FROM PLAYING TO PAYING: PAYMENT EXPERIENCES IN GAMING

Opportunities and challenges for the gamer payment experience in Latin America and the Caribbean

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From playing to paying is a research paper developed by Newzoo, commissioned by Visa Inc.

The data in this publication is gathered from a quantitative online survey conducted by Newzoo unless other sources are stated.

Methodology: A representative sample of over 17,000 gamers aged 10-50 was collected in the following 9 Latin American and the Caribbean markets: Argentina (n=2,150), Brazil (n=2,232), Chile (n=2,241), Colombia (n=2,206), Ecuador (n=2,095), El Salvador (n=1,079), Guatemala (n=1,129), Mexico (n=2,250), Peru (n=2,288).

Fieldwork was conducted in October 2021.

Aggregated values are shown as weighed average across the 9 markets covered.

*Sample and data is representative of the gamer population in residential, developed areas within each market. This includes major cities, suburbs, smaller cities, and towns with high internet connectivity.

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Gaming in Latin America and the Caribbean: a growing market where frictionless payments matter

Gaming is thriving. The number of gamers worldwide will reach three billion by the end of 2021. This engagement trickles into consumer spending, with the global games market on track to generate **$180.3 billion** in revenues for 2021, with even more growth coming.

Latin America and the Caribbean will see **some of the fastest revenue increases for 2021**, with growth markets like Brazil, Argentina, and Mexico leading the charge.

The pandemic has accelerated the region's adoption of gaming and online and digital payments, presenting many opportunities. However, **there are still challenges for gaming merchants to overcome** in Latin America and the Caribbean's fragmented payment landscape. Half of gamers in Latin America and the Caribbean cancel a purchase when issues arise. This means that **providing an honest, optimized payment experience is vital**.

To aid a better understanding of Latin American and Caribbean gamers' path-to-pay experiences—as well as their drivers and barriers of spending on games—Newzoo conducted an independent large-scale study in nine selected Latin American and the Caribbean markets.

The results show that **speed, ease of use, and security are key drivers for gamers when choosing one payment method over another**. Meanwhile, negative payment experiences of payments being declined, limited payment options, or unexpected fees, are the most troubling for gamers in the region. The good news is that these challenges are solvable.

Along with a detailed picture of the Latin American and the Caribbean gaming landscape, this report highlights the key success factors for providing a frictionless payment experience.

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1 Executive summary

Finding success among paying gamers in Latin America and the Caribbean.

- Of people in Latin America and the Caribbean, 82% say they are gamers. Meanwhile, **80% of Latin American and Caribbean gamers spend money** on video games.

- Due to the sheer number of mobile gamers in the region, **mobile represents the most opportunities**. Still, there are high shares of paying gamers in all three major gaming segments (mobile, console, and PC).

- The following are the most common ways paying gamers find new video games: online video channels 39%, social media networks 38%, influencers 35%, word-of-mouth 33%, and online stores 23%.

- Major motivations to spend money include unlocking extra content 27%, making the gaming experience more fun 25%, and to personalize their characters 22%.

- A seamless payment experience is important, as **half of Latin American and the Caribbean paying gamers have backed out at the checkout of a video game-related purchase**. After this, 36% abandon the purchase completely and 34% go to another store/website.

- If a store creates friction in its checkout process, it risks missing significant business opportunities.

- Some of the most troubling payment experiences for Latin American and the Caribbean paying gamers are hidden or unexpected fees 44% or payment methods 47%, including declining payment methods or limitations and unavailability of payment methods.

- Similar issues arise for those creating video (game)-related content. **Only 1 in 6 content creators say they experience a seamless pay-out experience**. The most frequent pay-out issues they face are extra fees 43% and speed of payment processing 36%.

- As a result, increasing authorization rates and providing a seamless path-to-pay experience for Latin American and the Caribbean gamers increases video game purchases and leads to lower drop-out rates. **Key factors for success include openness and honesty around payment fees, and providing a wide variety of payment options and methods.** To learn more about how to improve authorization rates and customer experience, click here.

- Another way to attract Latin American and the Caribbean gamers is to emphasize partnerships and loyalty or reward systems. Many are very likely to already engage with such offers.

82%

of the Latin American and the Caribbean population that plays identify as gamers.

80%

of Latin American and the Caribbean gamers spend money on video games.

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The Latin American and the Caribbean games market at a glance

We zoomed in on the nine biggest games markets in Latin America and the Caribbean. Around 242 million gamers live in these countries (by the end of 2021), and three-in-five of them spent money on games.

Payers by market

146M

Payers in Latin America and the Caribbean

Payers: All people who have spent money to play games on a PC, console, a mobile device, or cloud-gaming service in the past six months.

Source: Newzoo Global Games Market Report 2021

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The paying gaming audience

Paying gamers can be found across all major gaming platforms.

			
% of gamers	84%	53%	52%
% of payers	53%	45%	38%
% spend at least monthly	34%	29%	26%

Most people play games on a mobile device. This platform does not only have the highest share of paying gamers, spending happens also at a higher frequency. PC and console are still very attractive platforms due to the higher number of pay-to-play games.

Base: Total gamer sample (n=17,670), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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Who are the highly engaged gamers willing to spend?

57%
of payers are male (vs. 43% females).

76%
of payers are age 15-35.

70%
of payers are the primary decision maker.

4 in 5
payers play games more than 2 days a week.

1 in 2
payers spend money on games or in-game items at least weekly.

Payers are highly engaged with games and are more than willing to spend money on the pastime weekly. Even though payers are on the younger side, they have a say in their spending, with 70% being a primary decision maker.

Base: Latin American and the Caribbean gamers (n=17,670): Payers (n=12,194), Non-payers (n=5,476), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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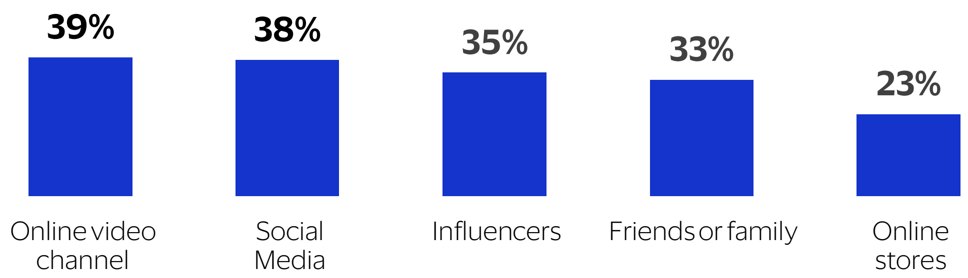
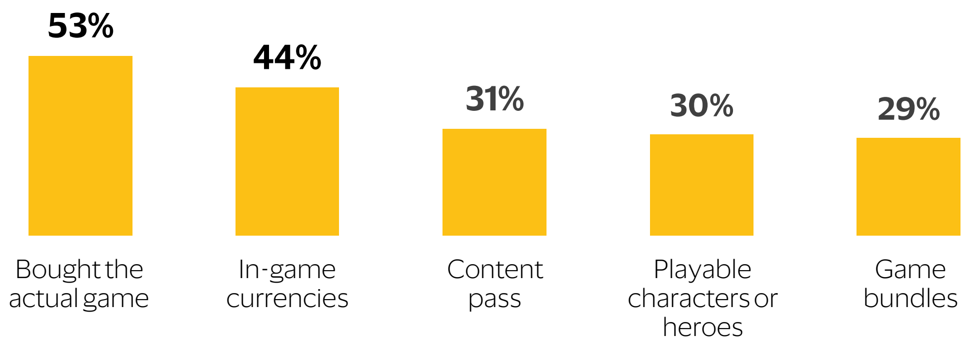
The path to pay

What is the journey to payment for gamers in Latin America and the Caribbean?

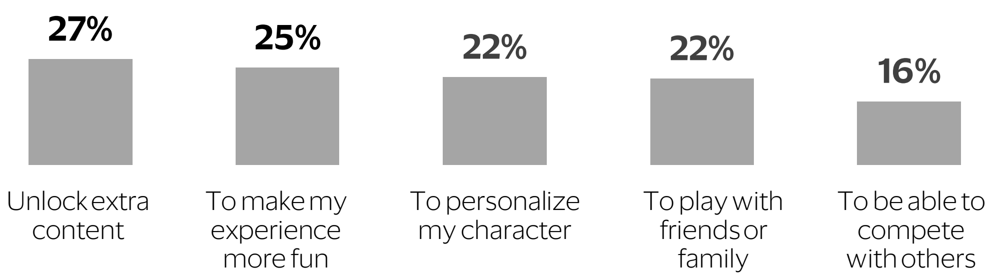
Top 5 sources of payers to discover new video games



Top 5 game-related purchases in past 6 months



Top 5 motivations to spend on game-related purchases



Base: Latin American and the Caribbean gamers: Payers (n= 12,194), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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Top 5 influences for video game purchases

1
Discounts & special offer
31%

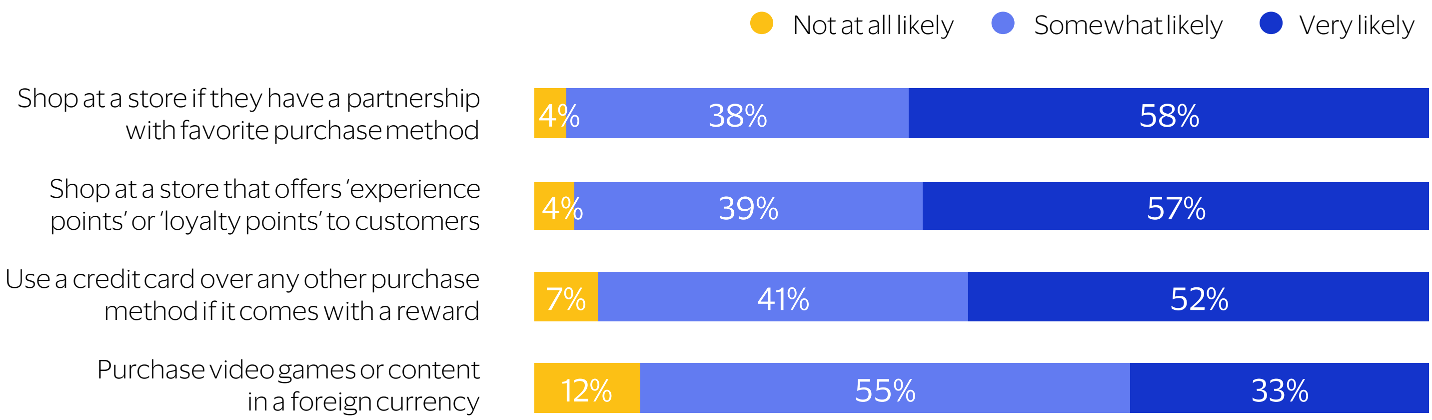
2
Game is part of a franchise/ sequel
28%

3
Friends or family recommendation
27%

4
Easy payment process
24%

5
Ability to pay in local currency
22%

Likelihood engaging in game-related purchase behaviors



Discounts, familiarity with a franchise, and social circles are the three biggest drivers of game purchases, but an easy payment process follows closely. Partnerships with payment providers, loyalty points, and credit card rewards are additional opportunities for online gaming stores and (credit card) payment providers.

Base: Latin American and the Caribbean gamers: Payers (n= 12,194), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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5 Preferred payment methods and providers

1 in 3 Latin American and the Caribbean gamers won't complete a transaction if they can't pay with their preferred method.

Most preferred payment method

1 Credit cards **32%**

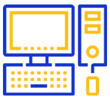
2 Debit cards **21%**

3 Prepaid/gift cards **11%**

1 Credit cards **39%**

2 Debit cards **21%**

3 Prepaid/gift cards **12%**



1 Credit cards **37%**

2 Debit cards **21%**

3 Digital wallets **11%**

Cryptocurrency consideration

15% of Latin American and the Caribbean payers consider paying with cryptocurrencies for video-game-related purchases

SV	AR	BR	CO	MX	CL	EC	PE	GT
29%	19%	19%	13%	10%	10%	9%	9%	9%

The consideration to pay for video game related purchases with cryptocurrency is high in Latin America and the Caribbean. While this is still a relatively new payment method, gamers in the region seem open to using it for their purchases, especially in El Salvador.

Base: Latin American and the Caribbean gamers: Payers (n= 12,194), Mobile payers (n=9,231), Console payers (n=5,653), PC payers (n=5,708), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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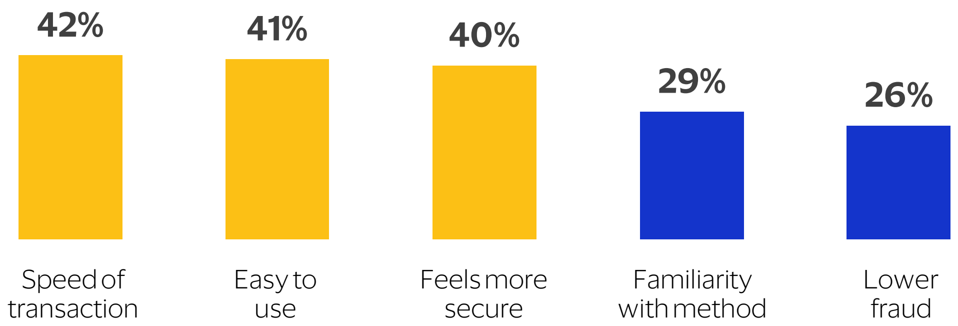
Top 5 influences to choose credit cards over other payment methods



Speed, ease of use, and security are key drivers for preferring credit cards over other methods.

Reasons people prefer to pay with Visa

"For the easiness in paying and for the control that my parents have on my expenses."

- Male, age 15, preferred Visa

"It is very easy since the information of the card is saved and I only have to click once to approve the purchase, besides, the purchase is registered instantaneously."

- Female, age 23, preferred Visa

"For the security I feel when using this provider and for the reward program I have with the bank that gives me the card."

- Female, age 48, preferred Visa

"For the accumulation of points partner by buying with the Visa card."

- Male, age 29, preferred Visa

Base: Latin American and the Caribbean gamers: Payers (n= 12,194), Payers for whom credit card is most preferred (n=4,613). % figures shown = weighted average across nine Latin American and the Caribbean markets.

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Pain points and missed opportunities

1 in 2 paying gamers in Latin America and the Caribbean cancelled or backed out of the checkout of game-related purchases in the past.

Main reasons to cancel or back out of a game-related purchase

47% Payment method kept getting declined/limited payment options/ favorite payment method not available

44% Hidden/unexpected fees or charges or unhappy with final /recurring prices

39% Lack of trust in website or slow/unresponsive website

29% Foreign currency only/foreign taxes or fees/website was in foreign language

21% Concerns related to payment or personal data

Base: Latin American and the Caribbean gamers: Payers (n= 12,194), Payers that backed out of a payment (n=6,420), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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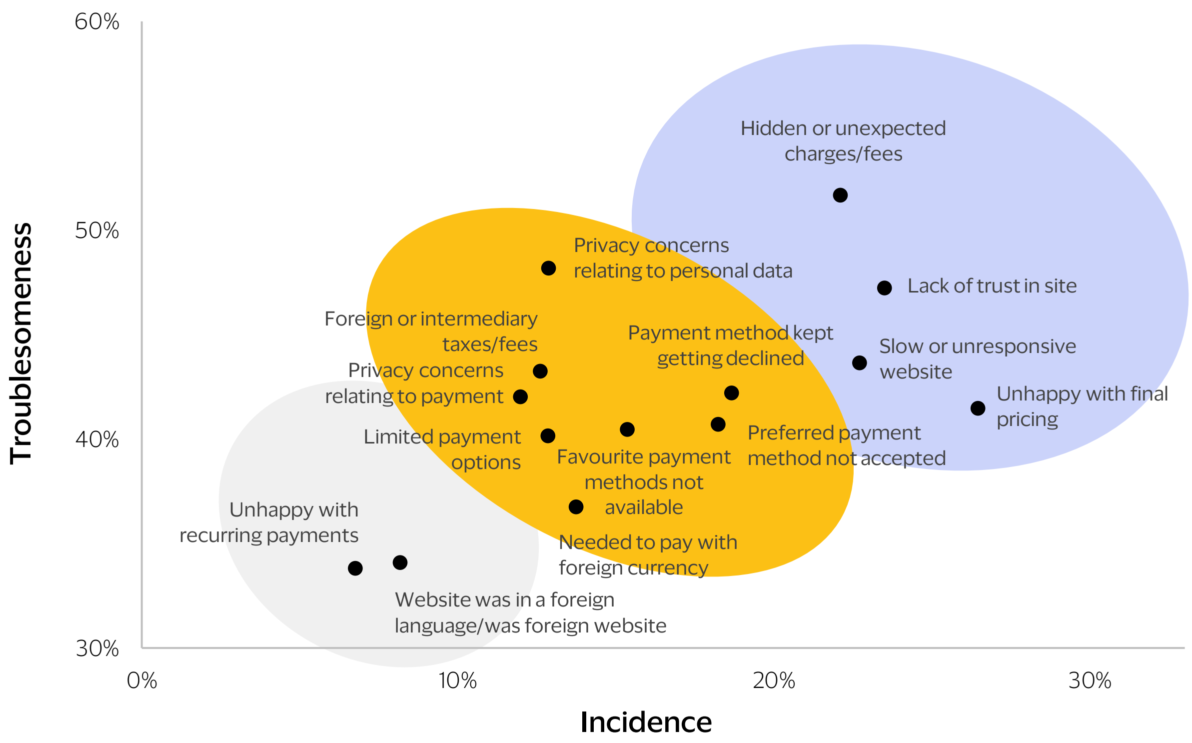
Troublesomeness of payment issues



Payment issues mean missed opportunities.

Actions taken every time/often when issues arise

1	2	3
Found a workaround **40%**	Abandoned purchase completely **36%**	Went to another store/ website **34%**

Base: Latin American and the Caribbean gamers: Payers (n= 12,194), Payers that backed out of a payment (n=6,420), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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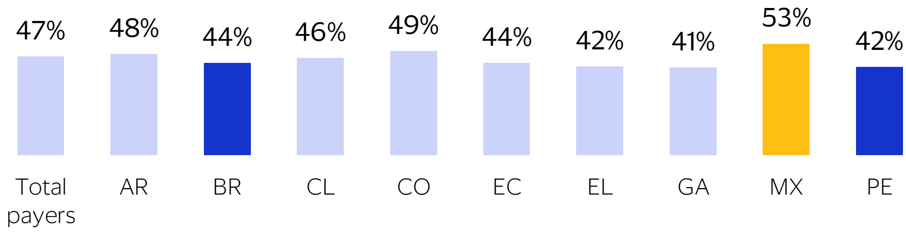
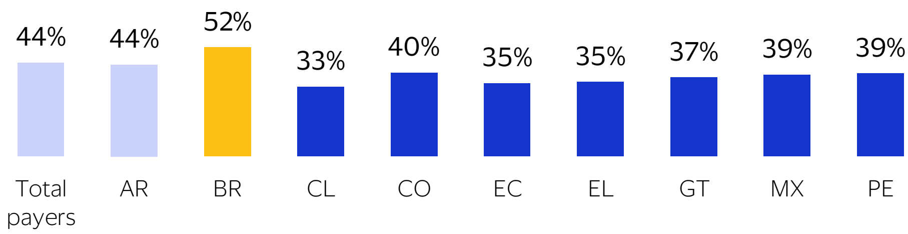
Payment barriers by market

Significant increase to total payer* | Significant decrease to total payer* | *based on a 95% confidence interval

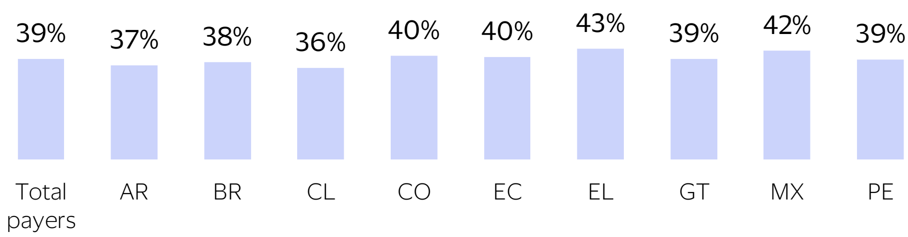
47%
Payment method kept getting declined/ limited payment options/favorite payment method not available



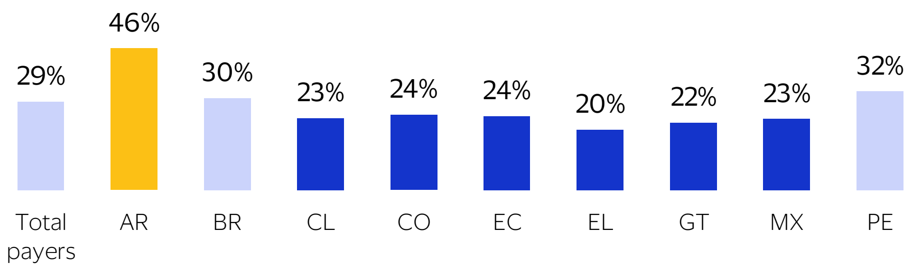
44%
Hidden/unexpected fees or charges or unhappy with final /recurring prices



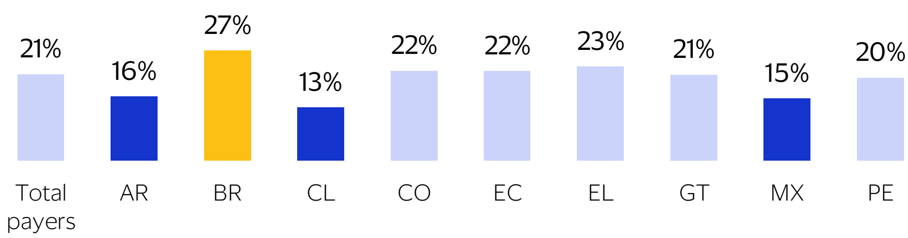
39%
Lack in trust in website or slow/ unresponsive website



29%
Foreign currency only/ foreign taxes or fees/website was in foreign language



21%
Privacy concerns related to payment or personal data



Similar issues arise for those who earn by creating gaming content.

Base: Latin American and the Caribbean gamers: Payers that backed out of a payment (n=6,420), AR (n=746), BR (n=863), CL (n=741), CO (n=837), EC (n=738), SV (n=423), GT (n=430), MX (n=790), PE (n=852), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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33%

of gamers create content, 20% create this content live, 27% create pre-recorded and upload content.

35%

of content creators create content of themselves playing video games.

Video game content creators mainly create content for their friends and social circles (51%), but there is also a sizeable group that has a (small) online following audience, with some even getting paid for it.

Type of payment received by video game content creators that get paid

1
Money added to PayPal
63%

2
Money added to bank account
46%

3
Product donations
14%

4
Crypto currency
10%

5
Donation made to charity
10%

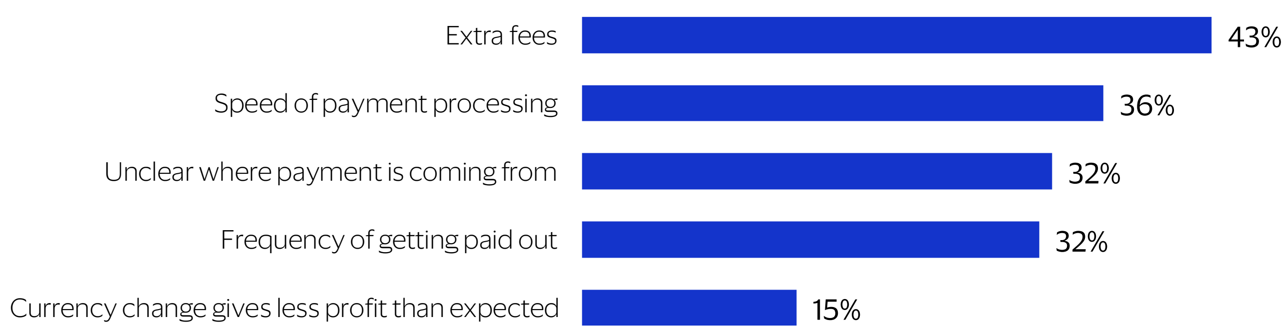
Only **1 in 6**

paid video game content creator experience a seamless pay-out process, and what particularly annoys them in the payout are extra fees and the speed of processing payments.

52%

experienced technical issues on either the platforms side, their own side, or the payer's side.

Pay-out issues for video game content creators



Base: Latin American and the Caribbean gamers: Gamers (n=17,670), content creators (n=5,398), video game content creators (n=1,617), paid video game content creators (n=885), % figures shown = weighted average across nine Latin American and the Caribbean markets.

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