Betting on Billions:

Unlocking the Power of Mobile Gamers

newzoo

ACTIVISION BLIZZARD MEDIA

Content

INTRODUCTION

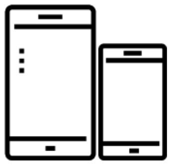
GAMERS ARE A LUCRATIVE, UNTAPPED AUDIENCE FOR BRANDS

The past decade has seen gaming grow into an all-round entertainment phenomenon across the world—in developed and emerging markets alike. This year, the total global games market will generate revenues of $148.1 billion, with mobile contributing to just less than half this amount. Partly thanks to the ubiquity of mobile games, much of the world's online population is a gamer in some shape or form. Yet, while the global games audience exploded at an unprecedented rate, perceptions about this audience have been slow to catch up as stereotypes prevail.

This is a massive opportunity for many brands. The games market, with its innovative monetization strategies and highly engaged consumers, is seriously challenging the way traditional entertainment has worked for decades. This is one of the reasons why media giants like Netflix are continuing to experiment with interactive experiences. Simply put: video games—be they on mobile, PC, console, or somewhere else—boast a lucrative userbase that is untapped by most brands. Many consumer brands could increase their marketing muscle, direct revenues, and more by simply paying attention to and targeting this valuable audience.

In this report, based on research conducted by Activision Blizzard Media and Newzoo in the U.S, U.K, Germany, and France, we shed light on mobile gamers and their untapped potential for brands and advertisers. We examine their demographics, buying habits, and preferences, the influence they have on purchasing decisions both in and outside of their home, and their attitude toward advertising and brands.

We hope you find this report insightful and useful for shaping your brand's strategy in 2019 and beyond.



2.4Bn

People will play mobile games around the world in 2019.

Emma McDonald
Director of Marketing, Newzoo

KEY TAKEAWAYS

1 GAMING IS THE THIRD-MOST-POPULAR APP CATEGORY

Half of the app users we studied opened a game app in the last seven days, making gaming the third-most-popular app type, together with music. Among 18-20-year-olds, it climbs to second place with two-thirds of this age group using a gaming app in the past week.

1 in 2

mobile app users have opened a game app in the last seven days.

2 GAMING AND MUSIC ARE MOST REFLECTIVE OF CONSUMERS WHEN IT COMES TO GENDER

While the users of most app types skew either male or female, game and music apps have a 50/50 split. However, within the gaming category, there is a lot of diversification. For example, shooter games appeal to younger males and puzzle games appeal to older females. For brands, there are intuitive targeting opportunities available within this broad-reaching category.

1 in 2

mobile gamers are women, the same as music app users.

3 GAMERS HAVE LARGER PURCHASE INFLUENCE THAN NON-GAMERS

Mobile gamers are around 23% more likely than non-gamers to have purchase influence on their friends, family, or colleagues. Overall, their influence is most prominent with their own families, with very interesting differences between men and women. Female gamers are most likely to influence people when it comes to dining out, groceries, and clothing, and male gamers for tech, entertainment subscriptions, and mobile phone service providers. Of the gamers we studied, Candy Crush Saga and Angry Birds players have the most influence on household purchasing decisions, due to their older demographic.

2 in 3

mobile gamers have some influence on the purchasing decisions of their friends, family, or colleagues.

4 GAMERS ARE MORE RECEPTIVE TO ADVERTISING AND BRANDS THAN NON-GAMERS

Mobile gamers are much more receptive to advertising than non-gamers. For example, they are more likely to buy things from brands that have ads they like, to use ads to keep up to date with products and services, and to associate advertising with high-quality brands. They are also much more likely to have a favorable attitude toward a suite of global brands.

1 in 2

mobile gamers use advertisements to keep up to date on products/services they want or need.

ABOUT THIS RESEARCH

METHODOLOGY AND SCOPE

RESEARCH OBJECTIVES

This custom consumer research project was aimed at understanding mobile gamers. Specifically, we wanted to gain insight into their influence on decision-making, purchasing powers, brand attitude, and product usage in comparison to other mobile app users.

RESPONDENTS & METHODOLOGY

RESPONDENTS: 12,327 mobile app users in the U.S., U.K., France, and Germany. Respondents were aged 18-65 and are nationally representative of the app user group.
COMPUTER-ASSISTED WEB INTERVIEWING (CAWI): Sent out to invitation-only respondents, conducted over a period of two weeks, including two weekends for a balanced sample (Dec 10th– Dec 24th, 2018).

DEFINITIONS OF KEY TERMS USED

MOBILE APP USERS: Respondents who use a smartphone or tablet that can use apps and have also made use of at least one of the following app categories in the past seven days: current affairs, social media, games, health and fitness, video streaming, sport, shopping, and music/audio).
MOBILE GAMERS: Smartphone or tablet users who have opened or used a mobile-gaming app in the past seven days
NON-GAMERS: Smartphone or tablet users who have not opened or used a mobile-gaming app in the past seven days

Source: Newzoo ‘Betting on Billions: Unlocking the Power of Mobile Gamers’,
Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

1.

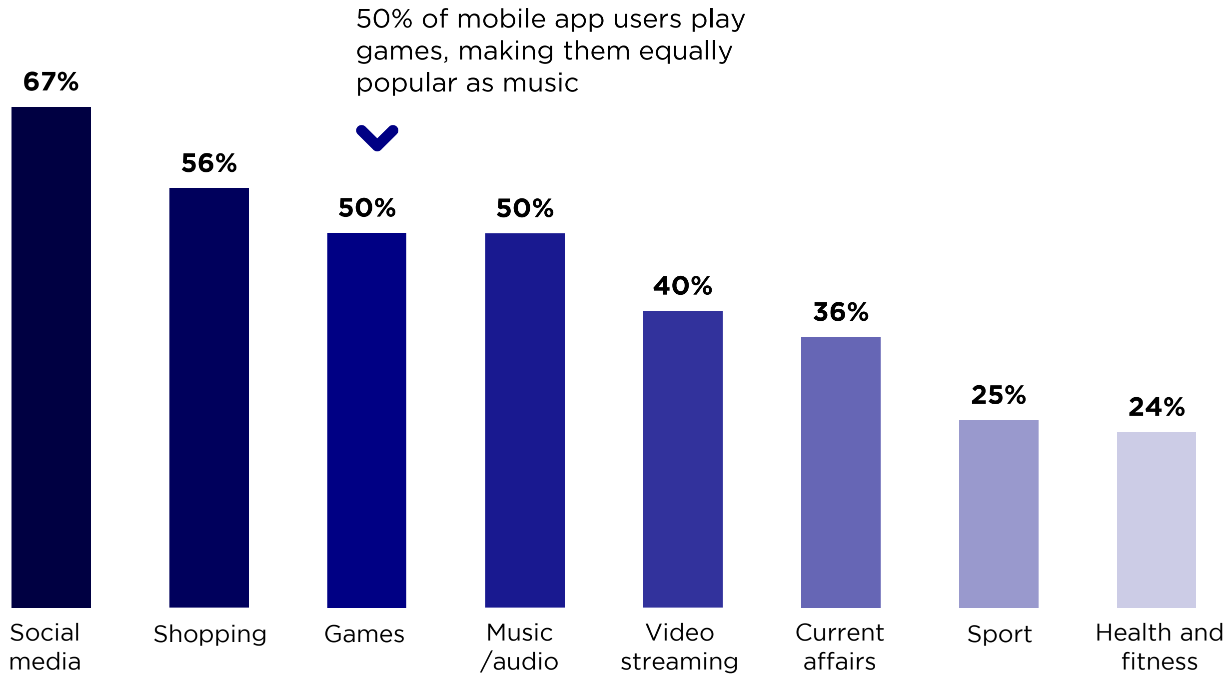
Mobile App Usage

- Games are among the most-used apps, especially with younger consumers. In this section, we look at just how popular they are and the potential reach they offer advertisers.
- We explore the times of day people play games, compared to when they use other apps. Again, there are some major opportunities here for targeted advertising.
- Users' app preferences are equally important, so we will delve into the most-played mobile games in the last month among mobile gamers.

GAMES IN THE TOP 3 MOST-USED APP TYPES

AMONG YOUNGER USERS, IT'S THE SECOND-MOST-POPULAR CATEGORY

TOP APP CATEGORIES USED IN THE LAST 7 DAYS



1 in 2

mobile app users used or opened a game app in the last seven days.

This makes games the third-most-popular app type, together with music. Social-media apps are the most popular overall (67%), followed by shopping (56%).

Advertisers can reach more consumers through game apps than apps for video streaming, current affairs, sport, and health and fitness.

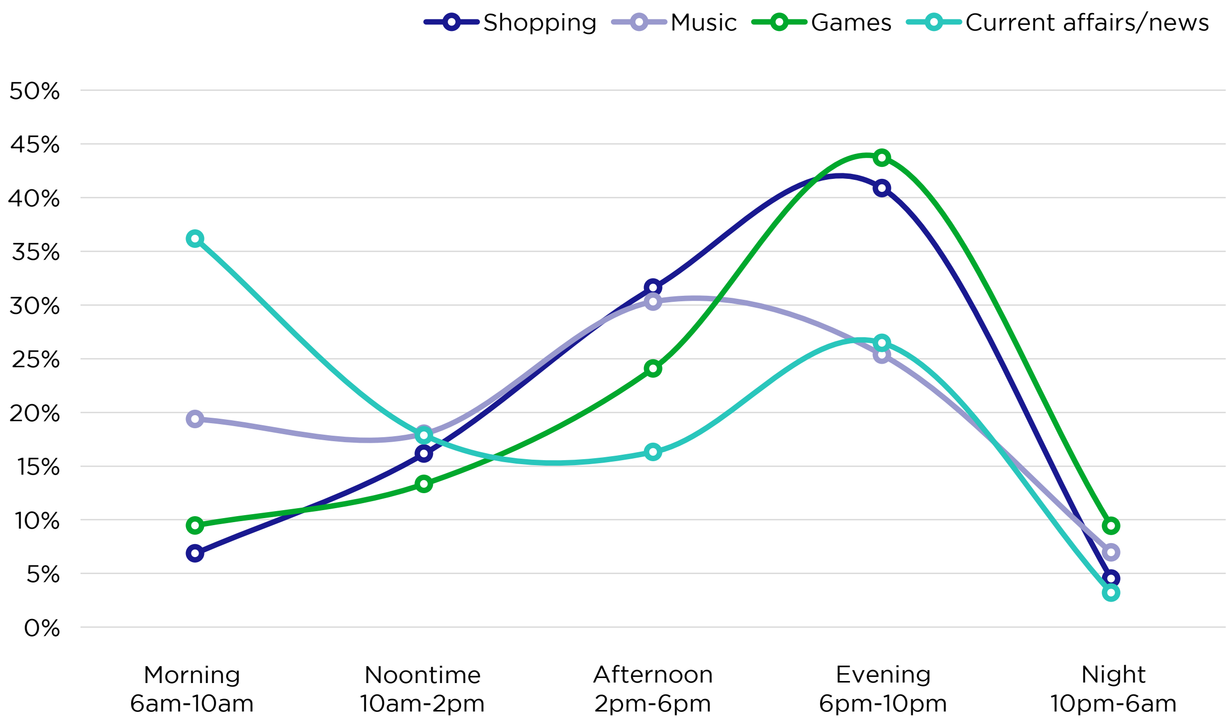
AMONG 18-20-YEAR-OLD MOBILE APP USERS, GAMES WERE THE SECOND-MOST-POPULAR APP CATEGORY: 66% OF THEM OPENED A GAME APP IN THE LAST SEVEN DAYS.

Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

EVENINGS ARE MOST POPULAR FOR GAMING

THE MOST COMMON TIME TO USE APPS DIFFERS PER CATEGORY

TIME OF DAY THAT APPS ARE MOSTLY USED | PER CATEGORY



6-10pm

is the most common time to use game and shopping apps.

Mobile app users have a clear preference for engaging with their shopping and game apps in the evening. The afternoon is the most popular time to open up music apps, while mornings are preferred for catching up with current affairs.

Interestingly, 18-20-year-olds tend to peak a little earlier, with the afternoon being just as popular as evenings when it comes to using game apps (30% each).

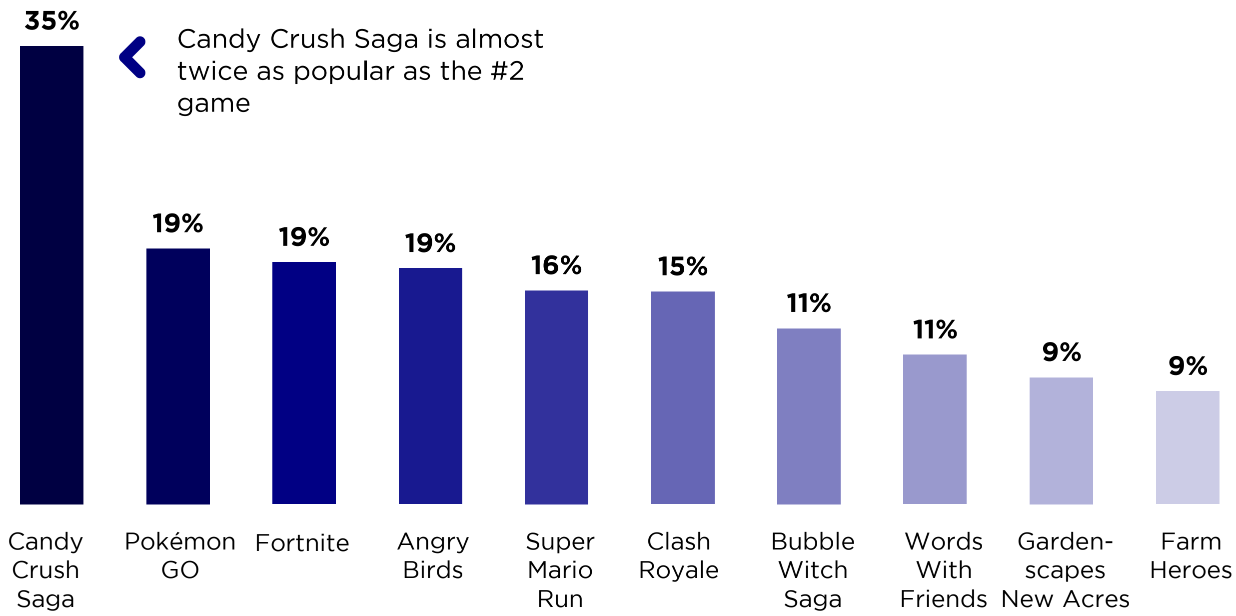
GERMAN MOBILE APP USERS ARE MORE LIKELY THAN THOSE IN THE OTHER THREE COUNTRIES TO PREFER USING APPS IN THE EVENING. FOR EXAMPLE, 54% OF THEM MOSTLY USE SHOPPING APPS BETWEEN 6PM-10PM VS. 36% OF AMERICANS.

Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

CANDY CRUSH REMAINS THE KING

THE TITLE IS ALMOST TWICE AS POPULAR AS THE #2 GAME

TOP 10 MOST PLAYED MOBILE GAMES IN LAST MONTH | AMONG MOBILE GAMERS



1 in 3

Mobile gamers played Candy Crush Saga in the past month.

Candy Crush is by far the most popular mobile game out of those researched. This is a testament to the staying power of the title, which was first released on mobile in 2014 and continues to withstand competition from newer titles.

Pokémon GO, Fortnite, and Angry Birds are the next most popular mobile titles, respectively.

CANDY CRUSH IS MOST POPULAR IN FRANCE, WITH 41% OF MOBILE GAMERS PLAYING IT MONTHLY.

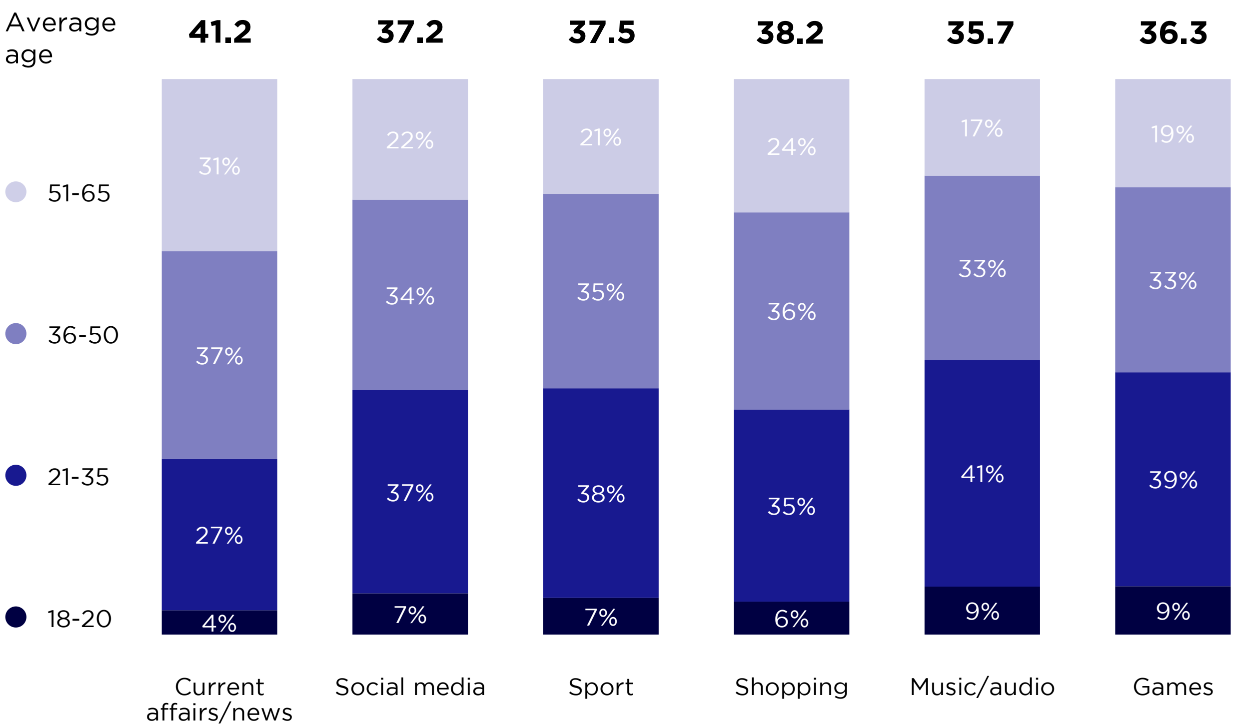
Source: Newzoo ‘Betting on Billions: Unlocking the Power of Mobile Gamers’, Base: US/UK/FR/DE Mobile Gamers n=6,150, Dec 2018

GAMES & MUSIC HAVE EQUAL GENDER SPLIT

CURRENT AFFAIRS/NEWS HAS THE HIGHEST SHARE OF OLDER USERS

AGE & GENDER DISTRIBUTION OF MOBILE APP USERS & KIDS IN HOUSEHOLD

PER APP CATEGORY



	Current affairs/news	Social media	Sport	Shopping	Music/audio	Games
Gender split						
Male	55%	46%	76%	44%	50%	49%
Female	45%	54%	24%	56%	50%	51%
1 or more child in household	35%	39%	42%	39%	41%	41%

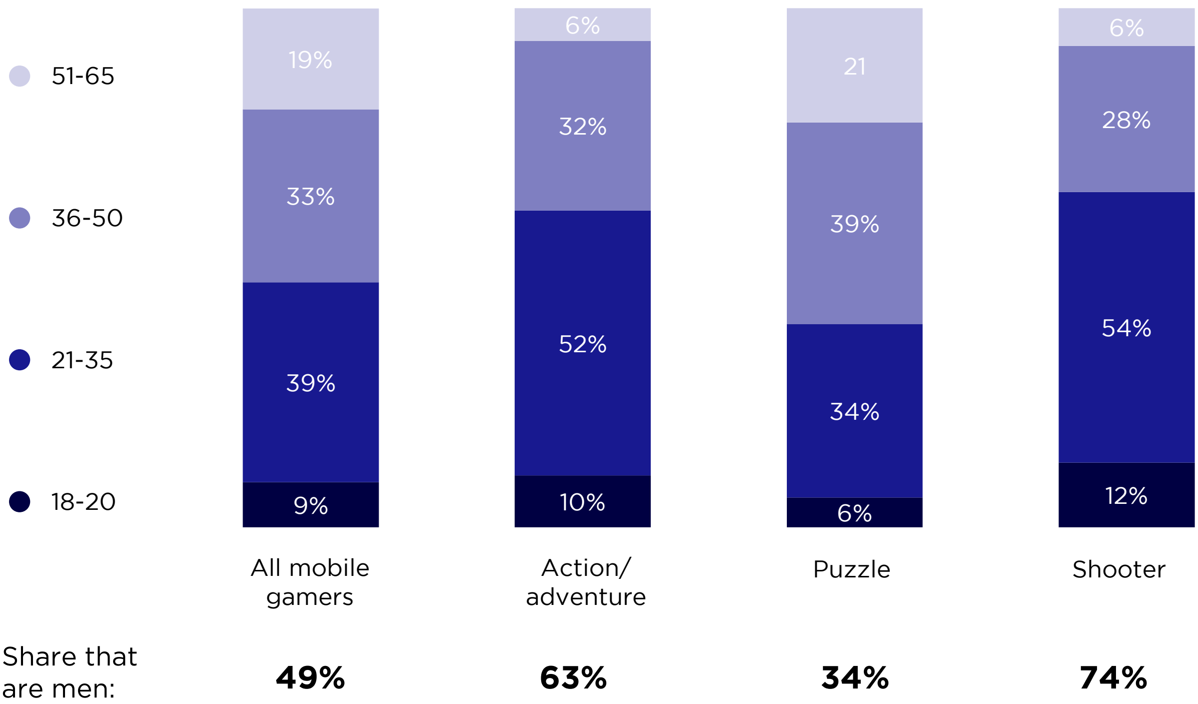
Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

GAMES HAVE BIG VARIANCE WITHIN GENRES

PUZZLE GAMERS SKEW OLDER; COMPETITIVE GAMERS ARE MAINLY MILLENNIALS

AGE DISTRIBUTION OF GAMERS & SHARE THAT ARE MEN

PER GENRE



39%

of total game app users are in the Millennial age bracket and half are men.

However, there are dramatic differences in age and gender distribution when looking at players of different genres. Most puzzle game players (e.g., Candy Crush) are aged 36-50 and two-thirds are women.

Around half of the people who play competitive genres such as action/ adventure, strategy, and shooting are aged 21-35 and more than two-thirds are men.

41% OF MOBILE GAMERS HAVE AT LEAST ONE CHILD AT HOME VS. 34% OF PEOPLE WHO DON'T PLAY GAMES; THEIR CONSUMPTION HABITS ARE LIKELY TO BE DIFFERENT AND THEIR PURCHASES MORE LIKELY TO BE INFLUENCED BY FAMILY.

Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile Gamers n=6,150, Dec 2018

2.

Influence & Purchasing Behaviors

- Mobile gamers hold some serious purchasing power and their purchasing habits ripple throughout their household and friend groups. This section breaks down the demographics of mobile gamers and the purchasing influence they have.

- Among gamers of different genres, there is plenty of variation by age and gender. Notably, a gamer's influence differs depending on the game they play and their gender.

Mobile gamers are

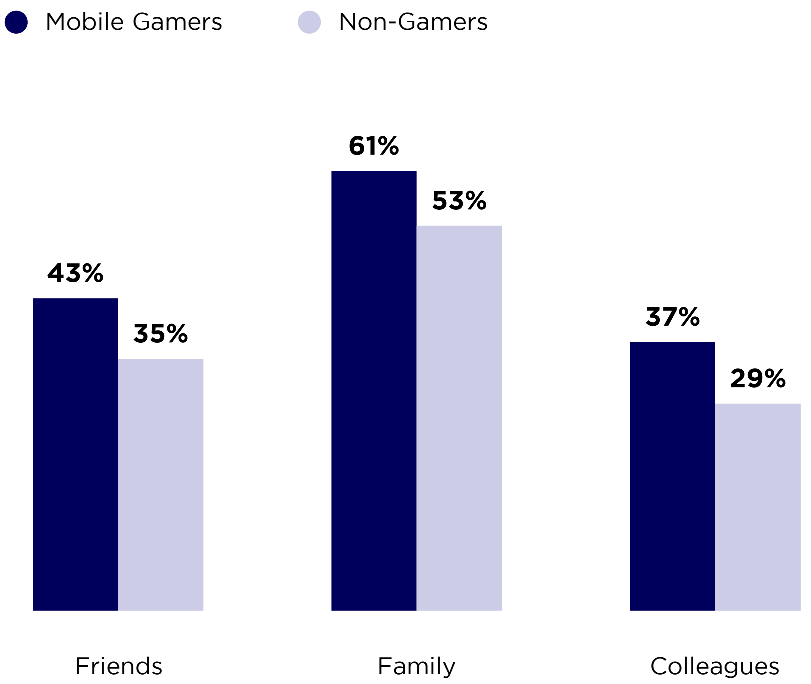
23%

more likely than non-gamers to have purchase influence on their friends, family, and colleagues.

GAMERS ARE PURCHASE INFLUENCERS

THEY HAVE THE LARGEST INFLUENCE ON CHOICES OF FAMILY AND FRIENDS

INFLUENCE ON PURCHASING DECISIONS* | PER GROUP



*Moderately influential & extremely influential combined

66%

of mobile gamers have influence on those around them (family, friends or colleagues).

This influence decreases when it comes to friends and colleagues, but across all groups, mobile gamers are notably more influential than non-gamers.

Mobile gamers are clearly an influential group for brands to target, especially for more family-orientated products and services.

TOP AREAS OF FAMILY INFLUENCE:

1. **GROCERIES**
2. **DINING OUT**
3. **ENTERTAINMENT SUBSCRIPTIONS**

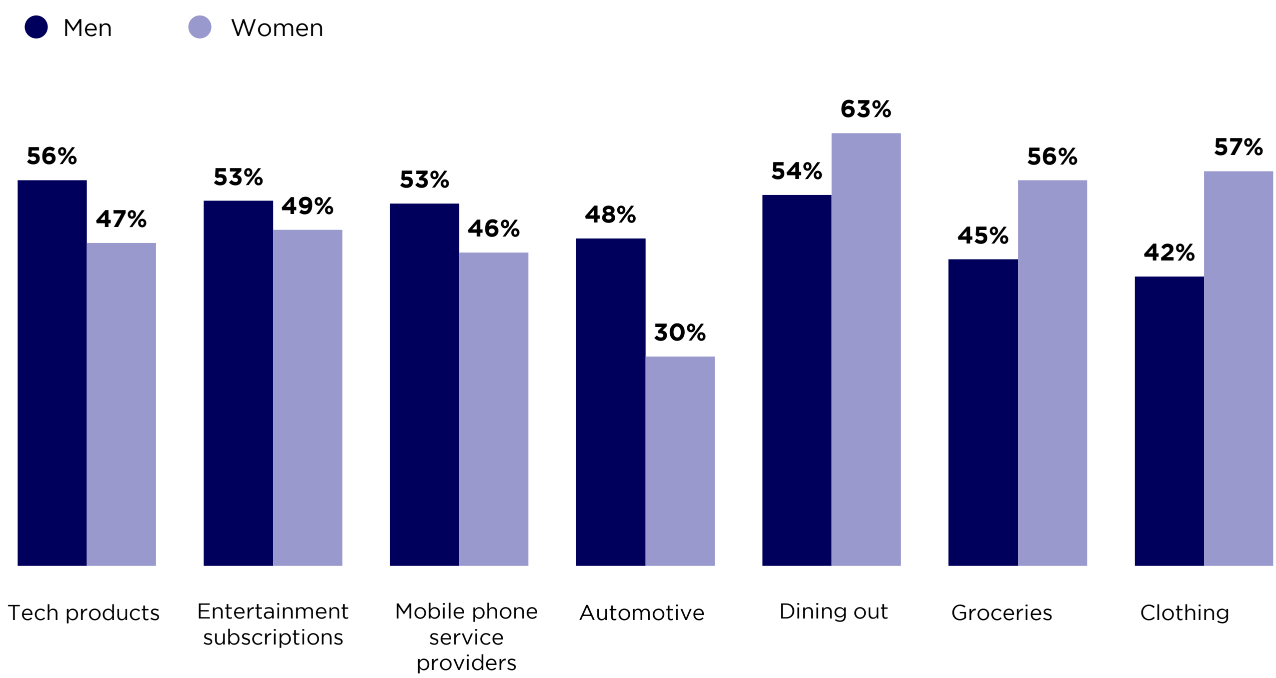
Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

MEN AND WOMEN'S INFLUENCE DIFFERS

WOMEN HAVE THE LARGEST INFLUENCE ON FOOD, MEN ON TECH

INFLUENCE ON PURCHASING DECISIONS | MALE VS. FEMALE GAMERS

SPLIT PER CATEGORY



1 in 2

male gamers on average have some influence the purchasing decision of friends, family, or colleagues, compared to 41% of female gamers.

There are also large differences between men and women in terms of where their influence lies. Women are more likely than men to influence food, clothing, and grocery choices while the inverse is true for tech products, mobile phone service providers, and automotive.

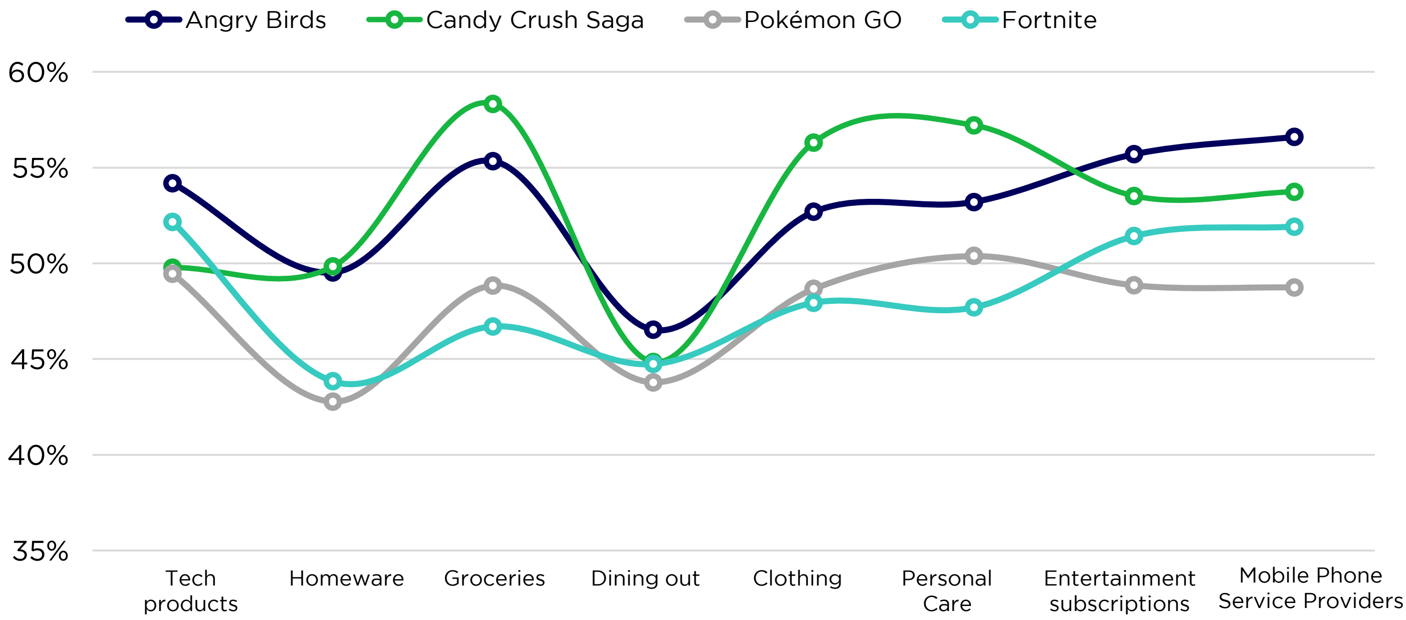
MILLENNIALS (AGED 21-35) HAVE THE LARGEST INFLUENCE ON OTHERS' PURCHASING DECISIONS, ESPECIALLY AMONG FRIENDS (53% INFLUENCE FRIENDS VS. 41% OF 36-50 -YEAR-OLDS). BRANDS MAY FIND REFERRAL CAMPAIGNS MORE EFFECTIVE IN TARGETING THIS AGE GROUP.

Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile Gamers n=6,150, Dec 2018

CANDY CRUSH GAMERS IMPACT CHOICES

THEY ARE THE MOST LIKELY TO BE THE DECISION MAKERS IN THEIR HOME

SHARE OF PEOPLE THAT ARE THE PRIMARY DECISION MAKER PER GAME
SPLIT PER CATEGORY



> 1 in 2

of Candy Crush gamers are the primary decision-makers in their home when it comes to groceries, making them a very lucrative target group for food/beverage brands. They are also the most influential gamers for clothing, homeware, and personal care (61% of Candy Crush gamers are women).

Angry Bird gamers are the biggest household decision-makers for the remaining categories (58% of Angry Birds gamer are men).

Overall, the influence of Candy Crush and Angry Bird's players outpace those of Pokémon GO and Fortnite.

ACROSS HOUSEHOLD PURCHASES, AN AVERAGE OF 53% OF CANDY CRUSH AND ANGRY BIRD GAMERS ARE THE PRIMARY DECISION MAKERS VS. 45% FOR ALL GAMERS.

Source: Newzoo 'Betting on Billions: Unlocking the Power of Mobile Gamers', Base: US/UK/FR/DE Mobile Gamers n=6,150, Dec 2018

Mobile gamers are

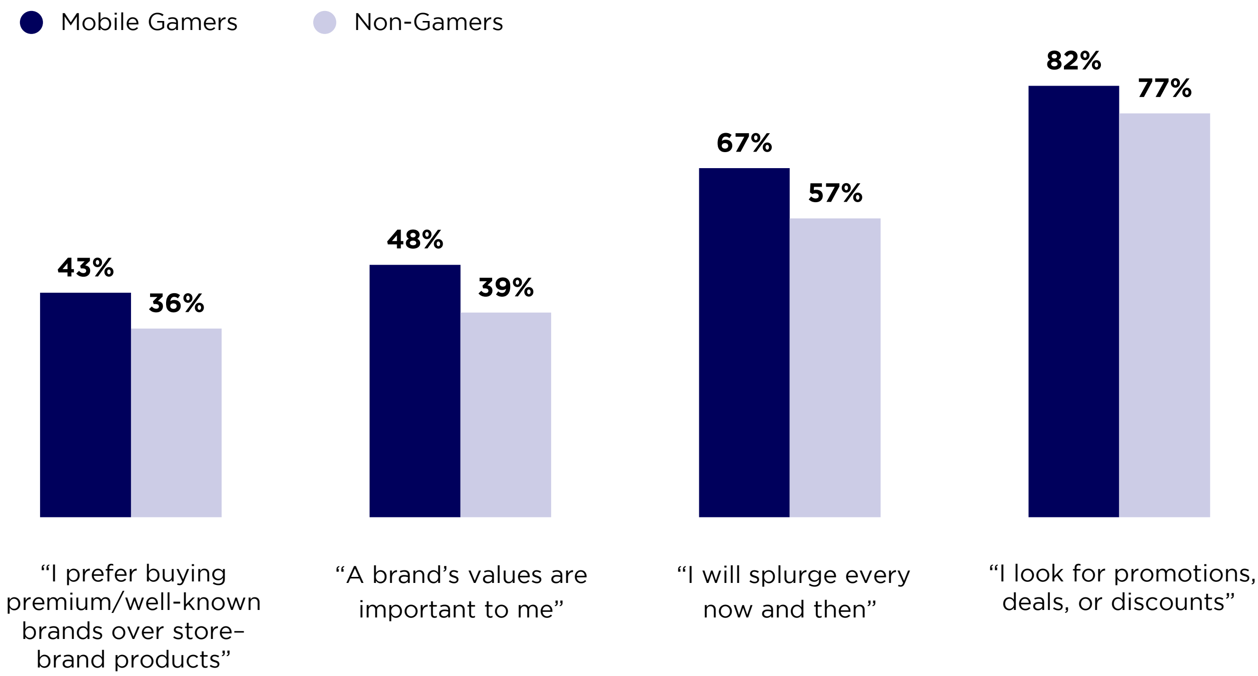
33%

more likely than non-gamers to spend more than usual during the holidays.

MOBILE GAMERS MORE LIKELY TO SPLURGE

THEY ALSO PLACE MORE IMPORTANCE ON VALUES THAN NON-GAMERS

AGREEMENT WITH BUYING BEHAVIOR STATEMENTS* | GAMERS AND NON-GAMERS



*Strongly agree and agree combined

67%

of mobile gamers will splurge every now and then, compared to 57% of non-gamers.

They are also more likely to look for promotions, to prefer buying a premium brand over a store brand, and to find a brand’s values important.

Brands should consider highlighting their company values and social responsibility endeavors when advertising to mobile gamers.

MOBILE GAMERS IN THE U.S. ARE THE MOST LIKELY TO SPLURGE EVERY NOW AND THEN (75%). GERMAN GAMERS ARE THE LEAST LIKELY (43%), MEANING THEY ARE LIKELY RECEPTIVE TO DIFFERENT TYPES OF MESSAGING AND PRODUCTS.

Source: Newzoo ‘Betting on Billions: Unlocking the Power of Mobile Gamers’, Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

3.

Opportunity for Brands

- What implications do these findings have on advertisers and brands? Above all, mobile gamers present them a massive opportunity.

- Not only are mobile gamers major influencers when it comes to purchasing habits, but they are also more positive about and receptive to advertising.

- Gamers are also more positive toward a global suite of brands than the average app user.

Mobile gamers are

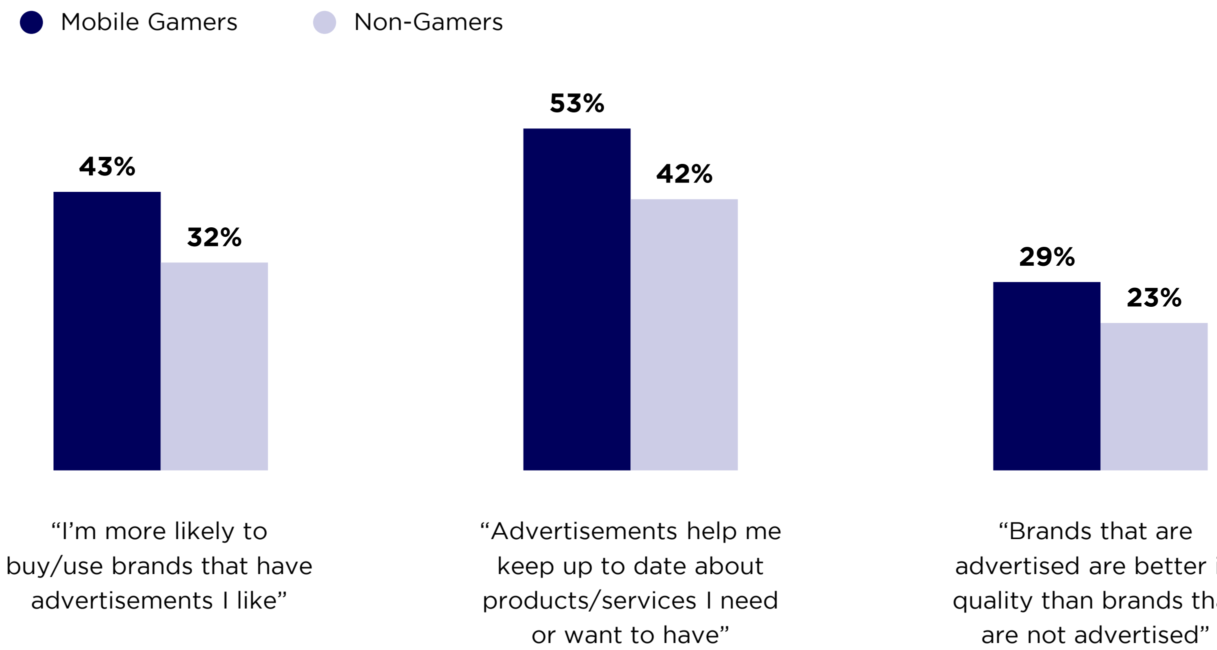
34%

more likely than non-gamers to agree with positive associations about brands and advertising.

GAMERS USE ADS TO KEEP UP TO DATE

GAMERS ARE MUCH MORE RECEPTIVE TO ADVERTISING THAN NON-GAMERS

AGREEMENT WITH STATEMENTS ABOUT ADVERTISING* | GAMERS VS. NON-GAMERS



*Strongly agree and agree combined

> 1 in 2

of mobile gamers agree that advertisements help them keep up to date with products or services that they need to or want. Just 42% of non-gamers say the same.

Mobile gamers are also more likely to buy things from brands that have ads they like and to associate advertising with high quality. Overall, they are a very receptive audience when it comes to ads.

MOBILE GAMERS IN THE U.S. ARE THE MOST LIKELY TO ASSOCIATE HIGH-QUALITY BRANDS WITH ADVERTISEMENTS: 31% COMPARED TO 23% IN GERMANY, FOR EXAMPLE

Source: Newzoo ‘Betting on Billions: Unlocking the Power of Mobile Gamers’, Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

Mobile gamers are

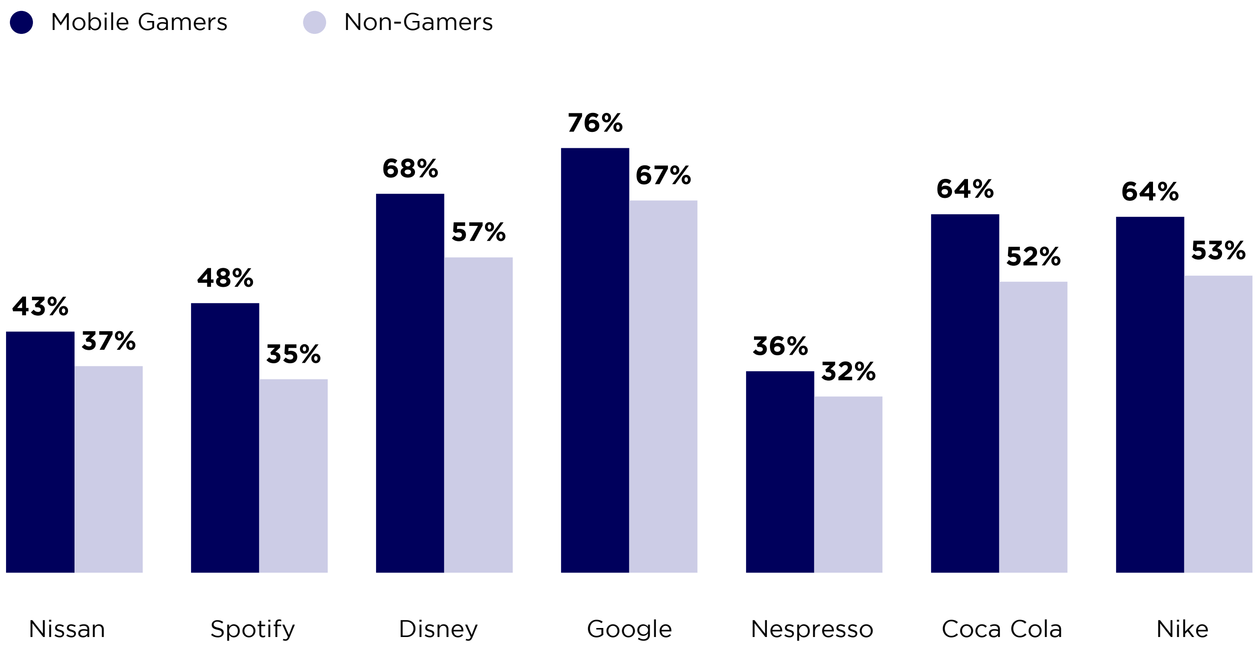
18%

more likely to have a favorable attitude toward a suite of global brands.

MOBILE GAMERS POSITIVE TOWARD BRANDS

THEY HAVE A MUCH MORE POSITIVE ATTITUDE THAN NON-GAMERS

POSITIVE ATTITUDE TOWARD BRANDS* | MOBILE GAMERS AND NON-GAMERS

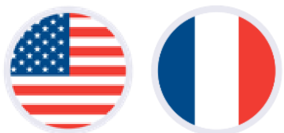


*Very favorable and favorable combined

57%

of mobile gamers, on average, have a favorable attitude toward a suite of global brands that we researched.

This is compared to 48% of non-gamers and 53% of all mobile app users. These results hold true across every brand, regardless of product category.



U.S. GAMERS ARE MUCH MORE LIKELY THAN FRENCH GAMERS TO HAVE A POSITIVE OPINION OF DISTINCTLY AMERICAN BRANDS, SUCH AS MCDONALDS AND COCA-COLA. THE OPPOSITE IS TRUE FOR EUROPEAN BRANDS, SUCH AS IKEA AND NESPRESSO.

Source: Newzoo ‘Betting on Billions: Unlocking the Power of Mobile Gamers’,
Base: US/UK/FR/DE Mobile App Users n=12,327, Dec 2018

CONCLUSION

About a decade ago, the digital world reached an inflection point. For the first time, online publishers saw their mobile users overtake desktop, but many were slow to understand the implications. Brands who identified the trend immediately shifted their marketing and communications strategies, while brands who did not have been playing catch up ever since. A similar trend is evident in the gaming world today, with mobile gaming dominating the industry in both revenue and user count.

This report reinforces that mobile gaming is one of the most-used app experiences today, and mobile gamers reflect the typical consumer more than any other app category (50/50 gender, in their mid-late 30s). At the same time, there is more diversity within the mobile gaming space than anywhere else. Each genre provides a unique experience, attracts a different type of user, and fulfills a very different set of motivations and needs (i.e., relaxation, competition, entertainment, escapism), ones that brands have been hoping to tap into themselves.

In-game advertising is an exciting new frontier for brands to consider in their marketing strategies. We have a few suggestions in doing so, based on our findings:

VERTICAL: Consider your industry and corresponding target audience. Puzzle games are a great space to reach women and middle-aged consumers, while action/adventure is a clear genre to reach younger, male consumers.
TIMING: Messaging consumers when they're in a contextual moment can be powerful. Gaming-app use lifts in the afternoon and peaks in the evening. However, within those categories, there is a lot of differentiation by genre and game. Consider the best moments to reach your consumers and choose an app that corresponds with those moments.
VALUES: Companies struggle to differentiate themselves and connect with consumers on a more intimate level than just interaction with their product. Mobile gamers are one of the audiences most open to this messaging, with almost half saying that a brand's values are important to them.

In short, mobile gaming is expansive and rich, presenting a unique opportunity to capture the attention of a massive, diverse, and influential group of consumers. It's encouraging to see research that validates the power of this mobile-gaming audience. The sooner brands realize the value this opportunity holds for them this time around, the sooner they'll be able to get ahead of the game.

About Activision Blizzard Media:
Activision Blizzard Media is the gateway for brands to the #1 cross-platform gaming company in the Western world, with hundreds of millions of players across more than 190 countries. Our legendary portfolio includes iconic mobile game franchises such as Candy Crush®, esports opportunities like the Call of Duty® and Overwatch® Leagues, and some of the top PC and console gaming franchises such as World of Warcraft®, Call of Duty®, and StarCraft®. The idea is simple: great game experiences offer great marketing experiences.
www.activisionblizzardmedia.com

ABOUT NEWZOO

As the number one provider of games and esports analytics in the world, we empower people to explore change, create unique strategies, and optimize their daily business. Using our Global Gaming and Esports Panel, we also offer our clients custom consumer research in 28 countries.

The Global Gaming and Esports Panel is the largest panel of game enthusiasts in the world: 2 Million+.

OUR CUSTOM RESEARCH – ACCESS OUR GLOBAL GAMING & ESPORTS PANEL

GLOBAL

We can carry out custom consumer research in almost any country in the world. In 28 of the largest games markets, we have access to a panel of over two million game enthusiasts. The panel is continuously refreshed and expanded.

TOP QUALITY

The same quality service we are known for, including direct online data access, a dedicated analyst, analysis, and a customized report, as well as survey drafting, survey programming, localizing, and translations.

COMPETITIVE

Achieve more than 30% cost savings by reaching out to your desired target group directly. Because of the scale of the panel, we can provide representative bespoke research on segments that others simply cannot offer.

OUR USE CASES (SOLUTIONS)

EXPLORE

- Trends
- Industries
- Markets
- Forecasts

CREATE

- Strategies
- Business plans
- New products
- Target groups

OPTIMIZE

- Marketing
- Investments
- Product dev
- Local efforts

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Get in touch to learn more about our custom consumer research:

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