LEVEL UP

the brand opportunity in gaming

LOADING

Gaming has always been a breeding ground of cutting-edge technology, innovation and creation. But this hasn't always been appreciated outside of the category. Recently its image has had something of a makeover as it re-invents itself yet again.

The prevailing stereotype of the 1980s and 90s of a UK gamer was a young male playing solo competitive games for leisure. This stereotype is paired with a wide consensus that whilst there is an appetite to run in-game advertising (93% of US and UK media buyers in 2021[1]), a lack of understanding of gaming as a media channel leads to uncertainty on how to increase presence in the gaming world.

Estimates on the commercial media opportunity located within the gaming world vary greatly, but one fact remains untouched: the gaming industry is booming. The global video game market is expected to surpass the $200bn mark by the end of 2022, with mobile game revenues making up almost half of the pie[2]. And as the market soars, so too do revenues from in-game advertising, with mobile ads alone pulling in more than $6bn globally this year alone[3]. Whatever the true size of the prize, brands who power up their media strategy now can unlock a substantial loot later in the game.

the7stars set out to dispel stereotypes and myths still surrounding gaming by seeking insight into the truth of who gamers are and how brands can leverage the huge potential in this space.

The five myths tackled in this paper are:

1. **Players join the game: Gamers are mostly men and mostly young**
2. **Gaming is the trophy: Gaming is detrimental for mental health**
3. **Being part of the gaming 'clan': Gaming is anti-social and reclusive**
4. **Level up with advertising: Gamers aren't receptive to advertising**
5. **Multiple gaming skins: Gamers are a homogenous group**

Players join the game

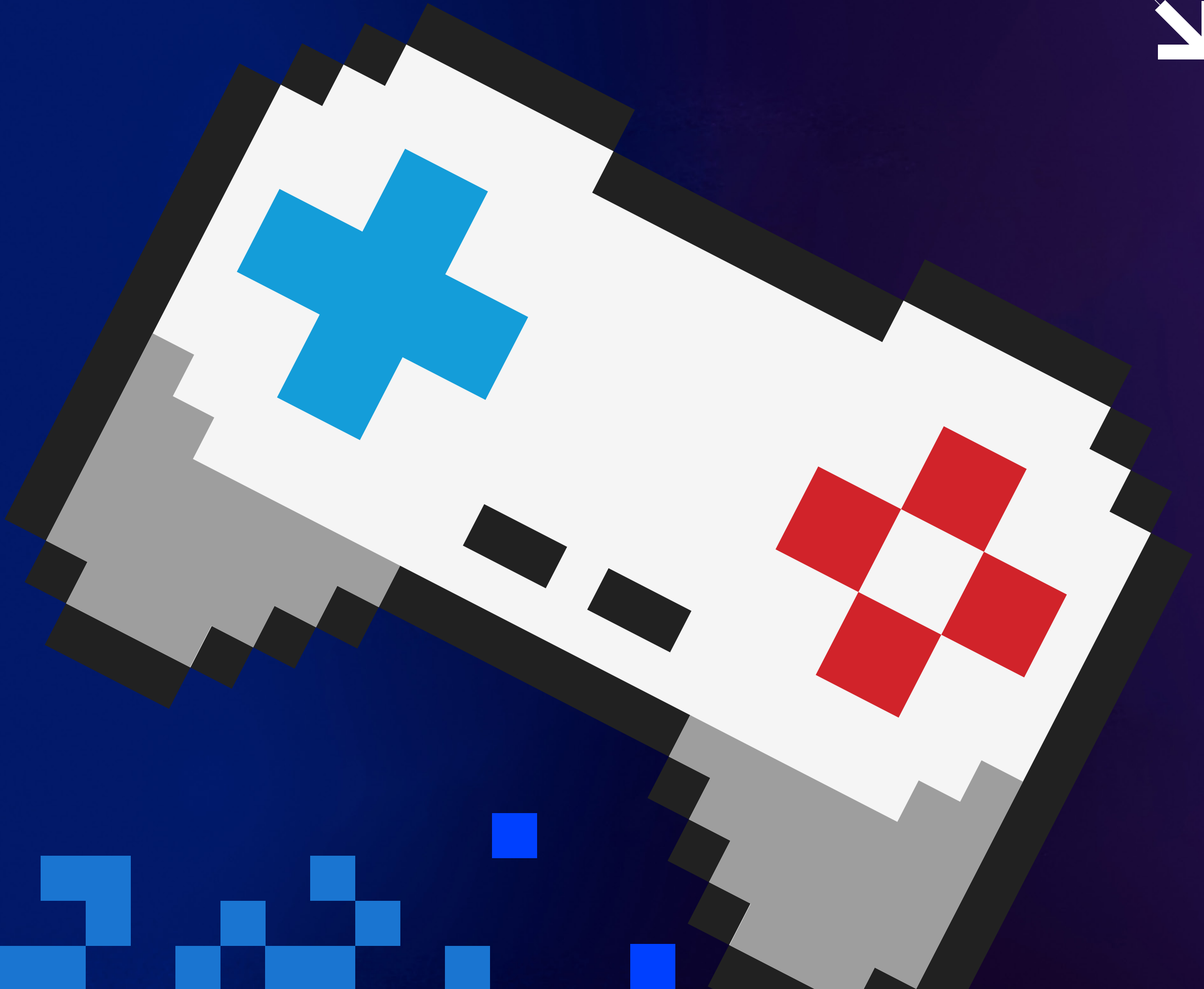
52% vs 47%

48% ARE 35+

Myth #1 Gamers are mostly men and mostly young

Gaming is one of the most inclusive categories of entertainment and offers huge reach. In 2021, Statista reported gaming penetration in the UK to be 60%[4] and the UK gaming trade body, UKIE, estimated that the overall video gaming market was worth £7.16bn in 2021 – an increase of 2% on 2020, and a jump of 32% from 2019[5].

Part of this gaming growth can be attributed to new audiences coming into gaming and the first myth we want to dispel is that gaming tends to be a pastime only enjoyed by men. The current gender split amongst gamers is relatively even in the UK (52% M vs. 47% F), showing that women are, in fact, just as likely as men to game. While the gender gap amongst players is closing, interestingly, it is smart device and mobile gaming where we see the player base skew much more strongly towards women. Mobile native genres such as the puzzle / logic genre are played by 62% of female gamers, compared to 42% of male gamers.

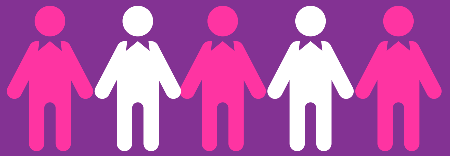


There is also a myth that all gamers are young, yet our research demonstrates that 35-44s and 45+s make up nearly half of the overall player base (48%). Older players skew heavily towards mobile gaming compared to 18-24s, with the ubiquity of smartphones today making mobile gaming a popular choice for the more casual player who plays on-demand when they have time to do so.

Gaming is the trophy

Myth #2 **Gaming is detrimental for mental health**

Beyond an expansive universe, gaming is seen as a place to socialise and connect with others, aiding positive mental health and promoting a happy and engaged mindset. Our study highlighted that 3 in 5 gamers feel ‘happy’ and ‘engaged’ when gaming, and the overwhelming majority see gaming as a method of entertainment serving as a way to de-stress, reduce anxiety and escape from day-to-day life.

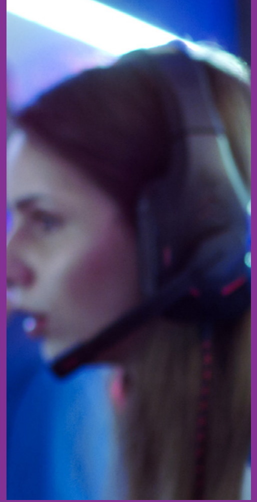


3 in 5 gamers feel ‘happy’ and ‘engaged’ whilst playing

For those who count gaming as a regular pastime, the emotional boost from playing can be particularly strong at points of the day when they might otherwise be feeling in a more passive mood or lacking motivation. This would suggest that, far from being an introverted and destructive activity, those late evening gaming sessions act as a much-needed end of day pick-me-up for the gaming community – all while allowing them to socialise with other like-minded players.

Nearly half of gamers agree that console gaming is very important to them and over a third believe that mobile gaming is very important to them, with these players citing gaming as a way to keep their mind active and to calm their thoughts. These individuals demonstrate that gaming has a positive impact on their mental wellbeing, with words such as 'relax', 'help', 'fun', and 'mind' cited frequently when asked why gaming is important. This supports the findings of a recent study – conducted by The University of Oxford into 40,000 gamers and their habits – that found gaming is not detrimental to a player's mental health if they love playing[6].

> "It relieves my stress and I struggle with anxiety, so it helps me calm my thoughts"
>
> Female 24 - Yorkshire



> "It keeps my mind active while escaping everyday problems"
>
> Female 33 - North West

> A good game is a unique way of structuring experience and provoking positive emotion. It is an extremely powerful tool for inspiring participation and motivating hard work… it can inspire and motivate tens, hundred, thousands, or millions of people at a time
>
> Reality Is Broken
> by Jane McGonigal (2012)

Being part of the gaming 'clan'

Myth #3 Gaming is anti-social and reclusive

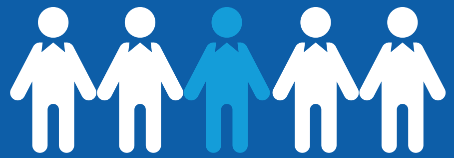
During the early stages of the Coronavirus pandemic, when physical socialising was restricted, gaming's positive impact came to the fore. There was a strong desire to remain connected to one another with many turning online to socialise, whether that was kids flocking to Roblox in record numbers, visiting friends' islands in Animal Crossing, determining the imposter in Among Us or playing the now defunct HouseParty with friends. Even though real-world interactions have resumed, there is still a large proportion who choose to retain their connections via games online and enjoy doing so.

Our study found that 2 in 5 gamers feel 'connected' when gaming, with 1 in 5 pick what game to play based on if their friends play the same game. Furthermore, 18% said that they choose a new game if it allows them to interact with others and 16% choose a game if they can meet new people whilst playing. This suggests that for gamers, gaming is a way to be social and interact with likeminded individuals and is not an isolated pastime.

"I love the social aspect. I play with my partner, family or friends and it's always great fun and good conversation"

Male 25 - North East

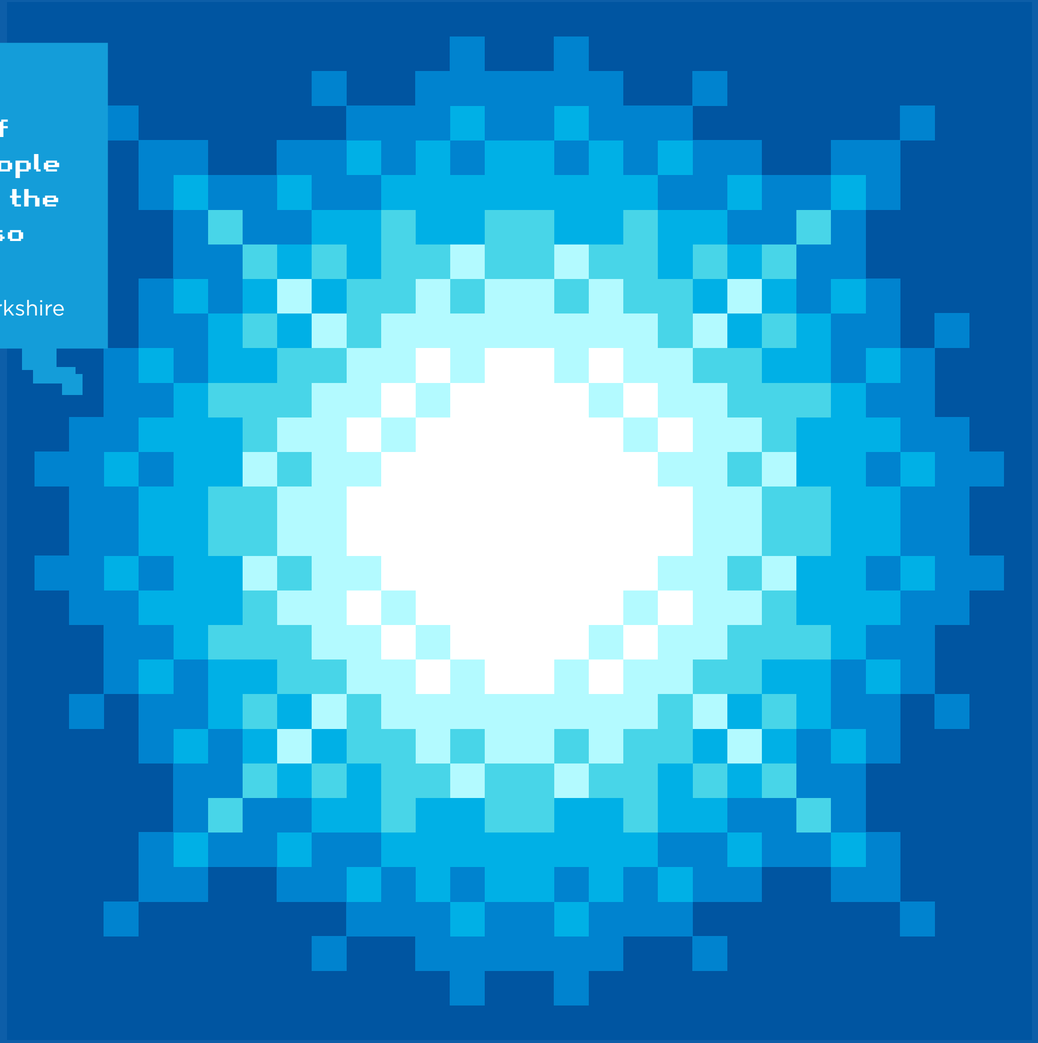
The gaming community is significant, with 74% having some sort of interaction with the community outside of playing the game itself. For instance, 2 in 5 choose to watch short video clips about gaming (rising to 1 in 2 for 18-24s), as an example Minecraft hit one trillion views on YouTube in January 2022. Further 1 in 3 talk about gaming with friends and family, and 1 in 5 each follow gaming in the news and follow gamers on social media.



1 IN 5 PICK WHAT GAME TO PLAY BASED ON IF THEIR FRIENDS PLAY THE SAME GAME

"I enjoy the social side of talking to people from all over the world who also game"

Female, 29 - Yorkshire



Level up with advertising

Myth #4 Gamers aren't receptive to advertising

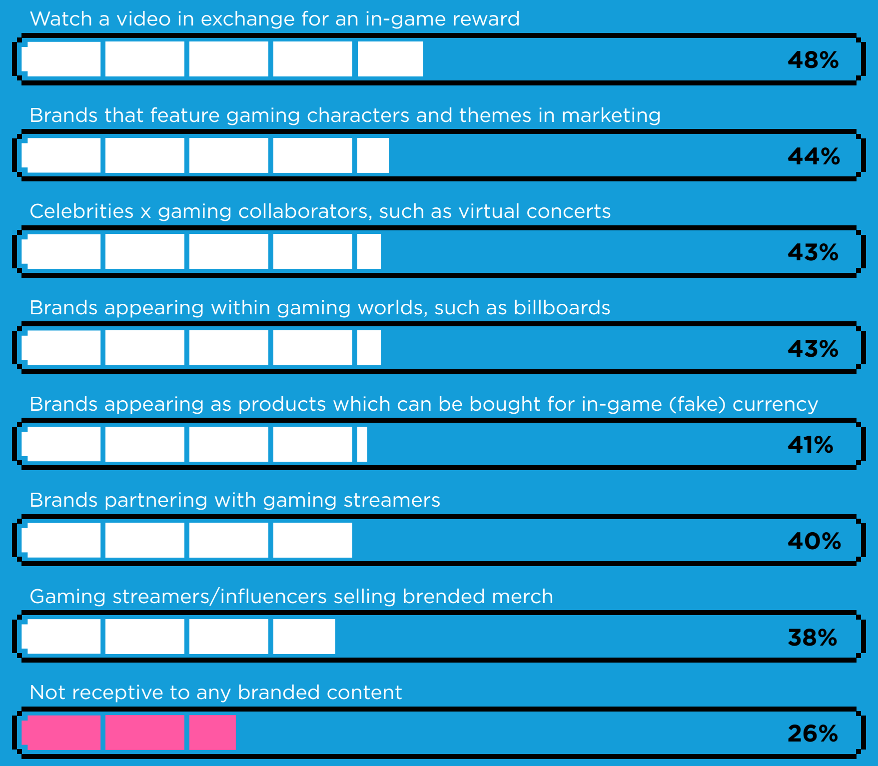
It has previously been established that the ideal moment for brands to connect with consumers is in a space where they are already engaged and receptive. Our research highlighted that gamers are both familiar with and broadly receptive to advertising within their chosen titles, with brands able to form a positive, two-way relationship with players.

57% of gamers were either satisfied with the current balance of branded content in games or wished to see more.

Across a broad spectrum of means that brands can interact with consumers within the world of gaming – from in-game replicas of branded products to "real world" collaborations between advertisers and streamers – none were outright rejected by players. In each case, "receptivity" was measured at between 38-48%, with "unreceptive" topping out at a mere 23%.

Most gamers welcome some form of adverstising in their gaming universe...

% OF GAMERS WHO ARE RECEPTIVE TO....



In situations where gamers feel they are receiving a fair value exchange in return for their exposure to advertising, brands are even more welcome. Nearly half said they would be willing to watch videos to gain incentives within the game.

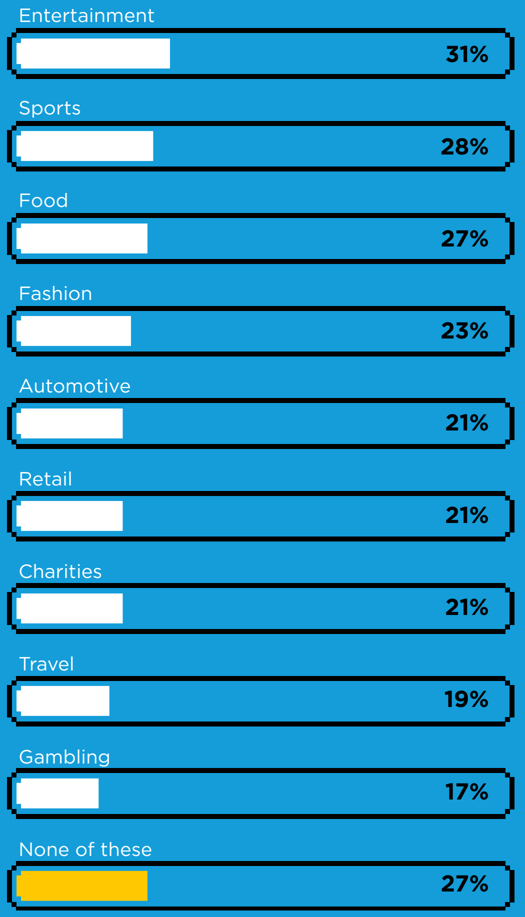
45% would be tempted into a real-life purchase to unlock a gaming reward

However, consideration does need to be given to the platform and environment. While 56% of mobile gamers would be open to seeing advertising within free-to-play games, only one-third would consider an in-game purchase of branded content – compared to 41% of PC gamers, who typically spend more time immersed in the game world.

Given the untapped nature of much of the gaming media market, brands have an opportunity to cement themselves as trusted partners within the gaming universe. Those who play regularly would be open to seeing more of a presence from retail brands, fashion houses and charities for example.

Gamers welcome more of a presence from charities, fashion and retail brands

% OF GAMERS WHO WOULD WELCOME EACH SECTOR INTO THEIR GAMING UNIVERSE...



The Metaverse Mystery

The term "Metaverse" was first coined by Neal Stephenson in his 1992 novel "Snow Crash". The Metaverse has recently received huge attention with brands globally committing significant investment to it. It has variously been described as the place where the real-world, virtual world and social world come together as one, and the successor to the mobile internet.

There's just one problem. It doesn't exist yet.

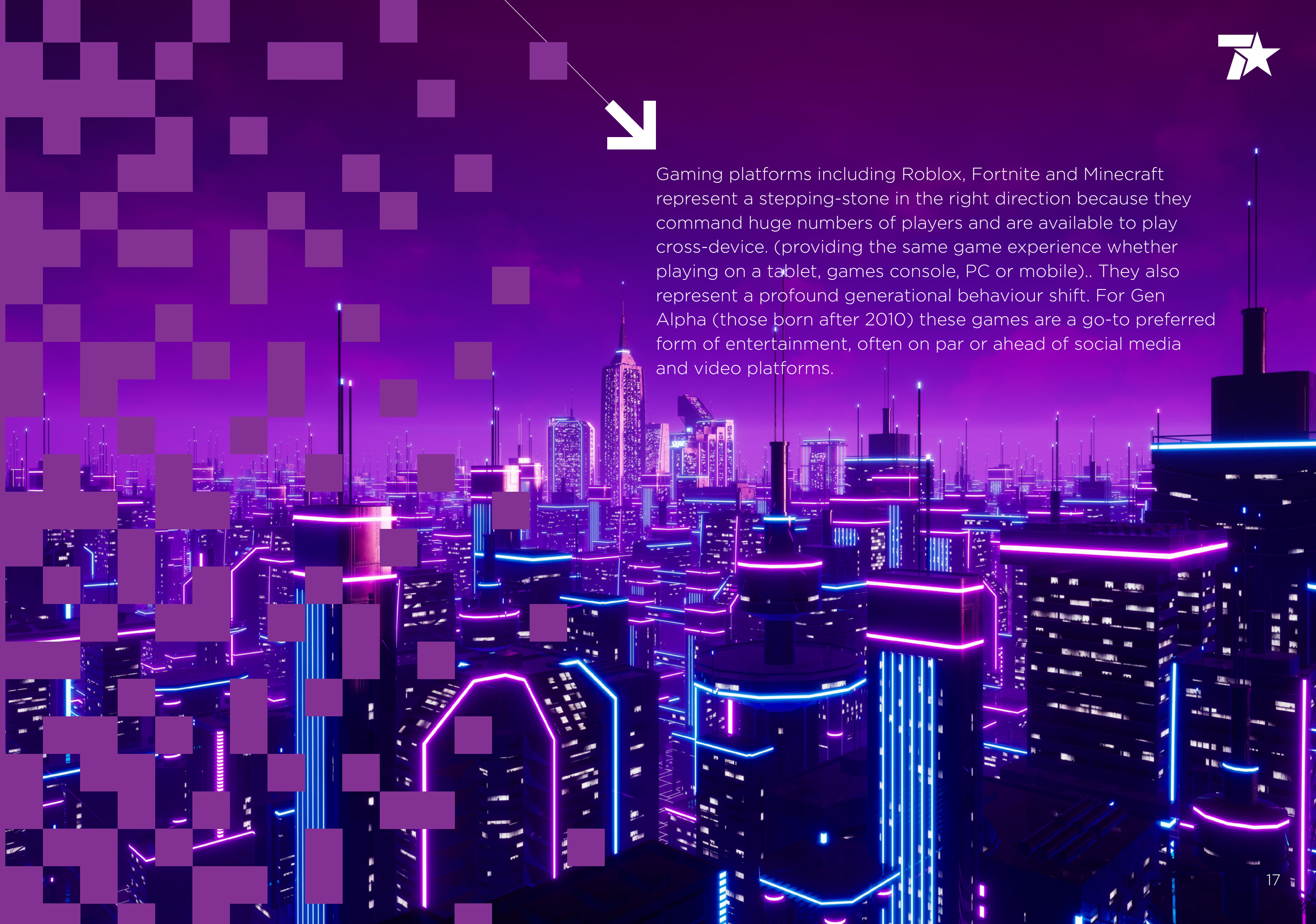
Matthew Ball, an authority on Metaverse development, describes it as a "massively scaled and interoperable network of real-time rendered 3D virtual worlds which can be experienced synchronously and persistently by an effectively unlimited number of users with an individual sense of presence, and with continuity of data, such as identity, history, entitlements objects, communications, and payments."

Or put more simply, "a synchronous, real-time, and 3D Internet."

The Metaverse, in a technical sense, is at least a decade away. We don't yet have the computational power and latency required to have a persistent 3D world that millions of players can play simultaneously in real-time.

"While the Metaverse and its inhabitants are all hypothetical, gamers and players are real - and they're already here." James Whatley, CSO, Diva Agency.

over half have an interest in participating in The Metaverse



Gaming platforms including Roblox, Fortnite and Minecraft represent a stepping-stone in the right direction because they command huge numbers of players and are available to play cross-device. (providing the same game experience whether playing on a tablet, games console, PC or mobile).. They also represent a profound generational behaviour shift. For Gen Alpha (those born after 2010) these games are a go-to preferred form of entertainment, often on par or ahead of social media and video platforms.

Since launching in 2006, Roblox's user base increased rapidly from 5m players in 2014 to become the market leader with 200m monthly players. In August 2022, Roblox hit an all-time-high of 59.9m Daily Active Users and 4.7B hours of on-platform engagement[7] (Roblox content also ranks 4th on YouTube). Over half of UK kids between 9-12yrs old currently play. This growth is demonstrative of how gaming has disrupted and become embedded in early years entertainment.

These immersive gaming platforms are also now shifting away from being solely focused on achievements-based activities into social-based environments that include hang outs and live concerts. Identity and individual expression is another growth area wrapped around user's avatars, and as a result offering opportunity for the boom of fashion and lifestyle brands in the virtual world.

Amongst gamers 4 in 10 are already familiar with the concept of the Metaverse. Over half of gamers have an interest in participating in a developed Metaverse. Interest in the Metaverse spans across all demographics (age, gender, parents, ethnicity, and geography) and is rooted in its promise of new and engaging ways to play - from excitement about the innovation that it will bring (35%) and its uniqueness (29%), to being seen as a game changer (28%).

Multiple gaming skins

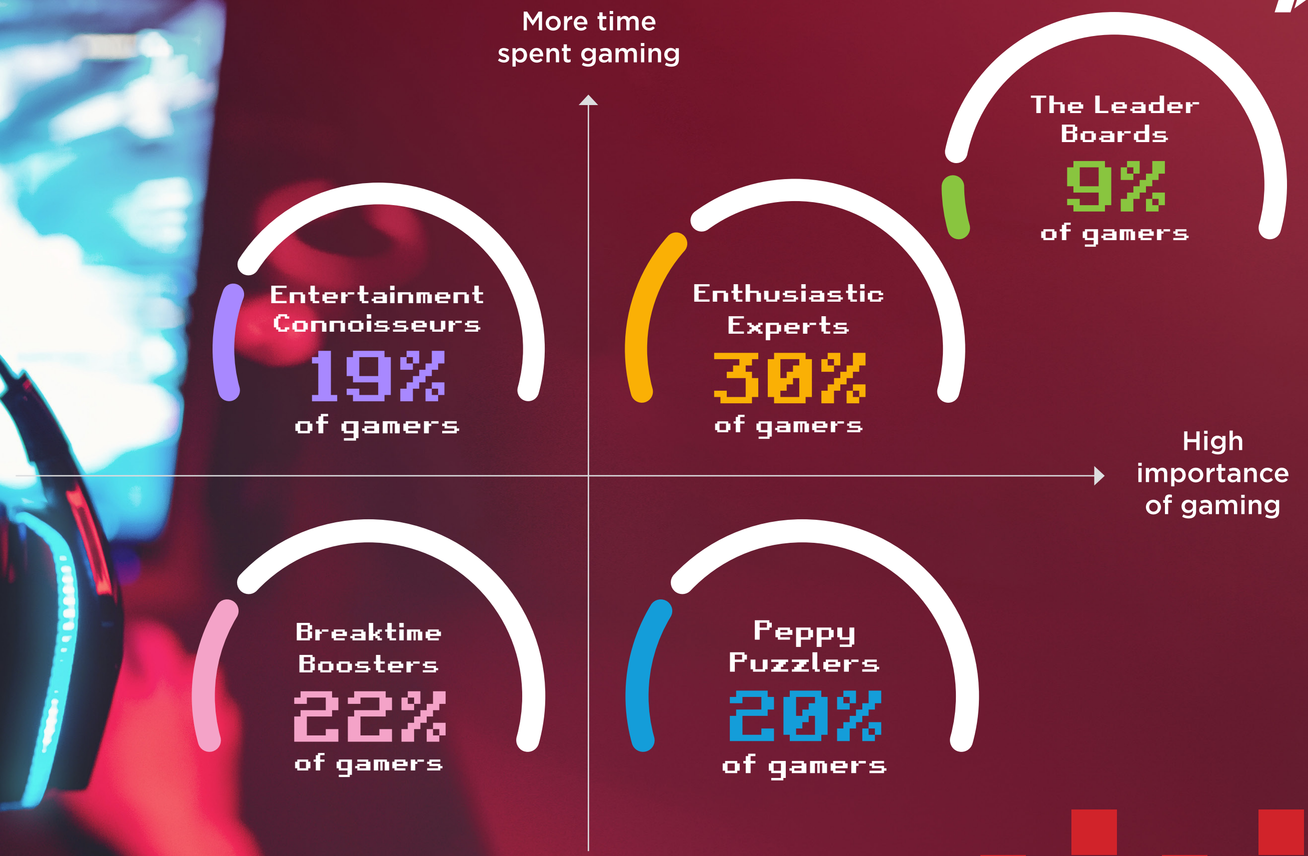
Myth #5 Gamers are a homogenous group

There isn't a one-size-fits-all approach when it comes to gaming. There is a huge amount of nuance and diversity in the audiences that play. Gamers shouldn't be thought of as one homogeneous group when considering how to engage them.

Our research highlighted that two of the biggest differentiators when it comes to gaming are the emotional value of gaming to the individual and the proportion of leisure time invested in gaming. Nearly two thirds of active gamers place a high emotional value on gaming.

Five distinct groups were identified:

1. The Leader Boards
2. Enthusiastic Experts
3. Entertainment Connoisseurs
4. Peppy Puzzlers
5. Breaktime Boosters

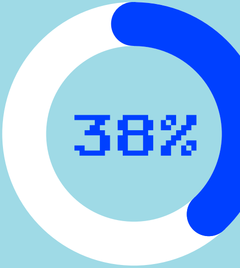


1. The Leader Boards

The Leader Boards are the smallest of the five segments, comprising 9% of gamers, and are the most invested group in gaming. Unsurprisingly, for them playing evokes intense emotional reactions, with 18% feeling invigorated while playing.

The Leader Boards spend the majority of their time playing on games consoles, although their love of gaming and technology means that they are likely to be ahead of the curve when it comes to trialling and using the latest gaming technology. 38% play games on an AR or VR device and 65% prioritise trends when choosing which games to play. This also explains why nearly half of this group are familiar with the Metaverse and over two thirds have an interest in using it once fully developed.

They flock to survival/ horror/ stealth genres, closely followed by open world sandbox games, and 46% state that the genre of game is the main driver of what they choose to play. As with all gamers, fun remains the most important factor at 62%, but for this group the third biggest driver is that the game is from a game developer or studio that they like or have enjoyed games from in the past.

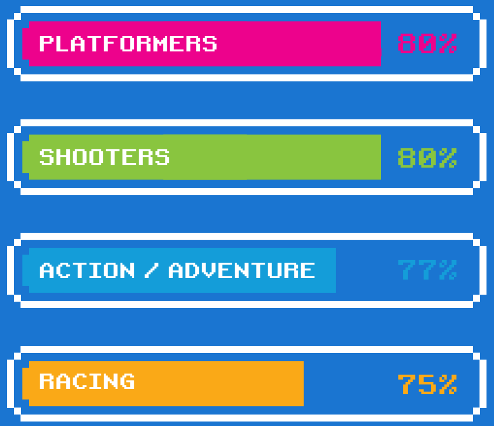


play games on an AR or VR device

How to engage The Leader Boards

There is an opportunity to communicate with this highly engaged and frequently gaming segment, but they should be approached with caution. The Leader Boards place high value on their gaming experiences and therefore tone of voice and relatability is paramount in a space that is so important to their identity. Over a third recognise that the balance is just right when it comes to advertising, but another third would like to see less. Providing genuine value to enhance their experience is critical.

Top gaming genres



2. Enthusiastic Experts

Enthusiastic Experts are the largest of the segments at 30% of gamers, placing a large amount of emotional value and proportion of their time into gaming.

They are the most male skewed segment and enjoy a varied choice of gaming genres. They are multi-platform users and just as likely to play on their mobile phone/tablet (66%) as their games console (65%).

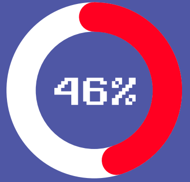
Their motivation for playing is driven by emotion, in particular 'fun' (59%) and the ability to escape (43%), which is why they experience such strong emotional reactions to gaming. This segment is the most likely to feel 'excited' while playing at 50%. Their eagerness to play and a more relaxed approach to gaming means that their receptivity to new developments is high with nearly two thirds being interested in the Metaverse.

How to engage Enthusiastic Experts

They are a highly engaged audience receptive to advertising as long as it doesn't interfere with their gameplay. There is the opportunity to weave an advertising narrative into their regular game-time. For the Enthusiast Experts, demonstrating a positive emotional benefit will be key, especially if you can provide the 'excitement' that will capture their attention.

3. Entertainment Connoisseurs

Making up nearly a fifth of the gaming universe, at a category level this group lean out and don't place as much emotional importance onto gaming, meaning that they take less interest in new developments such as the Metaverse. However, when they are playing, they are highly engaged and are therefore the segment mostlikely to say they become 'attached' when gaming, highlighting the level of investment they have.

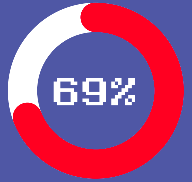


prioritise genre when choosing their game

Two thirds of this segment are most likely to be motivated by choosing games for 'fun' - the highest across all segments. In addition, preferred genre is a crucial driver for 46% of this audience. They are the segment most likely to play games on their mobile phone or tablet, with three quarters playing games in this way, followed by 69% playing on a games console.

How to engage Entertainment Connoisseurs

When connecting with Entertainment Connoisseurs, nearly 50% feel the balance of advertising is just right, with a similar proportion accepting advertising as long as it does not interfere with their gameplay. To engage and excite this segment it is important to focus on the game title and tailor communications to the game, rather than 'gaming' more broadly. It is also important to be mindful of the level of attachment they place onto the individual games they play, intruding too far into their experience can backfire for brands.



play on a games console

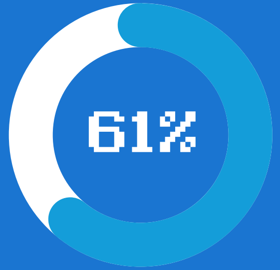
4. Peppy Puzzlers

Peppy Puzzlers represent just over a fifth of the gaming universe at 20%. The emotional value of gaming is large for this segment, but they have less leisure time to play versus other segments. When they do have opportunities to play, the overwhelming emotion is 'happy' at 67%, the highest level of happiness across the segments and the strongest emotional reaction across all segments.

Due to their restricted time, games that are easy to play (44%) and fit with their lifestyle (22%) are key. The types of games they choose lean into short moments of escapism, with 84% choosing puzzle/logic/words games, making them more likely to play on their mobile phone or tablet.

How to engage Peppy Puzzlers?

For Peppy Puzzlers there is an openness to advertising (63%) as long as it doesn't interfere with their precious moments of play. This is driven by the free-to-play platforms that they play on, meaning that adverts on mobile are part of the value exchange. Peppy Puzzlers will be engaged if the relevance to their life can be demonstrated alongside providing them with content which is quick and easy to digest, as the window in which they game is short, albeit sacred to them.



play on a mobile or tablet

5. Breaktime Boosters

Breaktime Boosters represent the final 22% of the gaming universe. They place a low level of emotional importance on gaming and don't spend as much time gaming as other segments. However, they offer an opportunity to engage a female skewed audience (57%).

Breaktime Boosters mostly choose puzzle/ logic/ word games, playing on their mobile phone or tablet. When it comes to how they choose games, access is king, with 75% agreeing this is important. They are also the segment most likely to look for 'free to play' games, with over half actively seeking them. In those moments when Breaktime Boosters play, over two thirds agree they are highly engaged but also happy and connected.

How to engage Breaktime Boosters

Breaktime Boosters are the most likely segment to say that they haven't noticed any advertising/ sponsored content when they are gaming (1 in 3 agree), potentially a consequence of advertising becoming ubiquitous in the types of games they play. Conversely, they are also the segment who are least receptive to advertising. To engage Breaktime Boosters, light-hearted, fun content will capture their attention, and advertising in mobile or tablet will be key to reach this segment.

The final level

Gaming has evolved as a source of leisure time spent, its entertainment value, and as an advertising channel. For brands, gaming provides an environment of connection, happiness, escapism, and joy. For reaching people, those who game are a diverse and sizeable audience with nuances in motivators to play, platforms visited and preferred genres.

This study highlighted common misconceptions that remain in the gaming category, while also highlighting that the time is now for brands to seize a new wave of opportunity as gaming continues to shape the future of entertainment.

A Note on the Methodology

the7stars and our data partner, Vitreous World, surveyed a nationally representative sample of 1000 UK gamers between 9th-16th May 2022. To qualify for the survey, respondents had to have regularly or occasionally participated in gaming on any platform within the previous six months.

the7stars and Vitreous World are founding partners of voices4all, which ensures nationally representative samples not just include age, gender, region and social grade, but also sets hard quotas on ethnicity, sexuality and disability. This ensures we are truly representative of the population, and are inclusive of previously overlooked groups in research

In adhering to the MRS Code of Conduct, we opted not to survey under-18s for this project. Therefore, all survey data shown and each of the audience groups represent the total adult gamer population within the UK. However, we recognise the importance of gaming to millions of children nationwide, with more than three-quarters of 8-17-year-olds in the UK playing games online .

Throughout this paper, we have used secondary sources to support the findings of our proprietary research. A complete list of these can be found below.

For questions, comments, or to request a follow-up session on the findings of this report, please contact the7stars' Insight team at TeamInsight@the7stars.co.uk

Sources:

1. The Drum, 2021, 93% of media buyers intend to run in-game advertising by 2025 – despite misconceptions
2. Statista, 2022, Mobile gaming app revenue worldwide from 2019 to 2022
3. Insider Intelligence, 2022, How in-game advertisers can level up, according to gamers
4. Statista, 2022, Gaming penetration in the United Kingdom (UK) from 2007 to 2021
5. UKIE, 2022, UK Consumer Games Market Valuation 2021
6. University of Oxford, 2022, Gaming does not appear harmful to mental health, unless the gamer can't stop
7. Roblox, 2022, August 2022 Key Metrics
8. Statista, 2022, Share of children in the United Kingdom (UK) who ever play games online from 2015 to 2021, by age group

GAME OVER