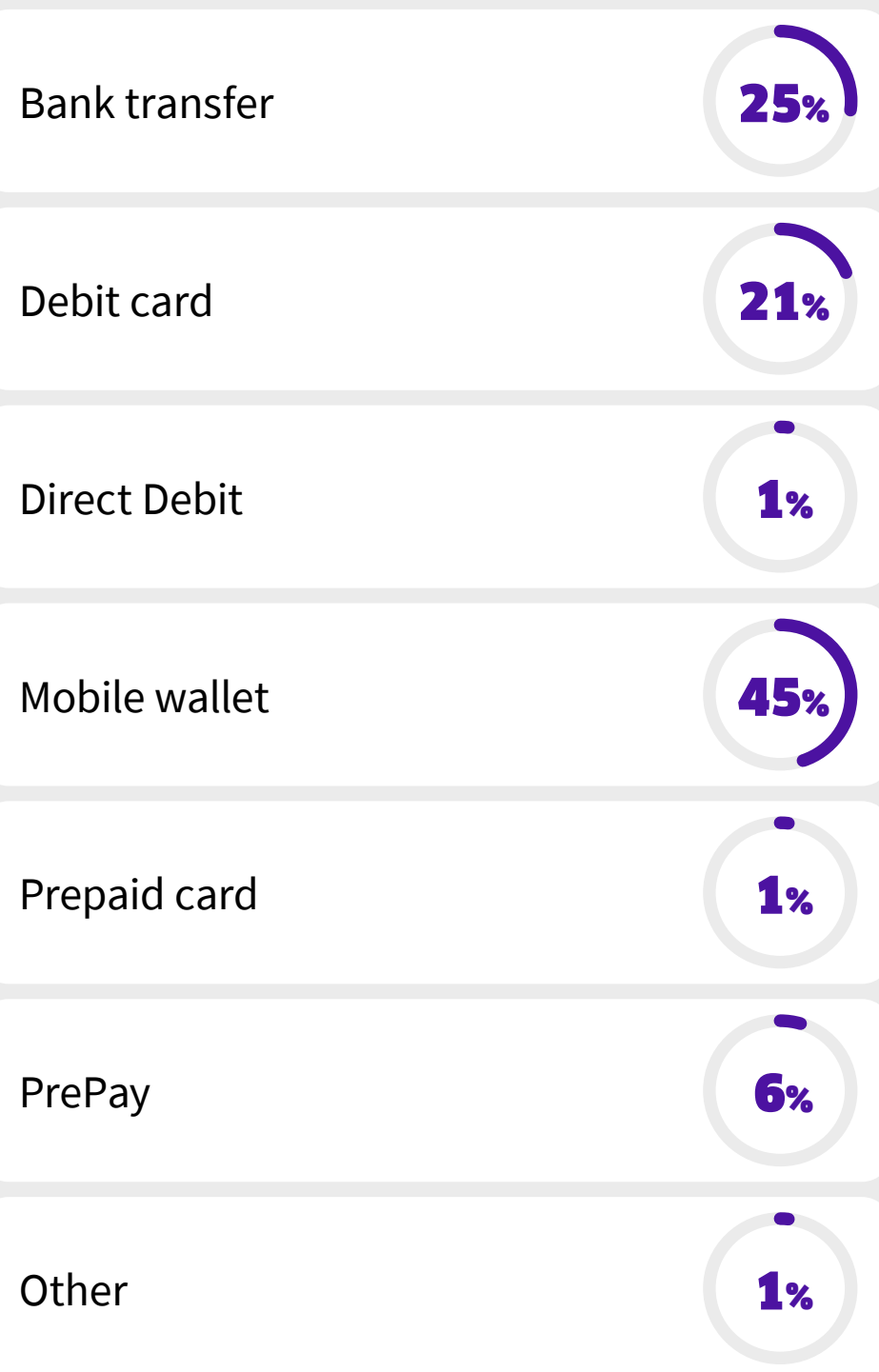
SWEDEN

Despite a 2019 overhaul of Sweden’s gaming regulation, 2022 has seen the early stages of a new bill designed to further prohibit illegal gambling and advertising practices by unlicensed operators. As well as advertising restrictions, the bill could also see changes to licensing duties, new permits required for gaming software, and tightening on “bonus offers” available to players¹.

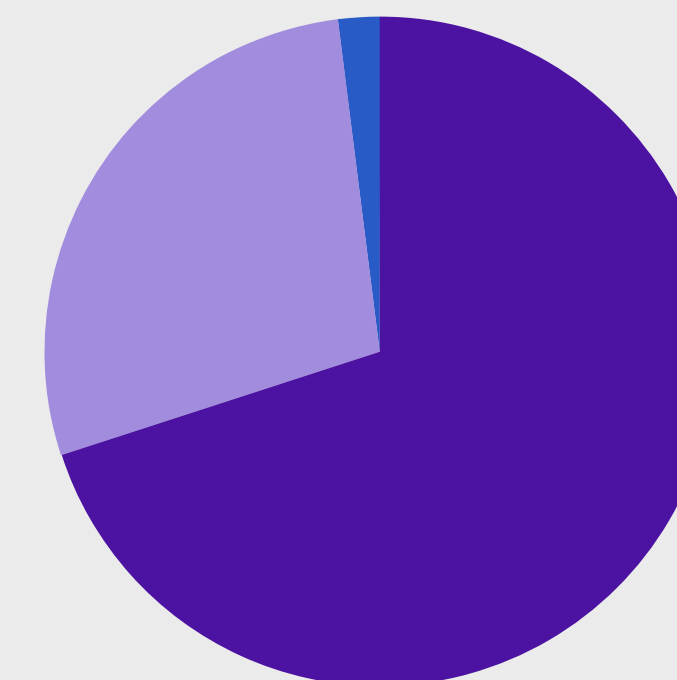
Top tip

Instant payments are growing in popularity across Sweden and the broader Nordic region thanks to the emergence of P27, a real-time payment network. While still undergoing regulatory approvals the platform is set to revolutionize domestic and cross-border payments between consumers and businesses by making them instant and in many cases touchless. This could pose an opportunity for operators looking to reduce disbursement and payout times as well as real-time betting.

eCommerce payment methods



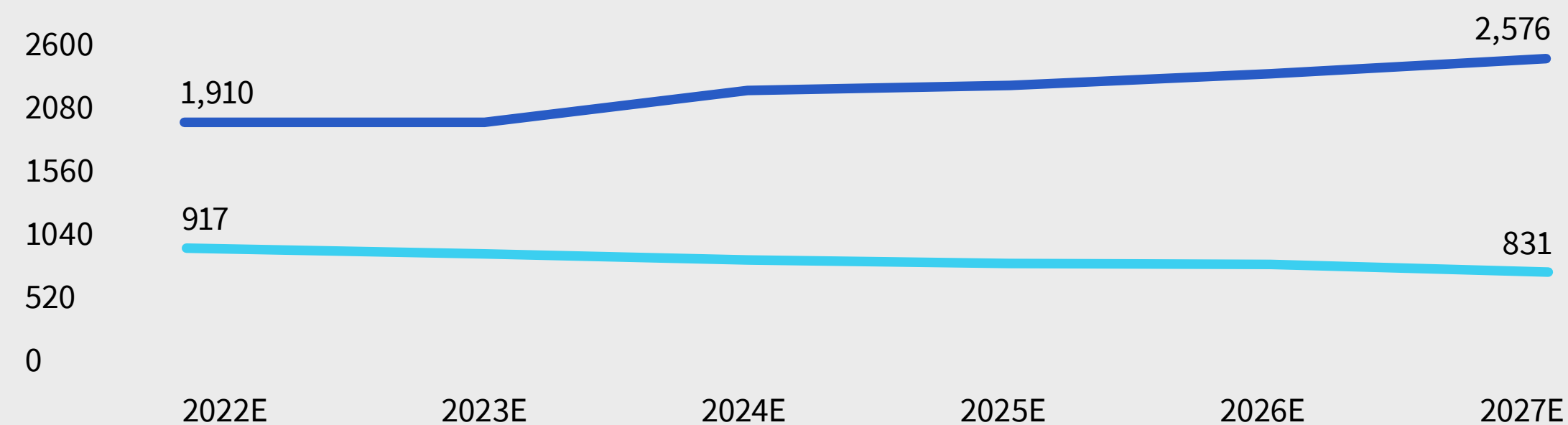
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 5% ● Land based - CAGR -2%

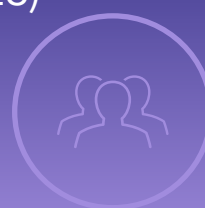
USD (\$ millions)



2022 fast facts

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^{**}H2 Gambling Capital, July 22 Update
^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

8.3m
2022 Adult (+18) population*



5%
Expected online gaming growth 22-27**



87%
Mobile user penetration***



20%
eCom spend using digital/mobile wallet****



Top APMs in gaming



UK

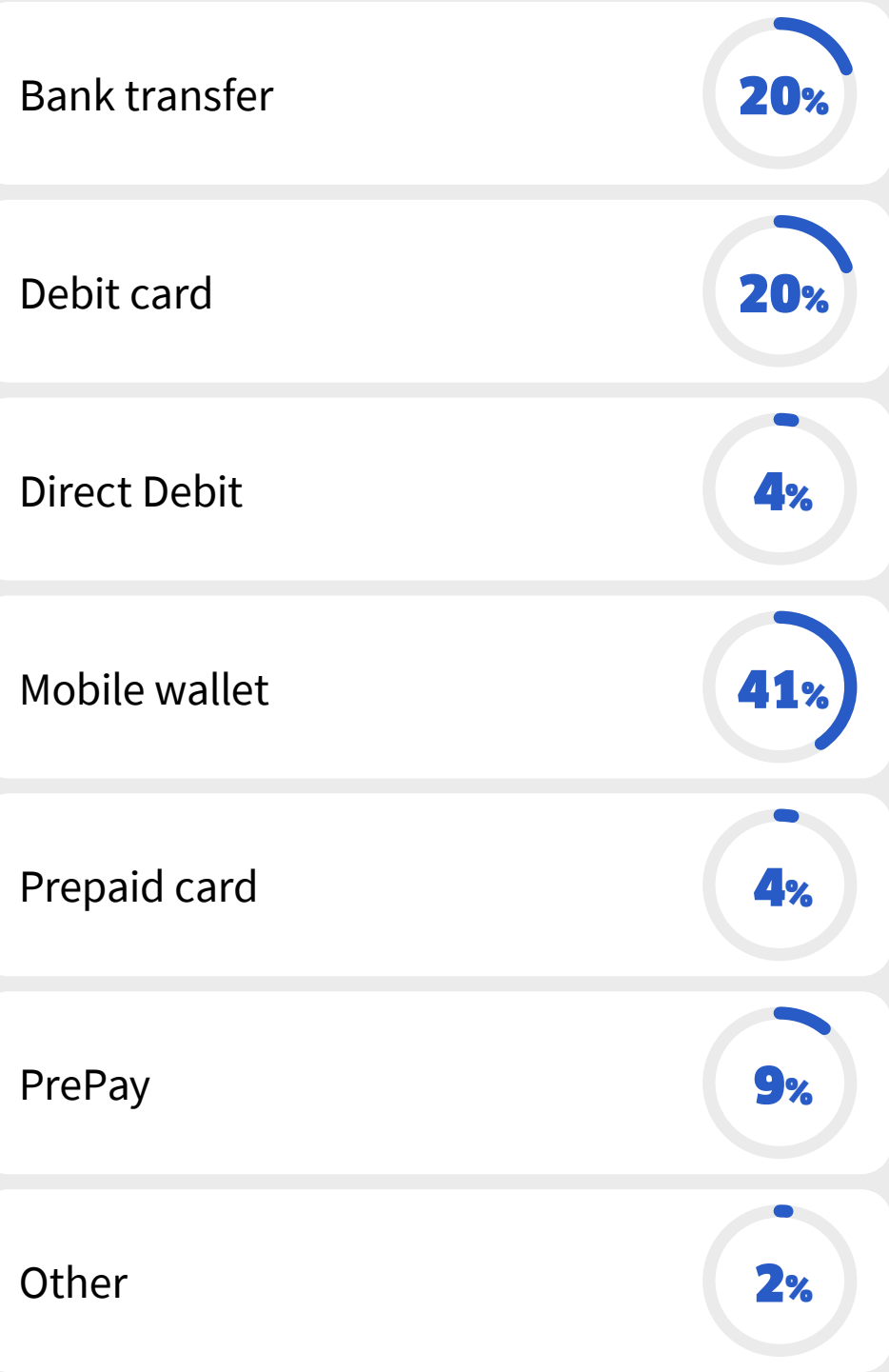
At the time of writing, stringent proposals to reform the UK's Gambling Act have been postponed for the fourth time since 2019 while the Government selected its new Prime Minister. Now that a new leader is confirmed, it's expected pressure from lobbying groups will soon push this back to the top of the agenda¹. Proposals for reform are based on a 2019 whitepaper which suggests a range of measures including affordability checks on losses of £125 a month, stake limits and a ban of online VIP schemes². There's also heated debate surrounding a proposed ban on soccer sponsorships in a move that's supported by football bodies including the Premier League³.

Regardless of upcoming advertising restrictions, with the UK remaining the largest market in EMEA we anticipate the appetite for gaming in the UK to remain strong.

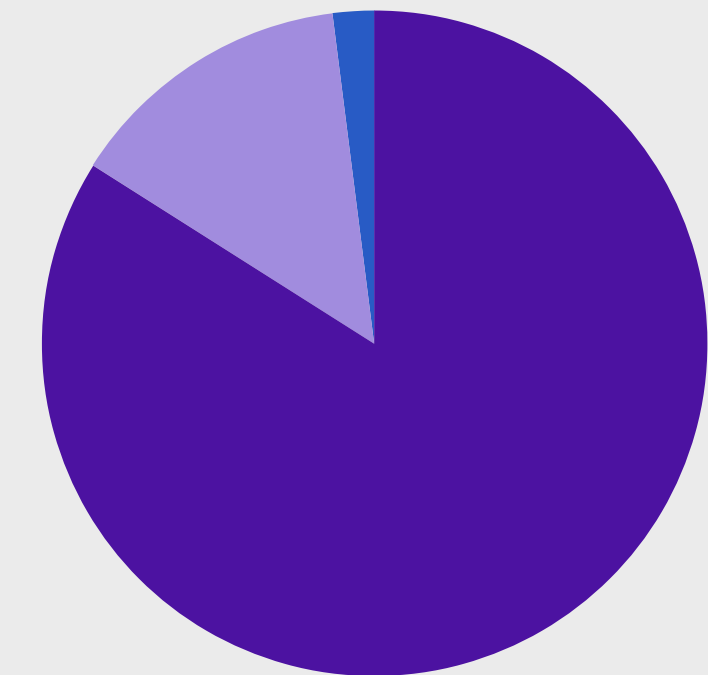
Top tip

Keep an eye on the progress of Open Banking as the ecosystem establishes itself and education amongst players grows, leading to new innovations and the emergence of novel payment trends.

eCommerce payment methods



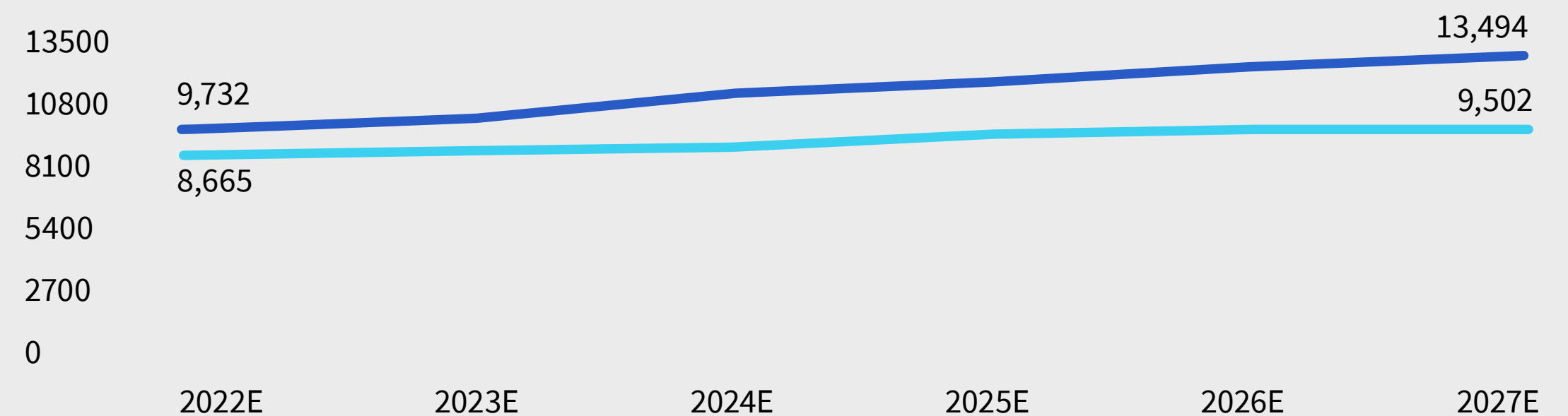
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 6% ● Land based - CAGR 2%

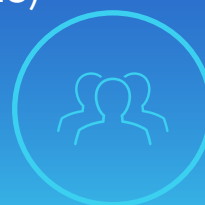
USD (\$ millions)



2022 fast facts

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^{***}Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
^{****}Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

53.3m
2022 Adult (+18) population*



6%
Expected online gaming growth 22-27**



84%
Mobile user penetration***



32%
eCom spend using digital/mobile wallet****



Top APMs in gaming



USA

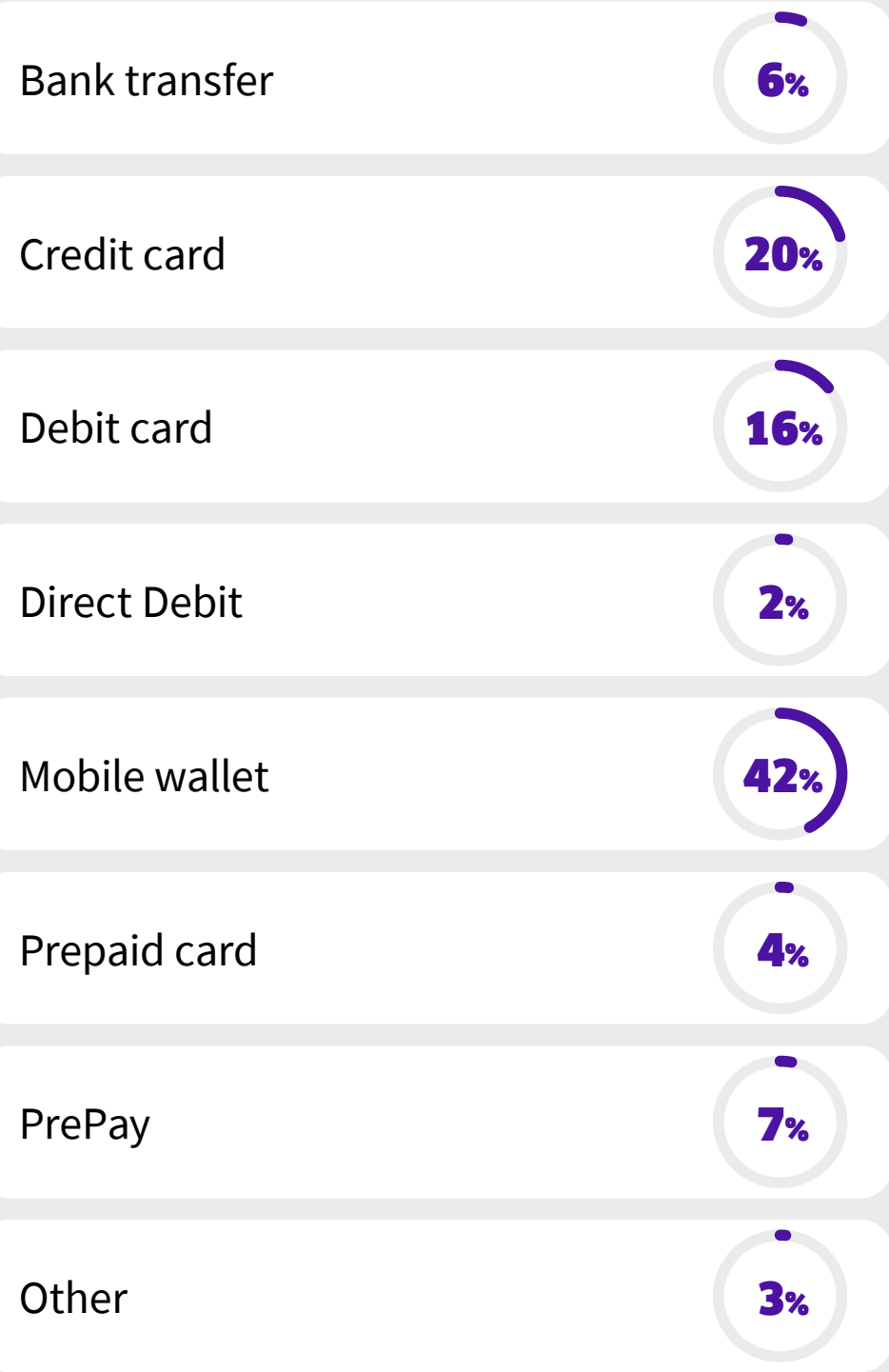
Eight new states have gone live between 2021 and 2022, putting the total of regulated US states at 32¹. The odds are good for Kansas, Ohio and Massachusetts to be the next three states to follow suit, but densely-populated Florida and California are the states everybody is watching. At the start of the year, New York State was given the green light to place sports bets online, which, with its 20 million inhabitants, is a whale of a player and a huge boon for the US online gaming industry.

In payment news, real-time payments are continuing to develop as consumers continue to expect rapid payout and instant betting, so operators should watch this closely. We also anticipate that cashless wallets in land-based resorts are set to take off, yet this payment method is still to reach critical mass.

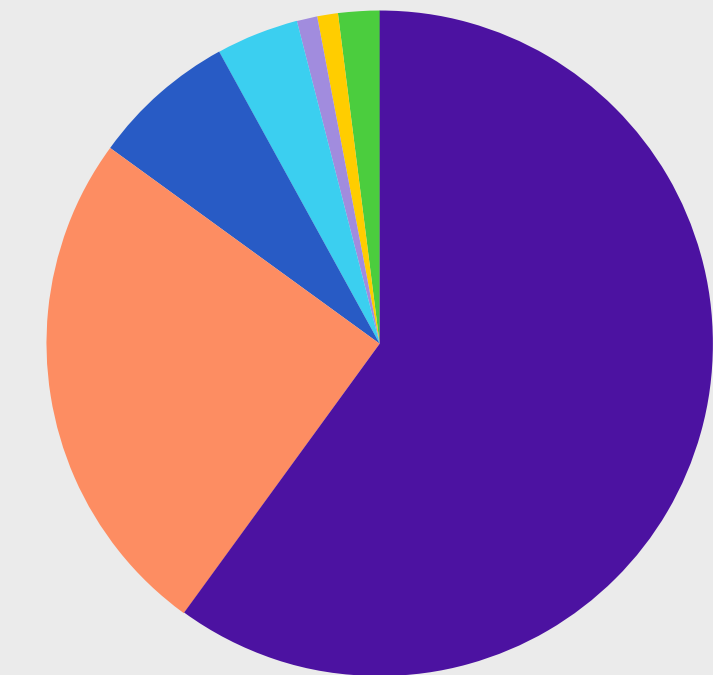
Top tip

We've seen a huge acceleration in digital wallet usage compared to 2021 figures – keep a close watch on PayPal, Venmo, Skrill and ApplePay.

eCommerce payment methods



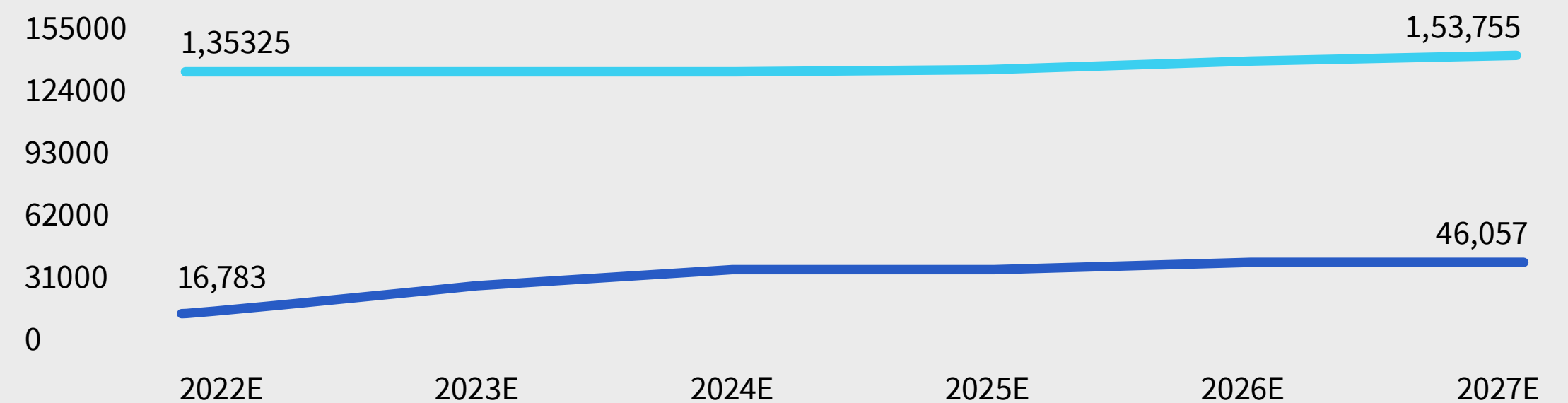
All card scheme breakdown



Projected gaming growth 2022-2027

● Online - CAGR 18% ● Land based - CAGR 2%

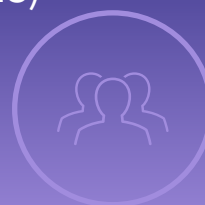
USD (\$ millions)



2022 fast facts

¹UN World Population Prospects 2022
²H2 Gambling Capital, July 22 Update
³Business Intelligence/eMarketer, except Sweden and Denmark, which were calculated using number of mobile internet users from Statista divided by total population from UN world Population Prospects 2022
⁴Cross-vertical figures from the Worldpay from FIS 2022 Global Payments Report

264.1m
2022 Adult (+18) population*



18%
Expected online gaming growth 22-27**



85%
Mobile user penetration***



30%
eCom spend using digital/mobile wallet****



Top APMs in gaming



SOURCES

GLOSSARY OF TERMS: PAYMENT METHOD DEFINITIONS

In this section you'll find an explanation of each payment method outlined in this report

PAYMENT DEFINITIONS

Bank transfer

Bank transfers allow consumers to pay merchants for purchases directly from their online bank account. Bank transfer payments are embedded in a wide variety of apps and online services such as Pix in Brazil, iDEAL in the Netherlands and BLIK in Poland. In 2021 bank transfers accounted for an estimated 7.4% of global e-com transaction value that is projected to surpass US\$425 billion annually in 2022.

Cash on delivery

Cash on delivery (COD) transactions feature goods ordered online and paid for with cash at the time of delivery. COD remains an important payment method by offering an essential link to e-commerce for unbanked consumers. COD accounted for 2.8% of global e-com transaction value in 2021.

Credit/Charge card

An anchor of consumer payments for over half a century, credit cards are issued by financial institutions affiliated with a global card brand network such as Mastercard, Visa, UnionPay, etc. Credit cards allow consumers to make purchases via an extension of credit from a financial institution. For the first time in this report, credit cards are combined with charge cards and deferred debit cards into a single category, “credit/charge cards.” As credit cards, charge cards and deferred debit differ only in the cardholder payment terms, we’ve combined them into a single category. In 2021, credit/charge cards represented 20.8% of global e-com transaction value

over US\$1.1 trillion) and 23.9% of POS transaction value (US\$11.15 trillion).

Debit card

Debit cards allow consumers to purchase with funds directly debited from accounts held at their financial institution. Debit cards are issued by financial institutions affiliated with a global card brand network. In 2021, debit cards accounted for 13.2% of global e-com transaction value (over US\$700 billion) and 22.7% of global POS transaction value (over US\$10.6 trillion).

Digital/Mobile wallet

Digital and mobile wallets allow consumers to securely store payment credentials to pay for purchases virtually everywhere commerce takes place: online, in-app or in-store. Wallets can be funded directly via cash, cards, bank transfer or other methods like cryptocurrencies, or wallets act as pass-through mechanism and are linked to cards or bank accounts. Popular wallets globally such as Alipay, Apple Pay, Google Pay, PayPal, Paytm and WeChat Pay are joined by hundreds of local and regional wallets to comprise this large and dynamic market segment. In 2021, digital and mobile wallets accounted for 48.6% of e-com (US\$2.6 trillion) and 28.6% (US\$13.3 trillion) of POS transaction value.

E-commerce

E-commerce includes online purchases of both goods and services such as purchases made on e-commerce websites and online booking of travel

and accommodation. However, it does not include online purchases of motor vehicles, real estate, utility bill payments (such as water, heating, and electricity), mortgage payments, loans, credit card bills, or purchases of shares and bonds. Sales are attributed to the country in which the consumer is based and only include business-to-consumer e-commerce – not business-to-business sales. E-commerce also includes mobile commerce.

M-com sales as % e-com

Transaction value of purchases made via mobile devices as a percentage of all e-com transaction value. For the first time in 2021, a majority of e-com spend originated from mobile commerce that accounted for 52% of total e-com, or approximately US\$2.8 trillion. Mobile’s faster growth projects to account for 59% of e-com transaction value by 2025.

Others

We continue to track other emerging payment methods—like mobile carrier billing and cryptocurrencies—that in 2021 combined to account for 0.8% of global e-com spend, or over US\$41 billion.

POS

All transactions that occur at the physical point of sale. Includes traditional in-store transactions as well as all face-to-face transactions regardless of where they take place. Global POS transaction value approached US\$47 trillion in 2021. An estimated 6% CAGR for POS projects to US\$59 trillion in 2025.

PostPay

PostPay allows consumers to order products and pay for them in full later at an affiliated physical store or ATM. Although PostPay services represent only 0.6% of e-commerce transactions globally, led by Boleto Bancário in Brazil, PostPay accounts for approximately 7% of LATAM e-com transaction value. PostPay thrives in Japan where payments made at Konbini stores represent 9% of e-com spend.

Prepaid card

Prepaid cards are issued by financial institutions that run scheme networks such as Visa and Mastercard. Prepaid cards can be funded one time or be reloaded, and they can be used to make purchases as easily as debit or credit cards. Prepaid cards accounted for less than 1% (0.6%) of e-com and approximately 2.2% of POS transactions in 2021, or approximately US\$1.04 trillion.

PrePay

PrePay services help consumers make e-commerce purchases without a card account and without providing personal data. Services such as Paysafecard and Neosurf offer flexible payments via vouchers redeemable at participating merchants. PrePay methods accounted for slightly more than 1% of global e-com transaction value in 2021.

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Articles

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