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Gambling market glossary

This is a collection of terms used in the statistics published on the Danish Gambling Authority's website. The concepts are illustrated with examples.

To the extent possible, the Danish Gambling Authority publishes relevant data for all gambling sectors in the market.

Each gambling sector has its own licensing procedure that reflects the different regulatory and commercial conditions. Therefore, there is not the same data available in all gambling sectors, which is why statistics are also collected and processed for each gambling sector at different times and at different intervals.

The Danish Gambling Authority takes into account competitive conditions in the gambling market and therefore always presents data in aggregated form.

Gross Gaming Revenue (GGR)

The GGR of a gambling sector is calculated as deposits (plus any commission) minus winnings and is used as the most robust expression of the economic value of gambling. This means that it is the GGR that determines how much a casino or other operator earns before fees, charges, taxes, and other costs (salaries, rent costs, etc.).

The Danish Gambling Authority uses GGR to assess the gambling market, which is common practice in the industry (also internationally).

Sometimes turnover figures (referred to as deposits by the Danish Gambling Authority) are requested as a measure of the gambling market, which can be misleading if the assumptions are not known. This is explained further under "Deposits".

GGR is also used as a basis for calculating the operators' gambling tax to the Danish Tax Agency and fees to the Danish Gambling Authority.

Finally, GGR is the most accurate value for how much players have lost to the operators. For operators, GGR is a measure of "sales" and not "profit". However, it is important to note that GGR may contain bonuses as described under "Bonus".

Example of GGR

A bets DKK 1,000 with betting operator X at odds of 3.0 and loses all DKK 1,000.
At the same time, B bets DKK 800 with betting operator X at odds of 2.0 and wins a total of DKK 1,600. (DKK 800*2).

The GGR for betting provider X is calculated as follows:
DKK 1,800 (deposit for A and B) - DKK 1,600 (winnings for B) = DKK 200 in GGR.

Deposits

The term deposit is used for the sum of the bets placed on games where winnings are included.

Every time money is wagered (bet) on a game, it counts towards deposits. In addition, bonuses also count towards deposits.

The Danish Gambling Authority does not believe that deposits are a robust figure for the size of the gambling market, as it gives an oversized picture of the market (see the example).

However, it is important to note that other countries use deposits to measure the size of the gambling market, which should be taken into account in any comparisons.

Example of deposits

A deposits DKK 1,000 into an account with betting operator X.
A chooses to bet DKK 500 on two separate matches, both at odds of 2.0.

One match is won, and the other match is lost, so A still has DKK 1,000 in his account.

This gives a total deposit of DKK 1,000, a win of DKK 1,000 and a GGR of DKK 0.

A now chooses to bet all DKK 1,000 on a match at odds of 3.0, which A wins, which, together with the above, will give the following statistics:

DKK 2,000 in deposits, DKK 4,000 in winnings and DKK -2,000 in GGR.

A now has DKK 3,000 in his account.

A chooses to bet all DKK 3,000 on a bet at odds of 2.5, but this time A loses.

Since A has deposited DKK 1,000 into his account and used them all, A will claim that DKK 1,000 has been played, but the overview looks like this (total with all games):

DKK 5,000 in deposits, DKK 4,000 in winnings and DKK 1,000 in GGR.

In this example, the deposit is a total of five times the amount the player has actually lost and five times the amount the betting operator has to pay taxes on.

Winnings

By European standards, a stake is considered 'lost' until a game or bet is settled, at which point any winnings are awarded in full.

Winnings are therefore not an expression of players' profits, as winnings also include the return of stakes (when players win).

Example of winnings

B plays DKK 1,600 at online casino Z and bets all DKK 1,600 on red on the online roulette.
The ball lands on a red number and B receives DKK 3,200 in winnings (bet plus the amount won (DKK 1,600 + DKK 1,600)).

Commission

Commission games are games where players play against other players (e.g., multi-player poker and multi-player bingo).

In these games, players pay a percentage of their deposit as a commission to join the game and then play for the remainder of the deposit.

Commission also occurs in the betting market, where individual operators offer betting exchanges.

Commission is counted as part of GGR.

Example of commission

The Danish player A pays DKK 100 to participate in an online poker tournament at operator Y. In addition to A, nine other foreign players participate in the tournament, who also pay DKK 100 to participate in the tournament.

Operator Y takes 5% commission, which in this case is equivalent to DKK 50, as the total stake from the players is DKK 1,000.

The ten players play for the remaining DKK 950, but regardless of how A performs, the GGR in Denmark is DKK 5. (5% of the stake paid by A).

Bonus

It is common practice in the gambling market for operators to give bonuses to players in order to attract new players and/or retain existing players.

As a rule, a bonus requires that the bonus and the wagered amount must be played through a certain number of times, possibly at minimum odds, before the money can be withdrawn.

Bonuses are recognised in deposits and thus affect GGR.

Example of bonus

A creates an account with betting operator X, where A can get a welcome bonus of 100% on the first deposit.

The bonus and deposit must be played through six times at minimum odds of 1.5.

A deposits DKK 1,000 into an account with betting operator X and then receives a DKK 1,000 welcome bonus, leaving a total of DKK 2,000 in the account.

A gambles all DKK 2,000 at odds 2.0 and wins. A now has DKK 4,000 in his account.

A now needs to play through the money five times, which corresponds to DKK 10,000.

DKK 4,000 is then bet at odds of 1.5, after which the bet is lost and A has no more money in the account.

A has lost DKK 1,000, but the GGR calculation appears as follows: DKK 6,000 (deposit) - DKK 4,000 (winnings) = DKK 2,000 in GGR.

Reimbursement rate

The reimbursement rate refers to how much of the deposited amount is paid back to the players.

For example, a gaming machine with a reimbursement rate of 80 will on average pay back DKK 80 to players every time DKK 100 is played.

Example of reimbursement rate

In the 2022 betting market, there was an average reimbursement rate of 88.48, which means that 11.52% went to the operators' GGR.

The total deposits for the betting market in 2022 were DKK 20.1 billion, which means that the total GGR (without commission) was DKK 2.3 billion. ($11.52\% * \text{DKK } 20.1 \text{ billion} = \text{DKK } 2.3 \text{ billion}$).

This means that in this example - using the real figures from 2022 - betting stakes are 8.7 times larger than GGR.

In the online casino market, the difference between deposits and GGR is significantly larger than in the betting market, as the reimbursement rate is higher.

In 2022, the average reimbursement rate for online casino was 95.78, which means that 4.22% went to the operators' GGR.

The total market deposit in 2022 for online casinos was DKK 65.9 billion, while the GGR without commission was DKK 2.7 billion. This means that in this example, online casino deposits are 23.7 times larger than GGR.

Money inserted

"Money inserted" is a term used in the context of land-based gaming machines. The term indicates how much money has physically entered the machine, but not how much money has been gambled.

Example of "Money inserted"

A throws DKK 100 into a gaming machine, after which A plays 10 games of DKK 1 and loses the first nine games. On game number ten, A wins DKK 10, so A now has DKK 100 left to gamble in the machine.

A again plays 10 games of DKK 1, but this time A loses all DKK 10. A then chooses to withdraw the remaining DKK 90 from the machine.

In the Danish Gambling Authority's statistics, "money inserted" will be equal to DKK 100, deposits will be equal to DKK 20 and GGR will be DKK 10.