



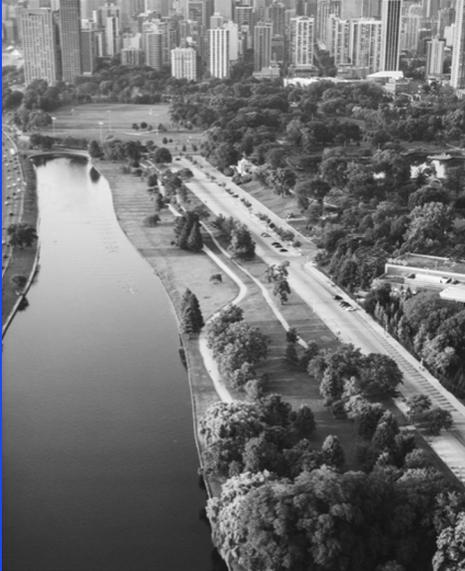
Online Gambling

Trends & Findings
2020 Report



Online Gambling Trends & Findings

Conducted by SIS International in 2020,
and commissioned by Casino.org





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Executive Summary

The Project

SIS International was commissioned by Casino.org to study the gambling market in the United States (USA), Canada, UK & Germany.

SIS conducted a market research study in the USA, Canada, UK and Germany, collecting both primary and secondary data.



Primary Research

An Online Survey with 200 respondents in each country.



Secondary Research

Research of market data on public and private databases.



Analysis

Structuring and Analysis of the primary and secondary data.

Executive Summary

Primary Research

SIS International conducted an online survey to measure online gambling participation and behavior in the USA, Canada, UK and Germany. The survey was conducted online between August and October 2020. SIS International Research collected data and insights from 200 people aged 18 or over in each country.

The core findings

- **Gambling participation**
- **General interests among gamblers and non-gamblers**
- **Devices used for gambling online**
- **Betting amounts for online casino games**
- **Number of accounts held at gambling companies**
- **Regularly used websites to gamble**
- **Nuances of the gambling experience**
- **Betting habits on eSports**
- **Customer Journey and ways used to learn how to gamble online**
- **Social media habits for following gambling companies**
- **Channels used for information on the gambling industry**
- **Impact of COVID-19 on gambling**

The online survey also included demographic questions about age, household income and gender for both gamblers and non-gamblers.

Executive Summary

Key Results (1)



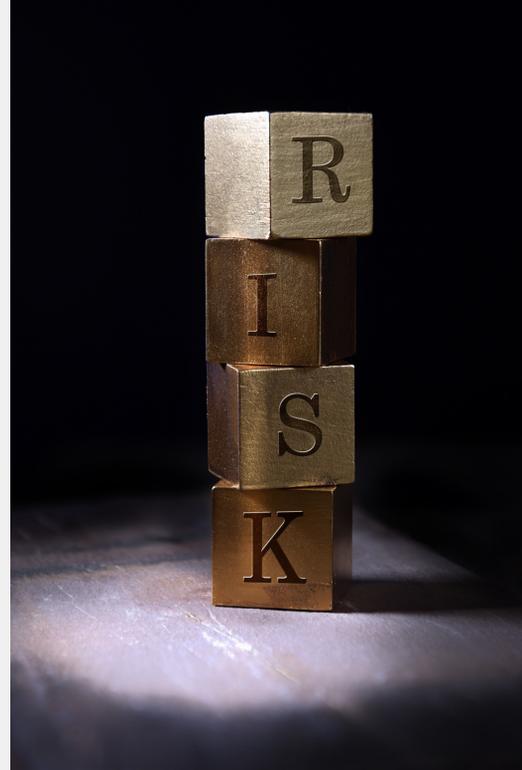
Gambling Market

- In the US, Canada and Germany, most respondents heard of their current gambling platforms through social media.
- Most UK respondents learned of their current gambling platform from advertisement on TV.
- Online news articles and personal experiences are the most mentioned channels that inform gamblers' opinions of the gambling industry.



Executive Summary

Key Results (2)

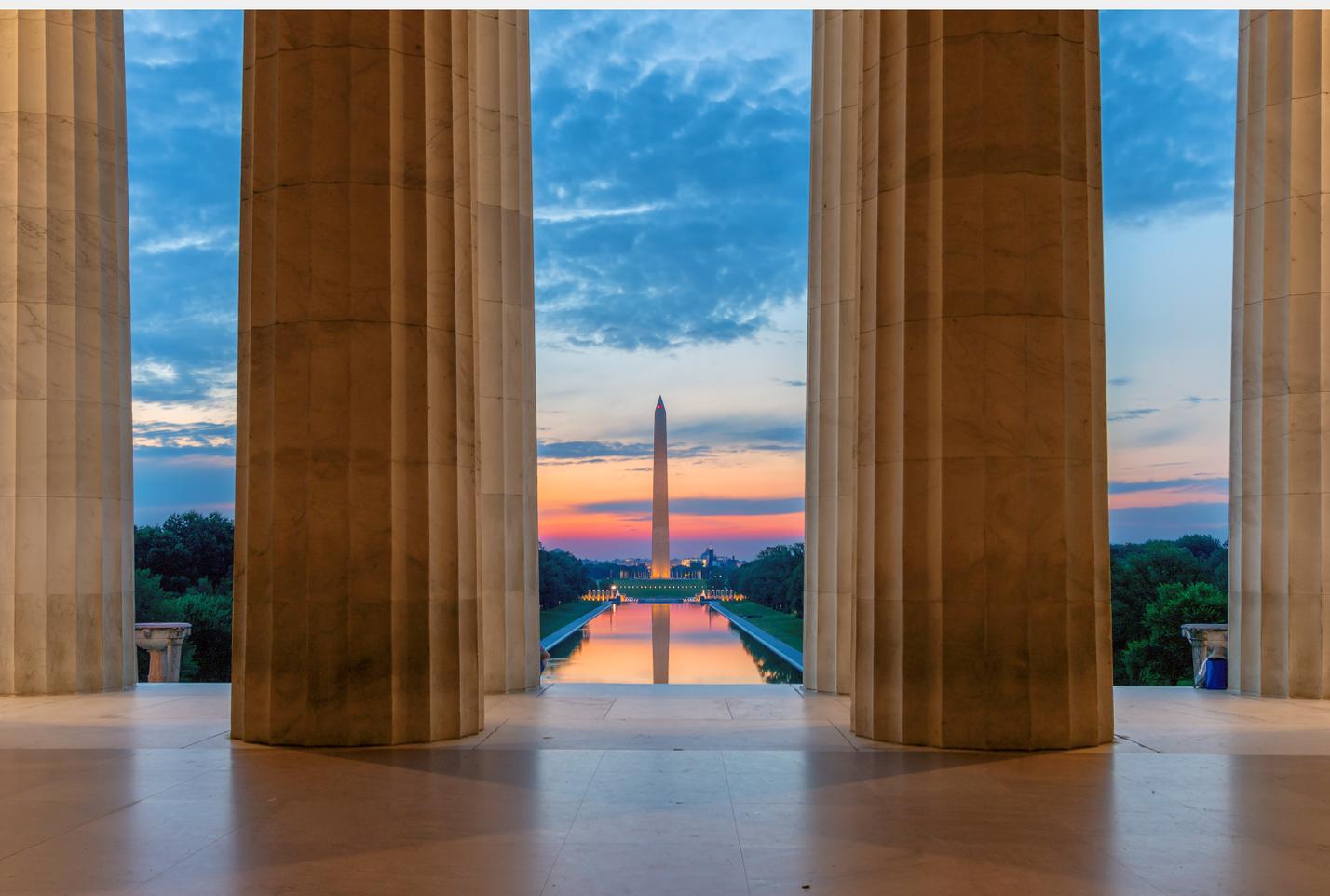


Betting Behavior

- Most gamblers bet with the aim of winning money.
- Males gamble more online than females.
- In all countries, 50% of gamblers had between 1 and 2 online betting accounts.
- Gamblers have increased their online gambling since the start of COVID-19.
- On average, 75% of the respondents did not engage in eSports betting.



USA Online Gambling Market



USA Market Size

US\$137.5 billion

Despite the many legal restrictions it faces, the gambling industry generates a total contribution of US\$137.5 billion to the US economy each year.

CAGR 2020 - 2025

The online gambling market is expected to grow at 14.78% annually. US\$274 billion in 2025.

US\$12.9 billion

Las Vegas Sands is the largest casino company in the world, with revenues of US\$12.88 billion.

COVID-19 Impact

The current COVID-19 pandemic has led to a significant increase in online gambling, especially casino games. States with legal US online gambling platforms reported increased revenue over the lockdown period. A probable long-term outcome of the pandemic is that more states will legalize gambling activities.

USA

Market Size (2020 – 2025)

In the 5 years between 2020 and 2025, The North American online gambling market is projected to register a CAGR of 14.78%.

Casino gambling will be the main driver thanks to:



Convenience of usage and optimal user experience.



Implementation of technologies like virtual reality, Blockchain, and mobile platforms.

Source: Yahoo Finance



USA

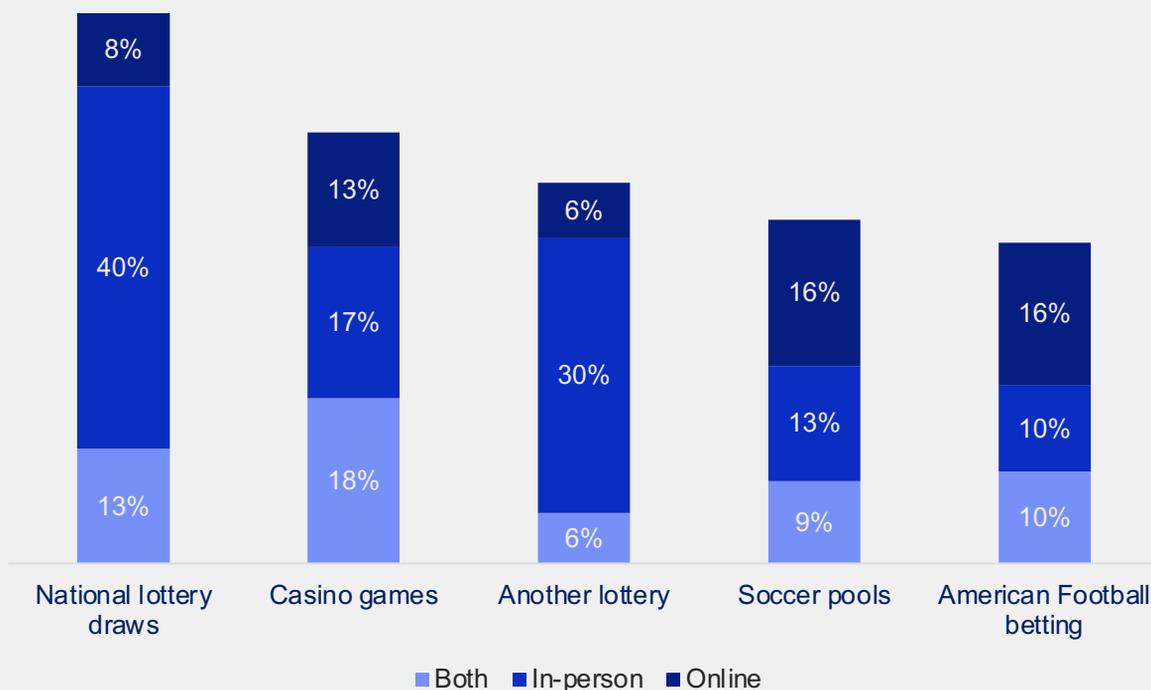
Gambling Participation

To better understand the gambling market in the US, a representative sample of 200 people was selected to participate in an online survey.

- Out of 200 respondents, 59% indicated that they gambled online, while 40% said that they had visited a land-based casino at least once in the last month.
- Males (63%) gamble online more often than females (49%).
- The 45-54 years old age group gambles online the most (34%).

Among the most popular gambling activities in the US in the past 12 months are the national lottery draws, followed by casino games.

Question: In the past 12 months, have you spent money on any of the following?



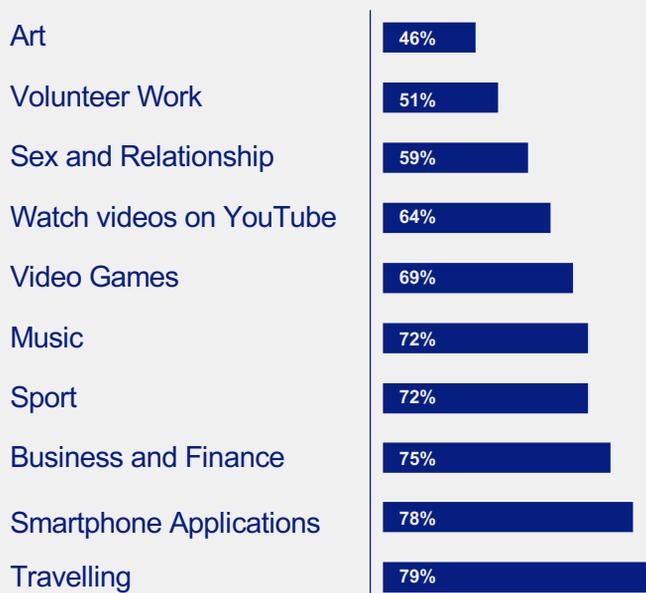
USA

Gamblers vs. Non-Gamblers

The majority of gamblers (over 60%) have a general interest in fields such as traveling, smartphone applications, business and finance, sports, music, video games and watching videos on YouTube.

Interests such as business and finance, video games and sports are less popular among non-gamblers (less than 50%).

Gamblers Interests



Non-Gamblers Interests



Source: SIS International Online Survey; n= 117 online gamblers and n= 83 non-online gamblers





Top 10 Gamblers brands

Starbucks	73%
Coca Cola	69%
Dick's Sporting Goods	57%
McDonald's	53%
Doritos	51%
Panera	50%
Sprite	44%
Subway	44%
Guinness	42%
PlayStation	41%

Top 10 Non-Gamblers brands

Starbucks	72%
Panera	61%
McDonald's	51%
Subway	48%
Coca Cola	41%
Doritos	39%
Sprite	34%
Toyota	30%
Dick's Sporting Goods	29%
Guinness	27%

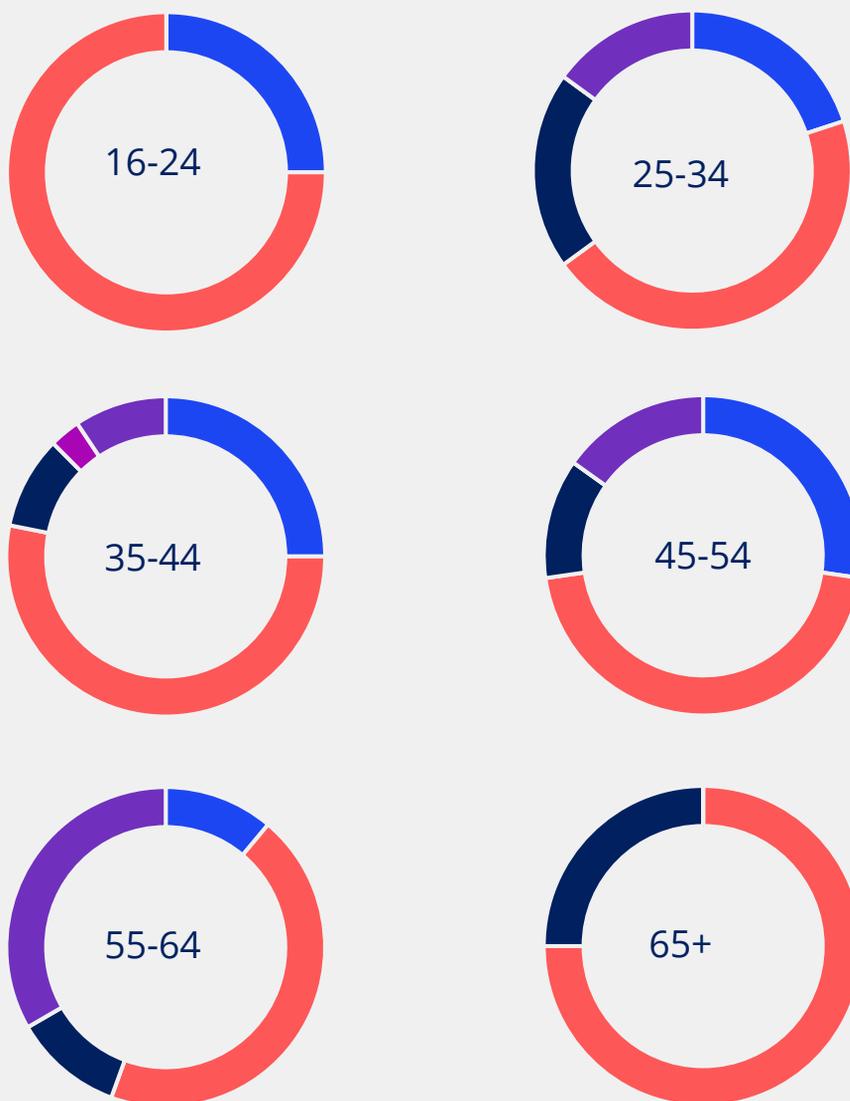
Overall, gamblers and non-gamblers use or are most likely to use the same brands. However, PlayStation did not rank in the top 10 brands for non-gamblers. Dick's Sporting Goods is mostly used among gamblers rather than non-gamblers. This further indicates that gamblers have stronger interests in video games and sports.

USA

Online Gambling Statistics (1)

Smartphones (50% across all age groups) and laptops (23%) are the most popular devices used for playing online slot machines.

Devices used to play online slot machines by age group

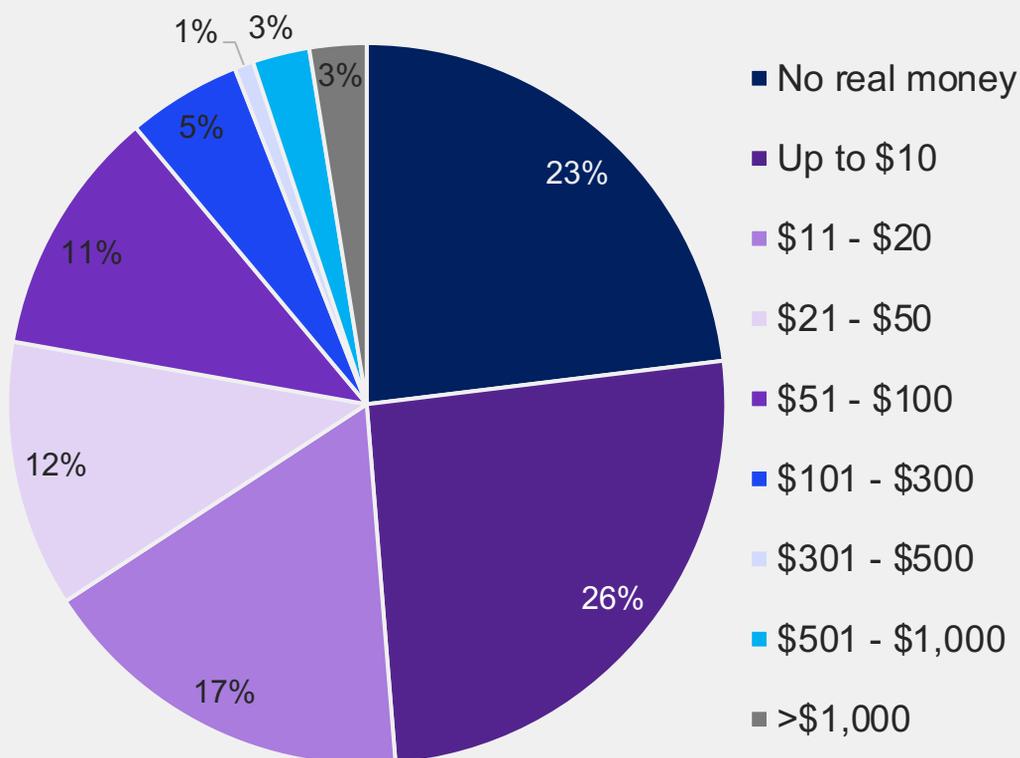


See Appendix table 1.1 for more information

USA

Online Gambling Statistics (2)

Average betting amount PER BET for online casino games



Most gamblers in the US bet up to US\$10 per bet on online casino games (26%). 23% of gamblers bet on online casino games with no real money.

USA

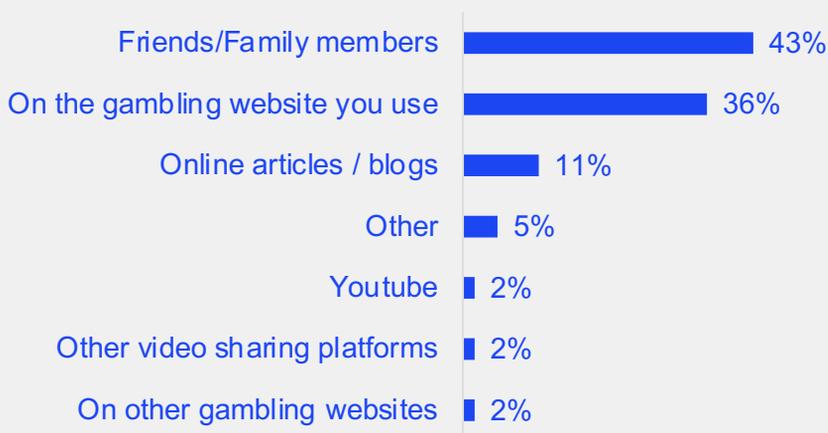
Gamblers Learning Path

There are 3 main advertisement channels through which online gamblers learned about their current online gambling platform:

- Gambling advertisements online – social media websites (e.g. Facebook, YouTube, Twitter, Instagram) (44%)
- Gambling advertisements online – other websites (excluding social media) (16%)
- Gambling advertisements on the TV (16%)

43% of online gamblers in the US learned how to gamble online from friends and family members. Additionally, 27% of the respondents selected “Observing friends or family members” as their favorite way to learn how to gamble online.

Question: Where did you learn how to gamble online?



Question: Which is your favourite way to learn how to gamble online?



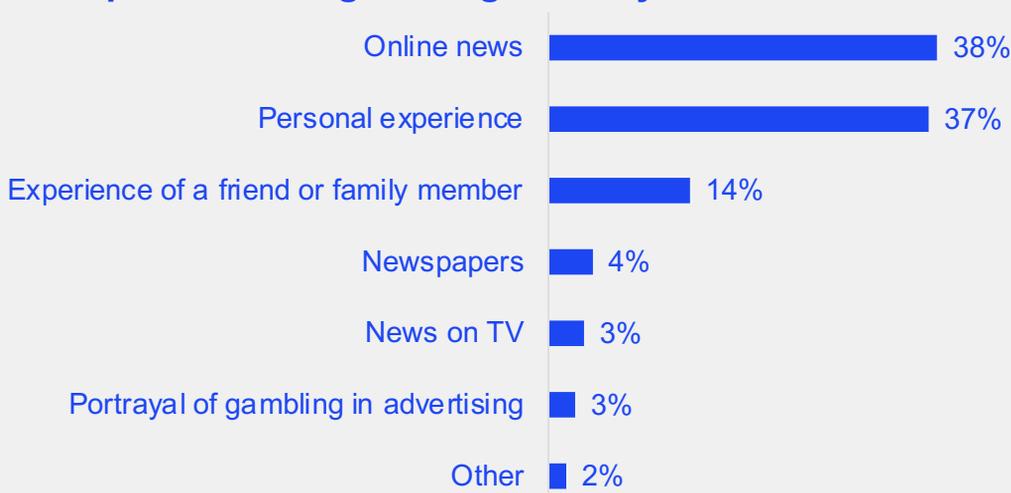
USA

Gambling Industry

Respondents in the US were asked about what channels had informed their overall opinion of gambling. Personal experience scored more highly (32%), followed by online news sources (27%).

52% of US respondents follow gambling companies on social media websites. Most of the respondents use Facebook (38%) to follow gambling companies.

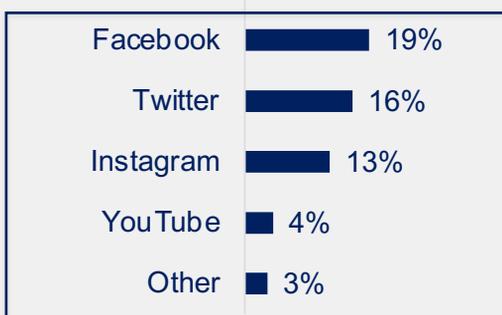
Question: Which if any of the following channels inform your opinion of the gambling industry?



Question: Do you follow any gambling companies on any of the following social media websites?

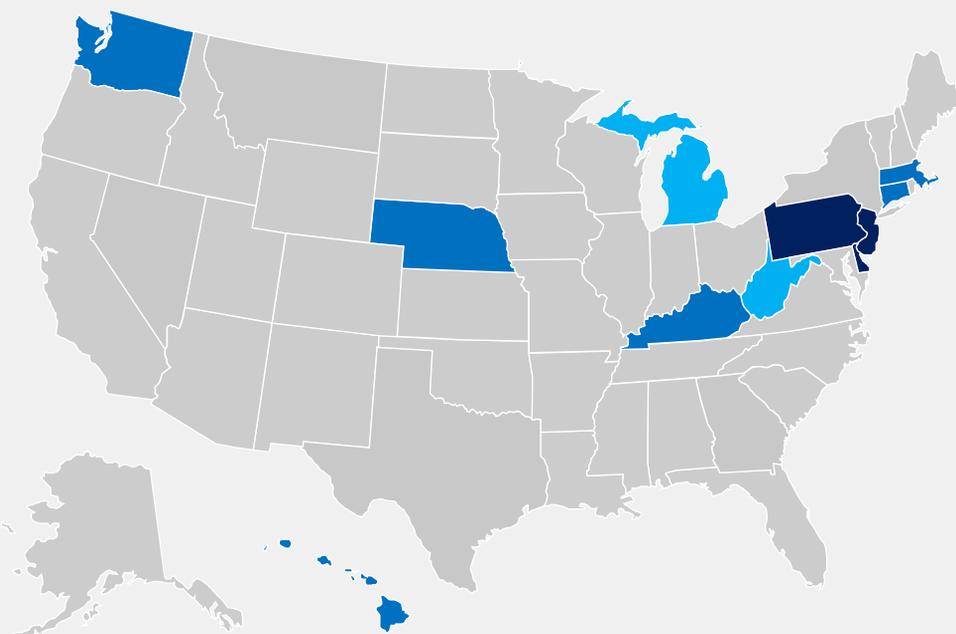


55% use social media to follow gambling companies



US Regulation Overview

The Constitution of the United States gives each state the right to regulate commerce within its own borders, a power that also extends to all forms of gambling. A few states have authorized one or multiple forms of internet gambling, including casino games, lottery, poker and/or sports betting.



Legal and fully functioning online casinos

Only New Jersey, Delaware and Pennsylvania have legal and fully functioning online casinos.

Recently legalized online casino

Michigan and West Virginia, have recently passed legislation allowing online casino gambling.

Online casino bills under consideration

Before the COVID-19 outbreak reached the US, six other States including Kentucky, Massachusetts, Hawaii, Connecticut, Nebraska and Washington had online casino bills under consideration by their legislatures.

US Regulation

Michigan

In Michigan, online gambling was not initially expected to launch until 2021. However, the shutdown of land-based casinos that followed the current COVID-19 outbreak has created a new sense of urgency surrounding the authorization of online gambling. A legislative effort is now underway to expedite the timeline.

The types of legal online gambling recognized in Michigan are the same as in West Virginia:



Online sports betting



Casino gaming



Poker

Additional Information

The state of Michigan needs funds due to budget shortfalls. Online gambling could provide a consistent revenue source. Lawmakers have realized that online gambling is already prevalent in the state, via the black market. By legalizing online gambling, Michigan hopes to curtail black market activities, while bringing in substantial tax revenue.

Licensed applicants are limited to the state's commercial casinos and federally recognized tribes which presently operate a Class III Casino operation in Michigan. There is no hard cap on the number of licenses.

US Regulation New Jersey

In the state of New Jersey, the New Jersey Division of Gaming Enforcement – which is also responsible for the land-based gambling industry – is responsible for overseeing online gambling activities.

There are 2 license types:



Internet Gaming Permits

Issued if the party requesting the license does not possess one or more brick and mortar casino.



Casino Service Industry Enterprise License

Issued to a requesting party that possesses one or more brick and mortar casino.

US Regulation

Delaware

Delaware State Lottery issued their final Rules and Regulations for the Delaware Internet Lottery, which includes:



Internet Lottery Ticket Sale

Betting on the lottery via an online bookmaker



Internet Video Lottery (Slots)

Online games, like slot machines, where multiple players compete for the same prize



Internet Table Games (Including Poker)

Online version of table games, typical of land-based casinos

Delaware's internet gambling is consolidated in one single platform. Each of the three land-based casinos are licensed to offer their own branded paths to online gambling. Ultimately, it's a unified system managed by 888 Holdings (Delaware Internet Lottery is a single-provider system).

US Regulation Pennsylvania

In Pennsylvania, the 2017 House Bill 271 made online casinos and poker legal, together with online sports betting. The law passed largely because the State desperately needed a new source of tax revenue. Soon after, in May 2018, the Supreme Court ruled that the Professional and Amateur Sports Protection Act was unconstitutional. This triggered a clause in the Pennsylvania bill that made Sports Betting legal, too. The Pennsylvania Gaming Control Board (PGCB) oversees all aspects of the PA interactive gaming industry.

The first group of licenses (US\$10 million fee per license) was offered to the 12 existing land-based and racetrack casinos. As in New Jersey, online gambling companies also need a local partner for their license. While casinos have the brand recognition locally, few have experience with the technology or operations of online gambling sites. By partnering with global giants like FanDuel, Bet365 or 888, the casinos get to market quickly, with high-quality platforms.

CANADA

Online Gambling Market



CANADA

Market Size

19.3 million

Canadians are actively gambling, and this contributes to the country being ranked number 8 for online gaming. In fact, Alberta, Ontario, British Columbia and Saskatchewan decided to tap into the popular gambling industry by launching their very own gambling sites.

CAD\$21 billion

is spent annually by Canadians on gambling

Canadians spend CAD\$4 billion each year in offshore casinos and CAD\$17 billion in Canadian casinos.

Projection

CAD\$24.1 billion will be spent by Canadians on gambling in 2021

CAD\$41.8 billion will be spent by Canadians on gambling in 2025

CANADA

Market Size (2020 – 2025)

Between 2020 and 2025, The North American online gambling market is projected to register a CAGR of 14.78%.

Casino gambling will be the main driver thanks to:



Convenience of usage and optimal user experience.



Implementation of technologies like virtual reality, Blockchain, and mobile platforms.

Source: Yahoo Finance



CANADA

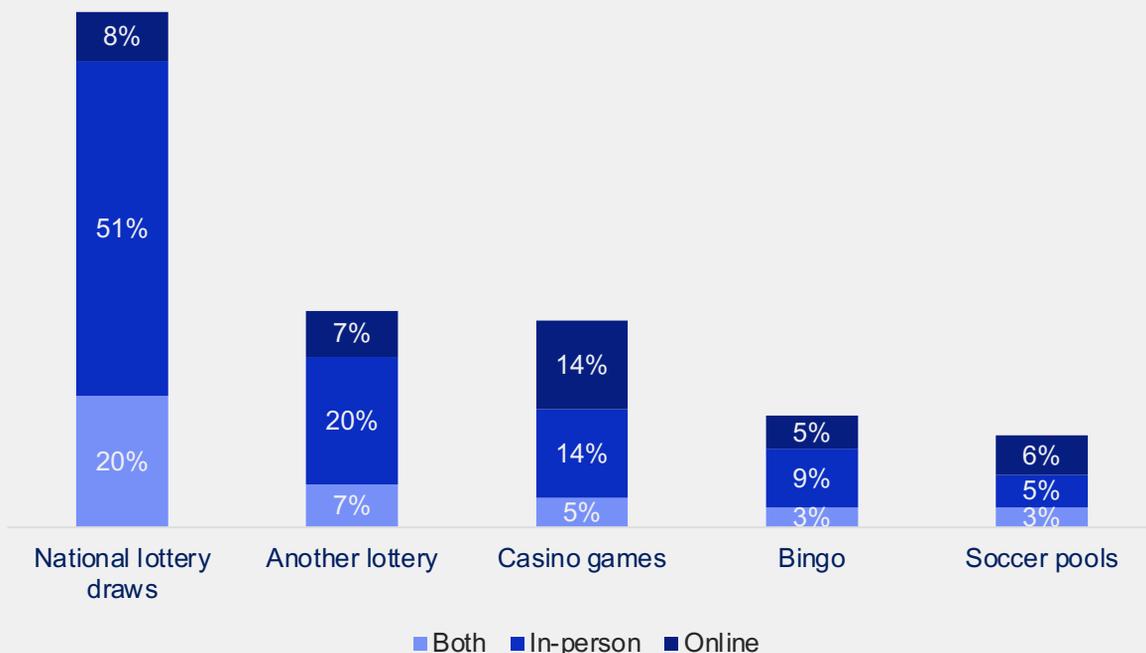
Gambling Participation

To better understand the gambling market in Canada, a representative sample of 200 people was selected to participate in an online survey.

- Out of 200 respondents, 48% said they had gambled online, while 42% indicated that they visited a land-based casino at least once in the last month.
- Males (50%) gamble online more often than females (45%).
- The 55-64 years old age group gambles the most online (27%).

Most popular gambling activities in Canada during the past 12 months were national lottery drawings, followed by casino games.

Question: In the past 12 months, have you spent money on any of the following?

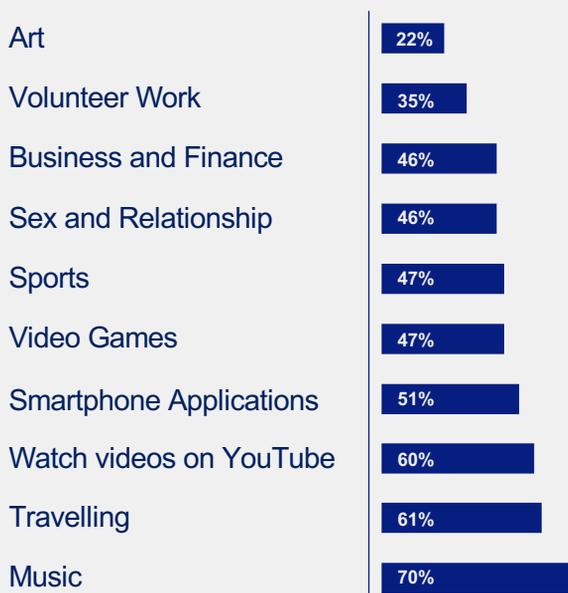


CANADA

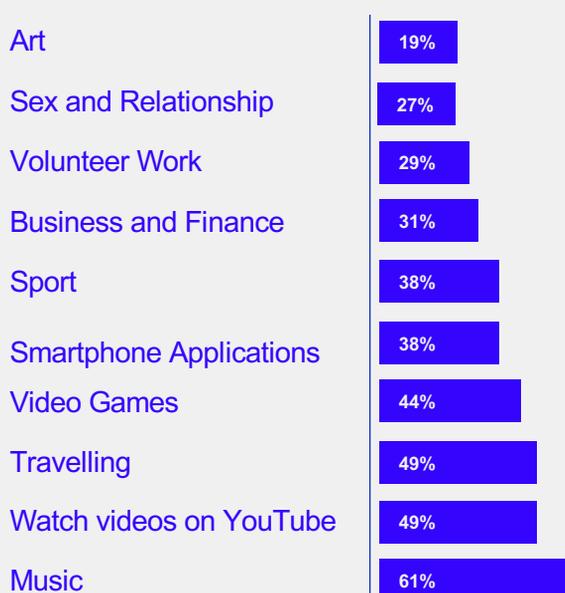
Gamblers vs. Non-Gamblers

There is no major difference in general interests among gamblers and non-gamblers in Canada. Music, travelling and watching videos on YouTube are the top fields of interests in both groups, offering possibilities to advertise to both groups at the same time.

Gamblers Interests



Non-Gamblers Interests



Source: SIS International Online Survey; n= 96 online gamblers and n= 104 non-online gamblers





Top 10 Gamblers brands

Lay's	64%
Coca Cola	63%
McDonald's	63%
Ruffles	44%
Sport Chek	43%
Budweiser	31%
PlayStation	24%
BMW	22%
Victoria's Secret	19%
Ford	18%

Top 10 Non-Gamblers brands

McDonald's	70%
Lay's	64%
Coca Cola	59%
Ruffles	40%
Sport Chek	38%
Budweiser	25%
Ford	21%
PlayStation	19%
Victoria's Secret	12%
Kia	11%

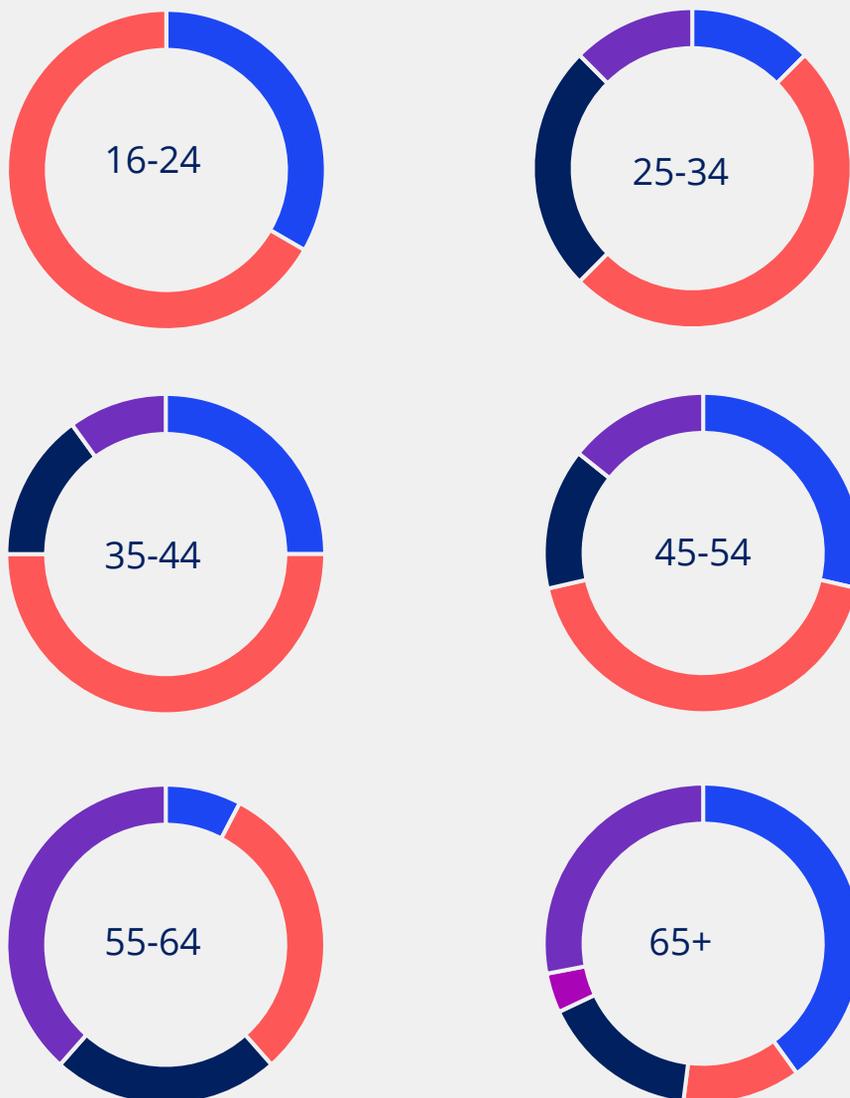
Gamblers and non-gamblers use or are most likely to use the same brands. Among the top brands are Lay's, McDonald's and Coca Cola.

Canada

Online Gambling Statistics (1)

Canada's respondents use a wider range of devices to play slots than the US. Despite that, smartphones are still the most used device to place a bet.

Devices used to play online slot machines by age group

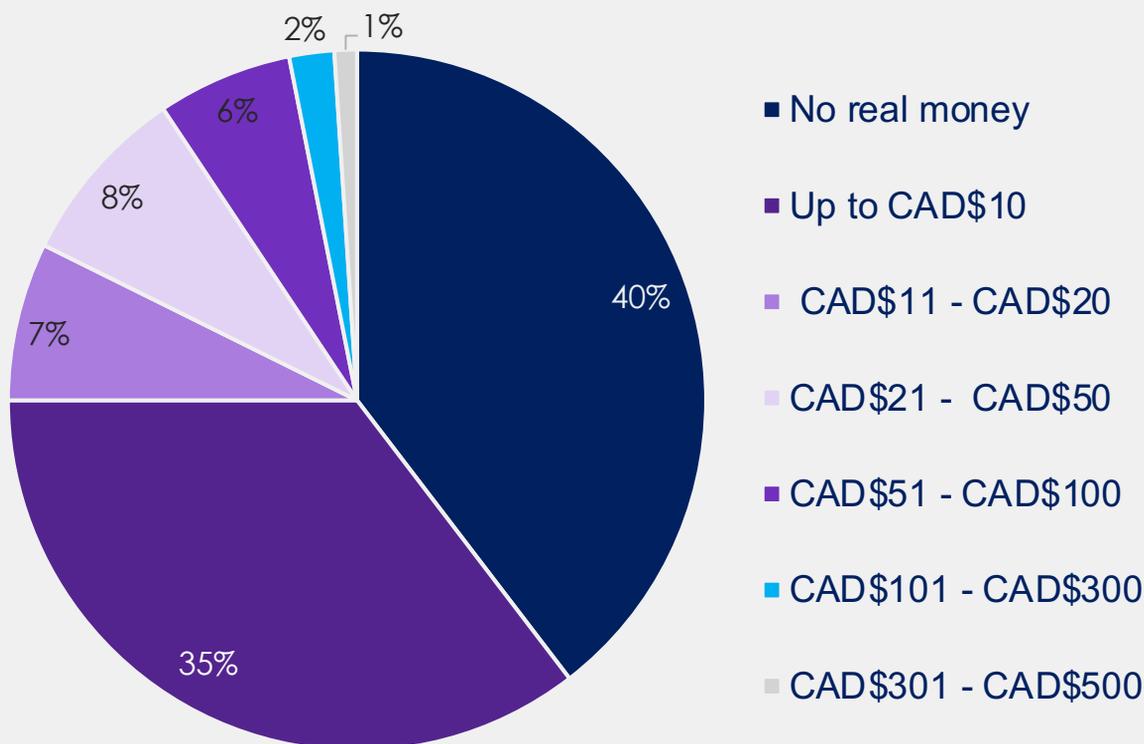


See Appendix table 1.2 for more information

CANADA

Online Gambling Statistics (2)

Average betting amount PER BET for online casino games



Canada's online gamblers have a more conservative approach than gamblers from the US. The percentage of bets placed with no real money on online casino games almost doubled. At the same time, an upward trend was recorded in bets up to CAD\$10, which brings the percentage up to 35% - compared to 26% for the US.

Canada

Gamblers Learning Path

There are 3 main advertisement channels through which online gamblers learned about their current online gambling platform:

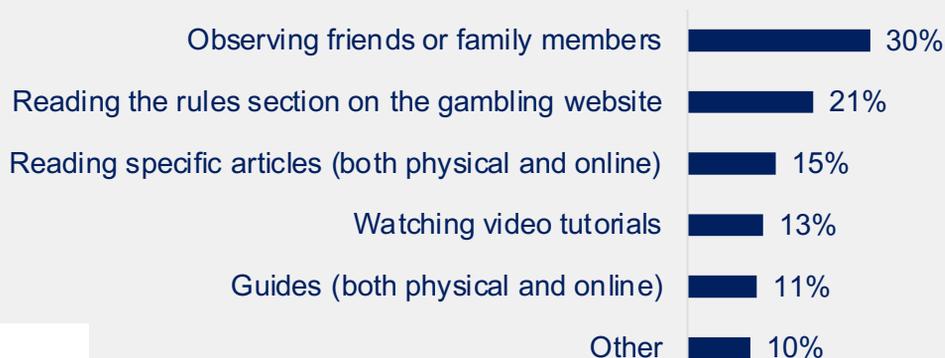
- Gambling advertisements online – social media websites (e.g. Facebook, YouTube, Twitter, Instagram) (43%)
- Gambling advertisements online – other websites (excluding social media) (18%)
- Gambling advertisements on the TV (17%)

42% of online gamblers in Canada learned how to gamble online from the gambling website they use. Yet, observing friends and family members (30%) is the preferred way to learn how to gamble.

Question: Where did you learn how to gamble online?



Question: Which is your favourite way to learn how to gamble online?



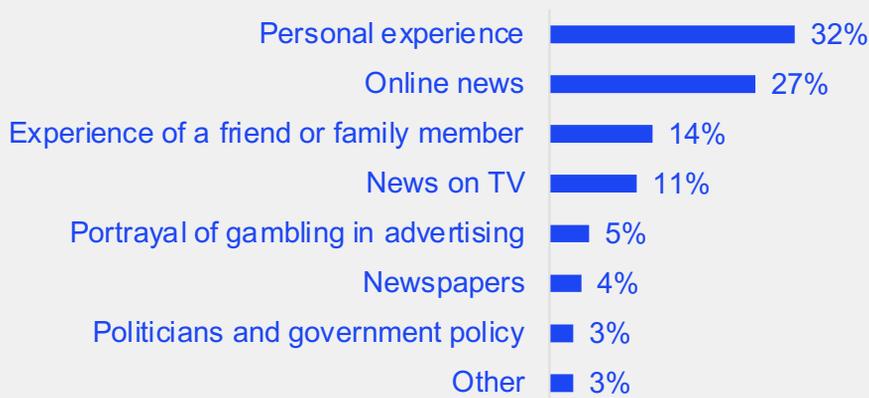
Canada

Gambling Industry

Respondents in Canada were asked what channels had informed their overall opinion of gambling. Personal experience most often informed people’s opinions (32%), followed by online news (27%).

52% of Canada’s respondents follow gambling companies on social media websites. Most of the respondents use Facebook (38%) to follow gambling companies.

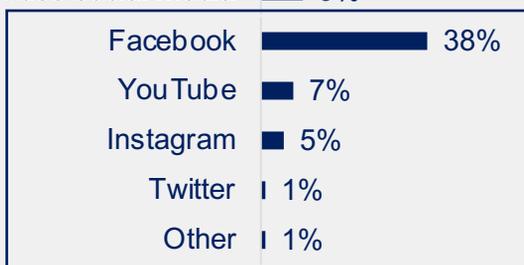
Question: Which if any of the following channels inform your opinion of the gambling industry?



Question: Do you follow any gambling companies on any of the following social media websites?



52% use social media to follow gambling companies





Canada Regulation Overview

The legal gambling age in Canada usually corresponds to the legal drinking age, which is set by the state or province. In Alberta, Manitoba and Quebec, one must be 18 to gamble at a casino or wager on sports. The rest of Canada sets the legal age at 19.

The two levels that govern gambling in Canada are Sections 201-206 of the Federal Criminal Code. They effectively rule that all types of gambling and sports betting, barring pari-mutuel horse racing betting, are illegal. However, these laws do not effectively cover the online aspect of modern gambling.

A 1985 amendment, Section 207 of the Federal Criminal Code gives permission for the provinces and territories of Canada to provide regulated gambling. Each province and territory has a body that oversees their land-based casinos, poker rooms and other forms of gambling like lotto and bingo. While there has been some progress from the provinces in launching online gambling products, the fact that Canadians can still legally play or bet at offshore companies with a superior product mean the local brands face stiff competition.

There has been some pushback against the laws of Canada from anti-gambling factions, and this has resulted in tighter restrictions on advertising, including in television and print.

Generally, each of the 10 provinces and 3 territories has their own guidelines surrounding gambling.

United Kingdom Online Gambling Market



United Kingdom Market Size

20.7 million

Weekly gamblers in 2020

50–74-year-olds are the age group that bets the most. 75% of all gamblers use at least 1 to 3 different online gambling platforms. There are 31 million online gambling accounts.

£1.5 billion

Spent on online slot machines in 2020

It represents the 27% of Online (Remote) Gambling Activities in the UK by £ GGY (Gross Gambling Yield). The overall gambling market is worth £5.4 billion.

Projection

£1.6 billion 2021 online slot machine market share.

£2.3 billion 2025 online slot machine market share.

United Kingdom Market Size (2020 – 2025)

In the 6 years between 2020 and 2025, the British online gambling market is projected to grow at a CAGR of 9.20%.

The main drivers are:



Hardware and software innovations, along with enhanced internet penetration.



Mergers of the dominating players, which over the past few years was primarily aimed to increase their stake in the market and to improve profit margins.

Source: Marketing Intelligence



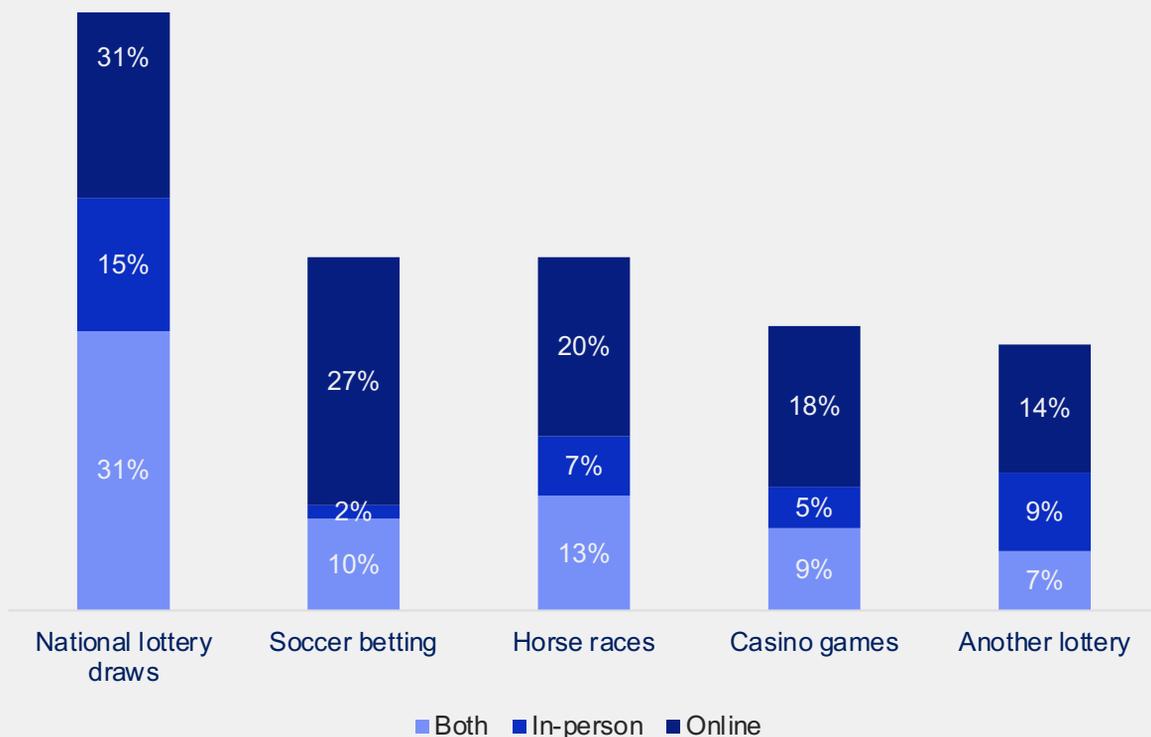
United Kingdom Gambling Participation

To better understand the gambling market in the UK, a representative sample of 200 persons was selected to participate in an online survey.

- Out of 200 respondents, 71% revealed to have gambled online, while 31% said that they visited a land-based casino at least once in the last month.
- Males (75%) gamble online more often than females (59%)
- The 45-54 years old age group gambles the most online (25%)

Most popular gambling activities in the UK during the past 12 months are national lottery drawings followed by soccer betting and horse races.

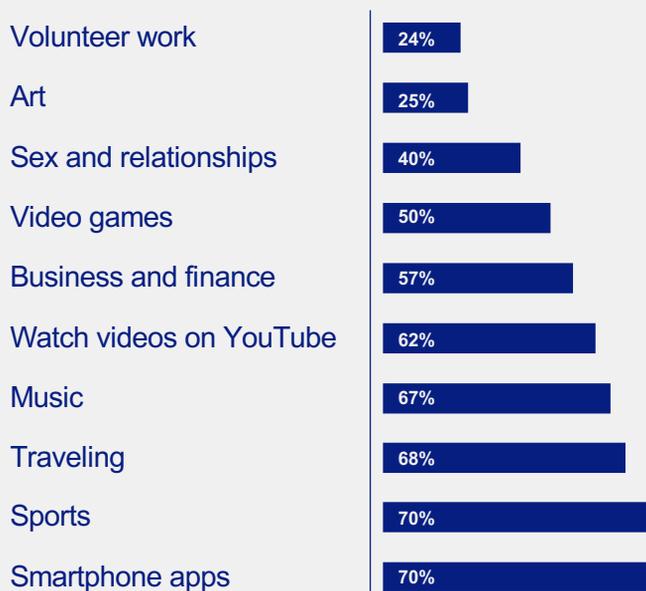
Question: In the past 12 months, have you spent money on any of the following?



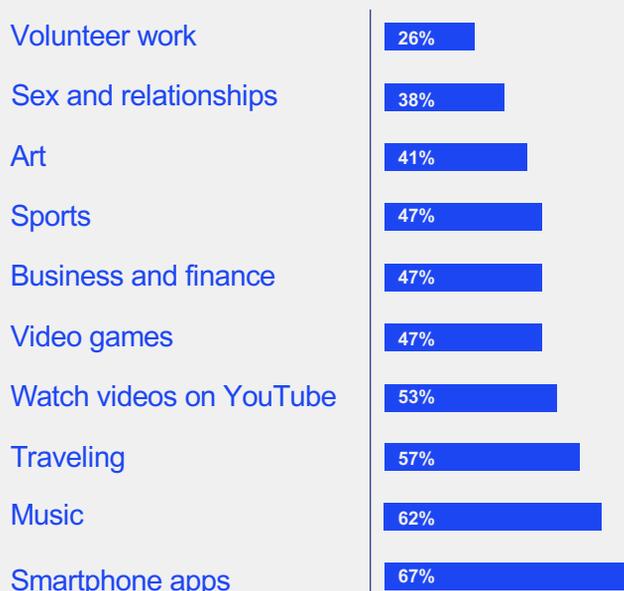
United Kingdom Gamblers vs. Non-Gamblers

Sports is the most mentioned general interest for gamblers in the UK (70%). For non-gamblers, sports are less interesting with only 47% choosing sports as their general interest. Smartphone apps and traveling are top interests for both gamblers and non-gamblers.

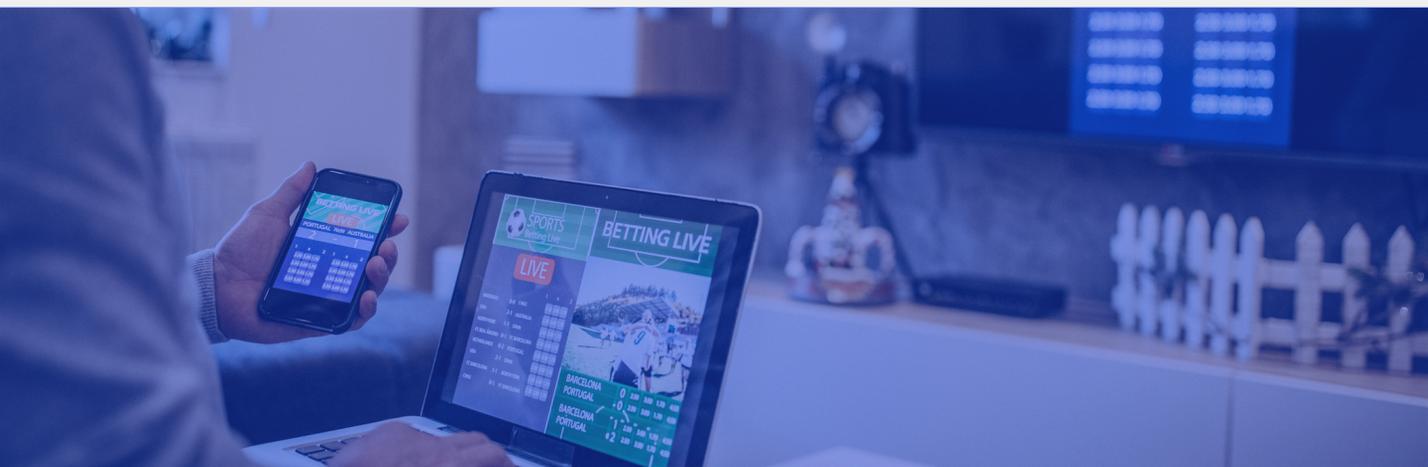
Gamblers Interests

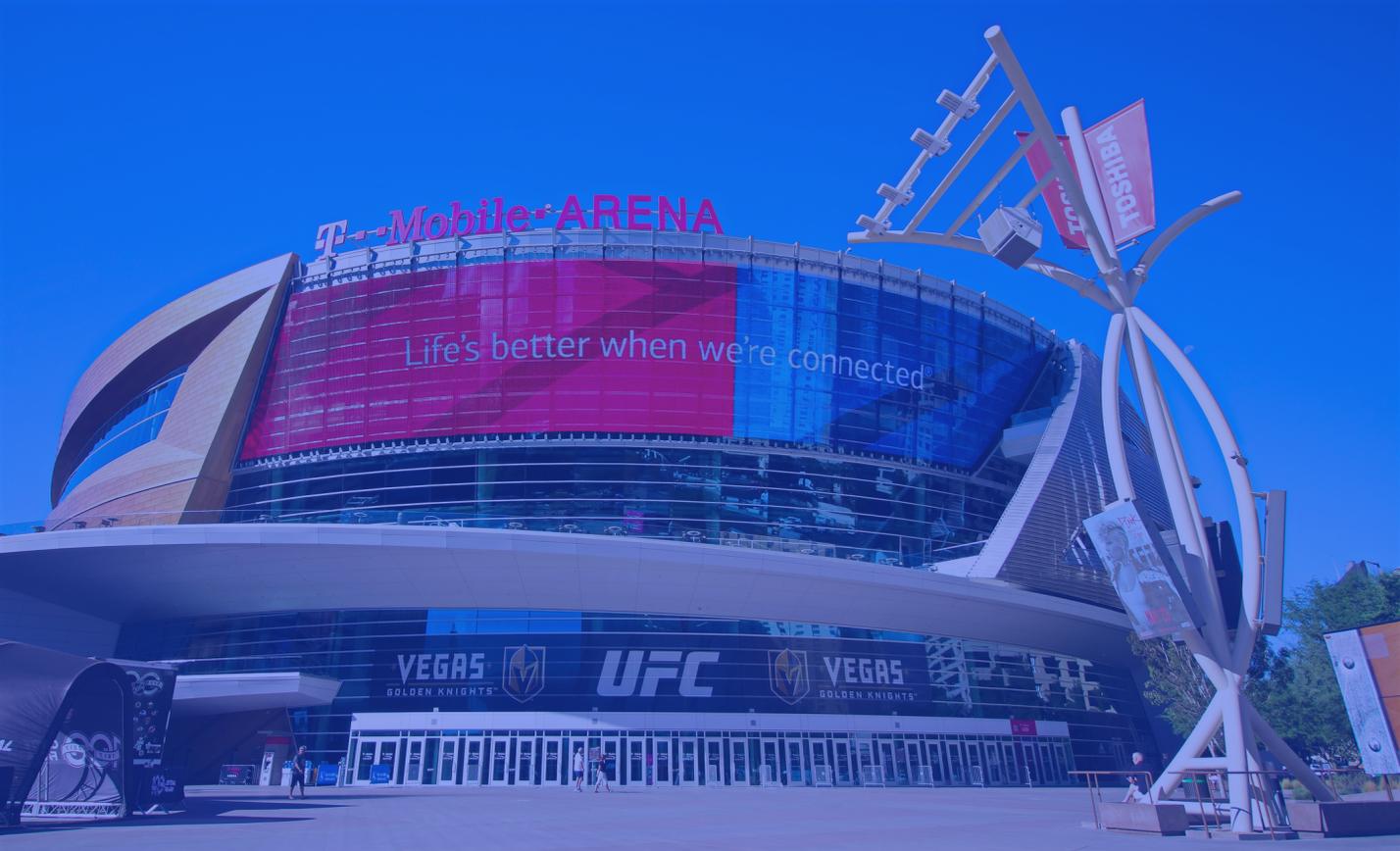


Non-Gamblers Interests



Source: SIS International Online Survey; n= 142 online gamblers and n= 58 non-online gamblers





Top 10 Gamblers brands

McDonald's	68%
Coca Cola	63%
Walkers	62%
Greggs	50%
Sports Direct	46%
PlayStation	45%
McCoys	44%
Stella Artois	40%
BMW	37%
Pret A Manger	35%

Top 10 Non-Gamblers brands

Coca Cola	50%
Walkers	47%
McDonald's	43%
Pret A Manger	41%
Greggs	40%
PlayStation	34%
Sports Direct	33%
McCoys	22%
BMW	21%
Victoria's Secret	14%

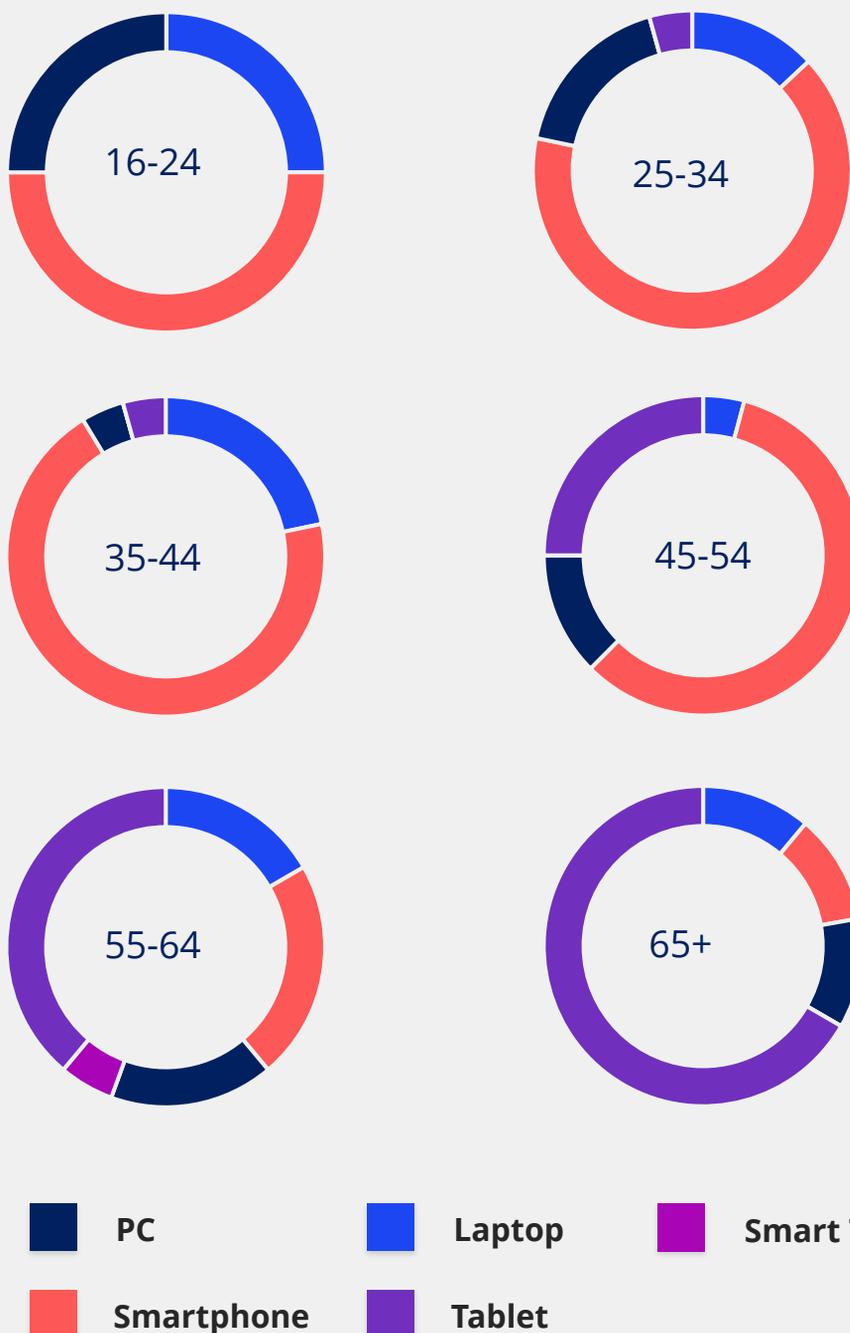
Sports Direct (46%) and Stella Artois (40%) rank among the top brands used or most likely to be used by gamblers but are not ranked as high by non-gamblers. These figures indicate that gamblers are more interested in sport products and beer.

United Kingdom

Online Gambling Statistics (1)

The distribution is similar to the US, as smartphone solutions are dominant. Analysing the alternative devices used to place a bet shows how UK gamblers prefer tablets over laptops.

Devices used to play online slot machines by age group

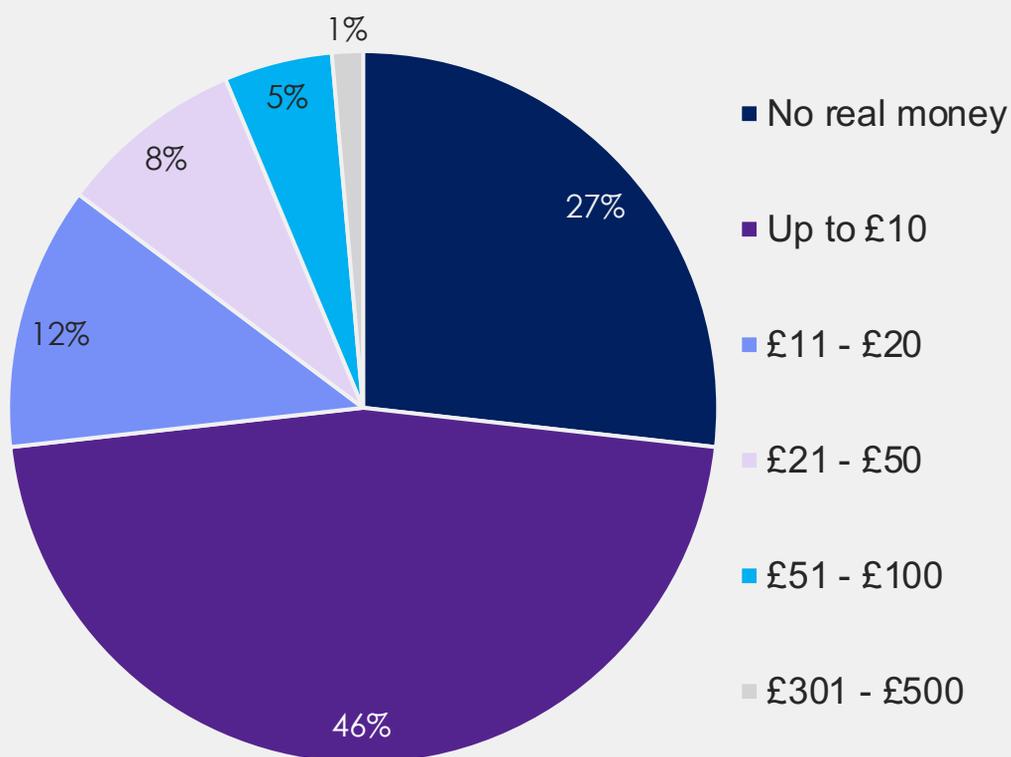


See Appendix table 1.3 for more information

United Kingdom

Online Gambling Statistics (2)

Average betting amount per bet for online casino games



The percentage of bets placed with no real money is the same as the US respondents percentage.

46% of the bets placed in the UK are between £1 and £10 (i.e. the lowest amount). This is double the percentage found in the US figures (26%).

United Kingdom

Gamblers' Learning Path

There are 3 main advertisement channels through which online gamblers learned about their current online gambling platform:

- Gambling advertisements on TV (39%)
- Gambling advertisements online – social media (e.g. Facebook, YouTube, Twitter, Instagram) (26%)
- Gambling advertisements online – other websites (excluding social media) (11%)

Most online gamblers in the UK (46%) learned how to gamble online from the gambling website they use. Yet, observing friends and family members (30%) is the preferred way to learn how to gamble.

Question: Where did you learn how to gamble online?



Question: Which is your favorite way to learn how to gamble online?

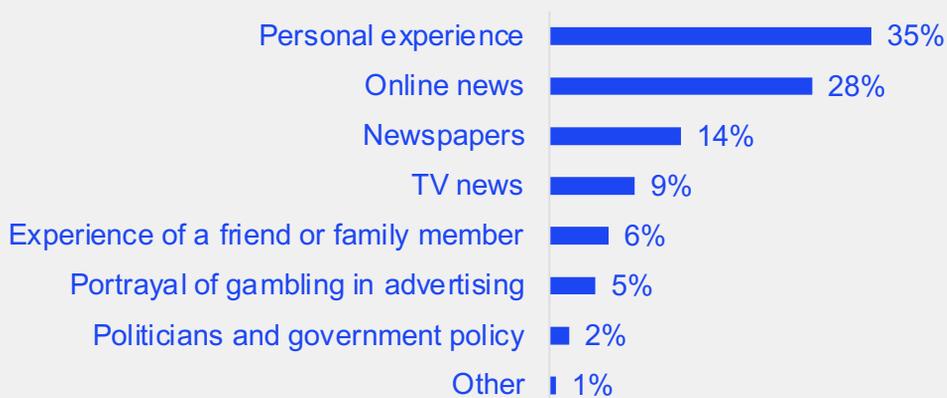


United Kingdom Gambling Industry

In the UK, personal experience most often informed people’s opinions (35%), followed by online news (28%).

39% of UK respondents follow gambling companies on social media. Most of the respondents use Facebook (23%) to follow gambling companies.

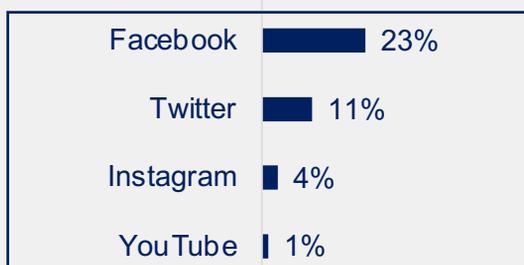
Question: Which if any of the following channels inform your opinion of the gambling industry?



Question: Do you follow any gambling companies on any of the following social media?



39 % use social media to follow gambling companies



UK Regulation Overview

Internet betting is lawful and controlled in the United Kingdom by the Gambling Commission, which itself was shaped by the Gambling Act 2005. Online poker, sports betting, casino games, bingo, and lottery-style games all fall under the domain of the Gambling Commission. Therefore, anybody wishing to offer these games to residents of the UK must procure a permit from the Commission.

The initial text in the Gambling Act set forth 3 essential goals for the new authorizing framework:

- Keeping betting from being a wellspring of wrongdoing or disorder, being associated with crime, disorder, or as an accessory to crime.
 - Guaranteeing that gambling is led in a fair fashion.
 - Shielding children and other vulnerable persons from being exploited or maltreated by gambling.
-

Administrators are required by the Act to demonstrate they are financially stable, capable of maintaining a stable budgetary position, and fit for providing fair games to players. The Act created the Gambling Commission to administer the licensing and ongoing monitoring of gambling websites.

The Gambling Act, additionally, made it possible for authorized administrators to advertise in the UK. Many major sporting events show at least one advertisement for a bookmaker, bingo site, or other gambling operator.

Germany Online Gambling Market



Germany

Market Size

€13.9 billion

Of yearly revenue from gambling activities (2020)

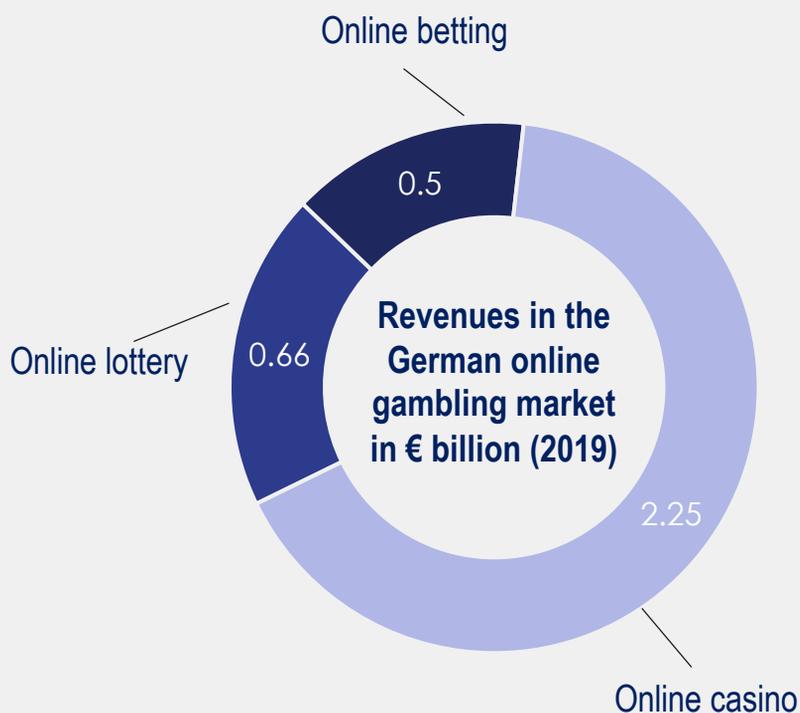
Though the market is worth €13.9 billion in 2020, it is estimated that an additional €2 billion of revenue is generated every year.

€21.6 billion

Of yearly revenue from gambling activities (2025)

The German market is due to grow by 9.2% CAGR until 2025. A 50% increase over 6 years.

In 2019, casino games were the most popular in the German online gambling market. A total of €3.41 billion in revenue was made.



Germany

Market Size (2020 – 2025)

In the 6 years between 2020 and 2025, the European online gambling market is projected to grow at a CAGR of 9.20%.

The main drivers are:



Hardware and software innovations, along with enhanced internet penetration.



Mergers of the dominating players, which over the past few years was primarily aimed to increase their stake in the market and to improve profit margins.

Source: Marketing Intelligence



Germany

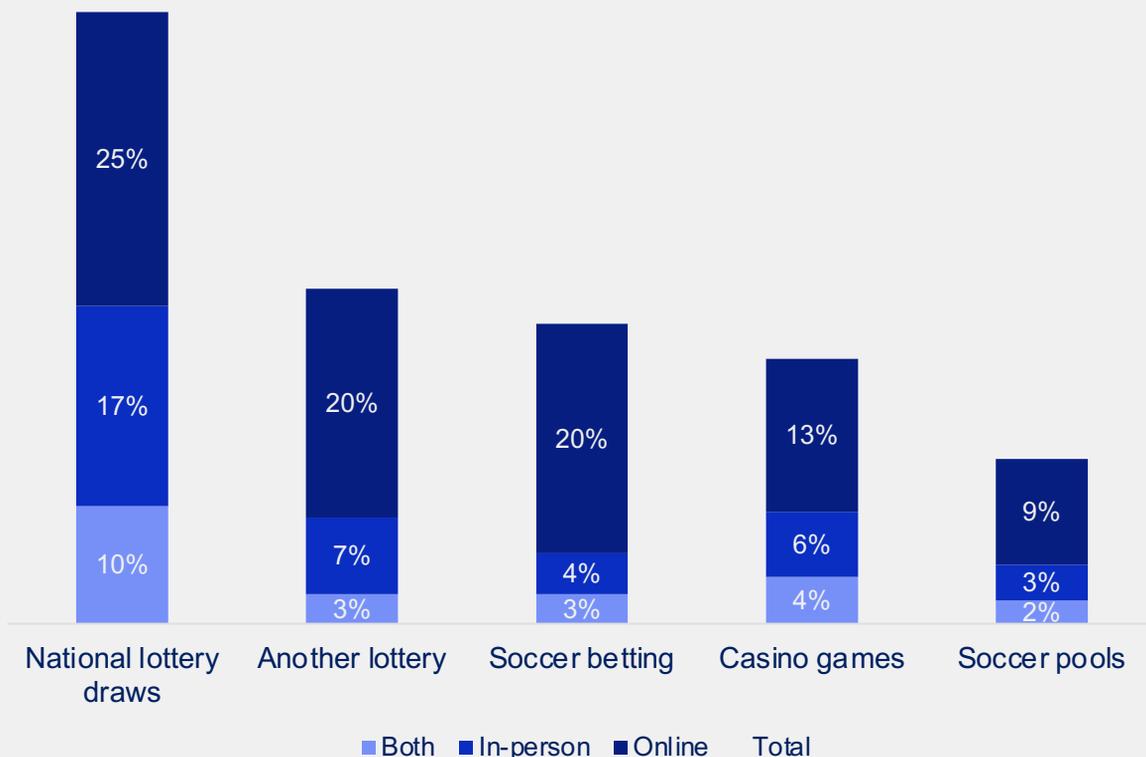
Gambling Participation

To better understand the gambling market in Germany, a representative sample of 200 people were selected to participate in an online survey.

- Out of 200 respondents, 46% indicated that they gambled online, while 23% said that they had visited a land-based casino at least once in the last month.
- Males (48%) gamble online more often than females (41%).
- The 25-34-year-old age group gambles online the most (41%).

The most popular gambling activities in Germany during the past 12 months were national lottery draws, followed by other forms of lotteries.

Question: In the past 12 months, have you spent money on any of the following?

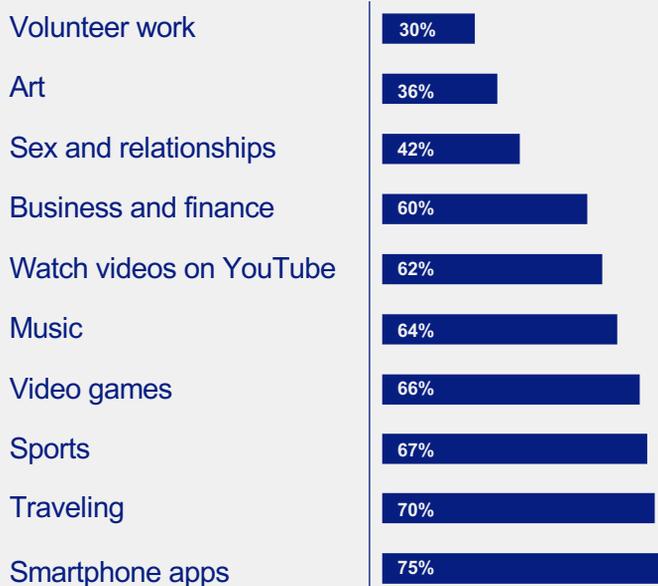


Germany

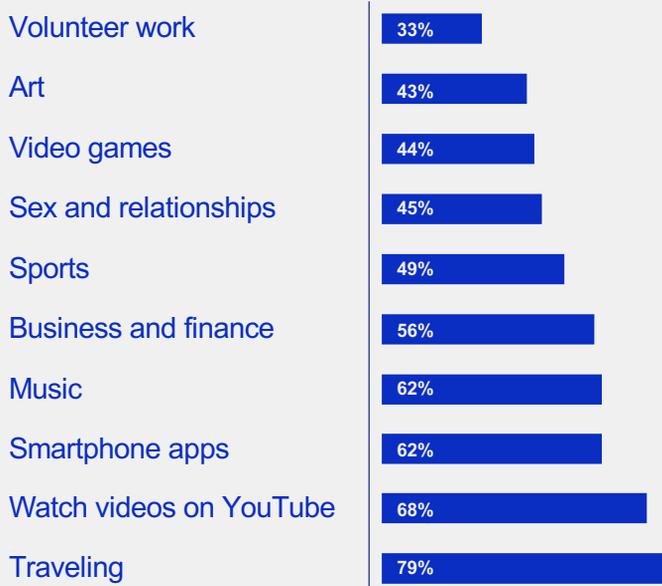
Gamblers vs Non-Gamblers

Traveling and smartphone apps are popular among both gamblers and non-gamblers. However, gamblers have shown a higher interest in sports (67%) and video games (66%) compared to non-gamblers.

Gamblers Interests



Non-Gamblers Interests



Source: SIS International Online Survey; n= 92 online gamblers and n= 108 non-online gamblers





Top 10 Gamblers brands

Coca Cola	57%
BMW	49%
PlayStation	46%
Augustiner Helles	43%
Paulaner	43%
McDonald's	43%
Corona	23%
Weihenstephaner	23%
Skoda	21%
Ford	17%

Top 10 Non-Gamblers brands

Coca Cola	50%
Augustiner Helles	41%
McDonald's	40%
BMW	33%
PlayStation	31%
Paulaner	28%
Toyota	19%
Victoria's Secret	18%
Corona	16%
Chio	16%

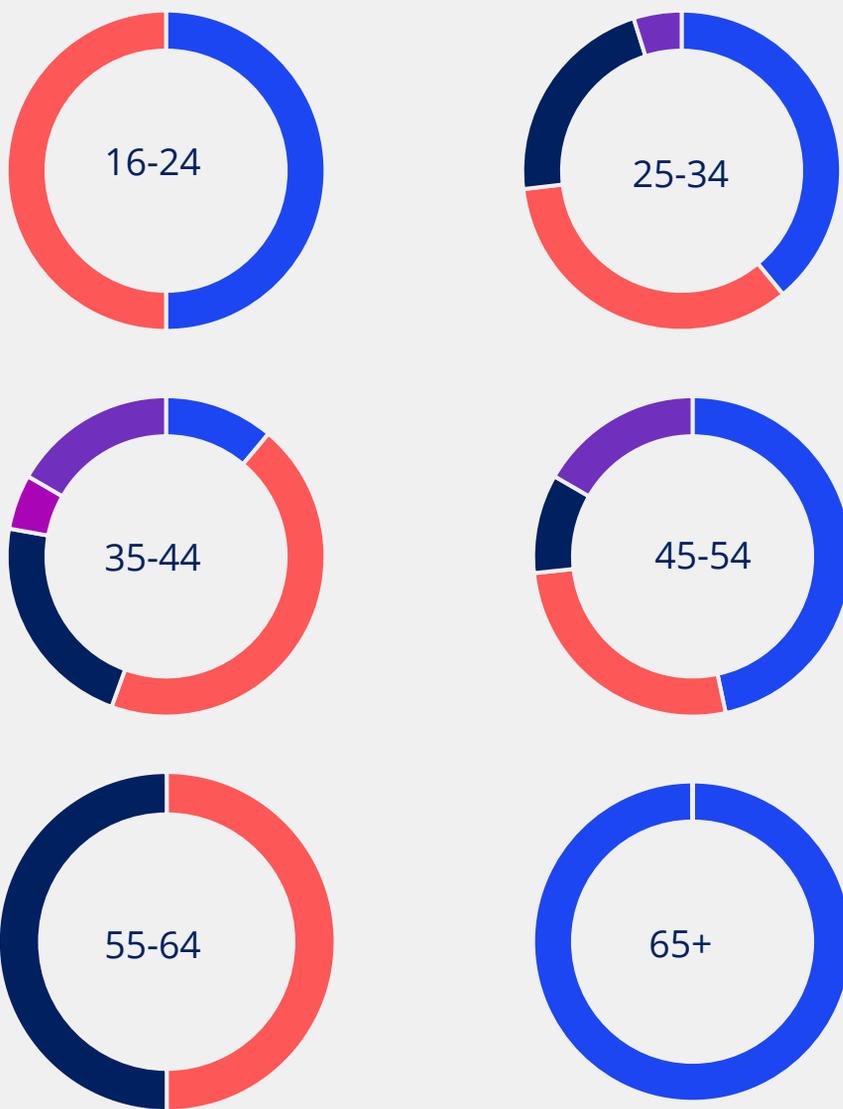
Overall, gamblers and non-gamblers use, or are most likely to use, the same brands. However, brands such as PlayStation and Paulaner were selected more often by online gamblers.

Germany

Online Gambling Statistics (1)

Germany's figures illustrate the trend that smartphones are the main solution for gamblers. Laptops are the closest alternative in our survey's results.

Devices used to play online slot machines by age group



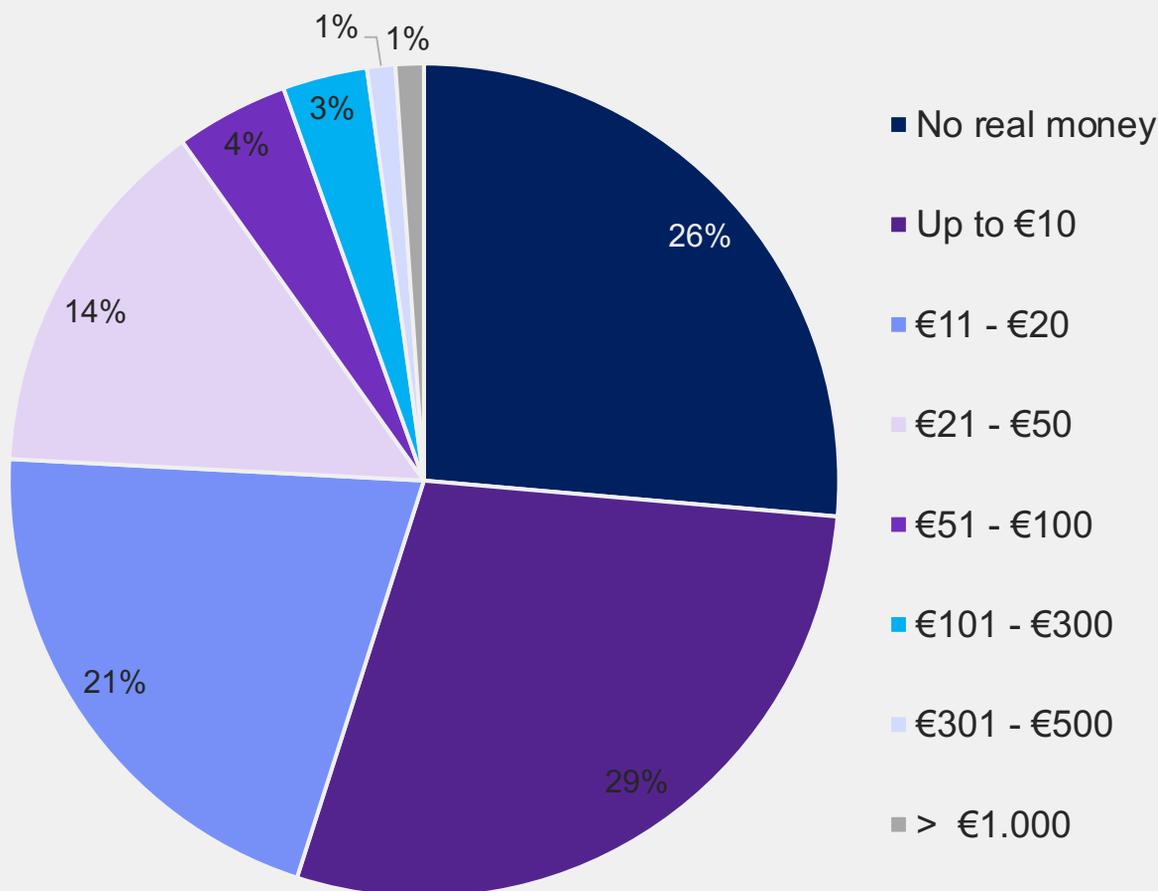
See Appendix table 1.4 for more information

Germany

Online Gambling Statistics (2)

While in other countries, the majority of the bets are placed with no real money or with the lowest amount, in Germany there is a higher percentage of respondents who place bets of a larger amount. 21% of respondents place bets within the range €21 - €50.

Average betting amount per bet for online casino games



Germany

Gamblers' Learning Path

There are 3 main advertisement channels through which online gamblers learned about their current online gambling platform:

- Gambling advertisements online – social media (e.g. Facebook, YouTube, Twitter, Instagram) (37%)
- Gambling advertisements on TV (18%)
- Gambling advertisements online – other websites (excluding social media) (12%)

45% of online gamblers in Germany learned how to gamble online from the gambling website they use. However, watching video tutorials (27%) was the preferred way to learn how to gamble.

Question: Where did you learn how to gamble online?



Question: Which is your favorite way to learn how to gamble online?



Germany

Gambling Industry

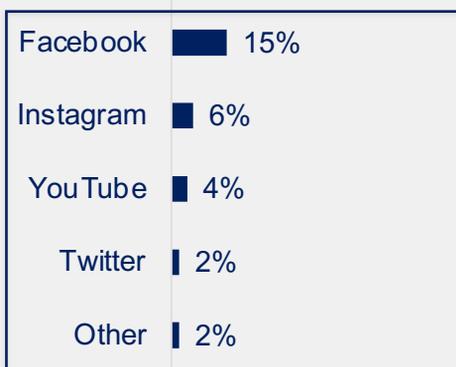
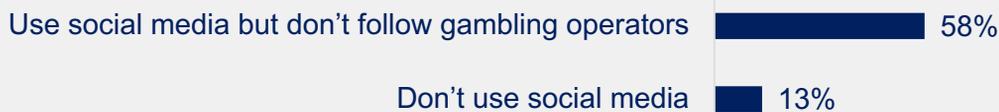
In Germany, online news sources most often informed people’s opinions (38%), followed by personal experience (28%).

29% of German respondents follow gambling companies on social media. Most of the respondents use Facebook (15%) to follow gambling companies.

Question: Which if any of the following channels inform your opinion of the gambling industry?



Question: Do you follow any gambling companies on any of the following social media?



29% use social media to follow gambling companies

Germany

Regulations



In Germany, sports betting, online poker and virtual roulette tables may become legalized across the country with a new law that is expected to enter force on July 1, 2021. At this point the past state treaty will expire.

According to the new State Treaty on Gaming, a nationwide competent authority is to be made, which will be responsible for regulating and managing the online offer in the future. In addition, players should not deposit more than €1000 per month across all offers. The cash flows are to be monitored centrally. A nationwide lock file should cut off addicts from all game offers. Suppliers should likewise show an "automated system" for the early identification of at risk players.

Schleswig-Holstein was the only federal state to allow temporary permission for online providers. These permissions expired in early 2019. According to a research by Norddeutscher Rundfunk (NDR), intrigued new clients from other government states are not dismissed by the online club. However, they are forwarded to a site that looks practically indistinguishable and uses a similar address but has a seat abroad. This website does not have a license, and therefore, invested individuals can enlist regardless of location, even outside of Schleswig-Holstein. The casino providers see themselves as legitimate. They usually have licenses from Malta, Gibraltar or the Isle of Man and claim to be able to offer their games throughout the EU.

Due to this boom in black market gaming, many government lotteries are losing income. Subsequently, the state lacks tax revenue. After long negotiations, the federal states have consequently agreed on a far-reaching reform of the German gaming market, which should apply to sports wagering, online casino games, online poker and virtual slot machines.



Country Comparison

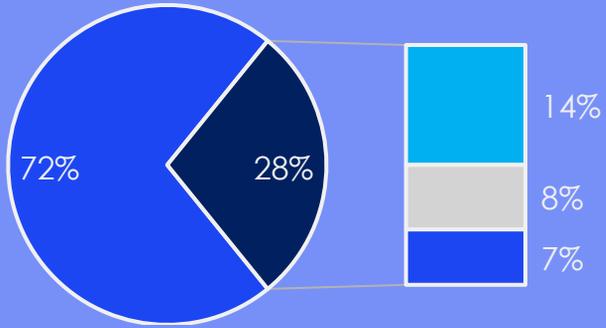
Country Comparisons eSport

Most online gamblers in all 4 countries don't bet on eSports

Question: Have you ever bet on eSports?

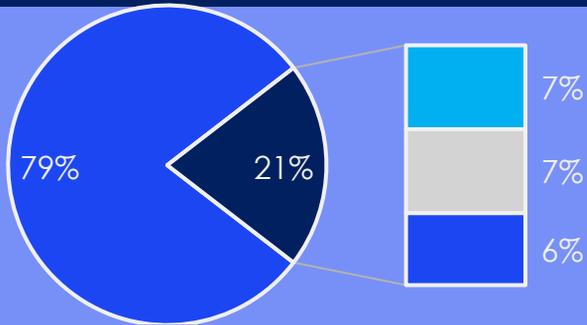
USA

- No
- Yes – in the past 12 months
- Yes – in the past 4 weeks
- Yes – over 12 months ago



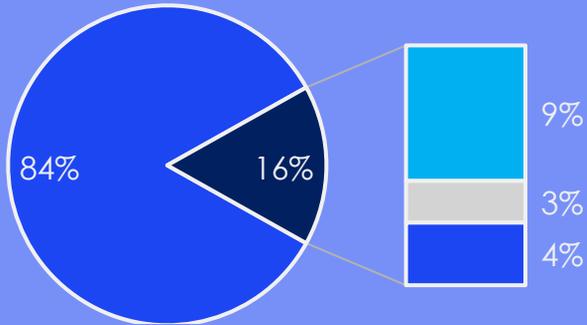
Canada

- No
- Yes – in the past 12 months
- Yes – in the past 4 weeks
- Yes – over 12 months ago



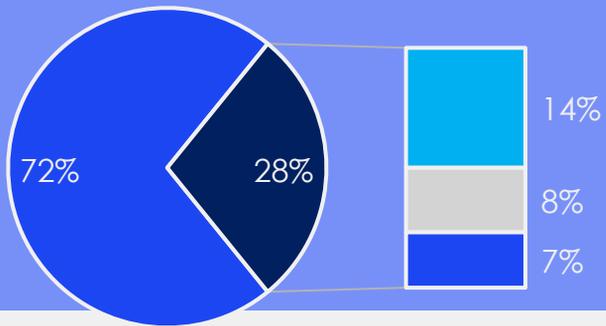
UK

- No
- Yes – in the past 12 months
- Yes – in the past 4 weeks
- Yes – over 12 months ago



Germany

- No
- Yes – in the past 12 months
- Yes – in the past 4 weeks
- Yes – over 12 months ago



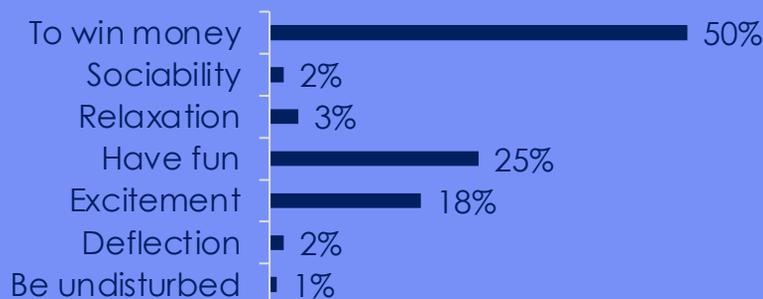
Country Comparisons

Gambling Experience

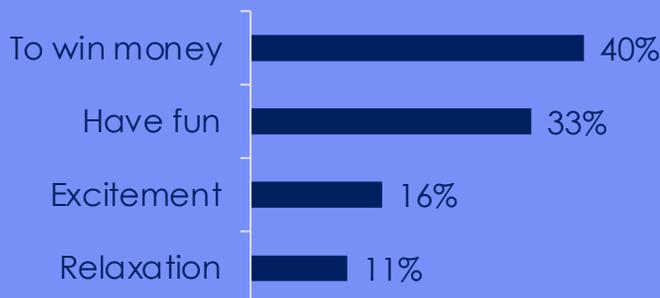
Winning money and having fun are the 2 most important aspects to online gamblers in all 4 countries

Question: Which of the following aspects of the gambling experience are important to you?

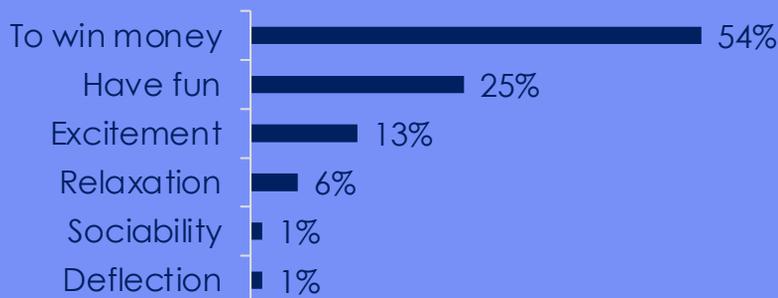
USA



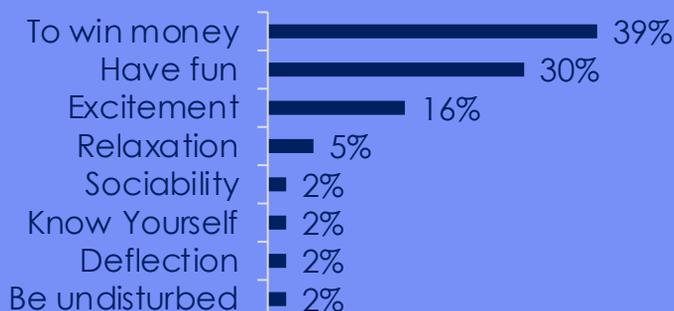
Canada



UK



Germany



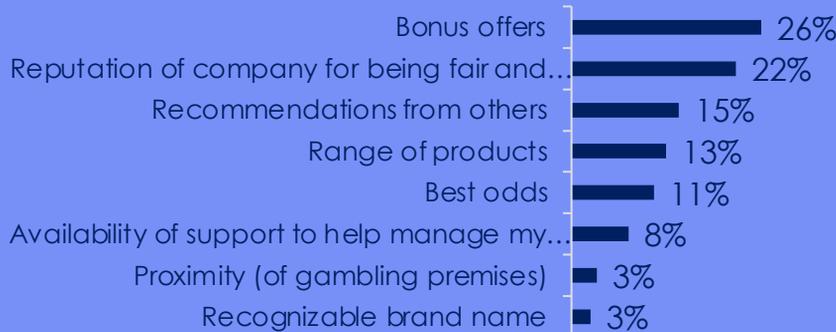
Country Comparisons

Selection of the operator

Bonus offers, reputation and range of products are the most important factors when selecting an operator for the first time in all 4 countries.

Question: Which factors are important to you when selecting an operator for the first time?

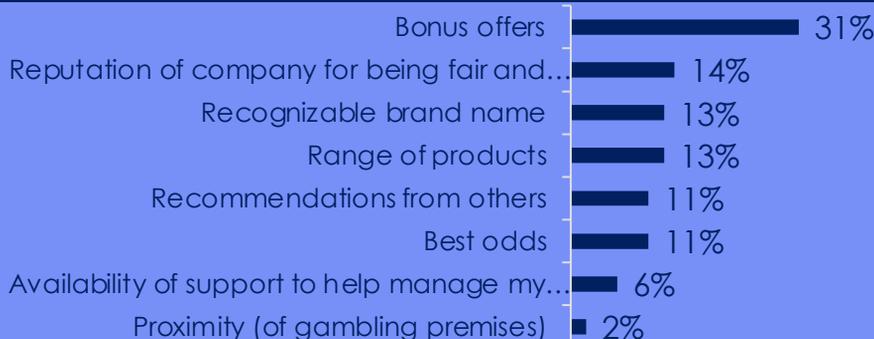
USA



Canada



UK



Germany



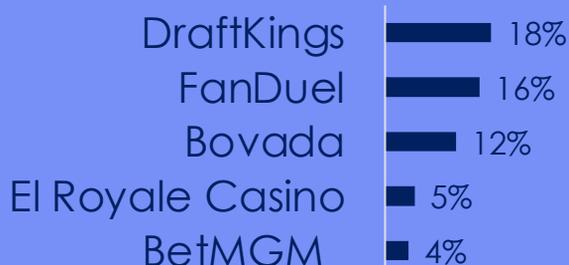
Country Comparisons Gambling Companies

Question: How many gambling companies have you registered with online?

Question: What website do you regularly visit to gamble online?

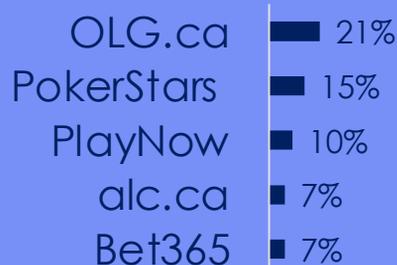
USA

27% have 1 account
33% have 2 accounts
13% have 3 accounts



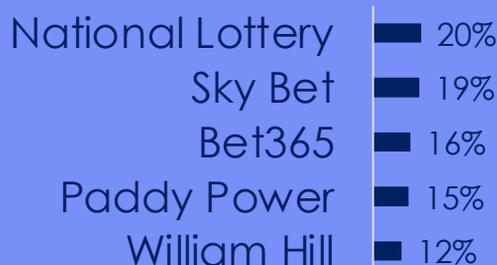
Canada

29% have 1 account
22% have 2 accounts
7% have 3 accounts



UK

24% have 1 account
26% have 2 accounts
21% have 3 accounts



Germany

21% have 1 account
21% have 2 accounts
18% have 3 accounts



Country Comparisons

Impact of COVID-19

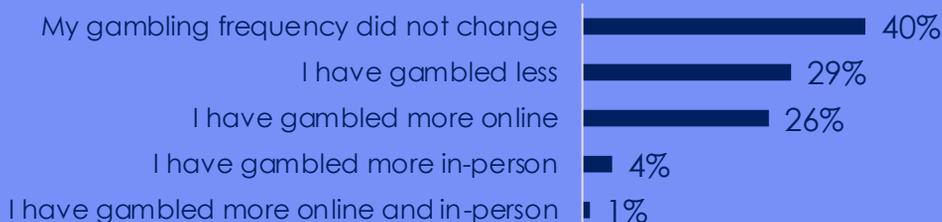
Lockdown measures due to COVID-19 led to more frequent online gambling activity especially in US and UK

Question: Has your gambling frequency changed during lockdown?

USA



Canada



UK



Germany





APPENDIX

Appendix

USA Devices used (%)

Table 1.1: Which devices do you mainly use to play online slot machines? (percentages)

Age group	Laptop	Smartph one	PC	Smart TV	Tablet
16-24 years old	25%	75%	0%	0%	0%
25-34 years old	22%	43%	22%	0%	13%
35-44 years old	25%	56%	8%	3%	8%
45-54 years old	28%	44%	13%	0%	15%
55-64 years old	10%	50%	10%	0%	30%
65+ years old	0%	75%	25%	0%	0%
Average usage across all age groups	23%	50%	13%	1%	13%

Appendix

Canada Devices used (%)

Table 1.2: Which devices do you mainly use to play online slot machines? (percentages)

Age group	Laptop	Smartph one	PC	Smart TV	Tablet
16-24 years old	33%	67%	0%	0%	0%
25-34 years old	13%	50%	25%	0%	13%
35-44 years old	25%	50%	15%	0%	10%
45-54 years old	29%	43%	14%	0%	14%
55-64 years old	8%	31%	23%	0%	38%
65+ years old	40%	12%	16%	4%	28%
Average usage across all age groups	24%	34%	18%	1%	23%

Appendix

United Kingdom Devices used (%)

Table 1.3: Which devices do you mainly use to play online slot machines? (percentages)

Age group	Laptop	Smartph one	PC	Smart TV	Tablet
16-24 years old	33%	50%	17%	0%	0%
25-34 years old	13%	69%	16%	0%	3%
35-44 years old	21%	70%	3%	0%	6%
45-54 years old	6%	57%	11%	0%	26%
55-64 years old	17%	21%	17%	4%	42%
65+ years old	17%	8%	8%	0%	67%
Average usage across all age groups	15%	52%	11%	1%	21%

Appendix

Germany Devices used (%)

Table 1.4: Which devices do you mainly use to play online slot machines? (percentages)

Age group	Laptop	Smartph one	PC	Smart TV	Tablet
16-24 years old	50%	50%	0%	0%	0%
25-34 years old	39%	34%	21%	0%	5%
35-44 years old	12%	41%	24%	6%	18%
45-54 years old	46%	25%	11%	0%	18%
55-64 years old	0%	50%	50%	0%	0%
65+ years old	100%	0%	0%	0%	0%
Average usage across all age groups	37%	34%	17%	1%	11%



Thank you.

SIS International
Strategy Consulting Team

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2020

