

Online Gambling Market Analysis Summary

Market Highlights

- \$44.16 billion online gambling market in 2016
- 10.8% projected growth in revenue (CAGR)
- 60 countries around the world permit licensed, online casinos

4.1 Online Gambling Industry

The online gambling industry is expected to reach \$81.71 billion by 2022, increasing at a CAGR of 10.8% from the 2016 market value at \$44.16 billion¹. Online gambling activities include poker, casinos games, sports betting, bingo, and lotteries.

The usage of mobile devices to participate in all types of gambling activities is increasing. The main growth driver for this market is the increasing ease of government regulations worldwide². Other factors include increased high speed internet access, rising ownership of connected devices, and growth of women gamblers.

Some challenges the industry faces are lack of appropriate software handling, cybersecurity, and still many strict government regulations³. The industry is also expected to consolidate over the next few years due to growth in the amount of mergers and acquisitions⁴. Over 60 countries around the world now permit licensed, online casinos.

¹ <https://www.businesswire.com/news/home/20170928005702/en/Global-Online-Gambling-Market-2017-2022---Research>

² <https://www.prnewswire.com/news-releases/global-online-gambling-market-2017-2021-300518420.html>

³ <https://medium.com/@truegame/gambling-market-today-and-tomorrow-523ecce76d7b>

⁴ <https://www.prnewswire.com/news-releases/worldwide-online-gambling-and-betting-market-is-projected-to-expand-at-a-cagr-of-108-by-2024-betting-companies-to-bet-on-entry-into-smartphone-apps--tmr-610818625.html>

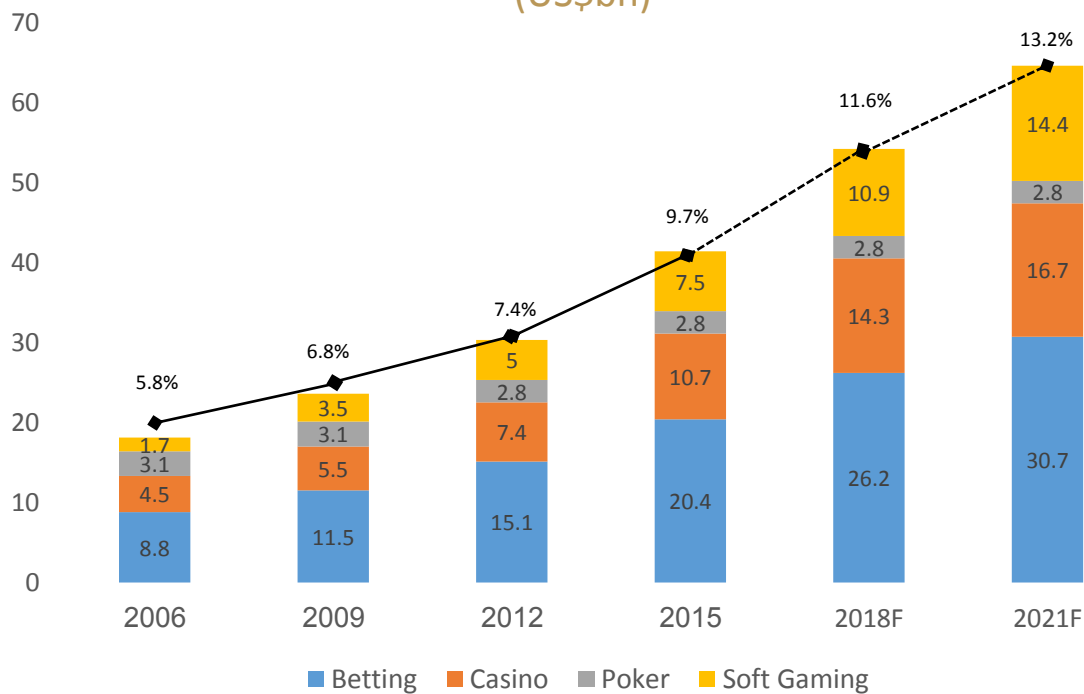
i Global industry

It is difficult for countries to fully ban online gambling since gamblers still have access to foreign websites via proxy servers or VPNs, and use international credit or debit cards⁵.

The largest segment of the global online gambling market is sports betting, capturing 37% of the global market. The next two segments are online poker and casinos, representing a combined 66% of the market.

The following breaks down the global online gambling market by product. The largest segment over the past decade has remained betting, followed by casino games. Growth in soft gaming has been the largest, and the overall CAGR has increased consistently during this period⁶.

Global online gambling market by product vertical
(US\$bn)

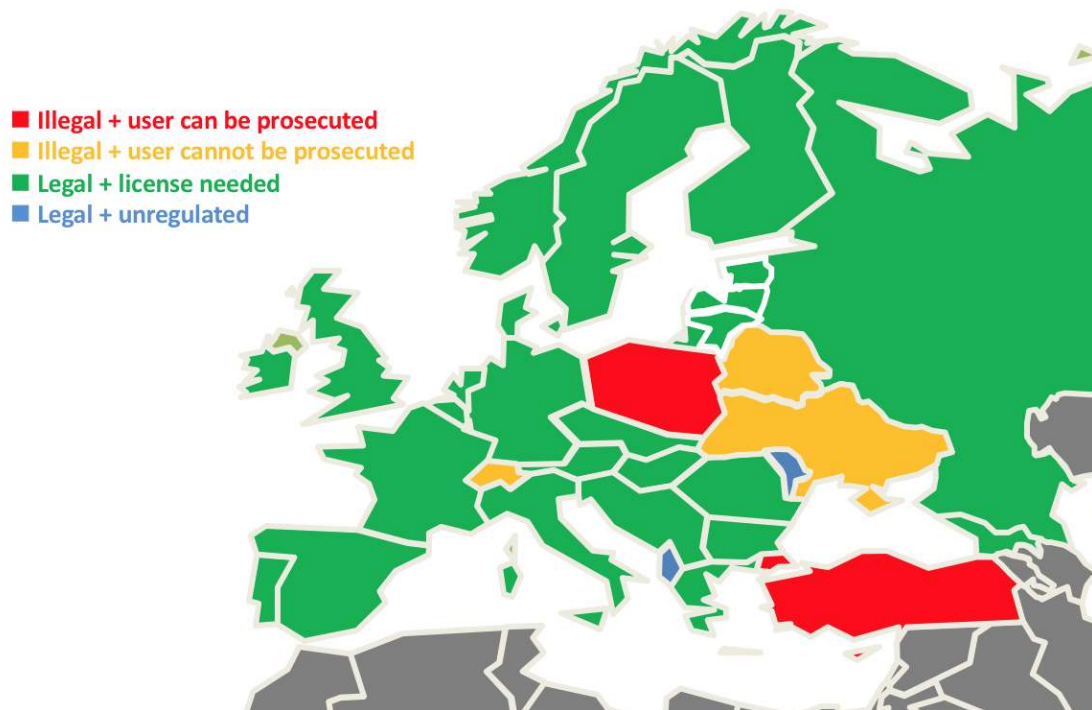


⁵ <https://www.businesswire.com/news/home/20160921005570/en/Top-5-Trends-Impacting-Global-Online-Gambling>

⁶ http://www.caper.hr/pdf-files/Oaklins_SpotOn_OnlineGambling.pdf

ii European gambling industry

Europe is currently the largest online gambling market in the world and is set to remain the dominant market through 2025⁷. In 2012, online gambling revenues in the EU reached over 10 billion euros⁸. This is mainly due to fewer restrictions than other world regions such as North America and the Asia- Pacific region. The chart below illustrates at a high level how different countries in Europe legally address online gambling⁹.



The majority of countries in Europe allow online gambling, minus a few including Poland, Belarus, Ukraine, and Cyprus¹⁰. Switzerland will be establishing an online gaming legal framework in 2019.

⁷ <https://medium.com/@truegame/gambling-market-today-and-tomorrow-523ecce76d7b>

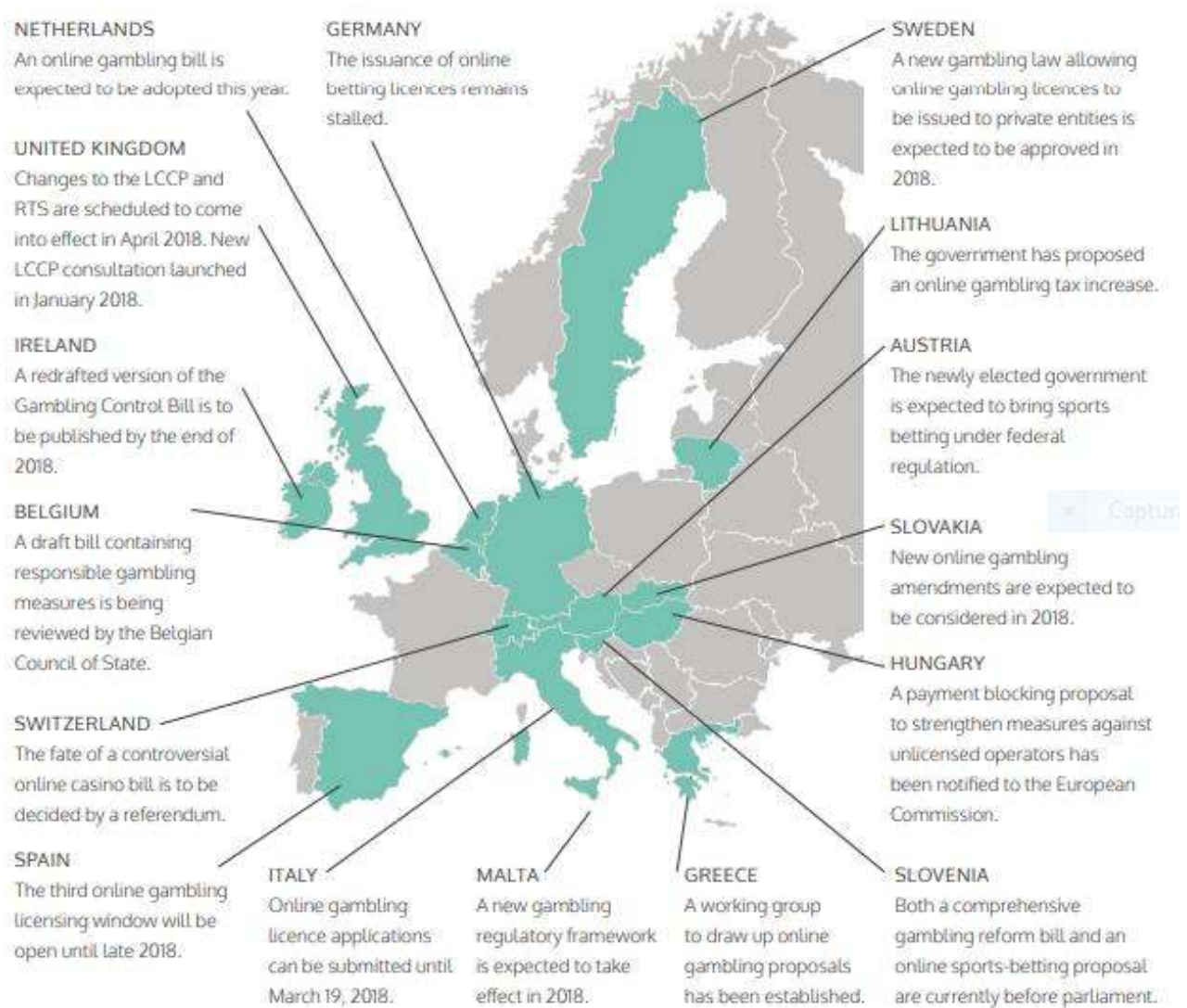
⁸ <https://www.sloshspot.com/blog/online-gambling-countries-biggest>

⁹ <https://www.sbcnews.co.uk/europe/2015/05/13/online-casino-gaming-now-regulated-in-61-counties/>

¹⁰ <https://simonsblogpark.com/onlinegambling/simons-guide-online-gambling-legal-status-laws/>

European regulatory tendencies

The following chart represents the expected regulatory changes for the year of 2018 in the European gambling laws¹¹.



¹¹ <https://gamblingcompliance.com/resource/special-report-european-online-gambling-outlook-2018>

iii USA gambling industry

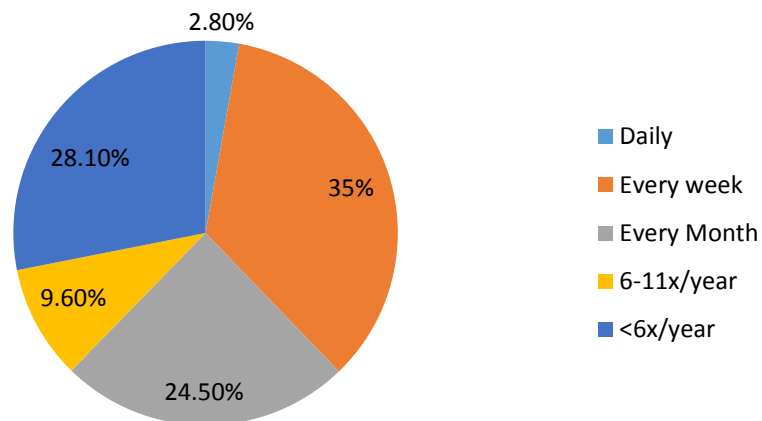
In the US, legal status depends on the state in which you are operating, creating a complex market for foreign online gambling companies. In some regions these sites may be blocked, however players will not be prosecuted¹².

4.2 Consumer Research

The average age of an online gambler is 34 years old and a mobile gambler is 32 years old¹³. According to research, over 40% of online gamblers range in age from 21-34¹⁴. About 57% of online gamblers in the US are female. Many studies show that women enjoy online, private gambling because it is less intimidating than regular casinos¹⁵.

According to research conducted by the European Commission, most online gamblers play at least once per month (62.3%), but only a small percentage of the players gamble every day (2.8%)¹⁶.

Frequency of Gambling (EU)



¹² <https://simonsblogpark.com/onlinegambling/simons-guide-online-gambling-legal-status-laws/>

¹³ <https://medium.com/@truegame/gambling-market-today-and-tomorrow-523ecce76d7b>

¹⁴ <https://www.gambling.net/statistics.php>

¹⁵ <https://www.businesswire.com/news/home/20160921005570/en/Top-5-Trends-Impacting-Global-Online-Gambling>

¹⁶ http://ec.europa.eu/internal_market/gambling/docs/initiatives/140714-study-on-online-gambling-final-report_en.pdf

