

Industry Report

# NIGERIA iGAMING FOCUS

AN ACCELERATED SHIFT  
TOWARDS THE ONLINE



## CONTENTS

**1. INTRODUCTION**

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**2. NIGERIA FOCUS**

---

**3. ONLINE IS ON THE RISE**

---

**4. INCREASE IN BETTING POPULATION IN NIGERIA**

---

**5. SUCCESS IN AFRICA DEPENDS ON A LOCALISED APPROACH**

---

**6. TAILORED CONTENT FOR THE AFRICAN PLAYER**

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**7. LOCALISED CONTENT SOLUTIONS**

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**8. RETAIL IS STILL KING**

# 1.

## INTRODUCTION

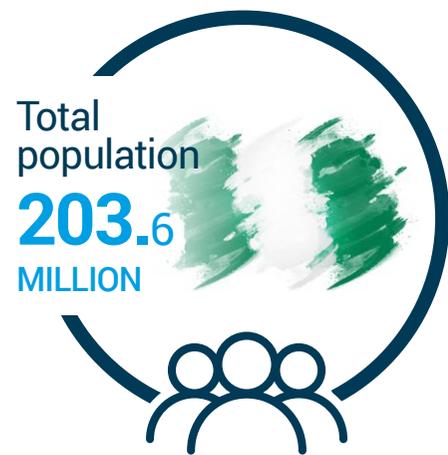


Nigeria's iGaming industry is registering significant year-on-year growth, benefitting from the large and youthful population, improving internet penetration, and the increasing access to internet-enabled devices.

Sports betting has slowly emerged as an important industry, leveraging Nigeria's huge football culture, with some of the big leagues, such as the English Premier league, and the Spanish La Liga, having millions of fans in the country.

In this Industry Report, we will focus on the future of the local industry, highlighting the market's dynamics, consumer preferences, and technological improvements.

## 2. NIGERIA FOCUS



With an estimated **60 million Nigerians** actively involved in sports betting, sports betting is experiencing a massive surge in Nigeria, and is consequently having a huge impact on the economy.

Nigeria has become the second largest online gambling market in Africa, behind South Africa, with a **Gross Gaming Revenue of \$58 million in 2018**, according to a report by top accounting and auditing firm, PwC. The report projects that the **GGR will rise by 16% over a five-year period**.

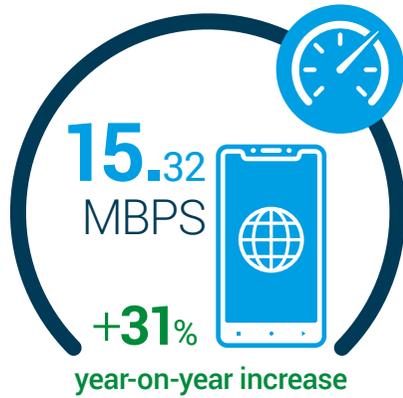
Nigerians are passionate about their sports, especially football, and this has been translated into a keen interest in sports betting.

The rise in sports betting has also been aided by improving technology, with many Nigerians now having access to mobile phones and affordable internet.



## 2.2

### NIGERIA FOCUS



Mobile penetration **83%**

Mobile penetration increase: **7.7%**  
JANUARY 2019 TO JANUARY 2020

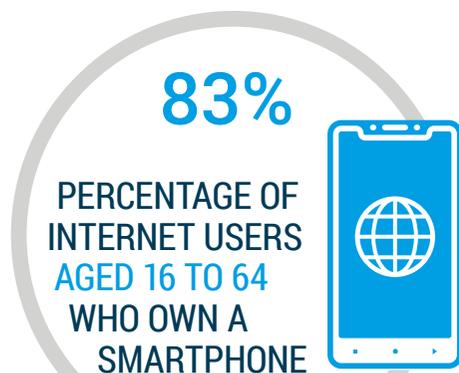
With **169.2 million mobile subscriptions** from a population of **203 million people**, with its 83% Nigeria has one of the highest mobile penetration rates on the continent. At **42% the internet penetration** is above the median penetration rate in Western Africa (36%).

Worthy of notice is the strong growth registered in terms of **mobile and internet penetration when compared to the previous 12 months, with mobile phone connections registering a 7.7% increase** (+12 million connections) from January 2019 to January 2020, and internet users increasing by a further 2.6% (+2.2 million users) throughout the same period.

The country has also registered significant improvements in terms of the average speeds of **mobile internet connections – which at 15.32 MBPS registered a 31% year-on-year increase** – and fixed internet connections, which registered an 11% year-on-year increase.

## 2.3

### NIGERIA FOCUS



Average daily time spent using  
the internet on mobile devices:

**4H 50M**

**The smartphone is by far the most popular device, with 83% of internet users aged 16 to 64 owning it.** On the other hand only 12% own a non-smartphone mobile phone, whilst laptop and tablet ownership stands at 52% and 20% respectively.

95% of all internet users access the internet via smartphones, while only 2.3% access the internet via feature phones. **The average daily time spent using the internet on mobile devices stands at 4 hours and 50 mins.**

The popularity of sports and sportsbetting amongst the population is also evident from the top Google search queries that people entered into google throughout 2019, with betting site Bet9ja being the third most searched query, and the livescore website rounding up the top five most searched sites.

When it comes to financial inclusion factors, **39% of the population has an account with a financial institution**, 2.6% has a credit card, whilst 5.6% has a mobile money account.



### 3.

## ONLINE IS ON THE RISE

- *Data consumption in Nigeria will move towards **12.0 billion GB by 2023**. Huge increases in mobile Internet subscribers and smartphone connections in particular will help present consumption levels to increase more than sixfold by the end of the forecast period.*
- *4G LTE networks are being implemented across all Nigeria. Lagos-headquartered operator Airtel is undertaking a series of staged regional roll-outs in 2019 following earlier launches by Glo, MTN and Etisalat (now 9Mobile).*

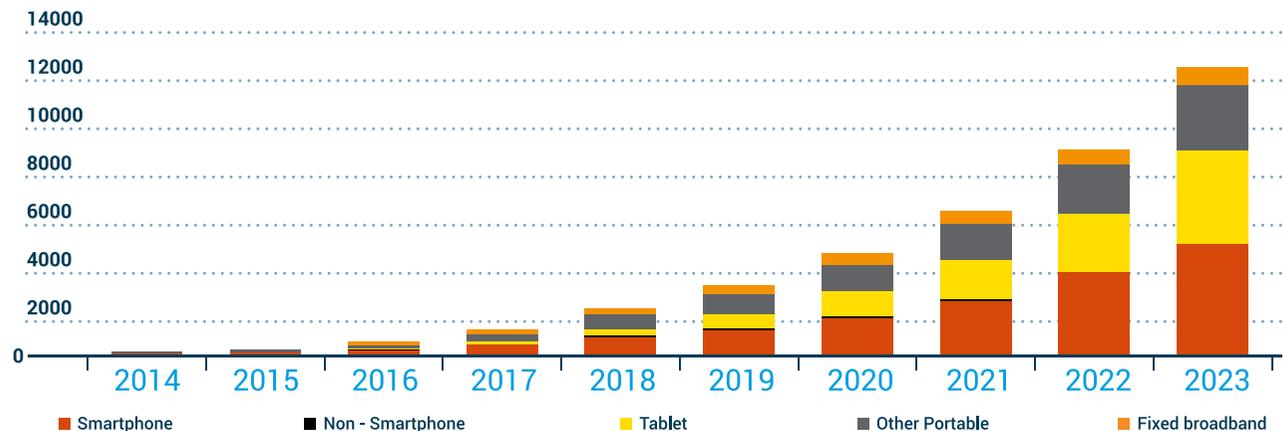
Data consumption in Nigeria will experience rapid growth over the forecast period, with a compound annual growth rate of 44.9% to 2023, when traffic will reach 11.9 billion GB from a 2018 level of 1.9 billion GB.

Although video will be the major component of data consumption, there will be very significant growth in the smaller sectors of music and Web browsing, which are each expecting compound annual growth rates above 70%.



### SMARTPHONE TO TAKE AN EVER-INCREASING SHARE

NIGERIA: data consumption by device type, 2014-2023 (GB millions)



As elsewhere, the most important means of data consumption in Nigeria is smartphones, which overtook other portables in terms of market share in 2018, attaining 34.3% of overall data consumption traffic. Smartphones will continue to expand their proportion of the market to 2023, when they will account for 38.2% of all data consumed in Nigeria.



**44.9 % data consumption forecast of annual growth rate**

FROM 1.9 BILION GB IN 2018 TO 11.9BILION GB BY 2023

#### 4.

### INCREASE IN BETTING POPULATION IN NIGERIA

AT A GLANCE

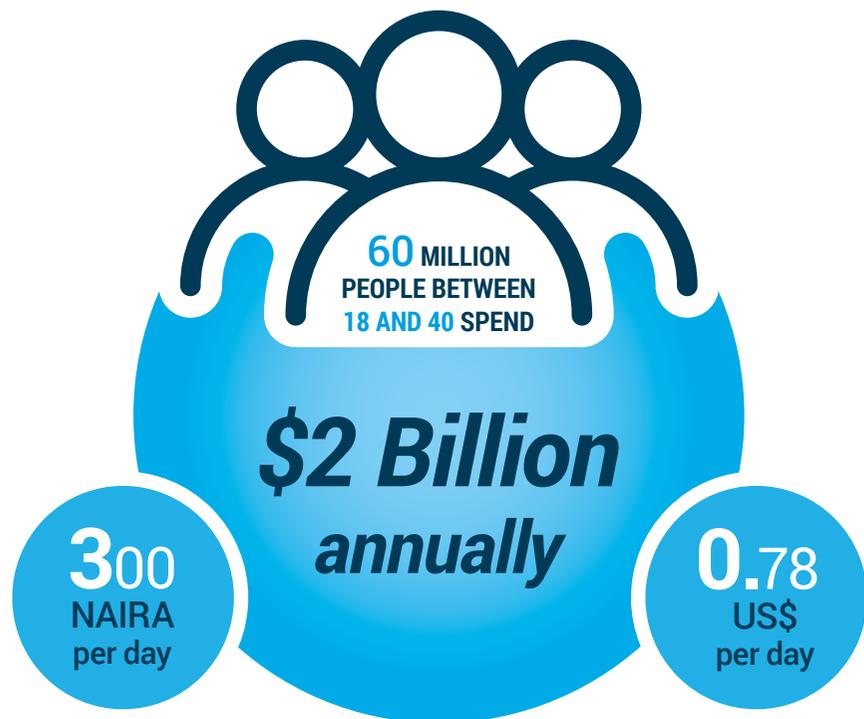
*In the entire population, about a third or more than 60 million people aged between 18 and 40 gamble, according to a recent report by Nigerian pollster Noi Polls.*

*They spend about \$2 billion annually on bets or 300 Naira (\$0.78) every day on bets.*

A public opinion poll released by NOIPolls has revealed a rising trend in gambling and betting as 39% of Nigerians polled acknowledged that they either engage in or know someone who engages in gambling and betting in the country.

This figure represents a **3% increase** in the proportion of Nigerians who engage in this practice when compared with the result obtained in 2017 (36%). More findings showed that there are more Nigerians in the Southern region (average of 47%) than the Northern region (average of 34%) who engage in this practice.

Also, betting has become a growing trend amongst young Nigerians aged between 18 – 35 years as they accounted for the largest proportion (4%) of Nigerians who engage in the practice, representing an **increase of 6%** when compared to 2017 results.



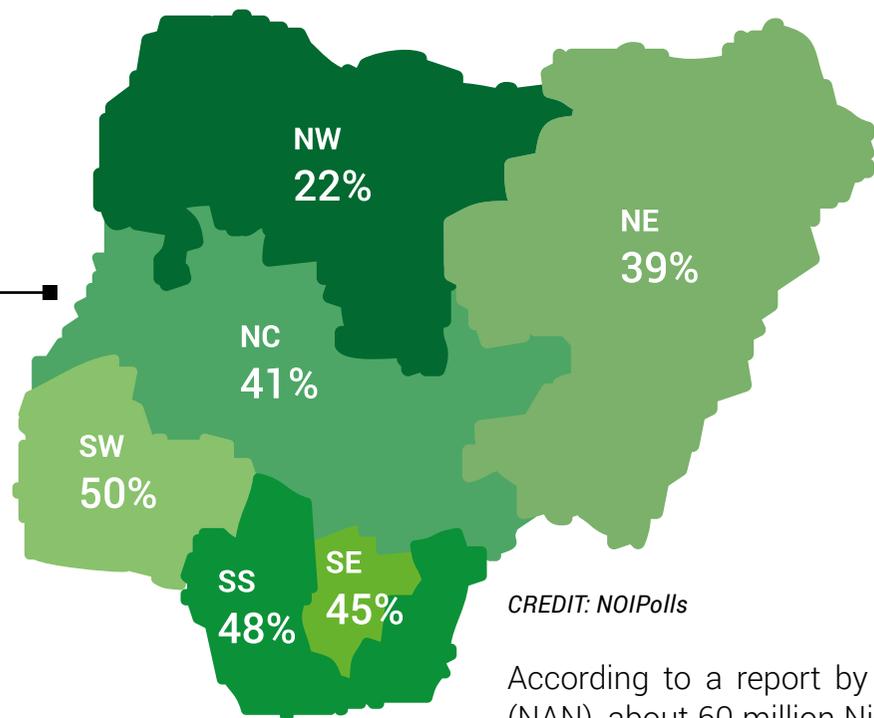
# 4.1

## INCREASE IN BETTING POPULATION IN NIGERIA

39%

of Nigerian indicated that they or someone they know bets/gambles

- 3% increase from 36% in 2017
- 25% Female, 53% Male
- 47% 18-35 years old  
36% 36-60 years old  
47% 61+ years old

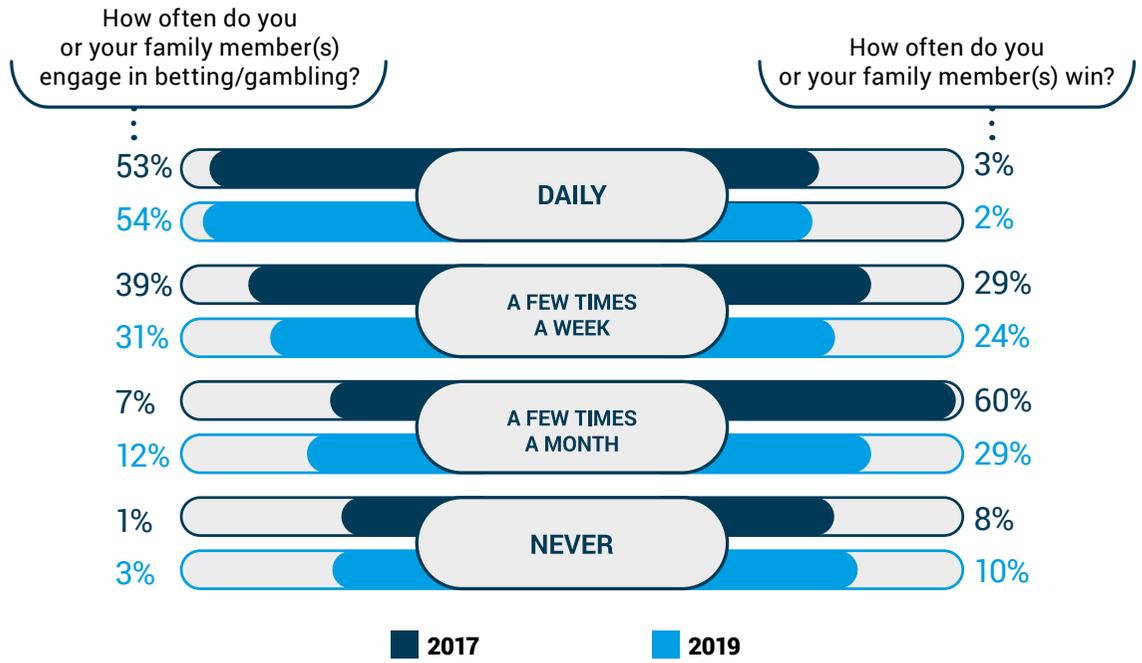


CREDIT: NOIPolls

According to a report by News Agency of Nigeria (NAN), about 60 million Nigerians between the ages 18 and 40 years spend up to N1.8 billion Naira on sports betting daily with an average investment of N300 Naira per day (\$0.78).

Furthermore, the poll revealed that out of the active participants (39%) across the country, 54% of this category of respondents bet daily. When current results are compared with the results obtained in 2017, trend analysis indicates a 1 percent increase in the proportion of Nigerians who say they bet daily.

2% of the respondents in this group claimed to win a bet daily, whilst 10% reported that they have never won a bet.



■ 2017    ■ 2019

## 5.

## SUCCESS IN AFRICA DEPENDS ON A LOCALISED APPROACH

By Alessandro Pizzolotto

STM Gaming's CEO,  
BtoBet's Certified Partner in Africa

The main characteristics of the sports betting industry in Africa remains the same across the majority of all countries, with land-based operators being the predominant channel across the whole continent, and the majority of the local players not having access to a local institution – and thus not possessing a credit card – with this resulting in the exponential growth of the mobile money payment gateways. Nonetheless, most of these **countries are now emerging into the online channels** because of strong year-on-year growth in terms of internet users and smartphone penetration.



### A CHANGING SCENARIO

Africa is still very much a cash-based scenario. It is therefore natural that in such circumstances where there is an abundance of the physical money, the tendency for the player is to visit and place their bets in the brick and mortar betting shop. However the more growth is registered in terms of internet and smartphone penetration, and the more people realise the benefits associated with an e-commerce based scenario, the more they will seek online services.

This **migration towards the online channels will become more evident** in the coming post-Covid months, where players will realise that through their smartphones, laptops or tablets, they will not only be able to place their bets in a more accessible and convenient way, but will have at their disposal a **wider selection** of options through which they can **entertain** themselves. One has to keep in mind that in a retail shop players are only provided with live sports content and in some cases virtuals. This is totally different from the **online experience**, where the player can access other content such as online casino, lottery, esports and virtuals.

### THE PAYMENTS CONUNDRUM

When it comes to payment gateways the continent is still a works in progress. Nonetheless I don't believe that this is resulting from weak local regulations.

The M-Pesa and SMS payments conundrum in Kenya that resulted last year was in effect a demonstration that local regulations do work, and in blocking these vital payment systems to the country's largest operators the Kenyan government was effectively cutting the operators from millions of customers. Whilst one can argue to great length regarding the escalating enforcement measures that were introduced by the government, this does not in itself demonstrate a weak regulatory framework that would benefit black or grey markets.

On the other hand whilst it is true that **there is no single payment gateway**, especially in terms of mobile money payment gateways that are accessible from all countries, this is **set to change** in the short to medium term, especially with the continuous expansion of companies such as MTN Africa and Airtel Africa across the whole region. Such an expansion will pave the way for a **true pan-African payment gateway** facilitating money transfers, deposits and withdrawals when it comes to the regional iGaming industry.

### A LOCALISED APPROACH

Our success in Africa is derived in the localized approach in terms of the **technology** and **services** that we offer to our partners. Not only is our platform very efficient to handle the local market characteristics – with the local sports betting industry characterized by a significant larger number of bet slips than other markets, but at a lower stake – but we have in parallel to this worked together with our content partners to create **specific content for Africa** that takes into consideration the local internet usage and hardware specifications.

## 6. TAILORED CONTENT FOR THE AFRICAN PLAYER



**Online Casino** – Keeping in mind the intricate requirements of the African market, BtoBet has rolled out dedicated content to its African operators. It is relatively quite easy to forget the toll that the size of online content has in terms of mobile data cost. Keeping this in mind BtoBet has collaborated with innovative and avant-garde content providers in presenting African players with online games that make use

of crisp graphics, maintain a modern and simple interface, and which are especially feasible for the smartphone experience.

All this without the need to incur exorbitant charges due to heavy content in terms of size. The already highly popular “Tiny Roulette” is one such advanced content provided to African operators.

Tiny Roulette



[LEARN MORE](#)

Viva Vegas



[LEARN MORE](#)

Hot 36



[LEARN MORE](#)

## 7. LOCALISED CONTENT SOLUTIONS

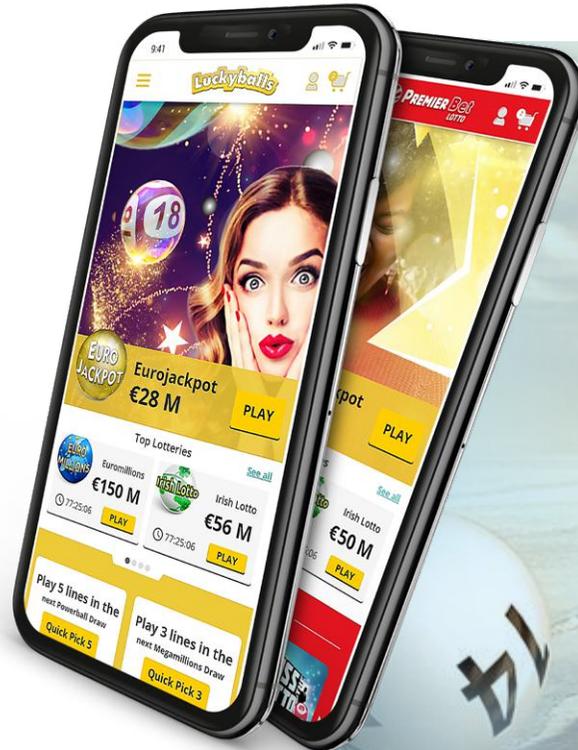


BtoBet has also launched a lottery solution perfectly suited for the African context.

With flexibility, customizability and scalability at the core of the newly integrated lottery solution, operators are given total freedom in terms of the lottery content they want to provide to their players in Africa.

Key features include:

- **Complete Omnichannel System**
- Opening **the international lottery** scene to emerging markets
- **Fraction bets**: allow your players to place more cost-effective bets tailored for them by buying a fraction of a ticket
- **Fully responsive UI** that work on any device and optimized for all browser types
- **Lightweight API**



[CLICK HERE](#)

*to see the benefits of integrating the lottery vertical to your players in Africa*

## 8. RETAIL IS STILL KING

The sharp increase in the number of betting companies operating in Nigeria has provided more employment opportunities, with thousands of Nigerians now working for both the local and foreign companies.



### HOW TO TARGET THE NON-ANONYMOUS PLAYERS?

*Apart from employing Nigerians into their offices, betting companies also create jobs by inviting people to become agents and own physical outlets.*

*These outlets have become very prevalent in Nigeria, and have provided an excellent source of income for their owners. The shop owners also have their own employees, who earn their small share from the sports betting jackpot.*

In a scenario predominantly retail but with huge online potential, operators ask how can they manage to shift their non registered players into registered ones. BtoBet's new retail solution does not only allow for a streamlined and facilitated back-office operation for the agents themselves, but also allows retail operators and agents to transform anonymous players in registered players through a simple and rapid registration process, allowing for targeted marketing campaigns, resulting in increased player engagement, and a diversified betting revenue stream.

This will also provide the players themselves with major advantages, especially from a UX perspective. Not only will the bet placement process be more rapid and efficient resulting in reduced queuing time through features such as the 'Booked Betslip' which allows players to place a bet in the bet shop simply by presenting the retail agent with the booking code or barcode of the pre-booked betslip, they will also be able to benefit from allocated bonuses and freebets.

[CLICK HERE](#)

*TO SEE ALL THE BENEFITS OF  
THE NEW RETAIL SOLUTION*



## THE PLAYER-CENTRIC ECOSYSTEM

*EVOLVE YOUR BETTING ENVIRONMENT  
AROUND THE PLAYER THROUGH ALL CHANNELS*





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