



Second paper

WHO WILL PLAY ONLINE GAMES IN FRANCE?

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◆ What is the current situation with regard to online game players? (Before the market is opened up)

There are currently something in the order of 2.7 million people who play online games:

- ▶ **2 million players on illegal sites:** (800,000 through bets on sporting events, 600,000 through poker and 600,000 through online casino games)
- ▶ **700,000 players on legal sites:**
 - ▶ Around 400,000 through the FDJ's sports betting
 - ▶ Around 300,000 through horseracing bets via the PMU

◆ The essential distinction between current players on illegal sites and newcomers

▶ Who are the 2 million players on the illegal sites and how will they behave?

In marketing terms, the two million players on illegal online gaming sites are pioneers, braving the bans and risks without hesitation; they are fully aware of the range of games on offer. These players will be less susceptible to advertising pressure.

▶ Who will the newcomers be?

The newcomers only have a little knowledge about the range of online games on offer and the operators, and it will require several months, or – for some – a year or more before these players find their place. The communication battle to win them over will be intense.

The 2010 FIFA World Cup will not enable operators to position themselves effectively or sports betters to fully grasp the range of products on offer. *There is no doubt that these new betters will head in their masses for the French betting sites, especially those of the FDJ and PMU, which will be offering sports betting.*

◆ Taking into account the arrival of online game players using 'mobile phones':

The development of online gaming will occur through mobile telephony (mobile Internet), for two reasons; firstly, the exponential development of mobile smartphones and secondly the advantages of online gaming via mobile phones.

▶ **What methods are used to access online games on the Internet?**

Currently, more people have access to online games through mobile phones than via the fixed network.

- **20 million** people have Internet access through the **fixed network**
- **61 million** people have **mobile phones**
- **24 million** people have **smartphones** (such as the iPhone, particularly suited to online gaming)

▶ **What are the advantages of online gaming on mobiles?**

- Play when you have time (on transport, etc)
- Anywhere (mobility)
- Simplified ergonomics and specially-adapted graphics
- The chance to bet live, particularly when attending an event (the stadium)

◆ **How many 'online players' could there be in France in years to come?**

▶ **What is the potential number of online game players in France?**

▶ **The potential number of future online game players is made up on the one hand of:**

- 31 million players of physical games
- 2.7 million current online players

It is likely that a large proportion of the 30 million players of physical games will move to online gaming - it's simply a question of time. Of the 2.7 million current online players, something in the order of 600,000 players will continue to play on illegal sites, as online casino gaming is illegal in France, as will around 20% of online poker players, because the range on offer will be limited.

▶ **What were the numbers of players in other markets in 2009?**

- ▶ **UK: 6.9 million** players in 2009 (market opened up in 2005)
- ▶ **Italy: 3.34 million** players in 2009 (market opened up in 2007)

▶ **What might be the number of online players in France?**

- ▶ **2010 forecast: Between 1.8 and 2 million** online players
- ▶ **2011 forecast: Between 2.7 and 3 million** online game players (a 50% increase in the number of online players, as experienced in Italy)

◆ **What is the profile of online game players?**

▶ **Proportion of men and women:**

The proportion of men and women is the same in every country, at around **70% men**, except for online casino games, where women make up a **54% majority**

▶ **What age are online game players?**

The population of online players is younger overall than their physical counterparts. In Italy, 61% of legal players are under 34. But **a new phenomenon has been noted, in the form of the emergence of seniors, who now account for 15% of online players**

▶ **What motivates players of online games?**

Taking all countries and all types of games together, the motivation of online game players is more closely linked to leisure than the desire to win money

- ▶ Entertainment, leisure, pastime 55%
- ▶ Winning money or the pleasure of winning 45%.

▶ **What sums are played?**

The average sum played is the same overall in all countries and is similar to that for physical games, with the majority of players spending **between 5 and 20 euros**.

▶ **How much time is devoted to online games?**

In Italy, 63% of players play **once a week**, and the time for playing falls within a range between **45 and 90 minutes**. The duration is longer for casino games and poker than for sports and horse-racing betting.

▶ **Most players use multiple sites**

In the UK and Italy, half of players play on one single site, but the other half use three or four different sites for online casinos, with online poker players using an average of three sites.

▶ **Players are multi-game**

The vast majority of players are multi-game, in Italy 25 to 30% of players of poker, online casino games, sports and horse-racing betting play other types of online game and betting.

◆ **What are the risks of online games for players in France?**

Addiction factors are linked to the psychological profile of certain people, the opportunities for accessing the range of games on offer and the addictive nature of certain games.

▶ **What are the specific addiction risks to players in France?**

▶ **What is the situation in other countries?**

- **Italy and Spain:** a significant increase in the number of addicted players
- **United Kingdom:** the number of addicted players has remained practically unchanged since the opening up of online gaming, over a three year period. This low increase can be explained by the vast range of physical gaming available in the UK, contrary to the situation in Spain and Italy.

▶ **What might the situation be for France?**

For two reasons, it is possible to expect that the opening up of online gaming - as in the UK - would only bring about a **very small increase in the number of addicted players**:

1 - France has a very broad range of physical games available:

30 million players at the 198 physical casinos, 8 million players using FDJ, and 7 million using the PMU, etc. Thus it is possible to assume that the range of physical games has already flagged most addicted players, as in the UK.

2 - French legislation has introduced the most extensive range of measures in the world to protect players:

- **A ban on certain addictive games**
- **A series of measures aimed at reducing the risk of addiction:**
 - ▶ Measures to counter illegal sites: blocking of sites and financial transactions, fines, advertising bans
 - ▶ Reductions on rates of return (sums paid back to players)
 - ▶ A ceiling on stakes, on payments into player accounts and a ceiling on the size of player accounts
 - ▶ Automatic payment of winnings to an account above a certain sum
 - ▶ Display of time spent and losses incurred
 - ▶ Self-exclusion feature
 - ▶ Retrocession to the National Institute for Prevention and Education on Health, of a sum, limited to **10 million euros**, to pay toward the problem of addiction

◆ **How many online players could there be and what is their profile by type of game?**

▶ **How many online sports betters could there be and what is their profile?**

▶ **How many online sports betters could there be?**

In the order of **3 to 4 million**. This includes all fans of the different sports in France. The opportunity to bet by mobile phone, especially live, will be a factor in the development of the number of online sports betters.

▶ **Which are the most popular sports?**

- **Football:** 15 million television viewers (France international matches)
- **Rugby:** 5 million viewers for a 6 Nations match
- **Cycling:** 3 million viewers on average per day of the *Tour de France*
- **Tennis:** 2.3 million viewers on average per day of the Roland Garros tournament

▶ **How will players be distributed by type of sport?**

The distribution by type of sports bets is defined according to the popularity of the sport and the reputation of major sporting events. The percentage split for sports betting could thus be as follows:

- Football around 80% (over 92% in the UK and Italy)
- Rugby: between 3% and 5% (tournaments and league)
- Tennis and cycling between 2% and 3% each (major events)
- F1: 1%
- The remainder divided between other sports

▶ **What is the profile of sports betters?**

- Over 80% are men (UK)
- 50% of sports betters are between 18 and 24 years old, 11% are over 55 (Italy)
- 65% do not bet over 5 euros per week (UK)
- 65% play at least once a week (Italy)

▶ **How many online poker players could there be and what is their profile?**

▶ **How many online poker players could there be?**

Between **1.5 and 2 million**, based on other European countries. Online poker is the fastest-growing online game in the world. However, in terms of potential, this type of game only concerns a specific type of online player, due to the qualities it requires

▶ **How many poker players are there in other countries?**

- ▶ **USA:** 10 million on illegal sites
- ▶ **UK:** 1.4 million (opened up in 2005)
- ▶ **Germany:** 1 million (on illegal sites)
- ▶ **Italy:** 1.2 million on legal sites (opened up in 2008)

▶ **What is the profile for online poker players?**

- 73% men, but the number of women is increasing rapidly
- The majority of players are aged between 20 and 35 (Italy)
- 61% of players use stakes of 1 euro (UK)
- Average playing time is 2 hours
- 25% play on several tables (UK)

▶ **How many online horse-racing betters could there be and what is their profile?**

▶ **How many online horse-racing betters could there be?**

- Most of the 7 million physical horse-racing betters do not have an Internet culture; moreover licensed online horse-race betting in France on the PMU site since 2007 has only attracted 300,000 online racing betters.

The migration of physical horse-racing betters to online games will thus be quite slow. However this process could be speeded up by the possibility of live betting via mobile phone.

- **Potentially 25 to 30% of other online game players**

In Italy, 25% to 30% of players of poker, casinos and online sports betting are interested in online horse-racing betting.

▶ **What is the profile of online horse-racing betters?**

- 65-70% male
- Most players are aged 35 to 50
- 45% of players spend more than 20 euros per month (Ipsos)

▶ **How many online casino game players could there be and what is their profile?**

▶ **How many online casino game players could there be?**

The potential number of online casino game players is in the order of **2 to 3 million people**. Currently, over **30 million people** in France visit the 198 physical casinos. Online casinos offer the type of games that could draw the greatest audience, on the one hand because it is leisure gaming *par excellence*, and on the other because they are easy to learn and play. Furthermore, online casino games are the most highly valued by women, who in fact form the majority of players, at 54.8%. Finally, it should be noted that around 25 to 30% of players of other types of games are interested in online casino games.

▶ **How many people play online casino games in other countries?**

- The Italian market: 1 million players (it is developing strongly)
- The UK market: 2 million players

▶ **What is the profile for online casino game players?**

According to the eCOGRA survey, in the UK:

- 54.8% are women
- 29.5% of players are aged between 46 and 55
- 37% play 2 to 3 times per week
- 25% have visited more than 6 online casinos in the last three months
- Players devote 1 to 2 hours to each session

▶ **Which criteria most attract online casino players?**

- The prizes offered (75%),
- The range of games (62%)

* **Francis Merlin is a marketing consultant and author of 3 other online gaming special reports:**

- 1- The French online gaming market
- 2- The international online sports betting market
- 3- The effect of illegal sites on the French online gaming market

These reports are available on the [Monaco iGaming Exchanges](http://www.monaco-igaming.com) website

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