Gaming,
what in the metaverse is happening?

WUNDERMAN THOMPSON

CONTENTS

INTRODUCTION

AN OVERVIEW

The gaming industry has experienced remarkable growth over the past few decades, transforming into a global phenomenon with an ever-expanding audience. Once relegated to niche hobbyists, gaming has now evolved into a multi-billion-dollar industry that rivals and even surpasses other entertainment sectors. The advent of powerful gaming consoles, sophisticated mobile devices, and the widespread availability of high-speed internet has democratized access to games, making them accessible to a diverse demographic of players across all age groups.

This unprecedented growth can be attributed to various factors. Firstly, technological advancements have enabled game developers to create immersive, visually stunning, and interactive experiences that captivate players like never before. Additionally, the rise of online multiplayer games has fostered a strong sense of community and social interaction among players, further fuelling the industry's expansion. Furthermore, the gaming industry has leveraged the power of live streaming and esports to engage audiences on a global scale, turning professional gaming into a legitimate career path for some.

As the gaming industry continues to evolve, it presents a multitude of opportunities and challenges for businesses, developers, and marketers alike. Understanding the preferences and behaviour of gamers becomes crucial in navigating this dynamic landscape and capitalizing on the industry's significant growth potential.

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WHY DID I WRITE THIS WHITE PAPER?

Well first I want to make it very clear I am a massive gamer. Gaming is my natural state, and I would consider it more than my hobby. Where others try to run further and cycle faster I try to increase my reflexes and hand eye coordination so that I can be in the top 5% of players in both Call of Duty (CoD) on console and CoD Mobile. I am the guy that goes for 100% completion on Spiderman, I am a nerd.

With that said I want to delve into the potential opportunities for digital commerce within the gaming industry. As the gaming landscape continues to expand and evolve, the integration of commerce and virtual economies has become a compelling area of interest for various stakeholders, including marketers, brands, and players themselves.

By examining the data collected from The Future Shopper 2023 that related to gaming preferences and spending habits, this white paper aims to identify key trends and user behaviours that can shed light on the viability of digital commerce within games. The analysis will explore topics such as in-game purchases, the desire for virtual assets, interest in non-gaming activities within games, and the impact of advertising on player behaviour.

METHODOLOGY

This document was written with data from the Wunderman Thompson Commerce Future Shopper 2023 research. It was conducted by Censuswide, with 31,647 online shoppers who shop online at least once a month in the following markets: UK, US, France, Spain, China, Japan, Australia, Brazil, Argentina, Mexico, Colombia, India, Poland, UAE, Netherlands, Germany, South Africa and Thailand between 06.04.2023 – 20.04.2023. Censuswide abides by and employ members of the Market Research Society which is based on the ESOMAR principles.

GAMING PLATFORMS AND EXPENDITURE

WHO ARE THESE GAMERS?

The data is quite fascinating as it shows that a significant 85% of online shoppers are also enthusiastic video game players. Among gamers, 66% prefer using mobile devices for their gaming experiences. Interestingly, I have personally noticed this trend in my own habits, as I now spend more time playing on my iPad than on my PS5 console, which I find quite intriguing. As a side note there is a reason Microsoft is trying to buy Activision Blizzard for over $60 billion and it's not just for their console games business.

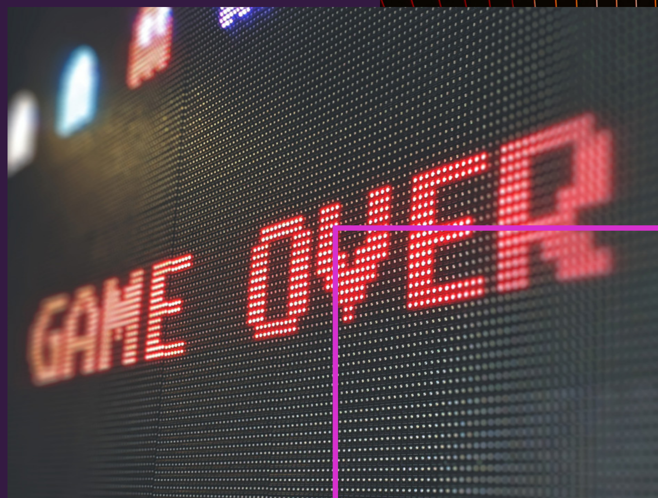
We also see compelling evidence that the allure of gaming transcends generational boundaries. Contrary to common stereotypes, gaming is not confined to the younger demographics alone. Surprisingly, a significant 51% of individuals aged 65 and above proudly identify as gamers, showcasing that the fascination with interactive digital experiences resonates across age groups. This revelation challenges traditional perceptions, highlighting that the captivating world of gaming continues to captivate and engage individuals spanning generations.

85% of online shoppers are also enthusiastic video game players

51% of individuals aged 65 and above proudly identify as gamers

WHERE DO GAMERS GAME?

MOBILE PHONE	66%
COMPUTER	44%
CONSOLE	32%
I DON'T PLAY GAMES ON ANY PLATFORM	15%
VIRTUAL REALITY HEADSETS	9%
NONE OF THE ABOVE	2%



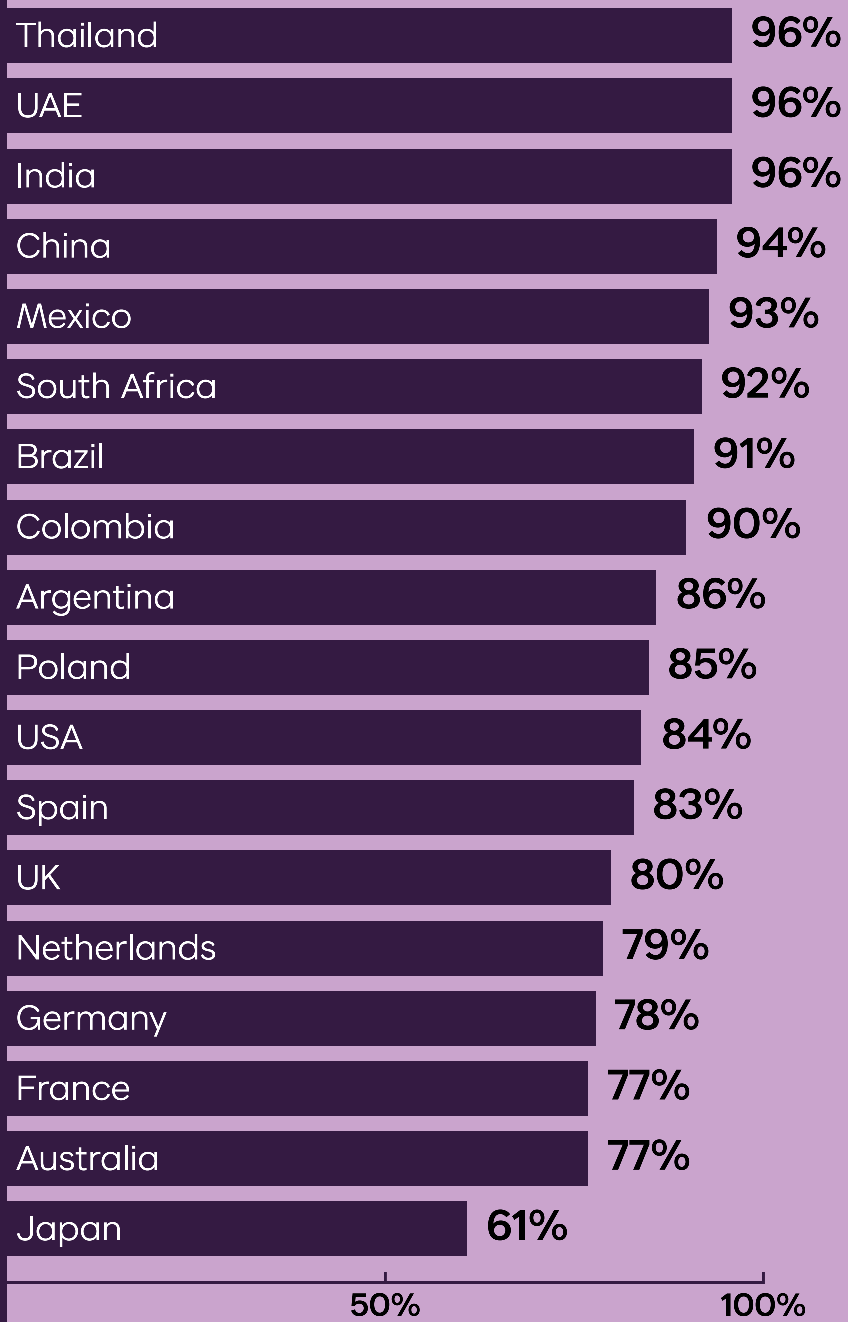
PERCENTAGE OF GAMERS BY AGE

16-24	25-34	35-44	45-54	55-64	64+
94%	92%	89%	80%	65%	51%

However, when we look at each of the 18 countries we surveyed things get really interesting. Remarkably, Thailand, UAE, and India lead the pack, with an impressive 96% of their populations identifying as gamers. These countries demonstrate a strong affinity for gaming, indicating a significant portion of their populace actively engaging with various gaming platforms and experiences.

At the other end of the spectrum, Japan exhibits a relatively lower percentage, with 61% of its population classifying themselves as gamers. Despite a smaller percentage, this figure is still substantial and indicates that gaming is a popular form of entertainment in Japan. All in all this data highlights the global appeal of gaming, transcending cultural boundaries and resonating with individuals from diverse backgrounds. Such widespread adoption and enthusiasm for gaming present numerous opportunities for the gaming industry, advertisers, and brands to explore and capitalize on this thriving and dynamic market.

PERCENTAGE OF GAMERS BY COUNTRY



WHAT ABOUT GENDER?

When considering platform preferences, the data indicates some interesting disparities. Male gamers show a higher affinity for playing games on computers and consoles, with 52% and 38% respectively, compared to their female counterparts who report 38% and 28% for computer and console gaming. On the other hand, female gamers express a stronger preference for gaming on mobile phones, with 68% of female respondents choosing this platform compared to 63% of male respondents.

In the end, much like we have seen in the data previously there seems to be widespread appeal of gaming for all genders and underscores the importance of considering gender-specific preferences when developing and marketing to gamers. Understanding these variations can help marketers tailor their products and strategies to cater to the diverse gaming audience and create inclusive experiences that resonate with all gamers. Gaming is not just for the what was the historic geek, male glasses and lives with their mum, we are now everywhere and can be anyone.

THE POPULARITY OF MOBILE

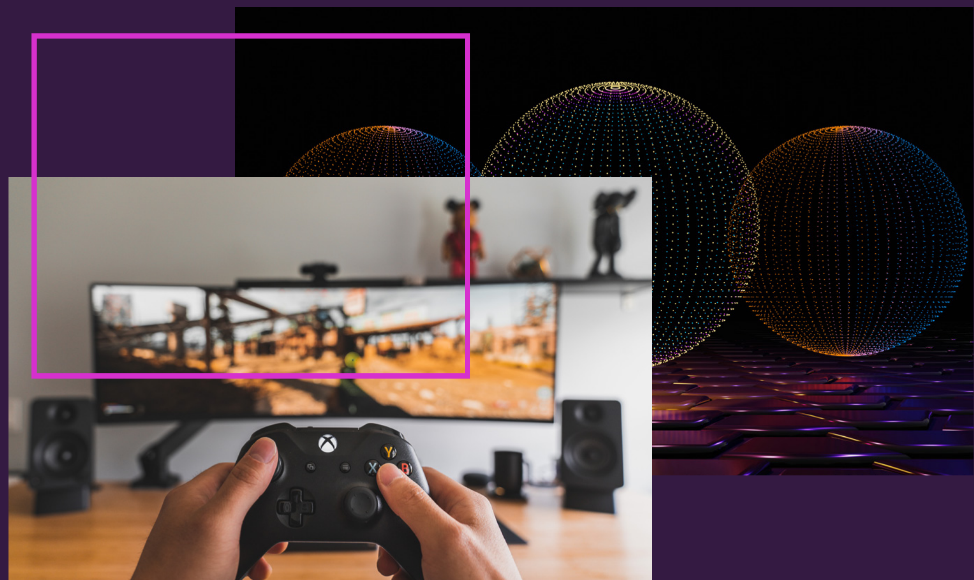
An essential aspect that warrants discussion is the pervasive dominance of mobile devices as the primary platform for gaming, transcending age, country, and gender boundaries. Notably, mobile gaming emerges as the device of choice for a substantial number of gamers, and this trend extends to the majority of shoppers as well. The widespread adoption of smartphones further contributes to the prominence of mobile gaming, as it offers an easily accessible entry point for individuals who may not possess gaming consoles.

Indeed, mobile gaming's convenience and accessibility are key factors contributing to its widespread appeal. The ease and speed with which individuals can initiate gaming experiences on their smartphones are noteworthy, reflecting a broader human inclination towards seeking ease, speed and convenience.

94% of respondents aged 16-24 identifying as gamers

This is why the enthusiasm for gaming remains consistently high even up to the age of 55-64, where 65% of respondents still consider themselves gamers. However, gaming adoption decreases significantly among those aged 65 and above, with 51% of respondents in this age group identifying as gamers. My hypothesis is that their gaming preferences may lean towards more casual titles like Wordle and Candy Crush, meaning it is essential to acknowledge their engagement with gaming as a form of entertainment.

After mobile, computers rank as the second most common platform, with usage ranging from 29% to 50% across different age groups. Console gaming exhibits a relatively lower adoption rate, with 7% to 38%.



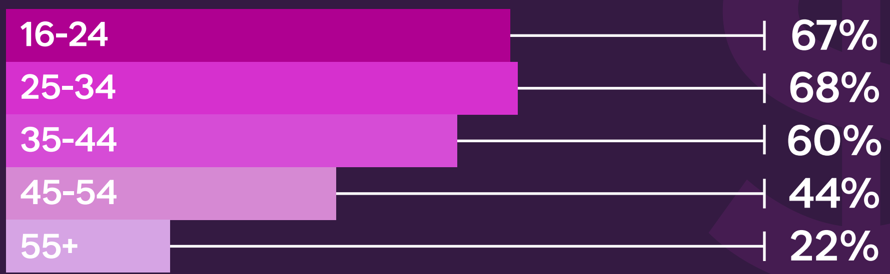
DO GAMERS SPEND MONEY IN GAME?

It should not come as a surprise that gamers are spending substantial amounts in-game, evident from the success of companies like Epic, Valve and Activision Blizzard. This strong financial trend underscores the growing popularity and profitability of in-game monetization models, driven by well-designed offerings that engage players and foster a thriving digital economy within the gaming industry.

57% of gamers spend money in game

As you might have guessed spending on gaming platforms/devices is predominantly driven by younger gamers. Nevertheless, 44% of respondents aged 45-54 still engage in in-game purchases, showcasing a notable proportion within this age group who actively invest in their gaming experiences. Interestingly, the 25-34 age group leads the spending trends with 68%, slightly surpassing the 16-24 age group by 1%. At the other end of the spectrum, respondents aged 55 and above exhibit the lowest propensity to spend money on gaming platforms, with only 22% indicating in-game expenditures.

DO YOU SPEND MONEY ON ANY OF THOSE GAMING PLATFORMS/DEVICES?



Diving into the country specific data, again we see that Japan is at the bottom for those that spend money in game. However, I am not sure how true that is as we saw Japan answering all of the questions in the report quite conservatively. Japan was closely followed by France with 36% of gamers spending money in-game. Despite lower spending rates in these two countries, it is essential to consider factors such as cultural differences, gaming preferences, and market dynamics when interpreting these results.

China exhibited the highest percentage of respondents who spend money on gaming platforms, with an impressive 78% confirming their expenditures. Following closely, Thailand, India, Mexico, and the UAE demonstrate substantial spending rates of 75%, 72%, 71%, and 70%, respectively. These countries represent a significant portion of gamers willing to invest in their gaming experiences, indicating robust engagement and potential revenue opportunities for commerce in these regions.

THE EVOLUTION OF GAMING BEYOND "GAMING"

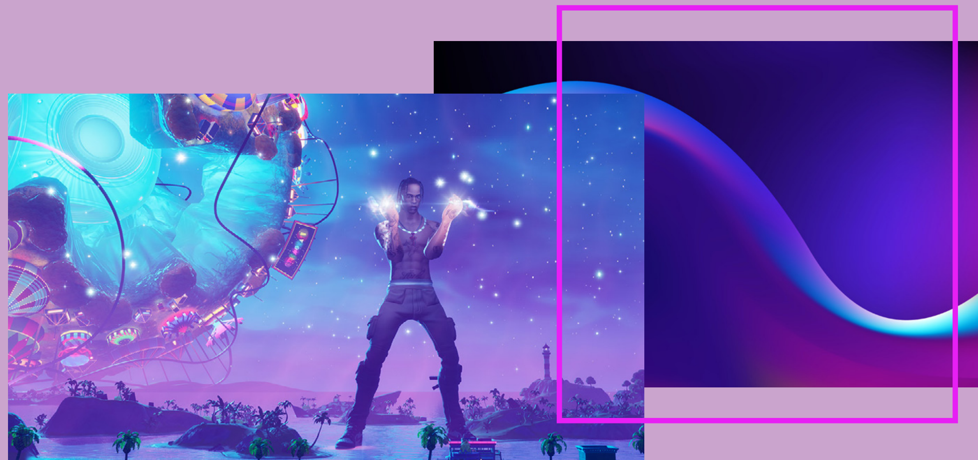
The landscape of gaming is undergoing a profound transformation, propelled by a remarkable shift in perspective among online consumers. Beyond the traditional notion of gaming, a compelling trend has emerged—51% of global online consumers envision themselves spending more time engaged in non-gaming related activities within virtual game environments. This metamorphosis is fundamentally altering the essence of gaming, transcending its confines to become a space of social interaction, escapism, and even a form of teleportation to places otherwise inaccessible.

As we delve into the data, distinct regional variations reveal themselves. In countries like India, Thailand, and the UAE, an impressive 73%, 71%, and 69% respectively, eagerly anticipate participating in non-gaming activities within games, reflecting a strong inclination toward digital socialization. This phenomenon extends globally, hinting at an imminent future where meeting friends at digital concerts or parks could become commonplace, creating virtual hangout spots that seamlessly merge the realms of entertainment and social interaction.

The blurring of lines between the digital and physical worlds is becoming increasingly pronounced. Notably, a significant 74% in India, 70% in the UAE, and 66% in Thailand agree that looking good within the virtual gaming realm is just as paramount as appearing presentable in real life (49% globally!). This underscores the evolving importance of avatar customization and personal expression, transcending mere aesthetics to become a fundamental aspect of virtual identity.

Such a transformation also carries economic implications. A fascinating dimension emerges when considering the interest in buying real-world items within games. Across the globe, an average of 49% of respondents express a desire for this unique form of crossover between the virtual and real worlds. A deeper look into age demographics reveals a fascinating pattern, with the interest in such purchases steadily declining with age, signifying the increasing integration of digital experiences into younger generations' lifestyles.

In essence, this chapter unearths a new era of gaming, where the borders of "gaming" are expanding into uncharted territories of socialization, self-expression, and real-world connections. The data points toward a future where digital interactions are seamlessly interwoven with daily life, creating a compelling tapestry of experiences that defy traditional boundaries and redefine the very essence of gaming.



CONCLUSION

In essence, the culmination of this comprehensive analysis underscores a transformative evolution within the gaming landscape that extends well beyond the realms of traditional gameplay. The symbiotic relationship between gaming and online shopping, where 85% of online shoppers also identify as ardent video game enthusiasts, attests to a profound cultural shift. The contemporary gamer is not merely an isolated player; they are an active participant in an intricate virtual world that interweaves diverse experiences, transcending the boundaries of mere entertainment.

Mobile devices emerge as the unequivocal cornerstone of this transformation, emerging as the platform of choice across all age groups, genders, and nations. The global affinity for mobile gaming underscores its universal accessibility and convenience, rendering it a portal that transports individuals into an immersive world where entertainment, socialization, and creativity coalesce.

The palpable connection to digital avatars reflects the profound emotional investment within the gaming sphere. The striking fact that nearly half of gamers, 49% to be precise, regard their in-game avatar's appearance with equal significance as their real-life image underscores the merging of the virtual and the tangible, underscoring the impact of virtual environments on personal identity and expression.

Perhaps the most intriguing revelation of all is the ageless nature of gaming. Disproving stereotypes, the data exposes that gamers span generations, challenging the notion that gaming is confined to the young. This dynamic attests to gaming's universal appeal, redefining it as a form of expression and engagement that transcends age, cultural backgrounds, and societal labels.

In essence, the data paints a vivid picture of a dynamic and ever-evolving gaming landscape, one that holds far-reaching implications for industries beyond entertainment. As we move forward, the lines between the digital and real worlds continue to blur, offering unprecedented opportunities for innovation, creativity, and connection. This transformation of gaming into an immersive, all-encompassing experience signifies the dawn of a new era—one that invites us to embrace a virtual realm where the boundaries of possibility are continually redefined.

This whitepaper was written with the help of WPP Imagine a generative AI tool. A post on why and how it was used can be found **here**

ABOUT WUNDERMAN THOMPSON COMMERCE & TECHNOLOGY

At Wunderman Thompson Commerce & Technology, we exist to inspire growth for ambitious retailers and brands. We provide end-to-end capabilities at a global scale to drive transactions across every channel, with deep expertise in commerce, experience, data and technology.

With over 4,200 experts in 55 operational centers across 34 countries, our capabilities span the entire buying journey from customer acquisition, through engagement, to conversion and loyalty.

Working with strategic partners that include world-class technology vendors such as Adobe, Sitecore, Salesforce and Acquia, we were recognized by Forrester as a Leader in Commerce Services (Q1,2021) and in Digital Experience Services (Q2, 2022), and as Best Large Agency of the Year at the European Ecommerce Awards 2022.

We've built over 600 platforms and generate a total of more than $42bn annually for clients including Bosch, Unilever, Ford, DFS, Mercedes-Benz, Johnson & Johnson, Nestlé, Sainsbury's, Selfridges, Shell and Tiffany & Co.

Wunderman Thompson is a WPP agency and a member of the MACH Alliance.

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