

Paysafe: Payments crucial to ongoing growth of US online sports-betting market

Paysafe research reveals that streamlined payouts and alternative payment methods are critical to the market's success in 2021

HOUSTON--(BUSINESS WIRE)-- Quickly and easily receiving payouts of winnings is the most important factor for U.S. sports bettors when selecting an online sportsbook, and prioritized by 37% of players, according to research released today by Paysafe, a leading integrated payments platform. The latest *All the Ways Players Pay* report also suggests that offering digital wallets and other alternative payment methods allows sportsbooks to overcome the challenge of card declines.

Based on a consumer survey commissioned by [Paysafe](#) in December 2020 in eight regulated iGaming markets – Colorado, Illinois, Indiana, Iowa, Nevada, New Jersey, Pennsylvania, and West Virginia – [the research](#) reveals the paramount importance of streamlined frictionless payments to the market's future success. When choosing an online brand, players are prioritizing fast payouts, and considering this more important than: brand reputation (32%), promotions (28%), competitive odds (27%), and sports markets offered (11%).

Getting payouts right also appears fundamental to customer retention, with 79% of sports bettors left with a negative impression of an online sportsbook if they wait longer than expected to receive funds after making a withdrawal.

Players' focus on payouts comes amidst a broader online shift in the U.S. gaming space galvanized by COVID-19. Over two thirds of sports bettors (68%) agree that the pandemic has made them more comfortable with wagering online. Their experience appears very positive, with 61% planning to bet online more frequently in 2021.

Despite strong expected market growth, significant challenges remain in the sector such as customers' credit and debit cards transactions being declined when they attempt deposits. And this number seems to be growing, with 14% of sports bettors consistently incurring card declines compared to the 10% reported in the inaugural [All the Ways Players Pay](#) report of January 2019, suggesting the issue is arguably getting worse.

Card declines inevitably impact a brand's customer retention and, ultimately, acquisition. Close to half of players (47%) would blame the sportsbook directly for a decline, 45% would leave the brand due to persistent card declines, and 65% would not recommend the sportsbook to peers.

Players' immediate behavior when faced with a card decline, however, indicates the value of alternative payment methods in helping a sportsbook overcome this challenge. While a card decline would drive 19% of players to leave the sportsbook, 73% would continue to attempt a transaction, with a digital wallet the preferred payment method of choice (35%). One out of

ten (8%) would use eCash.

The broader value to operators of alternative payments, and digital wallets especially, is indicated by analyzing high-volume bettors (those who bet more than 7 times a week). While a credit or debit card is the preferred payment method of all players (29%), when focusing exclusively on high-volume bettors, this shifts to digital wallets (favored by 35%).

The ability of digital wallets to move funds quickly and easily between multiple sportsbook accounts appears to be the rationale for this preference, with 84% of such players considering this important when wagering.

eCash is the other major alternative payment method helping operators to meet player needs. Confidence in the security of online transactions is improving, with 64% of sports bettors saying they are more confident in making a deposit than they were a year ago, though concerns remain. And operators may be able to reassure such concerns with a payment offering that includes an eCash solution, which negates the need to share bank account or card details online, with 54% considering this the most secure payment method.

Philip McHugh, Paysafe's CEO, commented: "Since the 2018 U.S. Supreme Court repeal of the federal ban on sports betting, the market has shown incredible growth, most recently in the online and mobile space during the COVID-19 pandemic. Against the backdrop of additional states regulating iGaming, our research indicates that the online market will continue to expand in 2021 and beyond – and payments will play a critical role in helping operators drive that growth.

He added: "Payments is a fundamental consideration when players choose and stay with a sportsbook, so it's vital that operators and the wider market streamline how players deposit, wager, and receive winnings as a result. Card declines remain a significant issue, and as industry stakeholders work to address this, operators can leverage digital wallets and eCash to provide players with alternatives that complete their payment offerings."

Visit Paysafe's [iGaming page](#) for more information on how the company serves the industry.

About Paysafe

Paysafe Group (Paysafe) is a leading integrated payments platform. Its core purpose is to enable businesses and consumers to connect and transact seamlessly through industry-leading capabilities in payment processing, digital wallet, and online cash solutions. With over 20 years of online payment experience, an annualized transactional volume of over US \$98 billion in 2019, and approximately 3,000 employees located in 12+ global locations, Paysafe connects businesses and consumers across 70 payment types in over 40 currencies around the world. Delivered through an integrated platform, Paysafe solutions are geared toward mobile-initiated transactions, real-time analytics and the convergence between brick-and-mortar and online payments.

Further information is available at www.paysafe.com.

About Paysafe's 2021 *All the Way Players Pay: The game plan for growth* research report

The survey to develop the *All the Way Players Pay: The game plan for growth* report was

conducted among 2,022 consumers who have been involved in or have a serious interest in sports betting across eight states (Nevada, New Jersey, Pennsylvania, Colorado, West Virginia, Indiana, Iowa, Illinois) in the U.S. The interviews were conducted online by Sapio Research in December 2020 using an email invitation and an online survey.

The report can be downloaded here: <https://www.paysafe.com/en/all-the-ways-players-pay-the-game-plan-for-growth/>

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