

Data in Motion

Marketing & Insights



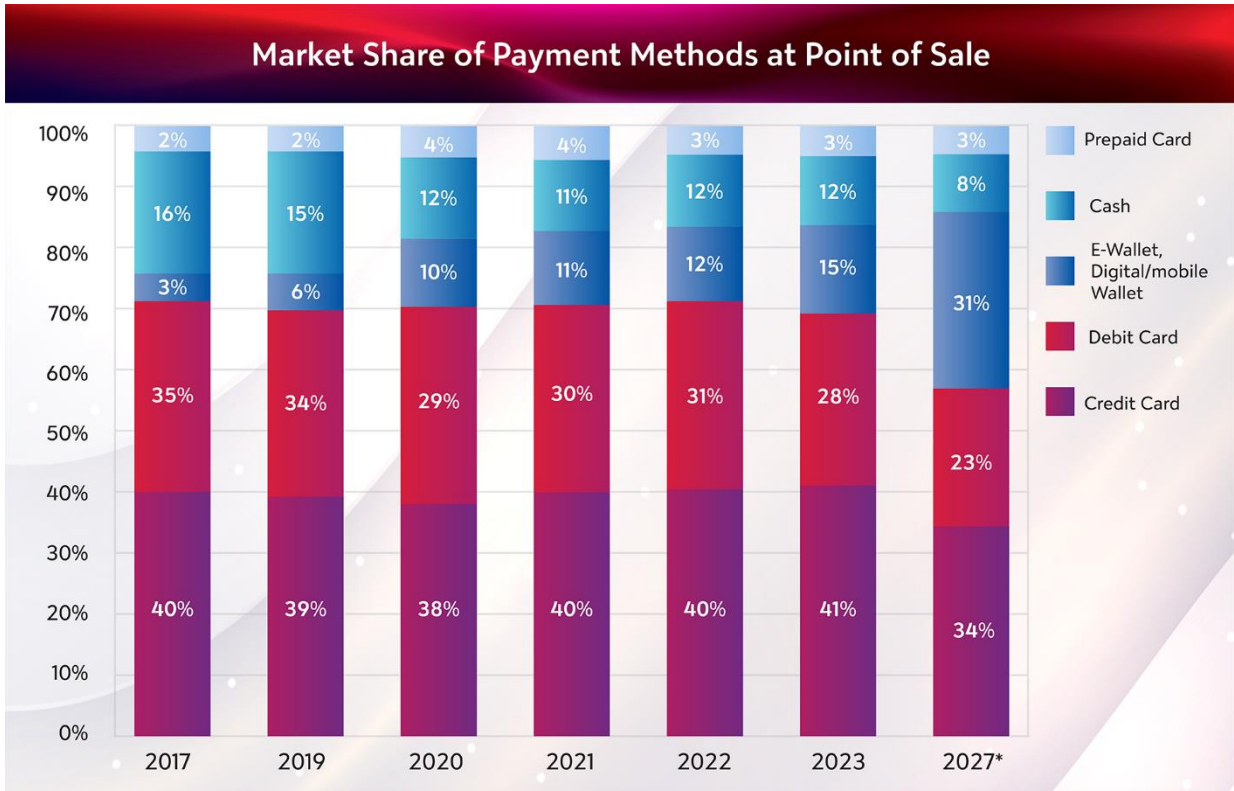
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Payment Method Trends

After the stock market crash of 1987, Pehr Gyllenhammar, then CEO of Volvo, popularized the phrase “cash is king.” And while he was referring to how corporations should manage their assets, the phrase found its way into the popular vernacular. Well, if the saying was ever true, it is far less true today, 37 years later, at least when it comes to everyday household purchases. In this issue of Data in Motion, we provide a high-level view of some recent trends in payment methods.

Not Your Father’s Wallet

As the chart below shows, cash’s share of market at the point of sale has shrunk over time and is expected to shrink further in the coming years. Both credit and debit card market share have been stable but could see some softening in the coming years. So to where is the spend shifting? To e-/mobile wallets, whose market share has been steadily growing over the years and is expected to double over the next four years, from 15% to 31%.



* Estimated

Moving in the Right Direction

The lottery industry has made some progress to align itself with how consumers want and expect to pay for purchases at retail. All but a few U.S. lotteries now allow the purchase of lottery products with debit cards and several support the use of credit cards as well. Lotteries are also looking to the supplier community to provide technical solutions that facilitate this shift away from cash. These solutions, e.g., a self-service terminal that readily accepts non-cash payment options, also enable lotteries to manage the player payment experience directly through their own systems, reducing the burden on the retailer. With the right technical solutions in place, lotteries can ensure that non-cash payments are secure, compliant, and hassle-free.

Final Word

Our industry’s historical reluctance to accept non-cash payment methods has admirable roots – to protect players from playing irresponsibly. And when “cash was king,” this made sense because people were likely to be carrying cash when they entered a retail establishment. But as non-cash payment methods become the rule versus the exception, we should be constantly looking for innovative solutions that enable consumers to purchase our products both conveniently and responsibly.

Source: Statista, Market share of cash, credit cards, and other payment methods, April 2024

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