Edgar, Dunn & Company
Strategic Payments Consulting

HiPay

7 iGaming:
BEST PRACTICES
FOR SUCCESSFUL
PAYMENTS MANAGERS

CONTENTS

" **Payment is part of the product. Payment experiences are part of the gambling experience.**
A mix of product and experience with the support of technology drives payments forward and delivers according to customer needs – this is how payments are managed internally within Kindred. This is a team effort. "

Mickael Marceau
Group Head of Payment at Kindred

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00. INTRODUCTION

" **The payments ecosystem in iGaming is complex, especially as payment methods were historically designed for e-commerce, not for the iGaming sector.** iGaming merchants must develop a comprehensive payment strategy to ensure regulatory compliance, meet the evolving needs of players and generate loyalty. This whitepaper highlights best practices for payments in the iGaming sector in order to assist iGaming merchants to develop a successful payment strategy."

Stanislas Devaux
Head of iGaming & International Sales at HiPay

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The iGaming industry is experiencing strong growth and innovation, both of which have been supported by the impact of Covid-19.

As a result, operators have to deliver frictionless services offering instant gratification. The gatekeeper to such services is the payments manager. Placing bets, gambling and receiving winnings are time-critical, so the payments function must empower play through speed. It must also deliver a frictionless on-boarding experience and ensure regulatory compliance, payment conversion and smooth financial reconciliation. Clearly the payments manager's role is vital and forms part of a complex ecosystem with numerous moving parts.

With this in mind, HiPay, in collaboration with Edgar, Dunn & Company, has analysed the role of iGaming Payments Managers.

We looked at key pain points that payments managers currently experience and identified seven best practices that will help ensure the success of their strategies:

1 Facilitate frictionless onboarding and efficient KYC

2 Provide instant pay-ins and pay-outs

3 Increase conversion through payment optimisation

4 Implement payment orchestration with smart routing capabilities

5 Adapt to regulations and lead by example

6 Automate and optimise financial reconciliation for payment methods across all areas

7 Build partnerships with PSPs beyond payments

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01. EVOLUTION OF ONLINE PAYMENTS
IN THE iGAMING SECTOR

"**iGaming is experiencing growth, and evolution within the industry is evident.** In this context, seven best practices have been identified in this white paper. Creating a payment strategy that prioritises frictionless onboarding, instant payments, payment orchestration and efficient reconciliation is essential for iGaming merchants. Leading by example in terms of regulatory compliance and building partnerships with PSPs will further strengthen iGaming merchant service offerings. By leveraging these seven best practices, iGaming merchants can implement a competitive payment strategy."

Grégoire Toussaint
Director at Edgar, Dunn & Company

I. INCREASING ONLINE ACTIVITY

The gambling industry has traditionally been dominated by land-based play, but as soon as players experienced the convenience of online play, preferences began to change.

iGaming, defined as the wagering of money on the outcome of an event or a game online (for example poker, online casinos and sports betting)[1], is therefore experiencing strong growth. The total gross gaming revenue of gambling for EU-27 and UK markets in 2020 was estimated to be €76.9Bn, with land-based play valued at €49.6Bn and online play valued at €26.3Bn[2]. Consequently, as betting and gambling experience a channel shift from offline to online, payment methods need to follow suit in order to support a frictionless user experience.

To enhance their online appeal, iGaming merchants are incorporating innovative technologies (for example AI and VR) to transport the offline experience into a virtual setting. This way, personalisation and quality customer support can be maintained and even improved.
Such innovation seeks to attract a new generation of players who are digital natives and may prefer the comfort of their own home to bet and gamble instead of a physical casino.

Online iGaming in the EU-27 and UK markets is forecast to steadily increase its share of gross gaming revenue compared to offline gambling, rising from 30% in 2021 to 34% in 2025 to reach €37.3Bn of gross gaming revenue by 2025[3]. This steady growth is also reflected in key payment trends in the iGaming sector.

1 https://stronggaming.com/what-is-igaming/

2 European Gaming and Betting Association - European Online Gambling Key Figures 2020 Edition

3 European Gaming and Betting Association - European Online Gambling Key Figures 2020 Edition

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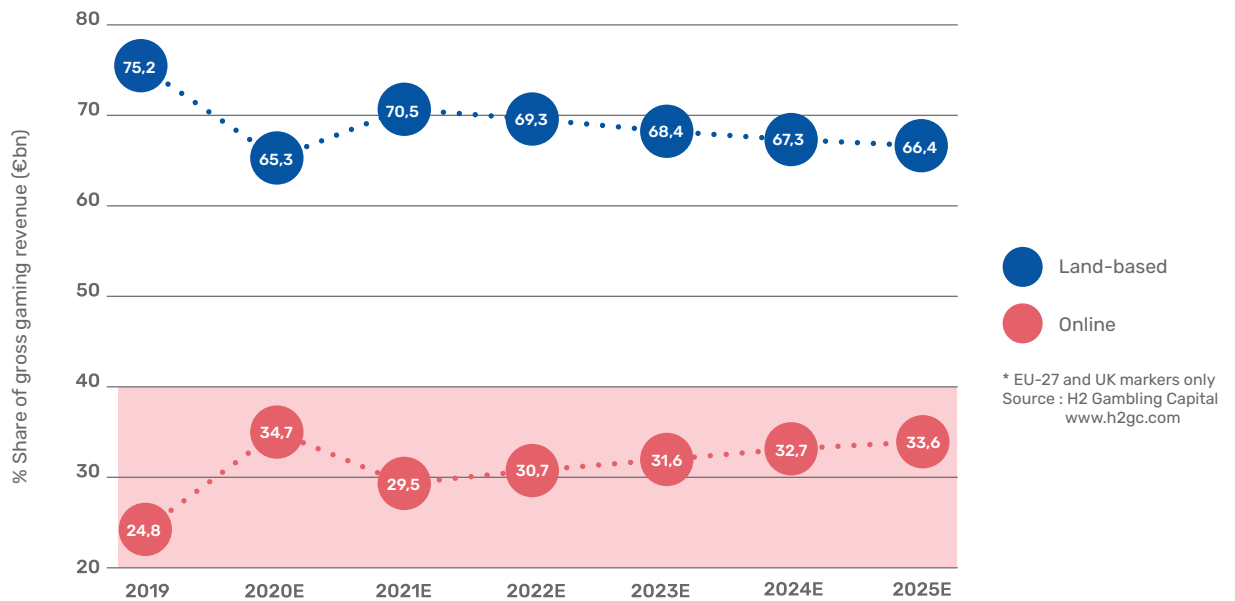
Figure 1 / Share of land-based vs. online gambling in EU-27 and the UK

% Share of gross gaming revenue (€bn)

II. KEY PAYMENT TRENDS

Although actual play has increasingly shifted to a virtual setting, player expectations have already been conditioned during offline play.

For example, players expect to receive winnings instantly so that they can play again or cash out. iGaming merchants must therefore facilitate the change in playing channels by replicating the same level of service for iGaming and continue to empower the customer journey through payment innovations.

Maximising uptime: iGaming merchants must maximise their payment uptime as their online operation is open 24/7. If a player is unable to make deposits or withdrawals when they want to, their dissatisfaction could lead to a lack of trust, which then translates as a loss of loyalty and revenues for iGaming merchants.

Increasing use of mobile: The evolution of iGaming has also led to an increase in mobile betting and gambling. For example, by 2025, betting via mobile is expected to account for 58% of total online betting[4]. This illustrates the fact that payments need to adapt to the mobile format with responsive design and appropriate payment methods such as in-app payments or one-click payments. The user experience needs to be frictionless and efficient to prevent interruptions to gameplay.

Figure 2 / Betting via mobile vs. desktop in EU-27 and the UK

% Share of gross gaming revenue (€bn)

Mobile Devices
(phone and tablets only)

Desktop

* EU-27 and UK markers only
Source : H2 Gambling Capital
www.h2gc.com
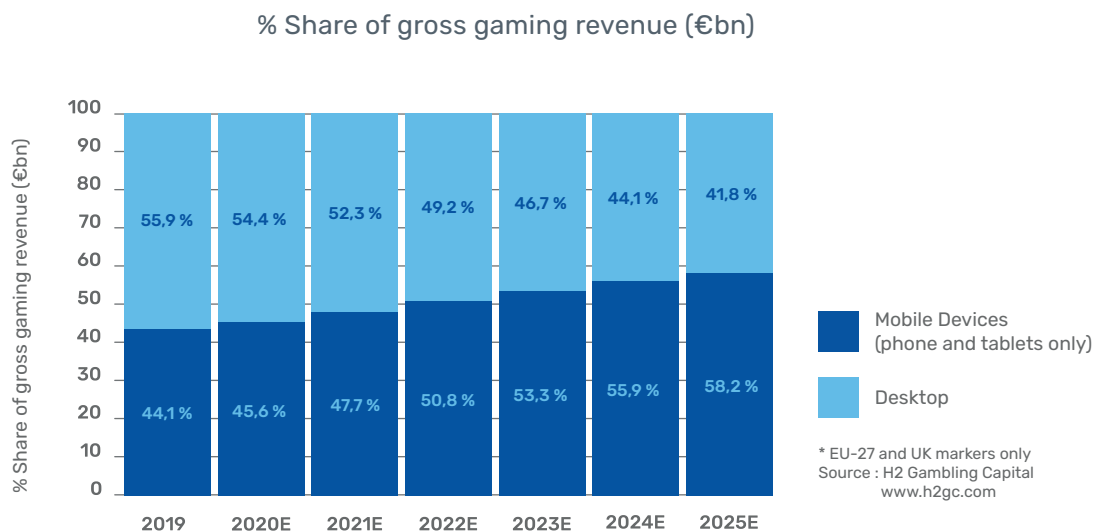
Relevance of omnichannel strategies: The use of an omnichannel strategy – including payments – supports customers who use both online and offline channels for betting and gambling. The new capabilities offered by mobile phones allow a new gaming experience for players in the physical world. For example, it is now possible to deposit from a slot machine's seat in a physical casino with an application such as Bancontact QR code. These new systems allow iGaming merchants to reconcile both digital and physical worlds and aggregate data that will be useful to improve their service. The importance of using an omnichannel strategy to support the mutual growth of online and offline play is key for iGaming merchants.

4 European Gaming and Betting Association - European Online Gambling Key Figures 2020 Edition

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The need to offer local payment methods: iGaming merchants operate most of the time in multiple markets and need to offer local payment methods. Localising payment provides relevant payment method options that meet player payment preferences and contribute to higher conversion rates. This needs to be done in compliance with local regulations, taking into account restrictions related to iGaming licensing and regulation changes (the UK has recently blocked the use of credit cards, for example).

Offering the same payment methods for both pay-ins & pay-outs: Restrictions on choices of payment methods for pay-in and pay-out may create friction in the payment process. This can upset players who are unable to use their preferred payment methods either to send deposits and/or receive winnings. Customers expect to be able to use their preferred payment methods.

Strong focus on pay-out: Players expect to receive their winnings quickly in order to continue playing or cash out. Clearly, the speed at which they receive their winnings is important, with a preference for minutes rather than days. Players mirror their expectations from physical gambling establishments where access to winnings is immediate, as well as from experiences with other e-commerce websites with a strong focus on customer experience and customer support such as Amazon.

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III. HOW COVID-19 HAS HELPED TO DRIVE GROWTH

Covid-19 has helped to accelerate the move to digital in the iGaming sector. Following government-mandated lockdowns, instore gaming locations were closed, which facilitated a significant shift from offline to online gaming.

- During this period, the number of first-time poker players increased by **255%**, and it is important to note that **75%** of these players had used the same iGaming brand to place sport bets prior to Covid-19[5]. The lockdown has thus provided the opportunity for iGaming merchants to cross-sell and acquire new customers.

- With an increasing number of players, iGaming merchants had to cope with increased payment volumes, estimated to be around **40%-50%** in 2020[6]. Operators needed to ensure that they had the capacity to process this increased payment volume to facilitate a smooth customer journey.

- Some regulatory bodies, such as in Germany and the UK, have taken restrictive measures with regard to the iGaming industry. This has created hurdles that industry players must comply with while simultaneously working to create a user experience that is as smooth as possible.

- Examples of regulatory changes that recently came into force:
  - The UK banned credit card payments for all types of gambling on 14 April 2020 in order to improve social responsibility within the industry[7]
  - In May 2020, it was reported in Germany that online casinos may no longer be able to use major card payment schemes[8]

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5 Optimove   **7** EGBA - European Gaming and Betting Association
6 LoginCasino   **8** Translation Royale

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02.

THE ROLE OF THE PAYMENTS MANAGER
IN THE iGAMING SECTOR

Based on interviews with iGaming merchants and EDC's expertise, three characteristics of the payments manager's role stood out. Payments managers in iGaming are not only payments experts but also leaders who maintain a customer centric focus and are ready to continuously innovate.

I. EXPERT AND LEADER

The role of payments managers in the iGaming sector is wide-ranging as they need to be both experts and leaders regardless of whether they work alone or as part of a wider payments team.

iGaming payments managers require in-depth expertise as they need to fully manage payments, dealing with the complexity of different payment methods in various countries and understanding local specificities and requirements.

Their role encompasses pay-ins, pay-outs and payment-related processes such as compliance and fraud.

> **A payments manager plays a cornerstone role, managing payments from A to Z (from market research to payment supplier management, following KPIs, and defining their payment strategy), while simultaneously liaising with different departments."**

Radu Stefan Voloaga
Product Owner at Gaming1

Payments in iGaming are influenced by a range of different factors including the mix of iGaming products offered, user experience and customer payment preferences in different countries. Collaboration and strong teamwork with different internal departments is critical, as payments also impact many internal functions such as IT, Sales and Finance.

The iGaming payments manager is effectively the link between all departments, assessing the impact of payments on the whole organisation. This encompasses all payment-related aspects, from the initial stages of payment strategy development to the implementation of this strategy and the on-going monitoring of payment KPIs.

> ## An iGaming payments manager acts as a consultant for other departments within the organisation.
> Collaboration is required and the communication is critical to align the different teams and processes for maximized performance."

Ana Stef
Head of Payments at NetBet

II. FOCUS ON CUSTOMER CENTRICITY

The payments manager's role is also to empower payments to facilitate the customer's iGaming journey, which requires a detailed understanding of customers' payment needs. This requires in-depth knowledge not only of local realities (for payment method localisation with specific alternative forms of payment) but also of gaming-related parameters (for example, online gamers vs offline gamers) and different types of iGaming activity (sports betting vs. poker).

Being customer centric enables payments managers to provide relevant payment methods.

By doing so, they help to facilitate a positive customer experience in terms of deposit, KYC, pay-in and pay-out. This supports an increase in conversion rates.

> ❝
> **It is important to select universal payment methods that customers are used to paying with.**
> (e.g. traditional payment methods for instore gaming versus more innovative payment methods for online gamers)."

Valérie Durand
Treasury, Payments and Insurance Manager at PMU

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III. CONTINUOUS INNOVATION

The payment industry never sits still, and neither should iGaming payments managers.

It is important that they be forward-thinking, open to innovation and willing to challenge existing payment practices.

> **Retail is a stable market when it comes to payments.**
> **It is different from the iGaming payments environment, which is evolving rapidly and is very dynamic. Innovation is part of our day-to-day activity and is a must in this industry sector."**

Ana Stef

Head of Payments, NetBet

" A payments manager must be an innovator and make suggestions within a fast-changing payments landscape, in a world of highly innovative payments."

Valérie Durand

Treasury, Payments and Insurance Manager at PMU

This is especially important as players experience innovative payment methods in other industries such as retail. When these experiences are positive, players develop strong expectations about their payment preferences.

It is therefore important for iGaming merchants to keep up, to continue innovating and to offer relevant payment methods and new payment journeys that will help to increase revenues.

03.

KEY PAYMENT -RELATED PAIN POINTS
EXPERIENCED BY iGAMING MERCHANTS

Being a payments manager in the iGaming industry is not without its challenges. Interviews with iGaming merchants and EDC's expert input have allowed us to identify six key pain points.
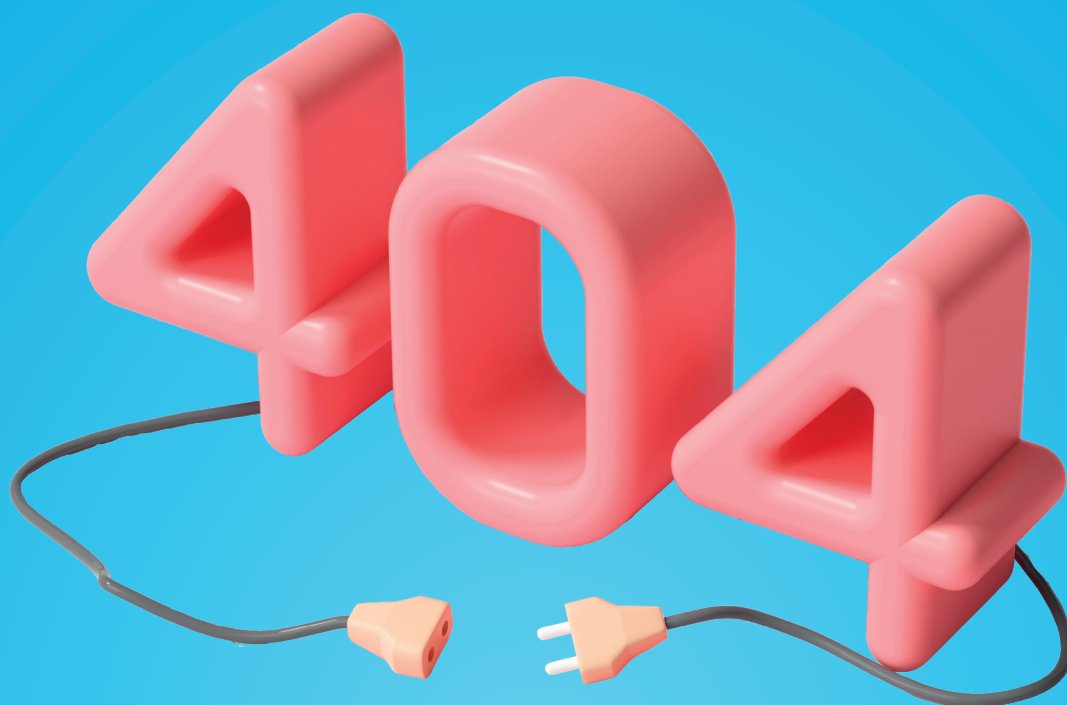
I. COMPLEXITY AND LENGTH OF PLAYER ONBOARDING

The complexity of onboarding in the iGaming industry impacts not only the user experience but also conversion rates.

The friction imposed by regulators as they mandate the need for KYC and AML for both pay-ins and pay-outs means iGaming merchants may require extensive documentation to onboard new players. This is further complicated by the fact that regulations – when they exist – differ between countries. iGaming payments managers need to be aware of all regulations and understand their impacts on customer journeys and, potentially, revenues.

The onboarding process may create frustration for new players, as the time and resources necessary to complete KYC takes time away from play. For players who prioritise confidentiality, such requests may be off-putting. Facilitating the onboarding process is therefore a key challenge facing the iGaming payments manager.

"An iGaming merchant is like a house. KYC is required to enter the house and KYC is also potentially required to exit the house. Facilitating the entrance and exit of our iGaming house is one of our biggest challenges."

Mickael Marceau
Group Head of Payment at Kindred

An ethical dilemma also emerges with the level of compliance iGaming merchants and payment providers are prepared to handle. Players of iGaming merchants who strongly comply with KYC and AML requirements may face greater friction, which will in turn impact betting volumes. This may also work in favour of these iGaming merchants as they can communicate their high level of compliance to their players, thus strengthening their loyalty.

II. NEED FOR INSTANTANEITY

Players expect bets to be made in real time and to receive their winnings instantly in order to facilitate continued play.

However, payment methods are not designed to offer instant gratification, which is a must-have in iGaming. Payment methods were originally designed for retail purchases where instantaneity is not necessarily a key requirement. Payments managers must consider the player's need for immediacy and address this significant requirement.

> **Payment is not only about allowing a transaction to go through.**
> Our goal is to offer the most seamless and safe experience. Instantaneity & Security of deposits are key for operators & players."

Stanislas Devaux
Head of iGaming & International Sales at HiPay

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Instantaneity not only facilitates play; it is also a decisive loyalty-building factor. Players are choosing iGaming merchants based on how quickly they can receive pay-outs, so instantaneity is becoming a critical success factor.

> ❝
>
> **In certain markets, 45% of customers are choosing a specific iGaming merchant because of instant pay-outs.** This is key aspect where we have focused on providing a best-in-class pay-out experience"

Mickael Marceau
Group Head of Payment at Kindred

III. NEGATIVE IMPACTS ON PAYMENT CONVERSION

Payment fraud

Payment fraud is a constant threat to the iGaming sector. Credit card fraud increased by 37% in 2019, which resulted in significant loss of revenue and high additional costs to process chargebacks for iGaming merchants. Furthermore, players demanding instant payment pose further risks as real-time transactions leave merchants with less time to inspect fraudulent payments[9].

9 IDVision 2020 iGaming Report – Insights into online gambling fraud and building player trust

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> **There is mistrust in the iGaming industry, which makes it a challenge for iGaming merchants to avoid being stereotyped outside of the industry."**

Valérie Durand

Treasury, Payments and Insurance Manager at PMU

Strong Customer Authentication (SCA)

The implementation of SCA has had an overall negative impact on conversion rates, which have fallen up to 10% - 15% in certain markets. Players face friction when authenticating themselves to be SCA compliant. Moreover, levels of adoption and readiness differ between countries and payment providers across the payment value chain, creating additional complexity.

Beyond SCA compliance, iGaming merchants need to educate players and explain the benefits of SCA. A key message that it offers a more secure payment process should be clearly communicated (for example on the payment page and in FAQ).

Over time, as iGaming players increasingly adapt to new customer journeys, the initial negative impact slowly subsides. It is expected that conversion rates will soon return to more or less the same levels as pre-SCA.

> **The impact of SCA initially created a drop in conversion rates of 10% in some markets, which was followed by stability and a slow increase. We expect to be back to pre-SCA levels in the near future."**

Radu Stefan Voloaga

Product Owner at Gaming1

Local specificities

iGaming merchants serving a global audience need to address local and specific customer needs regarding payments. This leads to a complex payments ecosystem and may negatively impact conversion. Global coverage facilitates an iGaming merchant's market reach. However, the specificities of local payment methods require support from local payment services to ensure conversion rates are maximised. iGaming merchants are increasingly required to cater for local payments and maintain relationships with a number of different local payment service providers.

IV. PAYMENT PROVIDER INSTABILITY

This poses a significant risk to iGaming merchant revenues. Payment platforms sometimes experience issues and can no longer process payments.

When this happens, iGaming merchants lose the ability to accept payments and this results in a significant loss of revenue.

The instability of local alternative payment methods may also negatively impact iGaming merchant revenues. When a specific local method of payment goes down, there may be no alternatives. Players may decide not to play or bet because their preferred payment method is not available, leading to loss of revenue.

> **Instability of payment providers is a key pain point for us. When our payment provider's platform goes down, we can no longer process payments and this creates a significant financial burden on our revenues, especially during peak periods."**

Radu Stefan Voloaga
Product Owner at Gaming1

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> **The risk of relying on local alternative payment methods is that if a local payment method like Bancontact is down for three days for example, there is no alternative and this significantly impacts our revenues."**

Mickael Marceau
Group Head of Payment at Kindred

V. REGULATORY CONSTRAINTS

Regulatory constraints may hamper iGaming merchants' ability to provide payment methods that could optimise the player gaming experience.

In France, for example, online pay-outs can only be made by bank transfer. This is not a fast payment method, meaning pay-outs are not instant.

Moreover, in certain markets, regulatory grey areas create ambiguity for iGaming merchants. For example, the launch of a newly regulated market such as the Netherlands may be complex to follow and understand, especially when politics may be at play.

Payment managers need to understand what the regulations are and the implications for players.

VI. COMPLEX FINANCIAL RECONCILIATION

The complexity of an iGaming payments ecosystem becomes apparent when merchants need to carry out financial reconciliation from across a range of payment methods and service providers in different countries.

This complexity increases when payment providers have different practices such as net settlement vs. gross settlement (for example with prepaid cards). This makes the reconciliation process more challenging.

"
Financial reconciliation can be difficult for alternative payment methods because payment operators may deduct fees. This complexifies our financial reconciliation."

Valérie Durand
Treasury, Payments and Insurance Manager at PMU

04.

SEVEN BEST PRACTICES FOR SUCCESSFUL iGAMING PAYMENTS MANAGERS

Pain points can be managed and minimised, and there are different ways to do this. Interviews with iGaming merchants identified seven best practices that payments managers can implement to overcome the complexity of the payments ecosystem and maximise player satisfaction.

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I. FACILITATE FRICTIONLESS ONBOARDING & EFFICIENT KYC

The onboarding process for payments in iGaming begins with KYC and AML checks that create friction for the player experience.

While there is no all-in-one solution that would make onboarding and KYC easier, below are some best practices:

- **Use technology to provide a frictionless onboarding process:** in Sweden, for example, the use of eID/Bank ID electronically verifies the customer's ID in 30 seconds.

- **Perform due diligence on KYC providers:** a payments committee can be created to assess providers in terms of licenses and data privacy. The objective is to select a best-in-class provider that is able to support a smooth onboarding experience.

- **Identify customers as soon as possible:** for example, merchants can use Apple Pay to determine and assess customer profiles. This enables iGaming merchants to begin player due diligence during registration.

- **Make KYC a 'background' process:** PSPs can assist with the KYC process by providing part of the required information to complete the registration once the first deposit has been made. Best-in-class iGaming merchants create player accounts based on information shared by PSPs while the KYC process runs in the background.

Making onboarding and KYC as frictionless as possible is critical because it is the user's first introduction to iGaming merchants. A smooth process facilitates a positive user experience, supporting healthy deposit volumes.

> **"We are big fans of first-time deposit and KYC in the background. This removes part of the friction with the registration process (for some markets, this could be up to 30 clicks) and speeds up KYC."**

Radu Stefan Voloaga
Product Owner at Gaming1

II. ENSURE INSTANT PAY-INS AND PAY-OUTS

A key success factor for a successful iGaming merchant is the speed of pay-ins and pay-outs, and it is important for iGaming merchants to capitalise on instantaneity. For example, with horse racing in France, 50% of bets are made only moments before a race.

Speed is a critical factor throughout the gambling and betting process, from creating an account to completing necessary regulatory requirements, account funding and disbursement of winnings.

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" Customers want to know how quickly they can fund their account in order to be able to bet quickly... instantaneity is key for iGaming!"

Valérie Durand

Treasury, Payments and Insurance Manager at PMU

Instant deposit pay-ins enable a customer to begin play instantly, leading to greater customer satisfaction. Money may be deposited into the client gaming account via cash, bank transfer, payment cards, online wallets or specific prepaid cards. Interviews revealed that iGaming merchants expect to see iGaming payments resemble Amazon's 1-click pay-in process to facilitate pay-ins.

Pay-outs are just as important, as instant pay-outs facilitate continued play.

Some iGaming merchants make use of SEPA instant credit transfer, Visa Direct or Mastercard MoneySend. These methods are very effective and for some merchants, pay-out times in parts of Scandinavia and Northern Europe may be under ten minutes. This drives a virtuous cycle of gaming where the player bets, wins, immediately collects their winnings and immediately bets again, resulting in player loyalty and increased revenue.

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III. INCREASE CONVERSION THROUGH PAYMENT OPTIMISATION

"Constant focus on optimisation – it is part of our philosophy. You get positive results just by analysing the data, which enables you to make the right decisions. It is the cornerstone of our payment strategy."

Ana Stef
Head of Payments at NetBet

Conversion rate is an important KPI allowing iGaming merchants to measure player satisfaction and revenue growth. Optimising payments, and thus ensuring a smooth customer journey, significantly contributes to maintaining and increasing conversion rates. A range of best practices has been identified to improve conversion:

- **Localisation of payment methods** enables merchants to better serve their customers by catering for preferences at a local level. iGaming merchants partner with local providers (for example Swish in Sweden) to accommodate for local needs in order to improve conversion rates.

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> **A part of the roadmap for HiPay is a commitment to local payment methods and not just using global payment methods."**

Stanislas Devaux
Head of iGaming & International Sales at HiPay

> **Overall, business trends are towards globalisation, however in iGaming and payments, these trends do not apply 100%.**
> Our key to meet customer expectations is to act locally and find relevant local payment solutions that would come in hand to every user."

Ana Stef
Head of Payments at NetBet

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- **Implementing KPIs and using data strategically** can help iGaming merchants to make the right commercial and operational decisions. These KPIs typically include conversion rate, drop off rate, payment success rate, first-time deposit rate, chargebacks, complaints, downtime and A/B testing (where two variants of the same webpage are shown to different visitor groups and their different conversion rates are analysed). This allows iGaming merchants to monitor their activity closely.

- **Communicating payment security** is important in order to build trust with players. When players feel secure, they are comfortable playing and may deposit higher values. Implementing specific tangible processes such as biometric recognition (for example use of Face ID on their phone) reassures customers that safety mechanisms for payment and play are in place. This contributes to increased conversion rates and higher revenue.

- Taking advantage of new opportunities offered by regulations: for example, collaborating on the subject of **Open Banking** with payments innovators may create new opportunities, contribute to improved customer experience and help to increase conversion rates.

"Open Banking is considered as a key driver of change.

It allows us to reduce costs (as transaction fees are cheaper), attain higher ATVs (Average Transaction Values), and get more robust KYC and AML."

Gemma Dunn
Head of Payment Relationships Management at Entain

IV. IMPLEMENT PAYMENT ORCHESTRATION WITH SMART ROUTING CAPABILITIES

An important practice for a best-in class iGaming merchant is the use of payment orchestration and smart routing.

Leveraging payment orchestration helps iGaming merchants to minimise the impact of payment provider instability on revenues. By working with multiple providers (acquirers and PSPs) and having rules-based systems that determine which provider to route the transactions to, merchants can increase the uptime of their service.

> **"**
>
> **Our objective is customers come first and volume given to providers is based on acceptance. There is a regular shift between PSPs and acquirers based on the acceptance rate and this is handled internally."**

Mickael Marceau
Group Head of Payment at Kindred

For example, an iGaming merchant may be working with acquirer A; however, if acquirer A's acceptance rate drops by 5%, the payment flow automatically switches to acquirer B and acquirer C, leveraging smart routing capabilities. This best practice can be developed even further by using machine learning tools to maximise acceptance rates.

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> ## This is the role of the orchestration layer – working with different gateways and acquirers to ensure platform uptime is maximised. "

Paul Lits
Sales Director iGaming at HiPay

Payment orchestration is a critical best practice for iGaming payments because it provides a dynamic solution to potential issues including costs, downtime, low acceptance and low conversion. More importantly, it is key to increasing conversion rates and revenue.

V. ADAPT TO DIFFERENT REGULATIONS AND LEAD BY EXAMPLE

The more an iGaming merchant complies with current regulations, the better it is in the long term.

As previously stated, regulations vary by country and region, and iGaming merchants must be compliant with relevant local regulations and set a regulatory-compliant example in the market. Communicating compliance has a positive impact on players' perception of security because they know that their iGaming merchant is playing by the rules. By leading by example, iGaming merchants can increase both revenues and loyalty.

VI. AUTOMATE AND OPTIMISE FINANCIAL RECONCILIATION FOR PAYMENT METHODS ACROSS ALL COUNTRIES AND REGIONS

To combat the complexity of financial reconciliation in iGaming, merchants should use technology to automate and optimise reconciliation processes, for example by integrating their ERP systems (for example Xero accounting software with SAP ERP).

"

Financial reconciliation is appreciated by merchants and is done by HiPay for all payment methods in order to facilitate the 'customer experience' of iGaming merchants and make payments easy."

Paul Lits
Sales Director iGaming at HiPay

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VII. BUILD PARTNERSHIPS WITH PSPs BEYOND PAYMENTS

The relationship an iGaming merchant has with its PSP is one of the most critical in the value chain.

The richer and deeper this relationship is, the better it is for merchants. Building such relationships with payment partners such as acquirers and PSPs involves moving from a solely supplier-customer relationship to a true partnership. For example, some PSPs may have specific local characteristics (for instance a Belgian PSP may have substantial value-added information and experience with Bancontact).

Developing a partnership with such a payment provider means iGaming merchants can take advantage of a closer, more rewarding win-win relationship.

> **A key differentiator for HiPay is not only technology but also the expertise and experience of our people.** We position ourselves as a partner to lead to a win-win situation. The real key differentiator is that we rely on our people to provide the best advice to merchants."

Stanislas Devaux
Head of iGaming & International Sales at HiPay

HiPay   **7 best practices to be a successful Payments Manager**

Some PSPs can also provide iGaming merchants with value-added services going well beyond payments. For instance, HiPay works closely with merchants to provide data – in addition to what is typically required from a PSP – including behavioural analytics and real-time comprehensive views of activities across all channels. This helps iGaming merchants to answer critical business questions and address strategic initiatives with actionable insights.

iGaming merchants need to fully leverage partnerships with their payment partners in order to take advantage of services that could improve their offering and increase their revenues.

The relationship with PSPs goes beyond payments – transparency and communication are central points. You need to know what services you can expect from payment providers, where they help or not and where you stand compared to the industry average. PSPs' detailed data from multiple iGaming merchants can be used in various ways, such as optimising and maximizing performance, improving the customer journey, transactions recovery, etc."

Ana Stef
Head of Payments at NetBet

> **"It is important to look for certain key criteria when choosing your PSP. Look for one that will benefit acceptance rate, conversion rate and market share. Many PSPs can work as partners (not just pure payment providers).** In certain markets, Gaming1 works with PSPs that provide a lot of data, marketing tools and behaviour stats, going beyond the basics to support Gaming1 operations."

Radu Stefan Voloaga
Product Owner at Gaming1

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05.

HOW TO LEVERAGE BEST PRACTICES

Implementing best practices will help iGaming merchants to optimise their payment processes and improve conversion rates. How can payments managers implement best practices?

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I. UNDERSTAND THE CURRENT SITUATION REGARDING PAYMENTS

An iGaming payments manager must have a comprehensive understanding of the current situation regarding payments.

To achieve such insights, EDC recommends that merchants should conduct a detailed 360-degree Payments Diagnostic that will review all payment components, from how the payment function is internally designed, including all payment-related processes, to contracts and relationships with payment providers.

This analysis will illustrate the current state of payments, uncover unnecessary costs and identify areas for improvement.

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II. DEVELOP A PAYMENT STRATEGY

iGaming payments managers can then use such insights to shape their future strategy and position payments as a strategic asset to optimise costs and generate additional revenues.

When developing their future strategy, payments managers need to develop a strategic roadmap that includes the seven best practices identified in this white paper.

Selecting payment partners must be a thorough process that takes into account services on multiple levels, such as geographical coverage, localised capabilities, payment methods offered, uptime, and the ability to assist iGaming merchants beyond payments.

III. IMPLEMENT A PAYMENT STRATEGY TAKING INTO ACCOUNT ORGANISATIONAL COMPONENTS

As previously stated, payments managers need to be both experts and team leaders in order to efficiently manage internal resources and optimise payments. Interviews with leading iGaming merchants showed that they design their payment function with both a payments manager and a dedicated payments team.

The role of payments managers is to lead the implementation of this strategy.

They will also need to collaborate with other internal departments to ensure that their strategy is optimised. It is vital to understand player preferences and behaviour, to be able to use reporting data strategically, to understand conversion rates and how they can be improved, and to have a firm grasp of cost-cutting strategies. Once this payment strategy is in place, it is important to monitor progress with relevant KPIs. Such metrics not only measure the success of a strategy; they also indicate potential areas of improvement.

From our interviews, the following key KPIs have been identified:

- **Conversion rates and payments success rate**
- **First time deposit rate**
- **Drop off rate**
- **Rate of payment-related complaints**
- **Chargeback rate**

HiPay   **7 best practices to be a successful Payments Manager**

ABOUT HIPAY

HiPay is a global payment platform. At HiPay, we believe payment is about more than transactions. Thanks to a unique, agile platform, we enable merchants to get more from their payment data across all sales channels, boost conversion rates, increase revenue and discover new opportunities. Combined with our next generation platform, we help our customers grow their business with international development, fraud protection, omni-channel rollout, conversion rate optimisation and increased revenues. HiPay has office locations in France, Belgium, Italy, Portugal and the United States.

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