

Show Me Your Wallet

Can you make online betting frictionless?

By Christopher Justice



The Supreme Court decision to strike down the Professional and Amateur Sports Protection Act has many in the gaming industry vying for a stake in the \$400 billion sports betting market. This will bring new players into brick-and-mortar gaming and significantly expand the current online gambling market—which is estimated to hit \$52 billion in 2018. It's an industry-shaping event that offers great opportunity while threatening disruption of existing business models.

Today, this space is still wide open, with potential for rapid growth and no clear leaders. But, all of that will change. Winners and losers will ultimately be decided by those who can connect the wallets of gamblers to a betting venue, both physically and virtually.

The First Frictionless Experience Wins

No one with a foot in gaming can afford to be slow out the gate. The lessons of Amazon's disruptive impact on the traditional retail market should not be lost on anyone—when new technology does a better job putting consumers in touch with what they want, it dramatically loosens loyalty to existing brands.

Amazon's key to success lies in providing consumers with a virtually frictionless experience from order to checkout. As gaming and sports betting increasingly move online, those who can provide a simple and fun experience in placing and redeeming wagers stand to gain the most. Consumers won't come if they can't easily fund their play and access their winnings.

Banks Need to Get Off the Sidelines

The biggest problem standing in the way of this gaming nirvana is the number of credit card issuers, including some of the largest U.S. banks, who refuse to authorize gambling transactions and won't be doing so any time soon. Currently, about two-thirds of credit card transactions related to gambling get declined.

Banks decline these transactions for several reasons. First, some bank customers remain unalterably opposed to gaming in any form and the banks are averse to alienating existing business. Second, the potential for players with gambling disorders to draw negative publicity if their use of credit cards contributes to adverse financial consequences. Finally, the consumer's financial profile may change after their wagers are placed, increasing the risk that the bank could be left holding the bag for a losing bet.

Banks are traditionally conservative, and they're not going to get out in front of the online gaming industry. Unfortunately, your players probably don't know this, and aren't going to understand why their transactions were declined, or who declined them. As a result, they will play elsewhere.

Invest in Alternative Funding

Global Payments has been a leader in the gaming industry for 20 years and is experienced in making commerce work for our physical and digital casino customers. Consequently, our funding performance exceeds 94 percent, which can account for 60 percent of the wallet share of interactive sites. Our progress in removing friction from the gaming transaction demonstrates what needs to happen to fulfill the promise of sports betting and online gaming.

Banks' issues with gaming are not likely to be resolved anytime soon. However, the disruption of your business as a result of not seizing the opportunities from sports betting could happen in the foreseeable future. It's time the industry started to prioritize a frictionless omni-channel experience.

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