

5 charts on why advertisers should pay attention to gaming

Article



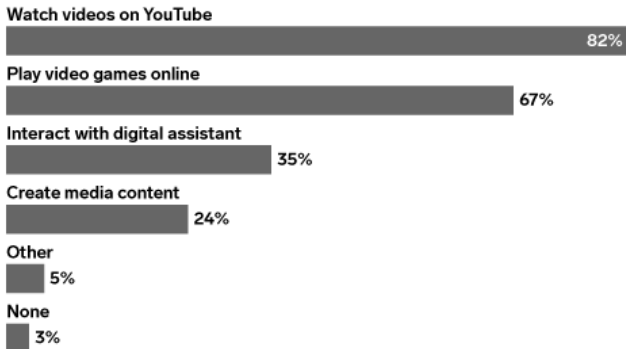
Microsoft's attempt to acquire Activision Blizzard in what could essentially create a **video game monopoly** has many, including the Federal Trade Commission, keeping a close eye on the gaming industry. The \$68.7 billion acquisition would give Microsoft a leadership position with franchises like Call of Duty, Candy Crush Saga, World of Warcraft, Diablo, and Overwatch.

Here are five charts showing why you should also be paying attention to gaming.

1. Gaming is the No. 2 activity for teens and kids

Digital Activities of US Children and Teens, May 2022

% of respondents



Note: under age 18; according to their parents
Source: PC Magazine, "Here's What Parents Really Think About Their Kids' Online Activity,"
July 11, 2022

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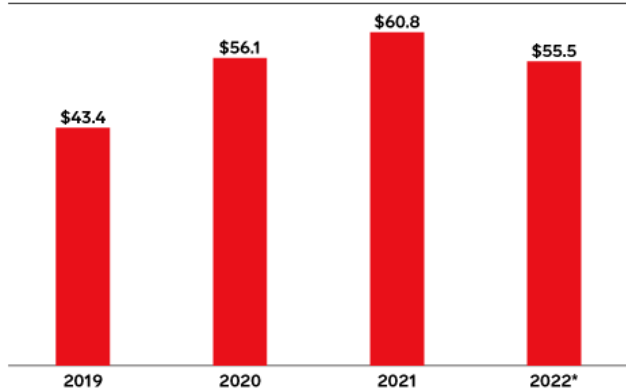
Two-thirds of people in the US under 18 years old play video games online, putting it only behind watching YouTube videos as an activity, per PC Magazine.

Gaming is big among adults as well, particularly mobile gaming, which the average US adult spends about 27 minutes doing each day, according to our estimates. That's about 13% of all time spent with mobile apps.

2. Consumer spend is contracting, but there's more to the story for advertisers

US Consumer Spending on Video Game Products, 2019-2022

billions



Note: includes accessories, content (full game sales, downloadable content/microtransactions, and subscriptions across console, desktop/laptop, mobile, and portable), and hardware; *figures for 2022 are an estimate
Source: The NPD Group as cited in company blog, July 6, 2022

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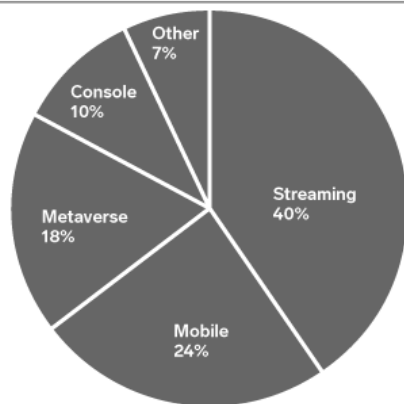
Consumer spend on gaming grew significantly over the past few years before cooling this year, according to The NPD Group.

But while consumer spend shrinks, ad revenues are growing. US mobile gaming ad spend will grow 10.0% to \$6.28 billion in 2023 and continue to grow by between 8% and 10% over the next few years, according to our forecast. Esports ad revenues are growing at around the same rate and will pass a quarter of a billion dollars in 2023.

3. Gaming platforms to watch

Game Platform That Will Grow the Most by 2025 According to Video Game Development Professionals Worldwide

% of respondents, May 2022



Note: numbers may not add up to 100% due to rounding

Source: Perforce, "2022 Game Development Trends & Forecast," Aug 29, 2022

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While many developers are looking to futuristic gaming platforms like the metaverse, the majority are focused on **streaming and mobile**, as noted by Perforce. For both of these platforms, 5G infrastructure is driving adoption globally. Mobile gamer figures in the US remain fairly flat, with minimal growth, but revenues look different, especially globally.

4. A global gaming look

Digital Game Revenues Worldwide, by Region, 2022

billions, % change, and % of total

	Digital game revenues	% change	% of total
Asia-Pacific	\$95.6	2.7%	49%
North America	\$51.3	0.5%	26%
Europe	\$34.1	-0.0%	17%
Latin America	\$8.7	6.9%	4%
Middle East and Africa	\$7.1	10.8%	4%
Worldwide	\$196.8	2.1%	100%

Note: Includes games played via consoles, desktop/laptop computers (browser and downloaded/boxed games), smartphones, and tablets

Source: Newzoo, "Global Games Market Report 2022," July 26, 2022

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Asia-Pacific accounts for nearly half of digital gaming revenues worldwide, according to Newzoo. North America is the No. 2 driver, accounting for about one-fourth of total revenues.

Though they each account for just 4% of the pie, the Middle East and Africa and Latin America are the fastest-growing digital revenue markets. 5G adoption in these regions will lead to more streaming and mobile gamers—and more resulting revenues.

5. Get ready for a “**banner year**”

Select Activities That US Gen Z Adults Would Be Interested in Doing in the Metaverse, March 2022

% of respondents

Play video games	25%
Meet up with friends	23%
Meet new people	22%
Drive a vehicle	18%
Visit a destination I'd like to visit in real life	18%
Attend an exclusive live concert or gig	16%
Shop	15%
Go to a theme park	14%
Watch a movie/go to the movies	14%
Watch sports	14%
Date	13%
Go to work	12%
Play at a casino	11%
Attend exclusive parties	10%
Drink in a bar	10%
Go to a nightclub	10%
Watch esports (e.g., video game competitions)	10%
Go to school	9%

Note: ages 18-24

Source: YouGov, “Travel & Tourism Report 2022: Youth of Today, Travel of Tomorrow,” June 22, 2022

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A combination of **AI and virtual reality (VR)** innovations have improved gaming technology significantly. As companies invest in both of these ventures, expect gaming to look even more impressive, which could drive adoption, especially among Gen Z. Gaming has had a **strong holiday season** already. Its future could be even brighter.

Final thoughts: Between rapidly improving tech and massive mergers, gaming is changing. Even if you’re not game for gaming advertising right now, keep an eye on how VR and AI ventures open up new ad opportunities, especially for reaching young people.

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