



# iGaming Payment Optimization is Key to Player Retention

Research Reveals Impact of User Experience on Bettor Loyalty

Research conducted by:



# About This Research

This research explored the payments experience of iGaming bettors over the age of 21, who use websites and apps for both online sports betting and online casino games. In particular, consumer surveys and interviews focused on how experiences with making deposits and withdrawals impact their interactions and impressions with iGaming apps.

The research was commissioned by PayNearMe, provider of the MoneyLine™ platform—the modern and reliable payments platform designed to simplify the complexities of iGaming payments. The survey and subsequent analysis was conducted by Betting Hero in July and August of 2023. Research findings were collected from residents in Ohio, Massachusetts, Maryland and New Jersey using a sample of 231 iGaming bettors.

## Key Findings

- **22% of respondents cited UI, UX or technical issues as their biggest day-to-day frustration**
- **Bettors said they would delete or abandon an app if the site is glitchy or non-responsive (44%), it takes too long to fund the account (32%), the sign-up process isn't user-friendly (23%) or the site lacks their preferred payment types (18%)**
- **29% of surveyed players reported problems funding accounts or withdrawing money**
- **13% of respondents with deposit issues and 26% with withdrawal issues said the app lacked a payment method they were willing to use**
- **23% of bettors surveyed who couldn't deposit funds expressed frustration by leaving the app and not returning; 21% of those with a funding issue and 24% with a withdrawal issue reached out to the app's customer service department for assistance**

# Respondent Profile

231 adult Americans (age 21+) who placed a legal online bet



## Average Age

**30**  
**YEARS OLD**

## Age Ranges



## Casual & Frequent Bettor Profiles

Placed a legal sports or iGaming bet during specific events



Average number of apps being actively used by respondents: **1.9**

# Introduction

iGaming—the industry of online casino and online sports betting—is rapidly gaining steam as 38 U.S. states have green-lit online gambling, with revenues expected to top \$25 billion in 2023.<sup>1</sup> In this highly competitive market, many operators vie for the same players, creating an urgency for businesses to optimize every aspect of the betting experience—particularly payments.

***PayNearMe's 2023 consumer research with online bettors identified key pain points in the payment experience that often result in app abandonment and may significantly reduce retention.***

For players, easily funding their accounts and getting quick payouts for winnings are fundamental expectations. Yet PayNearMe's research found that nearly one-third of players have issues with depositing and withdrawing money within their betting apps.

Negative payment experiences are costly for operators. If bettors cannot successfully get started, easily facilitate ongoing betting and cash out quickly, they may abandon that app and switch to another.

Nearly a quarter of players surveyed (23%) bet on sports or iGaming at least once a week. These frequent bettors may download up to four apps, but actively use only one or two. Winning and retaining this audience is key for operators to compete and drive growth, and optimizing the player payments experience can give operators a greater chance to become the app of choice.

**29%**  
**of players**

**have had issues depositing and withdrawing money within their betting apps**

**23%**  
**of players**

**who had funding issues left a betting site or app and never came back**

In this 2023 consumer research report, we dive deeper into key findings about bettor pain points and payment preferences. We also share actionable insights on how operators can help maximize player conversion and loyalty.



***“Today’s expectation is for everything to be quick and seamless. There’s very low tolerance for a bad experience because players can easily go elsewhere for a better one.”***

**LEIGHTON WEBB**

VP & GM, iGaming & Sports Betting, PayNearMe

## Why The Payment Experience Matters More Than Ever

iGaming operators may need to adhere to many regulations to securely process money, but players don’t recognize or care about those behind-the-scenes hurdles. They now expect the new standard set by e-commerce giants like Amazon and Uber for seamless, nearly invisible transactions using a wide variety of payment methods. In addition to managing the complexity of back-end compliance and KYC steps, iGaming operators need to keep pace with new player demands or they may be left behind.

Attracting new bettors through promotions isn’t enough. Though they may initially be drawn to an app with promos, winning long-term player *loyalty* requires quick and easy money movement, particularly with younger players. The average age of surveyed bettors in our research was 30. These digital natives have grown up familiar with e-commerce and digital payments, and tend to be quick to reject a brand when they have a negative experience.

***“Other industries seem to get funds moved more quickly than any type of gaming payments.”***

— Surveyed bettor

## How big is the payments problem?

Our research shows that nearly one-third of bettors have run into roadblocks depositing or withdrawing funds, regardless of which app they used or their betting frequency. And those aren't just one-off users, they're frequent bettors (at least once per week), which is a critical customer base that operators cannot afford to lose.

The most common hurdle in making deposits was card declines. The most common hurdle in making deposits was card declines, with this issue affecting over a quarter of players surveyed (26%). Card acceptance rates in the gambling world are on the rise, but declines remain a challenge for operators.

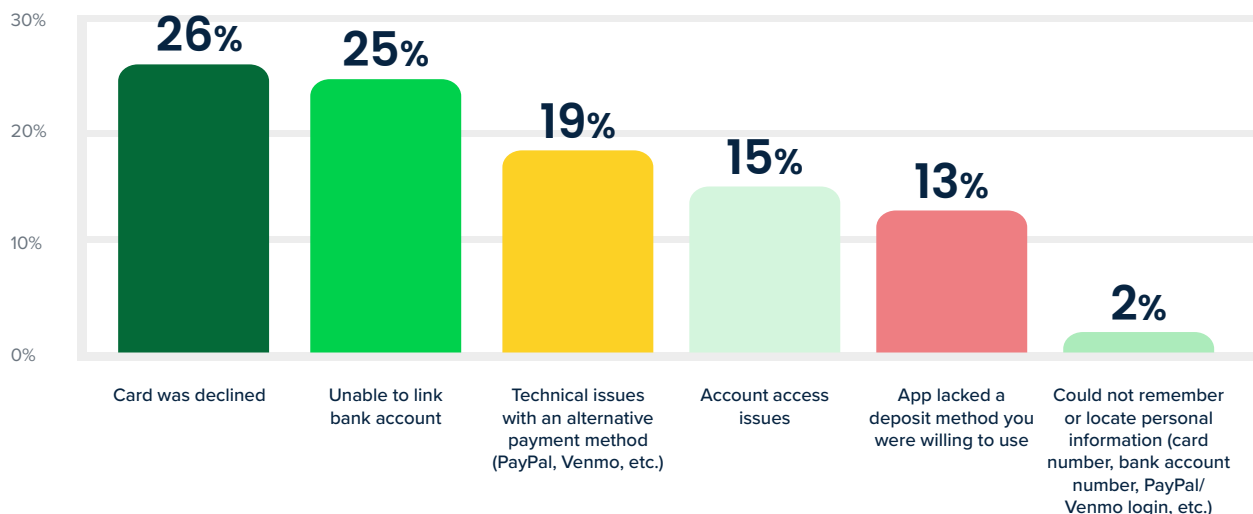
Part of the problem is that while legalization of online betting has skyrocketed in the past couple years, many banks and card issuers have been slow to catch up as some still view gambling transactions as high-risk. While acceptance rates are improving, operators still face double-digit card declines that drive away players, which hurts their bottom line.<sup>2</sup>

### 27% of players

**who had issues depositing or withdrawing money said it's the top reason for discontinuing play on an app**

Beyond card declines, our research found that many bettors are frustrated by an inability to easily use alternative payment methods, such as Venmo, PayPal and Apple Pay. Yet these mobile wallets are increasingly the preferred option. In fact, 53% of Americans now use digital wallet payments more than traditional methods.<sup>3</sup>

## If you have ever been unable to fund your sports betting/iCasino app, why were you unable to fund the app?



iGaming bettors want the agility to rapidly deposit funds and place bets, minutes before or even during an event, which requires a fast, flexible payment process. For example, operators that offer a variety of payment methods—such as debit or credit card, ACH, mobile wallets and even a cash option—could dramatically improve the bettor experience and long-term player retention.

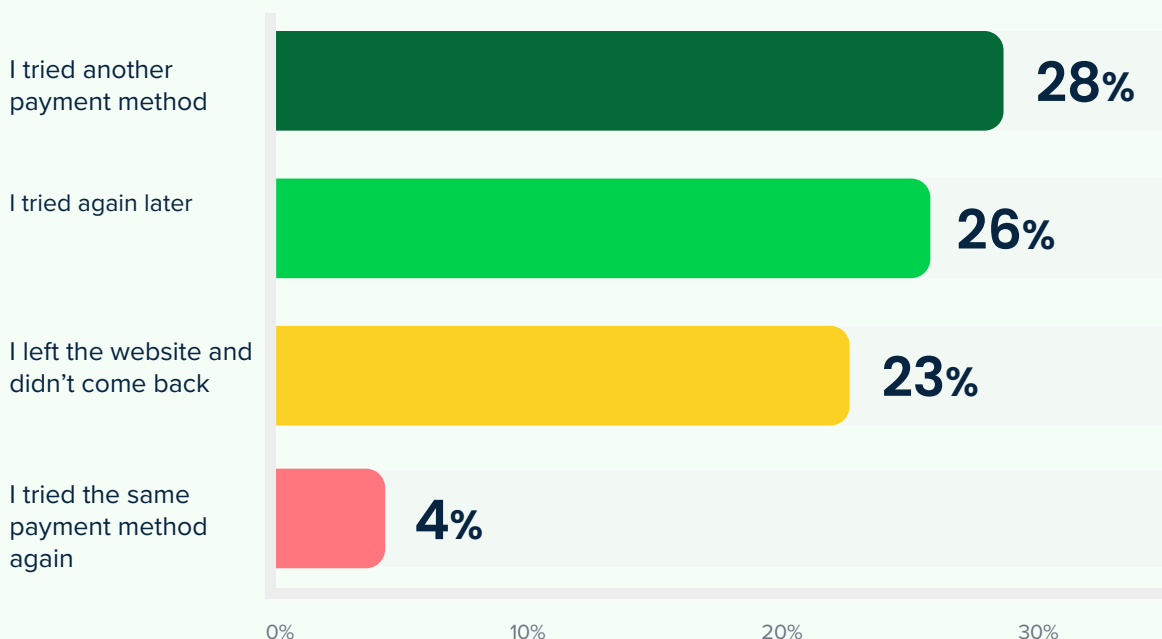
***“If I’m at a game and think, ‘That was a crazy play, everything could turn around here’, I want to get a bet in quickly. If I don’t have any money in my account, it’s tough for me [in real-time] to read off my account details or have to go into my notes and remember the password for this site or app.”***

— Surveyed bettor

## How damaging is a negative payments experience?

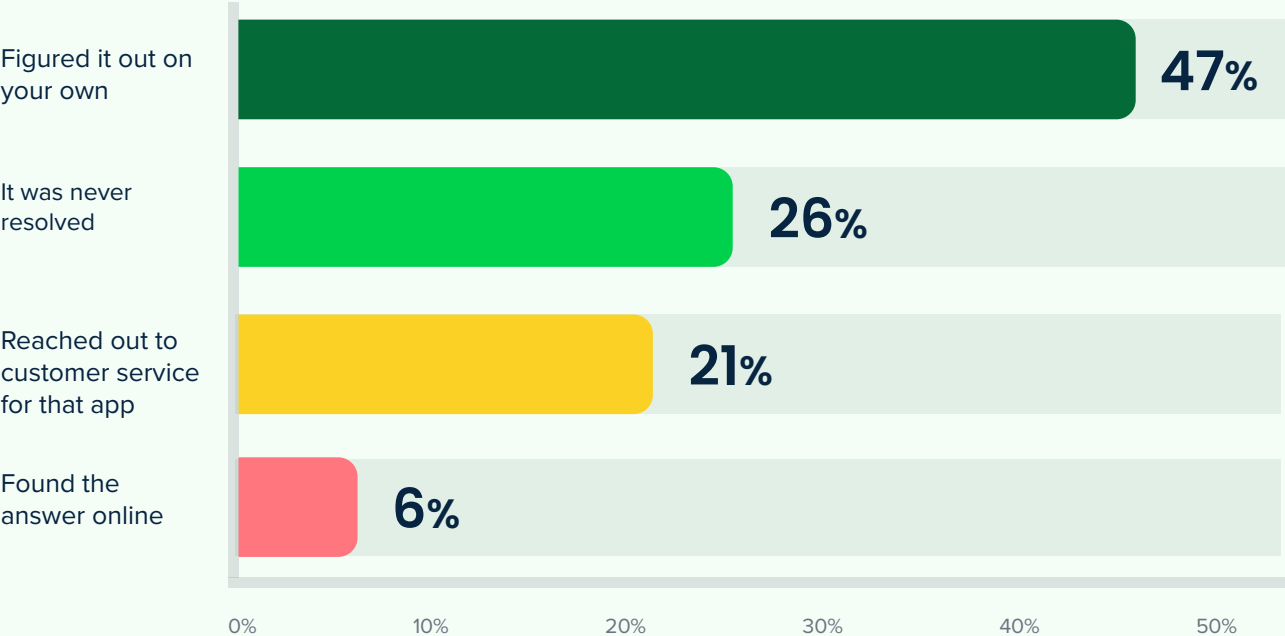
Losing players at the gate is preventable, yet it happens all too often. Of the bettors we surveyed, 23% immediately abandoned an iGaming app after facing deposit issues. 26% of players who tried various fixes still ended up with unresolved deposit issues, meaning they could never fund their account.

### If you had an unresolved issue when trying to deposit funds, what next step did you take?



Even when bettors solve payment problems on their own (47% resolved their funding issues and 38% fixed their payout issues themselves), it still signals risk for operators. Getting things to work successfully may have been time-consuming, and involved repeated efforts or trying other payment methods, all of which can frustrate players and prompt them to switch to another iGaming app.

## How did you resolve funding issues?

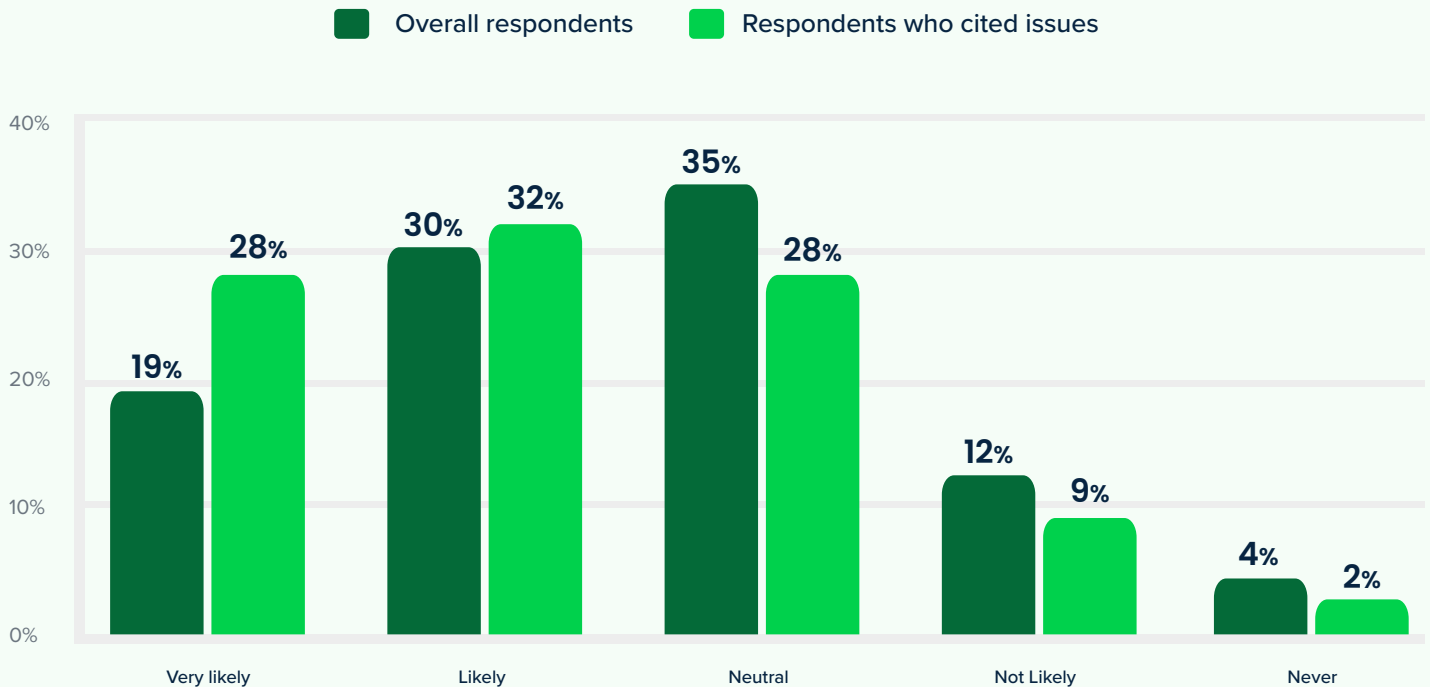


While many operators place a great deal of emphasis on promotions, research indicates that compelling promos won't negate a subpar user experience. Layers surveyed were unforgiving when it came to glitchy or slow processes, with 44% of those surveyed stating they'd abandon an iGaming app if they faced these user experience issues.

Payment experiences are moments that matter. Declines, delays, lack of preferred options—any or all of these issues can drive away players and hurt brand reputation. As an example, nearly 60% of the players who experienced payment issues said they would be likely to switch to a competitor app if it promised faster withdrawals.



## If a new or competitor app were to promise faster withdrawals, how likely would you be to change apps?



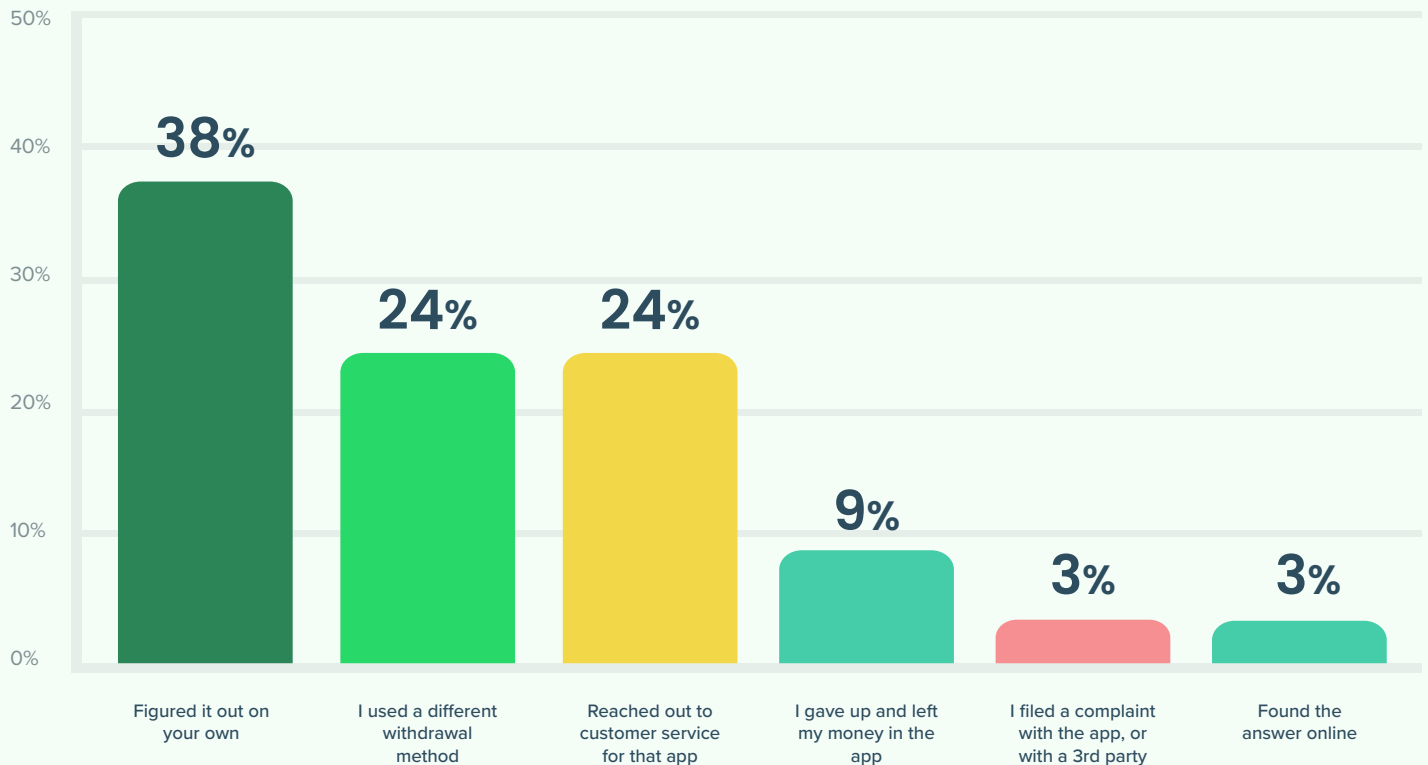
### Tangible costs to iGaming operators

Payment problems add cost and risk to operators who already deal with fierce competition and narrow profit margins. For starters, acquiring new players can come with major costs stemming from marketing and promotions, ranging anywhere from \$200-300 to upwards of \$1000 per new customer depending on the operator.<sup>4,5</sup> If a player leaves because their first deposit attempts failed, they can't deposit with their preferred methods, or their first payout took too long, then the operator loses all of its initial investment, as well as any potential future revenue from that bettor.

Another impact of bettors having payment issues is costly calls to customer service. Nearly 25% of players with either a funding or payout issue contacted the app's customer service. Costs rapidly add up when on average businesses pay up to \$6 a call.<sup>6</sup>

These statistics underscore the hard costs of a failed payment or payout. Across a high volume of users, escalating customer service costs can have a massive impact on an operator's bottom line. To stay competitive and profitable in a rapidly growing market, operators will need more ways to control costs and optimize customer experience.

## How did you resolve withdrawal issues?



## Opportunities to win market share

Now is a pivotal time for operators to solve problematic payment experiences. While a few established operators may dominate the market, no single sports betting or iGaming app owns all the players. Many operators can still capture market share if they provide a compelling and competitive first impression, which includes making payments easy.

Operators that deliver convenient, reliable and timely deposits and payouts have a pathway to fuel market growth.

And the value is bigger than payments. Resolving common pain points and simplifying how users meet important needs shows players what they want to see: that the operator is committed to delivering a great customer experience in order to earn their loyalty.

***“With [my preferred] app, any type of deposit takes maybe 30 seconds to a minute, so I think that’s an important part of choosing an app and choosing to stick with it.”***

*— Surveyed bettor*

# How Optimizing Payments Is A Game-Changer

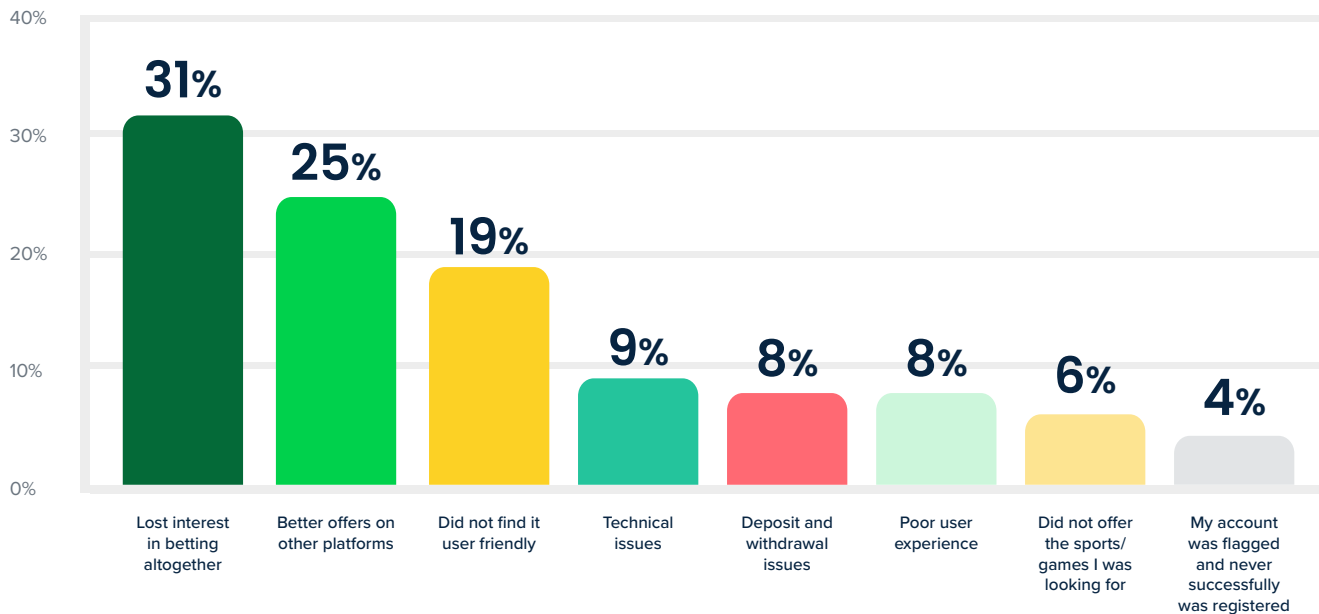
The iGaming universe is rapidly expanding, full of both opportunity and risk. Operators who survive and thrive will be those who make the payment experience as seamless as a streaming app movie purchase. That means a simple and intuitive interface to reliably deposit or withdraw funds using a variety of payment methods, backed by robust controls for data security and privacy.

41% of players use just one iGaming app, and the majority of users prefer to stick to one or two apps (only 2% use four apps). Becoming the app of choice hinges on delivering the overall experience that players want.

***“The player doesn’t make a distinction between the app and the payments journey; it’s the product, the whole brand. When the payment experience is positive, the player’s view of the brand as a whole is positive.”***

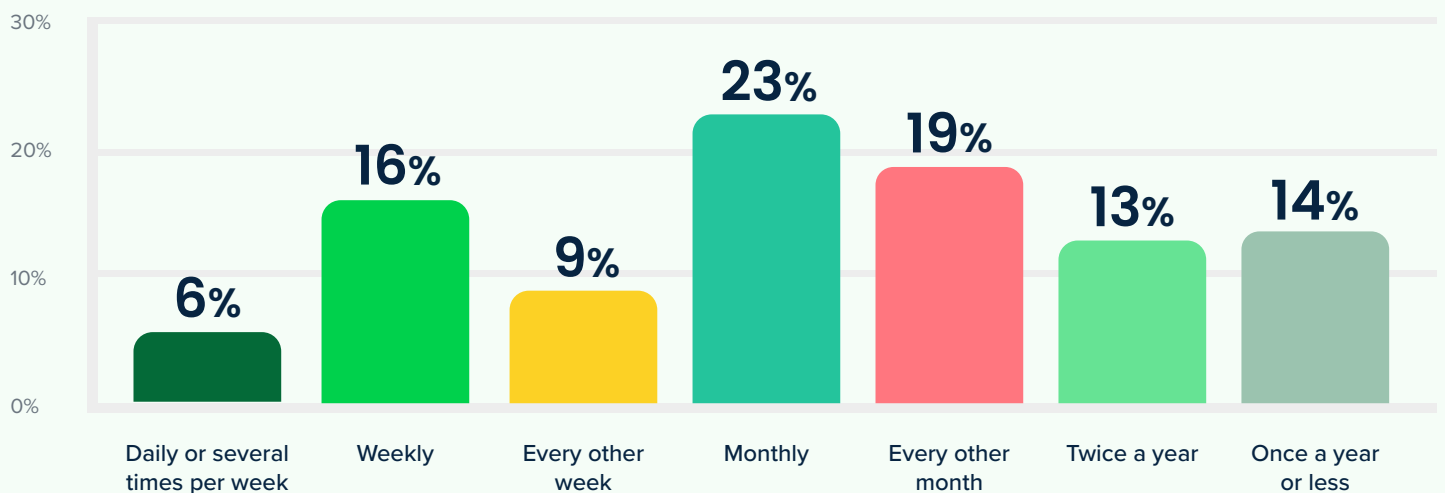
LEIGHTON WEBB iGaming & Sports Betting, PayNearMe

**If you do not still actively use all the apps you downloaded, what are the top reasons?**



End-to-end, the player journey needs to feed the inherent excitement of betting—and a core part of that is making money movement fast and easy. Of the bettors surveyed, 16% make weekly deposits into their iGaming apps, while nearly one quarter (23%) of players make monthly deposits. This type of frequent-bettor momentum would be stalled or even halted with a failed payment experience. By optimizing their payments, operators can instead capitalize on that momentum and retain their most loyal players.

## On average, how often do you deposit funds into your sports betting account(s)?



## Keys To Increasing Player Acquisition And Retention

To consistently attract and retain players, it's important to look at the bigger picture of the payment experience. It goes beyond the functions of deposits and withdrawals, and includes how the business sets expectations and supports players around any money-related issues.

Our research identified four pivotal areas where iGaming operators should focus their improvements:

- **Make registration easy.** Nearly a quarter of bettors surveyed (23%) said they would delete an app if the sign-up process wasn't user-friendly. Operators need to make sure their website and app registration process is smooth, and that users can easily understand what to expect and how to use key features.

Don't rely on guesses; get real insights to make better decisions. It's never too late to conduct user testing, run a survey for feedback or even create personas and journey maps, any and all of which can be powerful tools for making targeted improvements.

- **Make payments easy with flexible options.** Offer bettors the same simplicity and flexibility they have come to expect with e-commerce. The payments landscape is shifting in many industries, and iGaming operators need to be ready to meet new demands. Operators can satisfy players with an easy user interface and a convenient selection of payment options for deposits and withdrawals, including debit and credit card, ACH, mobile wallets such as Venmo, PayPal and Apple Pay, and even cash at retail using a QR code.

Our survey indicated 39% of bettors fund their iGaming account using their debit card, and 27% link directly to their bank account. However, those choices may be less related to preference and more related to old habits and lack of options. The rapid rise of mobile wallets is changing consumer behaviors. In fact, in states that most recently legalized online gambling (Maryland, Ohio and Massachusetts), our research showed that the leading deposit method was Venmo (21% of players) for iGaming apps that support it.

- **Educate players on key takeaways about deposits and withdrawals.** Setting clear expectations upfront can help operators avoid player payment issues that may be more about operator policy than breaks in the processes. For instance, if a promotional bonus comes with wagering requirements before players can cash out, make that clear in the offer details. If certain payment options for deposits are not also available for withdrawals, alert bettors early on. Clear communications for offers, sign-up and payment processes are essential to increase player retention and trust.

***"There should be some disclosure...because I can see that being frustrating for people. It kind of leaves you guessing."***

*— Surveyed bettor*

- **Minimize disruption with fast resolution for issues.** Even with a user-friendly interface and a great payment experience, issues can occur. If a player encounters a card decline or account-linking error, often the bigger frustration is a lack of communication about what went wrong. Integrate clear, yet detailed error messaging to help the customer understand the issue, and when possible, suggest an alternative payment method that may enable them to successfully complete the transaction.

## Accelerating Payments Innovation

Optimizing the player payment experience is about more than functionality—it's about nurturing the entertainment of betting. To attract and retain players, operators need to latch onto the momentum and enthusiasm that brought people to their website or app in the first place. That means making it fast and flexible for bettors to deposit funds, place bets and collect their winnings.

Transforming payment operations may seem daunting, but innovative platform providers can accelerate the transition. With easy integration, iGaming operators can go to market quickly with a secure, flexible payment experience that helps maximize revenue and player retention.

The right payment experience simplifies money movement end-to-end. From offering more deposit types, such as cards, mobile wallets and cash at retail, to near-instant payouts, operators can delight bettors and help earn their loyalty.

On top of optimizing the player experience, a modern payments platform helps iGaming operators increase operational efficiency. Automated controls can save time, and reduce manual work and errors to improve compliance. Analytic insights on performance and player behaviors enable operators to make better data-driven decisions to drive growth and minimize risk. Partnering with payment technology experts equips operators to stay ahead of the curve with new payment capabilities as they emerge.

***"Betting requires fast deposits to make a bet quickly before an event happens, and withdrawal needs to be more timely because people who want to spend their winnings on something else want security in what they won. The experience is better when you can cash in/out instantly."***

— Surveyed bettor

# About PayNearMe

PayNearMe develops technology to facilitate the end-to-end customer payment experience, making it easy for businesses to manage and accept payments. Our modern, flexible and reliable platforms are built from the ground up to increase engagement, improve operational efficiency, and drive down the total cost of accepting payments.

MoneyLine™, powered by PayNearMe, simplifies end-to-end money movement for iGaming and iGaming operators. It delivers the most reliable payment experience across key touch points with bettors, including cashiering, deposits, payouts, cash at cage, engagements and more. With one platform and one integration for key deposit and payout types, operators can reduce costs, get to market faster, and make the entire payment experience seamless for their bettors.

PayNearMe has been servicing the iGaming market since 2013 and is currently active in 25 regulated gaming markets in the U.S. The company processes cash deposits for 16 of the 17 largest online casinos in the U.S. and 9 of the 10 largest U.S. operators, including BetMGM, TVG, PointsBet, FanDuel and Caesars Sportsbook.

PayNearMe has enabled cash payments through our proprietary electronic cash network since 2009, and today is accepted at over 60,000 retail locations in the U.S.

Learn more about MoneyLine and request a demo: [paynearme.com/moneyline](https://paynearme.com/moneyline)  
For press inquiries, contact [insights@paynearme.com](mailto:insights@paynearme.com)

# About Betting Hero

Betting Hero is the leading customer acquisition, retention, and development company in the legal North American online gambling industry. Founded in 2018, Betting Hero started as a street team helping customers at New Jersey tailgates sign up for newly legalized sports betting apps. Betting Hero now partners with top sports betting and online gambling operators across hundreds of venues spanning North America to help thousands of consumers enjoy their experience betting online. Betting Hero has helped over 450,000 customers at register, deposit, and bet at legal North American online sports books and casinos.

Betting Hero provides leading operators and suppliers with best in class support through three complimentary business units: Betting Hero Activation, Betting Hero Research, and Betting Hero Hotline.

Betting Hero's research arm partners with operators, technology suppliers like geolocation, payment, and games providers, to analyze consumer sentiment and insights, as well as pressure test product features and integrations in real-time across North America.

For more information about Betting Hero, please visit [BettingHero.com](https://BettingHero.com)



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