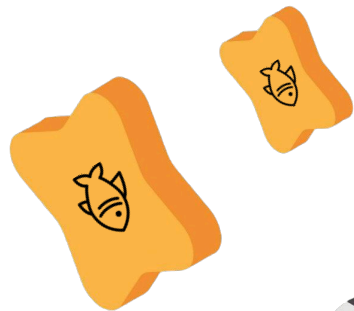




Improving Profitability and  
Enhancing Operations for

# Online Gaming & Sweepstakes Operators



# Executive Summary

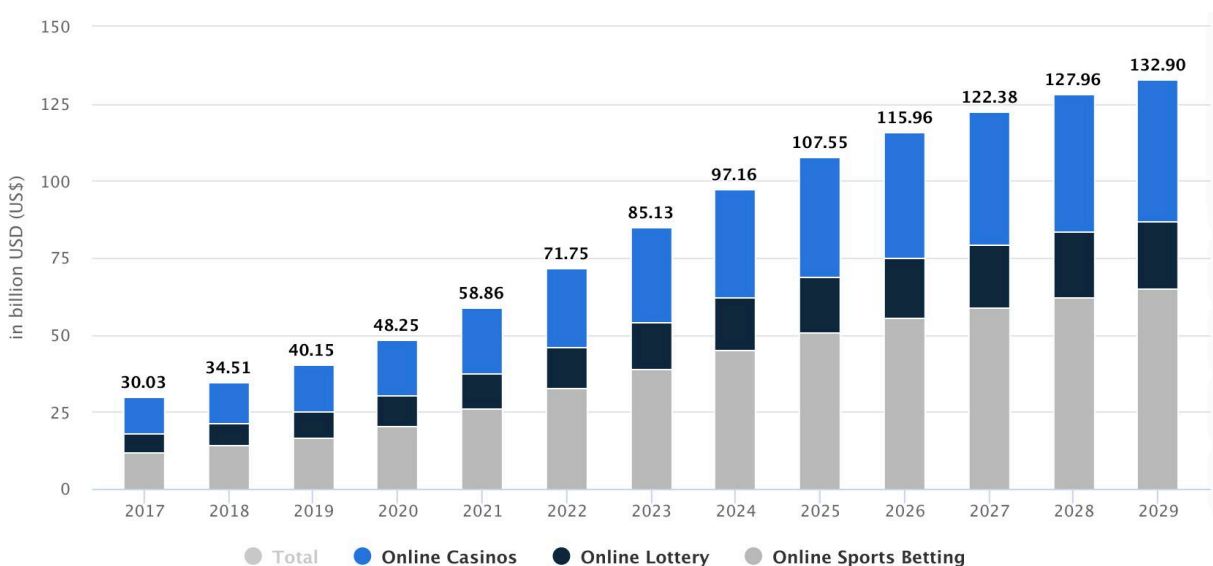
The online gaming industry has witnessed remarkable growth, driven by advancements in technology and increasing global demand for digital entertainment. As of 2023, the global online gambling market was valued at **USD 66.7 billion**, with projections to reach **USD 92.9 billion** by 2027, expanding at a CAGR of 8.9%. This surge presents both opportunities and challenges for operators striving to stay competitive and meet the evolving needs of their players.

## Industry Overview

### Market Landscape

The online gaming industry is experiencing a pivotal transformation, driven by ongoing legalization efforts across North America that are opening new markets and enhancing regulatory frameworks. Concurrently, gamblers are increasingly shifting their preferences to online platforms, seeking greater accessibility, convenience, and a wider variety of gaming options. These trends are fueling significant growth and innovation within the sector, positioning it for continued expansion in the coming years.

### Global Online Gambling Market



Statista. (2024). Online Gambling - Worldwide. Retrieved from <https://www.statista.com/outlook/amo/online-gambling/worldwide>

# Industry Overview

## Compliance

As of 2023, **29 US states** have legalized some form of online gambling, with significant growth expected as more states move towards legalization. For example, New York, New Jersey, and Pennsylvania are leading the market, contributing to an estimated **CAGR of 15%** in online gambling revenues in North America over the next five years.

Although we've made tremendous headway in this industry, compliance continues to pose significant challenges for online gaming operators. Navigating complex regulatory requirements, implementing robust KYC and AML procedures, and adapting to varying state laws across North America can strain operational resources and increase costs. These compliance difficulties not only impact profitability but also require continuous vigilance to ensure legal adherence and maintain player trust.

## Major Pain Points

Through extensive research and surveys, we've found that the top concerns for businesses in this industry are payment processing & compliance.



### Payment Processing

Online gaming operators grapple with high transaction fees, limited payment options, and delayed payouts, which can frustrate players and hinder profitability.



### Compliance

Navigating a complex and evolving regulatory landscape poses significant challenges for these businesses, who lack the resources to comply.

# Payment Processing Challenges

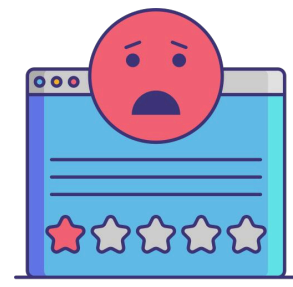
Pain Point #1

## Limited Payment Options

A restricted range of payment methods limits players' ability to deposit and withdraw funds conveniently, potentially decreasing user satisfaction and retention.

## Reliance on Cash Apps

- **Frequent Account Shutdowns:** Operators using various cash apps (i.e. Venmo, PayPal, CashApp, etc.) often face unexpected account terminations, disrupting business operations and access to funds.
- **Funds Getting Stuck:** Transactions processed through cash apps can result in funds being frozen or delayed without clear resolution pathways, impacting cash flow and player payouts.
- **Compliance Risks:** Most cash apps are implementing policies restricting gaming on their platforms for both payments and payouts which is leading to frequent shut downs and frozen funds.
- **Lack of Dedicated Support:** Limited customer support from these cash apps make it challenging for operators to quickly resolve issues related to account access and fund retrieval.



# Payout Management Issues

Pain Point #2

## Delayed Payouts

Extended processing times for withdrawals frustrate players, leading to decreased trust and higher churn rates among the user base. User retention is key for these businesses.

## Regulatory Compliance Impact

Adhering to diverse and evolving regulatory requirements complicates payment processing, especially when integrating with third party cash apps and payment gateways.

## Scalability Issues

As transaction volumes grow, maintaining efficient and reliable payment processing becomes increasingly difficult without substantial investment in infrastructure.

# EncompassPay Overview

## Who We Are

EncompassPay is your one-stop solution for payment processing and surcharging needs, expertly designed for **high-risk industries** such as **online gaming** and **sweepstakes operators**. Specializing in high-risk merchant accounts, EncompassPay delivers secure, reliable, and scalable payment solutions that address the unique challenges of the online gaming sector.

Our expert team of seasoned professionals can help you secure the best processing rates with top providers while simultaneously guiding you through the complex legal terrain of operating your online gaming business. By prioritizing responsive and knowledgeable customer service, EncompassPay ensures that high-risk merchants experience seamless payment operations and receive the guidance necessary to navigate complex challenges.



**Brian R. Price**

Managing Director

Brian brings over years of extensive experience in the merchant processing industry. He has played pivotal roles at some of the leading processing companies in the United States and has effectively worked with many large enterprise businesses. Additionally, Brian has a proven track record of successful technical integrations, ensuring that merchants can seamlessly connect their systems for optimal performance.



**Lee Krajian**

Managing Partner

Krajian is a successful entrepreneur/sales and marketing professional. After running several successful businesses in the merchandising and consumer finance sector, he launched EncompassPay to help businesses efficiently and profitably process payments.

# EncompassPay Overview

## Our Process

EncompassPay collaborates with high-risk merchants to secure approval from leading payment processors, effectively navigating the stringent requirements that often deter traditional financial institutions. EncompassPay legitimizes online gaming businesses through comprehensive consulting services, advising on optimal business structures, regulatory adherence, and industry best practices. This integrated approach facilitates seamless financial operations and fosters sustainable growth and credibility in the competitive online gaming landscape.



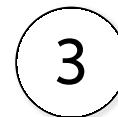
### Discover

See how we can help you start processing payments



### Process

Simple onboarding process through our implementation team



### Save

Implement our payment solution and start saving immediately

## Why Choose Us

Choosing EncompassPay for your high-risk payment processing means partnering with a leader dedicated to your success. We specialize in navigating the complexities of high-risk industries, ensuring secure and reliable transactions every step of the way. Our flexible solutions allow you to accept a wide range of payment methods, including debit and credit cards for payments and verified by Plaid ACH transfers for payouts, and payments, enhancing both your operational efficiency and customer satisfaction. With robust compliance measures and expert support, EncompassPay not only safeguards your business but also empowers you to scale and thrive in a competitive market. Let us handle the intricacies of payment processing so you can focus on what you do best—growing your business.

# Online Sweepstakes Case Study

## Client Overview

A leading player in the online sweepstakes industry, our client offers engaging games and exciting prize opportunities to a diverse audience. They were facing issues accepting payments given the lack of support for their industry in the payment processing space. At the same time, they needed a solution to keep running their business efficiently and profitably.

## Challenges

**Limited Payment Options:** Difficulty securing a merchant account for card payments for customer payments, needed to resort to alternative cash app methods that charge high fees and are actively targeting the online gaming industry and shutting down these accounts.

**Inefficient Payouts:** Challenges in processing timely and secure redemption payments to winners. Before EncompassPay, our client had to manually process each and every redemption from their business to their players through multiple cash apps and running into the same challenges.

**High-Risk Processing Needs:** Traditional payment processors were unsuitable due to the high-risk nature of the sweepstakes business and they didn't have any guidance on how to get onboarded with the proper payment processor.

## EncompassPay Solution



### Multiple Payment Options

Enabled acceptance of debit, credit, and Plaid verified ACH transactions for customer payments.



### RTP Direct ACH Transfers

Plaid verified real time ACH solutions ensure timely payouts to your winning customers.



### Reliable High-Risk Processing

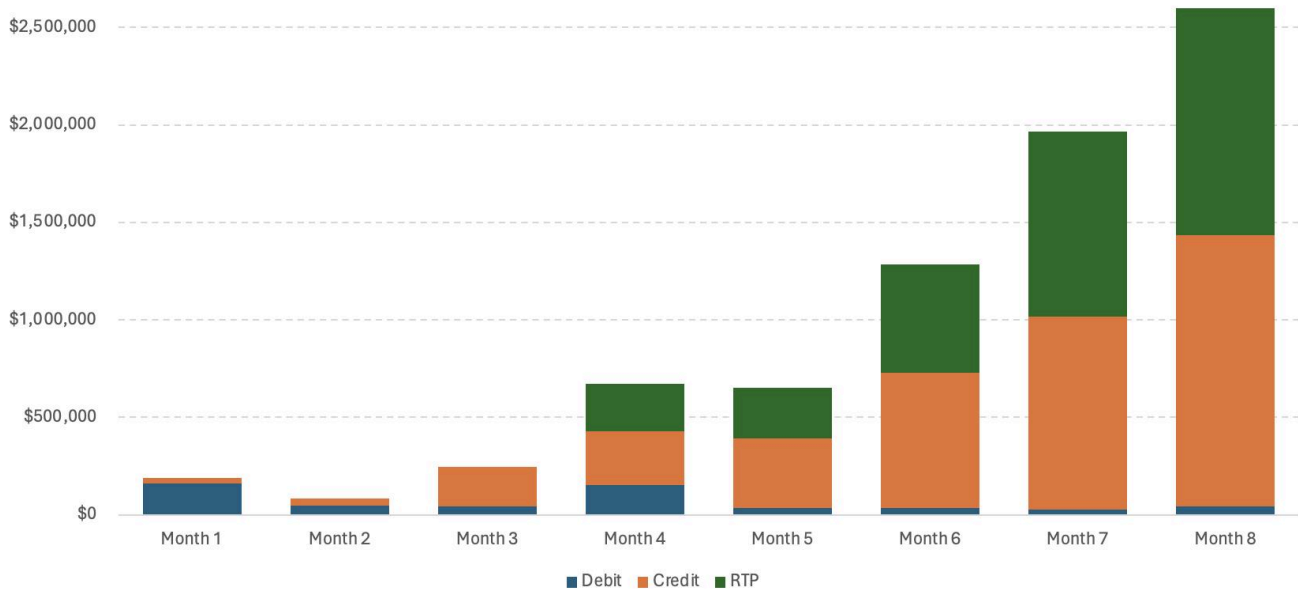
Processing from banks that understand the gaming industry for fully compliant, reliable, and scalable processing to help grow your business.

# Online Sweepstakes Case Study

## Results

Since implementing our payment processing solution, our client has gone from processing less than \$200k in month 1 to over \$2.5M in month 8. By accepting debit/credit cards, our client was able to serve a majority of his customers and offer them exceptional service through seamless deposits and instant payouts, something that his competition could not do. Throughout the time working together, our client has seen their business grow exponentially while simultaneously improving their operational efficiency.

## Monthly Processing Volume



## Testimonial



Implementing EncompassPay's payment processing solution transformed our business completely. It allowed us to offer more familiar payment options to our customers and streamline our payout processes. This partnership has been crucial in scaling our business and enhancing customer satisfaction.



- Executive, Online Sweepstakes Company



At EncompassPay, we are your one stop solution for online gaming and sweepstakes businesses. We've been able to offer more payment options to players and streamline payouts for our clients, making operations more efficient and increasing revenue through enhanced user experience.



Put money back in your pocket and unlock the potential of your business with EncompassPay's reliable high-risk merchant solutions. Contact us today!



[www.encompasspay.com](http://www.encompasspay.com)



[info@encompasspay.com](mailto:info@encompasspay.com)



888-323-0099



Brian Price  
Managing Director