globalwebindex

Gaming

An exploration of how the gaming landscape is changing

TREND REPORT 2019

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Contents

Introduction

Gaming entertainment has come a long way since the pixelated days of Pacman and Space Invaders. Now the genre has become a source of entertainment for those without a controller in their hand, broadening its appeal to demographics that were long overlooked.

This report addresses some of the big questions in the gaming industry:

- What's next for mobile gaming?
- Do consoles still have a role to play in the future gaming landscape?
- How will spectator gaming change the landscape of gaming?
- Will cloud gaming be the next big gaming trend for 2019?

Key Insights

4 in 10 say gaming is an interest of theirs, and smartphones are extending their lead as the most popular gaming device. Unsurprisingly, gaming is most popular among 16-24 males (64%), although **a quarter of all 45-54s** also say they have an interest in it. As respondents get older, the ratio tends to be much more even; more females cite gaming as an interest (19%) than males (17%) for 55-64s.

Internet users in **fast-growth markets** are the most avid mobile gamers. More than **7 in 10** internet users in APAC and the Middle East and Africa are gaming on their smartphone. It's in these regions where internet penetration rates are at their lowest globally and where the online population is most rapidly expanding, suggesting great room for growth.

In recent years, we've reported a year-on-year decline in games console ownership. But there are signs that **the decline has stabilized**. This stabilization has happened in tandem with a strategy from manufacturers to shift their focus to Western markets that have the greatest growth potential.

Within the console gaming community, consoles play a role in accessing TV content. These added functionalities help explain why, despite dropping ownership figures, we've seen the **consistent increases in daily time spent on games consoles among internet users since 2012**.

If we isolate PCs, we see that their gradual decline as gaming devices can be largely attributed to the decline in overall PC ownership. Nevertheless, **with just under 1 in 2 internet users gaming via PCs/ laptops**, these devices can still remain a cornerstone of the gaming market.

The rise in spectator gaming has been quick to make an impact in the live streaming space, with over **a third having watched a live gaming stream in the past month**, and over a quarter having watched an esports tournament. More than 4 in 10 people in the Philippines have watched a live gaming stream in the last month, compared to 8% in Switzerland.

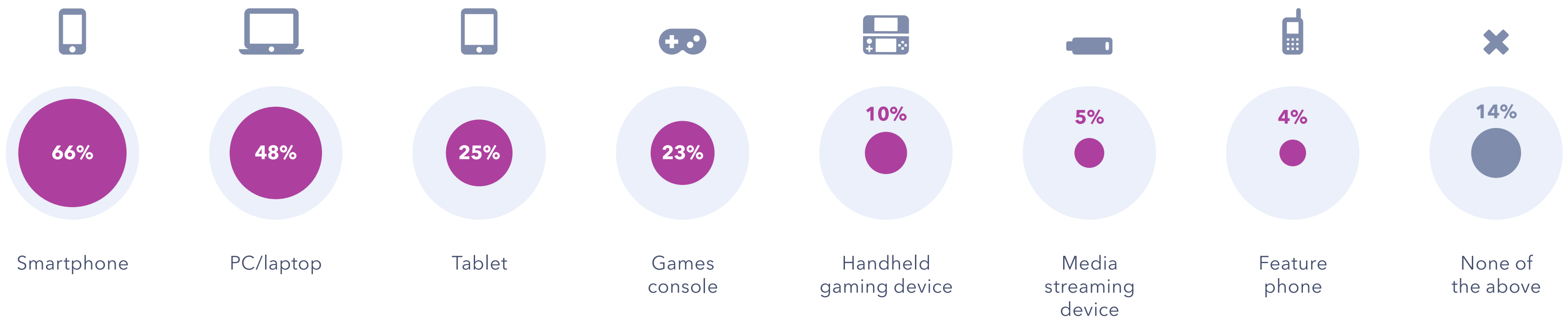
Gaming

Overview

Overview

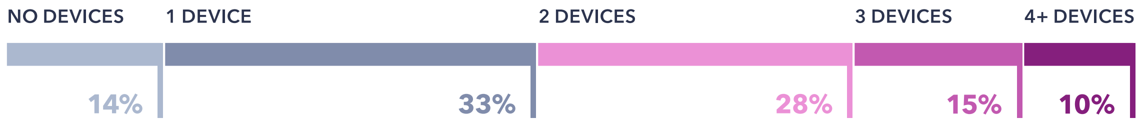
Gaming Devices

% who use the following devices for gaming



Gaming has long played a prominent role in entertainment both on-and-offline, and gaming communities have expanded significantly. Gaming has now become so mainstream that **86% of internet users say they have gamed on at least one device within the past month** – going up to 92% among 16-24s. Its massive growth has been driven by trends like the move to online in gaming, the emergence of online multiplayer platforms in huge numbers, and the boom in the popularity of freemium games on mobile and PC.

Number of Gaming Devices Used



86% of internet users say they play games on at least one device

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games? **Source:** GlobalWebIndex Q3 2018 **Base:** 113,932 Internet Users Aged 16-64

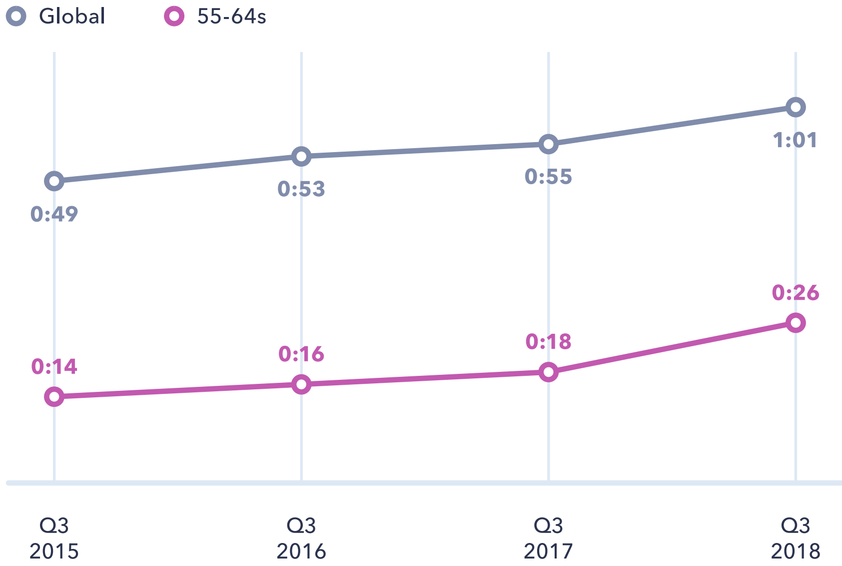
Overview

Smartphones and PCs/laptops dominate the gaming landscape, boosted by almost universal smartphone ownership among internet users. **Global smartphone ownership has increased by 15 percentage-points since Q3 2015** and has now reached 95% among internet users 16-64. PC ownership has dropped, but with just under 1 in 2 of internet users gaming via PCs/laptops, these devices can still retain their importance in the gaming market.

Gaming is now among the most truly cross-demographic activities tracked by GlobalWebIndex. In fact, thanks to mobile gaming in particular, it's difficult to find a region or demographic where the majority of individuals *aren't* gaming in some form or another. Just looking to the oldest age group we track – 55-64s – we found that **65% use at least one device for gaming**. Older gamers typically prefer games like online board/card games (12%), puzzle/platform (11%), and shooter games (11%). Even markets with the least gaming engagement (and oldest populations) like Belgium and Japan, more than 6 in 10 internet users still enjoy gaming in some form or other.

55-64s Games console engagement over time

Average time spent on a games console per day in hh:mm



> Mobile and PC/laptop gamers have highly overlapping preferences for gaming activities, genres and franchises

> Console gamers are more likely to have purchased any of the 22 online content items GlobalWebIndex currently tracks

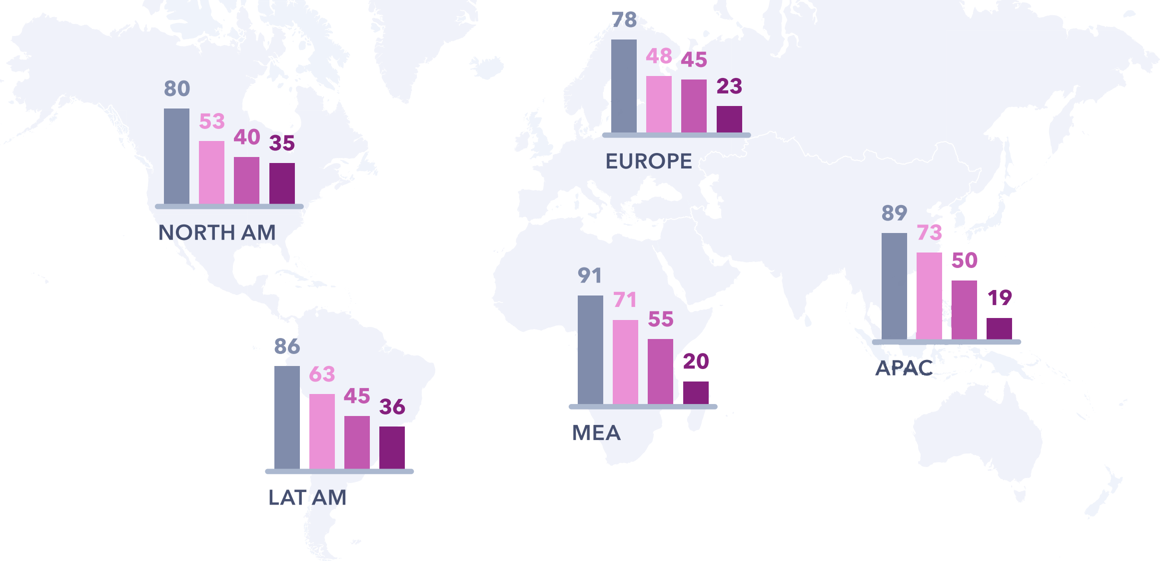
Question: Roughly how many hours do you spend engaging with games consoles during a typical day?
Source: GlobalWebIndex Q3 2018 **Base:** 13,324 Internet Users Aged 55-64

Overview

Engagement with Gaming

% who use the following devices for gaming

● Any device ● Smartphone ● PC/laptop ● Games console



GENDER	ANY			
Male	88%	66%	54%	27%
Female	83%	66%	41%	18%
AGE				
16-24	92%	74%	55%	24%
25-34	91%	73%	51%	27%
35-44	86%	67%	45%	25%
45-54	76%	53%	42%	18%
55-64	71%	37%	37%	9%
INCOME				
Bottom 25%	88%	66%	50%	19%
Mid 50%	86%	67%	49%	22%
Top 25%	87%	66%	47%	31%

TOP MARKETS	ANY						
Philippines	97%	Philippines	85%	Egypt	69%	Mexico	45%
Vietnam	97%	Vietnam	85%	Philippines	65%	Colombia	35%
Egypt	95%	Thailand	84%	Russia	63%	USA	35%
Indonesia	95%	Indonesia	83%	India	60%	UK	33%
Thailand	94%	Egypt	76%	Indonesia	55%	Canada	33%
India	91%	Malaysia	75%	Vietnam	54%	Brazil	32%
Mexico	91%	UAE	74%	Turkey	50%	France	32%
Turkey	90%	India	74%	Taiwan	49%	Italy	30%

Gaming on consoles is much less widespread, even if it still receives a lot of attention. Console gaming is definitely mainstream, but tends to be limited to a few key demographics and regions. Namely, those with enough disposable income to afford these usually high-ticket devices. Although there are notable exceptions, such as Colombia and Mexico, **games consoles typically see their strongest engagement rates in mature markets** such as the U.S. (35%), the UK (33%), and Canada (33%).

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games? **Source:** GlobalWebIndex Q3 2018 **Base:** 113,932 Internet Users Aged 16-64

Overview

Gaming Preferences by Device

% who have done the following activity in the last month

MOBILE GAMERS

Activity	%
Played a game that you have streamed over the internet	40%
Watched a live gaming stream	29%
Watched an e-sports tournament	21%

PC/LAPTOP GAMERS

Activity	%
Played a game that you have streamed over the internet	43%
Watched a live gaming stream	33%
Watched an e-sports tournament	25%

CONSOLE GAMERS

Activity	%
Connected a games console to the internet in order to play games	52%
Played a game that you have streamed over the internet	39%
Purchased a video game from an online store	38%

Gaming Preferences

GAMING GENRE MOST PLAYED IN THE LAST YEAR

Mobile	PC/Laptop	Console
51% Shooter	55% Shooter	71% Shooter

HIGHEST INDEXING GAMING GENRE

Mobile	PC/Laptop	Console
IDX 1.27 Rhythm/music	IDX 1.45 Beat'em up	IDX 2.45 Beat'em up

GAMING FRANCHISE MOST PLAYED IN THE LAST YEAR

Mobile	PC/Laptop	Console
27% Plants vs. Zombies	24% Plants vs. Zombies	34% FIFA

> Console gamers, who are roughly **40% more** likely to be in the top 10% income bracket, have different activity preferences that reflect their greater affluence

> Console gamers are **53% more** likely to visit Twitch each month compared to mobile gamers

Question: Which of these gaming-related activities have you done in the last month? / Which of these games / gaming franchises have you played in the last 12 months? / Which of these gaming genres have you played in the last 12 months? **Source:** GlobalWebIndex Q3 2018 **Base:** 55,313 Mobile Gamers, 40,493 PC Gamers, 23,318 Console Gamers Aged 16-64

Gaming

Mobile Gaming

Trend Report 2019

Mobile Gaming

Mobile gamers are now spending an estimated 3 hours and 44 minutes per day online on their smartphone (climbing to just under 5 hours in Latin America). And **4 in 10 mobile gamers say gaming is one of the main reasons they use the internet**. Put this in the context of rapid improvements to processing powers and screen resolutions in the smartphone industry, as well as the on-the-go advantage offered by mobiles, and we can really see true potential of these gaming devices.

It's worth considering the growth prospects – and thereby the mounting revenue opportunities – at hand in the mobile gaming market as these devices become more powerful and more affordable.

Which markets have the most avid mobile gamers?

A glance back at **Top Markets chart** reveals a crucial detail about the mobile gaming landscape: **internet users in fast-growth markets are the most avid mobile gamers**. More than 7 in 10 internet users in APAC and the Middle East-Africa region, and 6 in 10 in Latin America, are gaming on their smartphone. These regions have the lowest internet penetration rates (e.g. 33% in Indonesia), but also where the online population is most rapidly expanding. This is primarily due to the influx of low-cost internet-enabled smartphones, **like Oppo in China**, so we would expect mobile gaming to continue to expand in turn.

Only 1 in 5 mobile gamers have purchased a mobile game in the past month

The challenge has moved on from 'how to get people playing their games on their smartphones?' Instead, it lies in **figuring out how to provide more compelling content, and above all how to monetize it**. A quick browse on a mobile app store will reveal the wealth of options when it comes to mobile gaming, and the lion's share are free-to-play. The abundance of choice is manifested in players' behavior and preference: just **16% of our global audience have paid for a mobile game in the past month**.

TREND IN ACTION

The dawn of 'hyper-casual'

Hyper-casual games are lightweight and instantly playable, focusing on clear visuals, simple mechanics and very light progression systems. Generally offering few in-app purchases, which usually account for around ¾ of revenue for other genres, hyper-casual games instead monetize through a mix of video, playable, banner and interstitial ads.

This yields relatively low revenue per active user, but the mass appeal and 'stickiness' of the games makes up for it in scale. With this monetization strategy, user acquisition is more important than ever. Indeed, hyper-casual games developer Voodoo – which last year received $200 million in investment from Goldman Sachs to extend their dominance in this market – has **racked up over 1.5 billion downloads, growing over 50% in the last four months**, according to the Helix Jump publisher.

Game in Focus: Plants vs. Zombies

Online Brand Interactions Among Plants vs. Zombies Players

% who have done the following online in the past month

	%	IDX
UPSELLING POTENTIAL		
Purchases mobile game	25%	1.81
Made in-app purchases	15%	1.80
MARKETING POTENTIAL		
Discovered brands via mobile or tablet apps	31%	1.54
BRAND ENGAGEMENT		
Shared a brand's post on a social network	18%	1.63
Used a QR code provided by a company or brand	16%	1.61
Asked a question to a brand on a social network	21%	1.59
Played a branded game	20%	1.56
Read a branded blog	21%	1.55

A particularly successful example of a freemium mobile game over the past few years is *Plants vs. Zombies* (18% of internet users have played in the last 12 months). *Plants vs. Zombies* is an especially popular gaming franchise in APAC, where almost a quarter of respondents play it. Free-to-play gaming franchises have courted significant industry attention. As early as 2011, **Electronic Arts acquired PopCap** – the developer company behind *Plants vs. Zombies* – for a total of $1.3bn.

Three factors underline and justify these sorts of valuations: the marketing potential of in-app advertising, the opportunity for brands to engage with these gamers, and the upselling potential in incentivizing these players to upgrade their gaming experience.

Free-to-play games often have fan communities in their own right and offer multiplayer experiences. This competitive undertone provides a clear incentive for players in these communities to upgrade their in-game capabilities and stay ahead of their competitors. This is clearly reflected in their strong inclination to pay for content which the majority of internet users typically demand for free. **1 in 4 *Zombies* players paid for a mobile game last month and 15% made an in-app purchase, which means they're nearly twice as likely (1.8x) to pay for this content** than the global average.

As for the marketing potential within these games, it's significant that around 3 in 10 *Plants vs. Zombies* players say they discover new brands via tablet or mobile apps (Index 1.54). Also, the fact that half of this audience say they tend to buy brands they see advertised suggests they're very receptive to ads when playing these games.

Across the board, casual gamers emerge as highly brand-engaged individuals. Because their most distinctive ways of interacting with brands relate to sharing branded content on social media or playing branded games, there's real potential in expanding these communities via social channels. After all, these interactions all take place on their primary networking device.

Question: Which of the following brand-related actions have you done online in the past month? / Which of the following types of online content have you paid for in the past month? / In which of the following ways are you most likely to find out about new brands, products, or services? **Source:** GlobalWebIndex Q3 2018 **Base:** 5,088 Plants vs. Zombies Players aged 16-64

VR Teetering on the Brink

In August 2018, Sony proudly announced that it had sold **3 million PlayStation VR headsets** since its launch in October 2016. Yet sales for the latest generation of virtual reality sets **have been underwhelming**. Despite technological progress, they've have failed to win over consumers on a significant scale.

While selling three million units is no small feat, it's important to consider the context. Sony has sold over 80 million PS4s since its launch in November 2013, 30 million of which were sold *after* the introduction of its VR headsets.

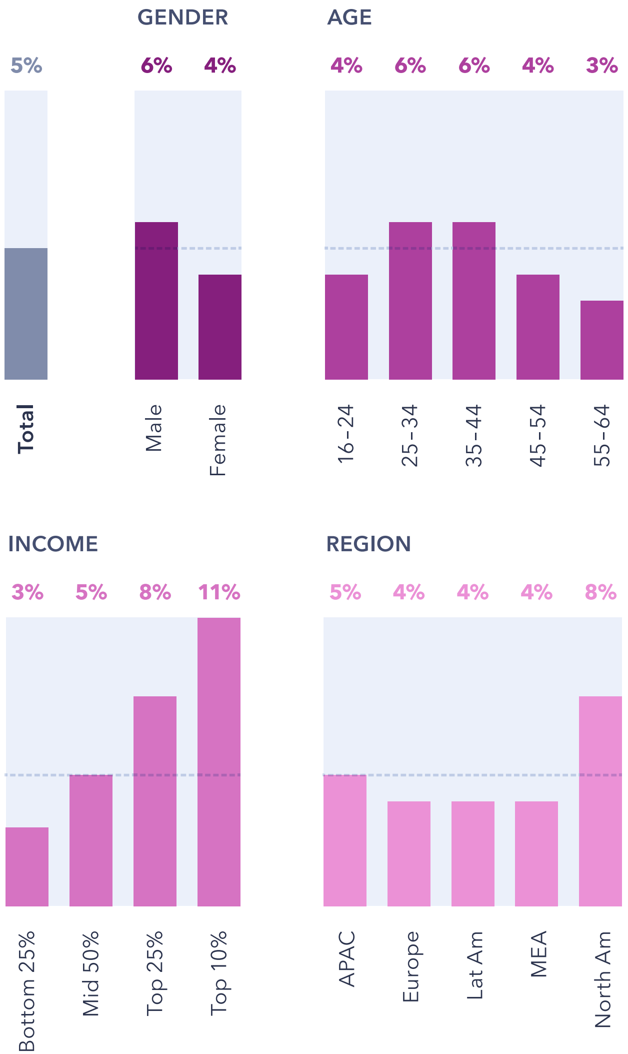
So despite the hype, VR has yet to shake up the entertainment industry. Two years ago that could be explained by the high-price points for upper-tier headsets that inevitably priced the majority of consumers out of the market.

Now, however, rather than seeing VR as an exciting-but-still-nascent technology, it increasingly seems like a technology that will struggle out of the early-adopter phase, with only the most committed and deeply-pocketed users getting involved.

> PlayStation 4 users are **2.9x more likely** than the average consumer to own a VR headset/device

VR Headset Ownership Among Mobile Gamers

% of mobile gamers who own a VR Headset



Question: Which of the following devices do you personally own? Virtual Reality Headset/Device
Source: GlobalWebIndex Q3 2018 **Base:** 55,313 Mobile Gamers aged 16-64

VR Teetering on the Brink

The main factor blocking mainstream adoption of virtual reality seems to be the lack of compelling content. Unlike with **4K TVs** (which have four times as many pixels as a standard 1080p TV), it's difficult to claim that VR content will come to make the hardware investment worth it.

The future of VR hinges on high-quality experiences and better affordability. The most sophisticated headsets start at least $300-400 – and that's not taking into consideration the required gaming systems or software. There are lower-priced options which work with smartphones, but these can often add up in price as well. Even the lowest price headsets, such as the Google Cardboard, offer a basic and rather limited experience. Retailers will struggle to convince everyday users that VR is good for them. Immersive controls, where players can interact with their environments rather than inputting buttons, **may change gameplay to the point where new experiences are possible**.

Virtual reality also needs to become more social. The ability to have multiple virtual reality users within the same game, or content experience generally, could be the turning point for VR. Notably, **VR headset owners are 55% more likely than the average internet user to want brands to connect them with other fans of the brand**. And games are overall becoming increasingly social (see page '**Fortnite**'). VR will need to keep up with this trend to stay relevant.

The ubiquity of smartphones makes them the ideal candidate to push VR toward mass adoption, especially if social platforms could focus their attention on VR entertainment. It's worth remembering that increasing smartphone ownership is what is behind the growth in online populations in APAC, Latin America, and the Middle East & Africa – and these are the regions where we see strongest engagement with mobile gaming.

It may be only 5% of mobile gamers who currently own a VR headset, but this does still translate into a sizeable audience, especially in North America. Consumers are generally required to own a slightly higher-end smartphone with VR-compatible technology, which helps explain why **North America and the top income decile globally post the highest rates of adoption, at 8% and 10% respectively**.

Of those who play games on any other device, only 5% own a virtual reality headset

However, the fact that **only 6% of mobile gamers globally have used a VR app in the past month** suggests that it isn't just the cost and hassle of getting a dedicated VR headset that is the main barrier, but the experience itself. A mobile-led VR rollout could be more challenging than one might expect.

> VR headset owners spend an average of 30 minutes more on social media per day than the average internet users

Gaming

Console Gaming

The Console Landscape

Top Console Brands Among Console Gamers

% of console gamers who use/plan to purchase the following console brands

The reason why mobile gaming has swelled the ranks of the gaming community to such a great extent lies in its ability to appeal to those who don't otherwise think of themselves as 'gamers'. The gap is significant: 8 in 10 of those who **do not** list gaming as an interest are still playing games on their smartphone.

But what does this mean for the console market?

When the previous generation of consoles hit the market around 2005, the iPhone was yet to be released and Facebook was yet to transition from being a platform for students into a fully-fledged social space for the consumer market.

The Xbox 360, PlayStation 3 and the Nintendo Wii just didn't have to compete in the same way for the free time of a consumer like their successors do, especially now that social media and online TV account for such a large chunk of daily media time.

This is reflected in the performance of last-gen consoles compared to current-gen consoles. Despite being on the market for at least 5-6 years, current-gen devices struggled to take a dominant lead over their predecessors. This is particularly the case for the Xbox One and Nintendo Switch. But that's not for a lack of want – look over to purchase consideration, and the recent consoles all emerge as highly desirable.

Yet this purchasing intent has been slow to convert into real sales. The PS4 has seen the strongest rises in usage rates among the consoles tracked by GlobalWebIndex, but its lead over the PS3 is still only 4 percentage-points.

The newest tactic in the console market is to introduce **new cross-console development platforms**. In September 2018, Sony announced the PlayStation 4 cross-play beta program, which allowed Fortnite users on Xbox One, PS4, Nintendo Switch, Mac, PC and mobile devices to all play together.

Question: Thinking about the gaming devices listed below, can you tell us which you have at home, are interested in purchasing, and would recommend to your friends and family? I have at home and use for playing games, I'm interested in purchasing for playing games **Source:** GlobalWebIndex Q3 2018 **Base:** 23,381 Console Gamers aged 16-64

The Console Landscape

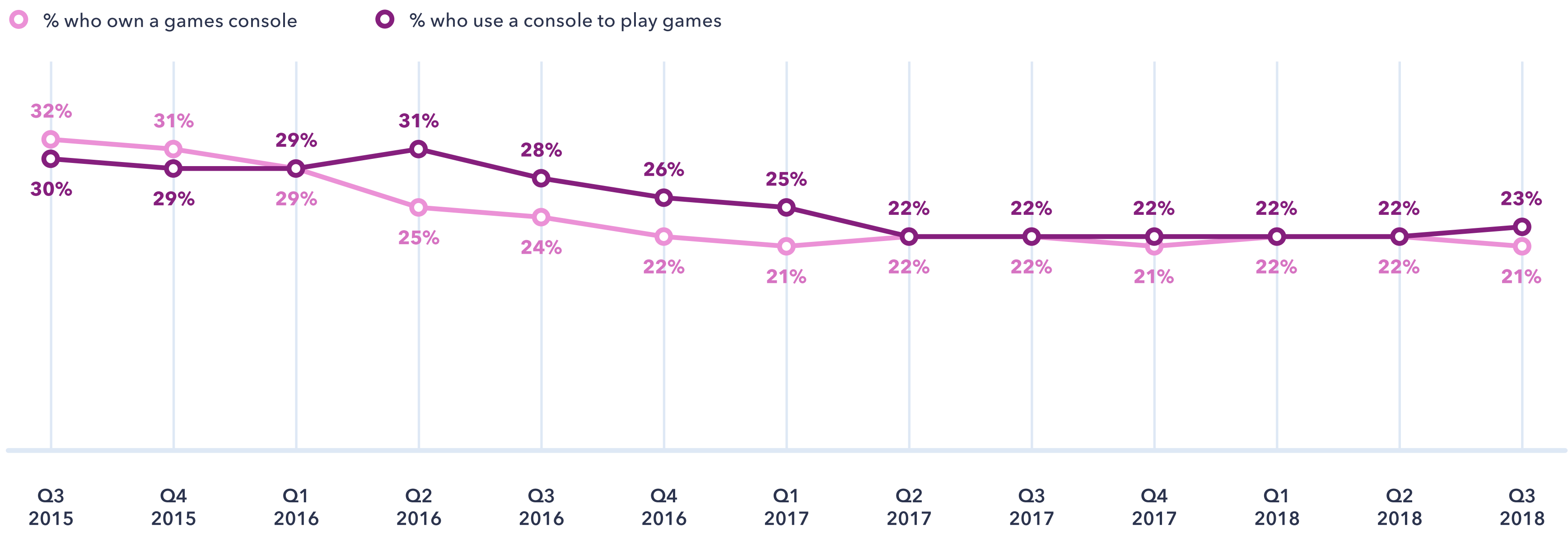
Microsoft has made no secrets about its cross-platform ambitions, with the goal of bringing Xbox Live support to games on Android iOS, Nintendo Switch, in addition to PC and Xbox consoles.

There's a large disconnect between the playstyles of mobile gamers and PC gamers compared to console gamers (see chart on **Gaming Preferences by Device** page), but the gap is closing thanks to games like Minecraft, Fortnite, and PUBG, which have all seen gigantic mobile engagement and PC engagement along with their console audiences.

The Stabilizing Console Market

In recent years, we've reported a year-on-year decline in games console ownership. But there are signs that the decline has stabilized. This stabilization has happened in tandem with a strategy from manufacturers to shift their focus to Western markets that have the greatest growth potential, best symbolized by Sony moving their PlayStation headquarters from Tokyo to California in 2016. It also mirrors the rebranding of games consoles from simple devices to play games, to multimedia entertainment hubs.

The Stabilizing Console Market

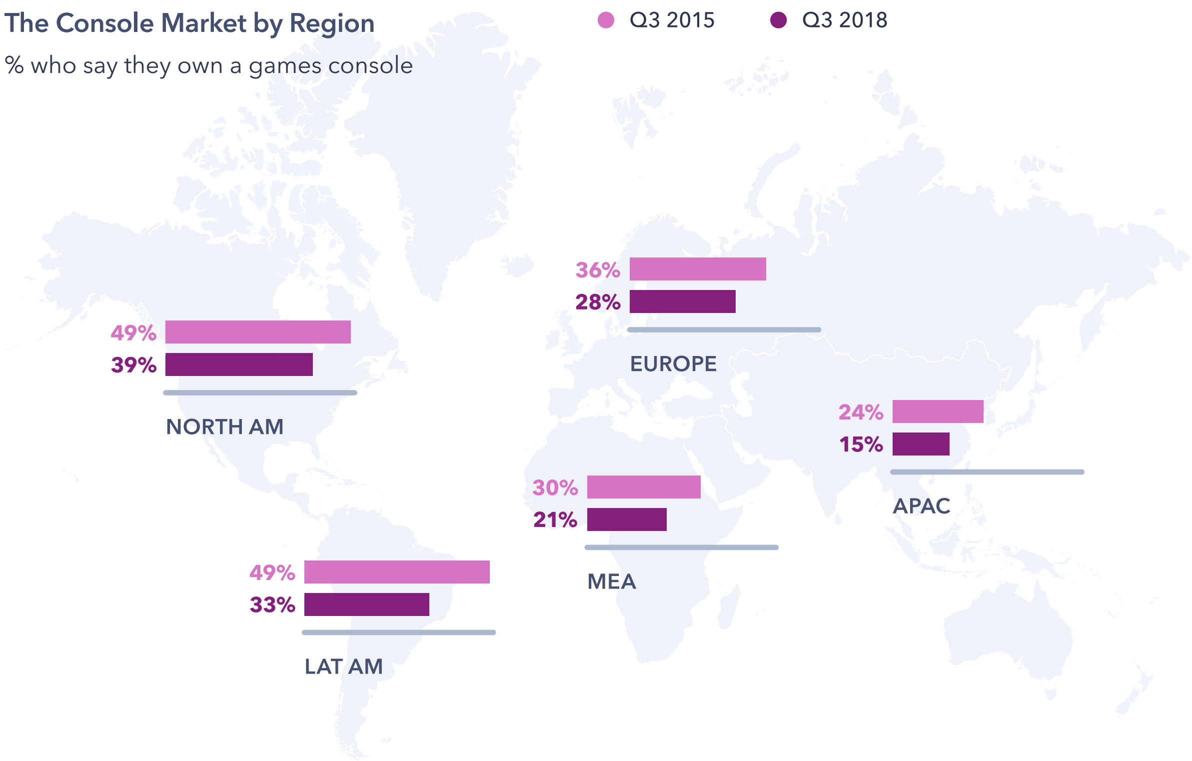


Question: Which of the following devices do you own? / Thinking about the devices listed below, can you tell us which you have at home and have used to play games? **Source:** GlobalWebIndex Q3 2015 – Q3 2018 **Base:** 1,019,301 Internet Users aged 16-64 (Q3 2015 – Q3 2018)

The Console Landscape

The Console Market by Region

% who say they own a games console



Consoles now allow consumers to browse the internet, upload content to social networks, communicate with friends, listen to music, shop online and, importantly, engage with various forms of online TV.

Within the console gaming community, consoles play a role in accessing TV content: **22% now watch TV in some form through their console, up from 19% in Q1 2018**.

These added functionalities help explain why, despite dropping ownership figures, we've seen consistent increases in daily time spent on games consoles among internet users since 2012.

With fewer owners of the hardware and less revenue from sales, the strategic emphasis has shifted to subscription services, with their guaranteed recurring income. **3 in 10 console gamers have used a gaming subscription service in the last month**, and this ratio has remained constant for the past two years. On the manufacturer front, Sony has taken the lead among internet users: the PlayStation 4 and 3 are the most popular consoles, and the PS4 the most desired console for consumers' next purchase.

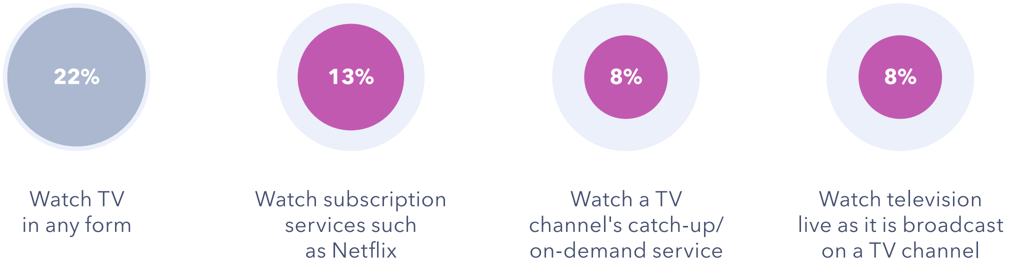
Question: Which of the following devices do you own?
Source: GlobalWebIndex Q3 2015 & Q3 2018
Base: 51,500 (Q3 2015) & 113,932 (Q3 2018) Internet Users aged 16-64

The Console Landscape

Thanks to the introduction of video apps to these consoles, content providers such as Netflix, BBC iPlayer, YouTube and Hulu have been keen to integrate their services with these console apps.

Games Consoles as Home Entertainment Hubs

% of console gamers who have used a games console to do the following TV behaviors in the last month



> Gaming is no longer the absolute focal point of console functionality; now, the console services as a household media hub

Consumer TV habits still prioritize traditional television sets for watching live broadcast TV, and 6 in 10 of console gamers prefer to watch live TV this way – games consoles fall drastically behind here with just 8% using them. **The gap between TV sets and games consoles is a lot narrower when it comes to on-demand TV services**, particularly in certain markets and demographics. Bolstered by the popularity of catch-up TV services in the UK overall, 12% of UK console gamers have watched catch-up TV in the past month (18% among 16-24s in this audience), as have 10% in the USA.

But **it's with watching subscription services such as Netflix where games consoles excel**. 13% of console gamers are engaging with them, but some key markets push significantly ahead of the curve here: namely the US (25%), Ireland (24%) and Canada (24%).

Question: In the past month, which devices have you used to do the following? This includes any TV you watch in your home, office, while traveling or any other location. Games console **Source:** GlobalWebIndex Q3 2018 **Base:** 23,381 Console Gamers aged 16-64

Gaming

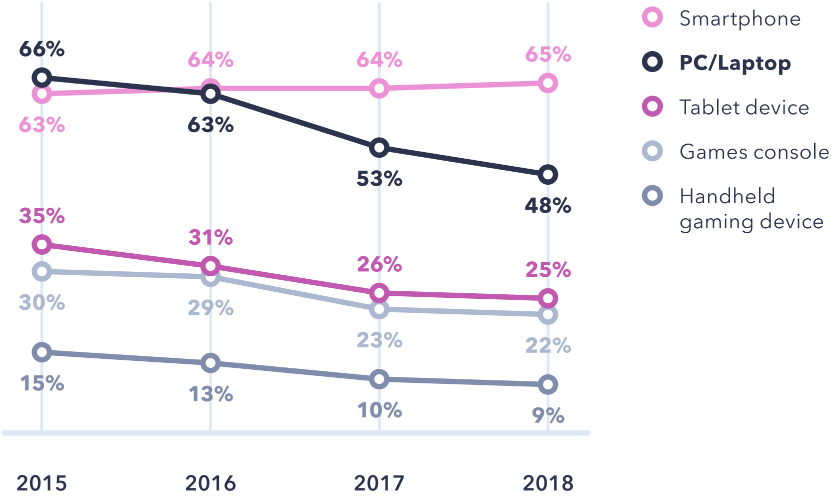
PC Gaming

Trend Report 2019

The Steady Decline of PC Gaming

Gaming Market Over Time

% who have used the following devices to play games



Across these gaming devices, smartphones are the only devices which have experienced an increase in audience uptake

So, if app-based gaming (via smartphones and tablets), console gaming, and PC gaming represent the three main camps, where does the PC stand amid this changing landscape?

As with consoles, the gradual decline of PCs as gaming devices can be largely attributed to the decline in overall PC ownership. Nevertheless, **with just under 1 in 2 internet users gaming via PCs/laptops, these devices still remain a cornerstone of the gaming market.**

Perhaps most importantly, these figures encompass everyone from people who just play browser-based games on their PCs to hardcore users who have the latest PC specifications and invest significant time and resources to the latest blockbuster PC gaming titles.

The decline in PC gaming rates most likely stems from this more casual cohort, who can now access games through their mobile. We just need to look towards those with an interest in gaming for evidence of this, where **two-thirds** still use their PCs/laptops for gaming.

Similarly, the decline of the tablet as a gaming device reflects the broader trend of **tablet fatigue**, with these devices having peaked across a range of metrics (as second-screening device, ownership and importance for accessing the internet) in 2014/15. There have been steady drops since.

The fact that tablets have failed to make an impact among the key 16-24 age group (which represent a significant portion of gamers) has helped to seal their fate in gaming.

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games? **Source:** GlobalWebIndex 2015–2018 (averages of all waves conducted in each year) **Base:** 1,019,301 Internet Users aged 16-64 (2015-2018)

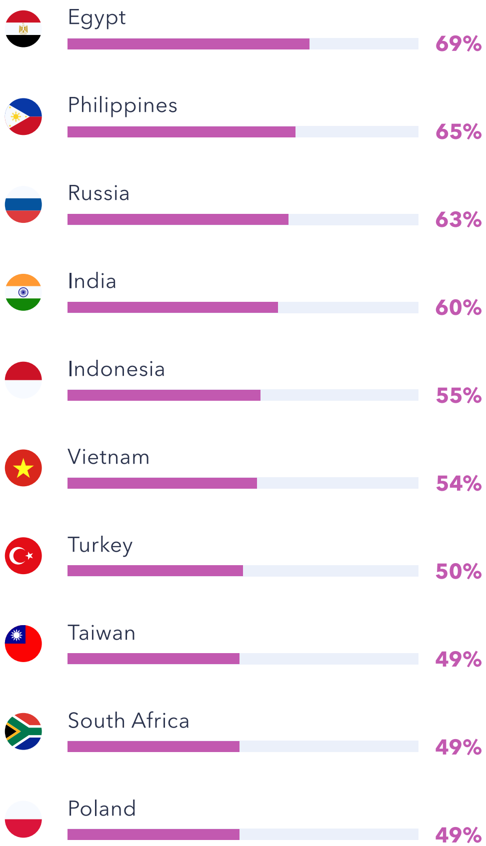
The Steady Decline of PC Gaming

Globally, the last few years have seen PCs/laptops overthrown from their top position by smartphones for device ownership, internet access, as well as for a range of online activities such as social networking, online banking and watching video-clips online.

The continued attachment to the more "traditional" devices in mature markets has helped has helped maintain their role in using the internet in various ways. When it comes to gaming, however, it is actually *emerging* markets that have been mostly responsible for their continuing popularity. **If we look at the top 10 markets for PC gaming, the majority of these countries are those which have led the charge to mobile-first online behaviors.** Egypt, the Philippines and India are the notable examples. Purchasing a dedicated, big-ticket item for gaming appears to be less attractive in these markets, where incomes also tend to be somewhat lower.

Top 10 Markets for PC Gaming

% who play games via a PC



Competition brewing among big dogs for cloud gaming dominance

Amazon, Microsoft and Google are in the midst of an intense battle for dominance in the cloud gaming market. Microsoft enjoys a head start: its Project xCloud will work on mobile devices, which comes as Microsoft acquired Playfab in January 2018, a start-up that provides game developers with cloud-based tools. Amazon has kept rather more quiet about its ambitions, although we could see the release of games on a new service as early as 2020. Google, meanwhile, has started testing its service named 'Project Stream' with a limited number of users.

Despite this arms race, Nvidia CEO Jensen Huang has claimed that the gaming PC is here to stay, regardless of the increase in streamed gaming. Jensen claims streaming can "never" be as good as a PC because "when you're playing esports, you need the response in a few milliseconds, not a few hundred milliseconds".

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games? PC/Laptop **Source:** GlobalWebIndex Q3 2018 **Base:** 113,932 Internet Users Aged 16-64

Gaming

Spectator Gaming

Trend Report 2019

Spectator Gaming

With the migration of gaming activities online, a whole host of behaviors fall within the remit of gaming, even those that don't involve picking up a controller and playing a game. Indeed, **the very idea of what constitutes as "gaming" entertainment has evolved and expanded, even to sitting and spectating while others play your favorite games**.

A quarter of console gamers visited Twitch in the past month

As our data shows, the rise of spectator gaming has been quick to make an impact in this space, with over a third having watched a live gaming stream in the past month, and over a quarter having watched an esports tournament.

For some time now, there's been a substantial market here, which was reflected in the $1bn price tag Amazon paid for video game-streaming site Twitch back in 2014. In the West, Twitch has largely held the reins when it comes to spectator gaming, but the continued popularity of this style of entertainment has led to competitors sprouting up in quick succession.

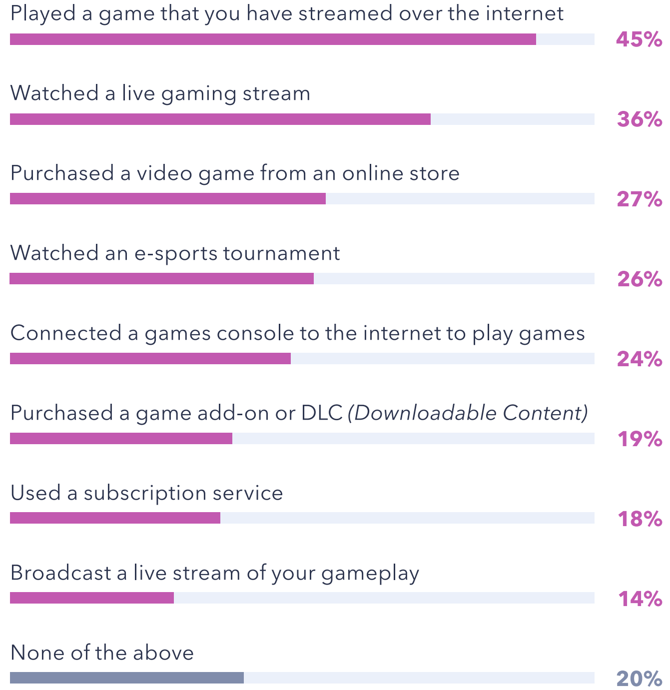
Despite increasing competition, Twitch will continue to play a key role as live-streaming and esports expand. Its fate is now bound up with parent company **Amazon's ambitions in advertising**. With Twitch being so well-suited for expansion into video ads, it'll be in Amazon's interests to negotiate commercial partnerships for the service.

The competition between Twitch and YouTube Gaming, along with other players like Valve (Stream Broadcasting), Microsoft (Mixer), Facebook and Douyu or HUYA in China, will be a catalyst to expand reach. This isn't the only competition driving viewer growth, either. Publishers like Activision Blizzard and Epic Games are investing in licensed leagues of their games to generate the most return from their franchises.

Twitch represents an important example of a major service looking for new opportunities to monetize its enthusiastic streaming community. Most notably, Twitch has sought to use its influential creator community to drive electronic game sales, by allowing creators to use their channels to promote games and receive rewards when sales are made.

Gaming Activities

% of gamers who have done the following in the last month



> The implications of the spectator gaming trend go beyond simply watching others play a popular gaming title

Question: Which of the following gaming-related activities have you done in the last month? **Source:** GlobalWebIndex Q3 2018 **Base:** 33,708 Gamers aged 16-64

Spectator Gaming

Spectator Gaming

% who have done the following

- Watched a live gaming stream
- Watched an e-sports tournament
- Broadcast a live stream of your gameplay

AGE

16-24	31%	22%	11%
25-34	27%	22%	13%
35-44	20%	15%	11%
45-54	12%	9%	6%
55-64	6%	5%	4%

INCOME

Bottom 25%	23%	17%	10%
Mid 50%	23%	17%	10%
Top 25%	25%	21%	15%

REGION

Asia Pacific	27%	22%	13%
Europe	14%	8%	5%
Latin America	20%	12%	7%
Middle East & Africa	19%	12%	7%
North America	17%	7%	7%

People who watch live gaming streams are twice as likely to have purchased both digital video games in the last 3-6 months (30% have) and mobile games in the past month (28% have). They over-index highly for video-based product research channels such as vlogs (20%, Index 1.82) and video sites (30%, Index 1.58), which is a sure indication of the potential here.

As might be expected, the popularity of spectator gaming varies considerably by age. 16-34s are the most likely to be watching live gaming streams and watching esports tournaments.

Even so, **12% of 45-54s do still watch live gaming streams each month**, and 9% of 45-54s watch esports tournaments, demonstrating that esports enthusiasm is by no means restricted to millennials.

From a regional perspective, the pivotal role of South Korea in the development of spectator gaming – as well as huge engagement in markets such as Indonesia, Philippines, Vietnam, India and Thailand – pushes APAC above all other regions when it comes to streaming.

TREND IN ACTION

Fnatic signs exclusive livestreaming agreement with Twitch

UK-based esports organisation Fnatic have signed a long-term rights partnership with Twitch. The agreement sees professional players from across Fnatic's roster of teams stream their competitions exclusively through the over-the-top (OTT) platform, which include official championships in Fifa, League of Legends and Fortnite.

This comes as Twitch streamers racked up an astounding 9.36 billion hours of footage in 2018, according to the latest **State of the Stream report by StreamElements**. In comparison, YouTube Live held gamers' attention for 2.31 billion hours – roughly 25% of Twitch's total.

Question: Which of the following gaming-related activities have you done in the last month? **Source:** GlobalWebIndex Q3 2018 **Base:** 113,932 Internet Users Aged 16-64

Gaming

Gaming Franchises

Gaming Franchises

Fan Franchise Overlap | % of fans who have engaged with another franchise in the last 12 months

Global Fans		Call of Duty	CS	FIFA	Grand Theft Auto	League of Legends	Mario	Minecraft	Need for Speed	Plants vs Zombies	PUBG
15%	CALL OF DUTY		39%	46%	50%	34%	35%	30%	48%	38%	29%
12%	COUNTER STRIKE	46%		39%	47%	43%	36%	32%	50%	43%	39%
17%	FIFA	40%	28%		38%	26%	37%	25%	40%	29%	19%
15%	GRAND THEFT AUTO	50%	39%	43%		33%	36%	32%	52%	38%	32%
15%	LEAGUE OF LEGENDS	33%	35%	30%	32%		31%	34%	38%	45%	44%
17%	MARIO	30%	26%	37%	32%	28%		29%	35%	39%	20%
12%	MINECRAFT	36%	32%	35%	39%	43%	40%		37%	46%	35%
17%	NEED FOR SPEED	42%	37%	41%	46%	34%	35%	27%		42%	30%
18%	PLANTS VS ZOMBIES	31%	30%	28%	32%	38%	37%	31%	39%		34%
13%	PUBG	33%	38%	25%	36%	52%	26%	33%	39%	47%	

How to read: looking down a column shows how much that column franchise overlaps with the corresponding row. Looking across shows how much that row franchise is also a fan of the corresponding column. *E.g. 40% of Mario fans are also fans of Minecraft, but only 29% of Minecraft fans fall into the Mario fan category.*

Gaming Franchises

Fortnite Demographics

GENDER	
Male	72%
Female	28%

AGE	
16-24	53%
25-34	28%
35-44	13%
45-54	6%
55-64	1%

REGION	
Asia Pacific	6%
Europe	7%
Latin America	12%
Middle East & Africa	9%
North America	12%

TOP COUNTRIES	
Mexico	18%
Saudi Arabia	14%
Argentina	13%

TOP COUNTRIES (16-24)	
Ireland	38%
Spain	35%
New Zealand	35%

Fortnite Battle Royale wasn't merely the biggest game of 2018 – it's a genuine cultural phenomenon. From middle-school playgrounds to frat house parties to million-view YouTube live streams, it's become an obsession for millions of fans.

According to research firm SuperData, *Fortnite* players spent an average of over $5 million every day in the game in 2018, making it the most successful single year for any game ever. With $2.5bn in revenue, *Fortnite* has made more money in a single year than any movie in history bar one: it *just* failed to beat *Avatar's* global box office revenue.

> APAC brings *Fortnite* engagement figures down; four out of the five countries with the lowest *Fortnite* engagement are in this region

TREND IN ACTION

Fortnite hosts world's largest concert

DJ Marshmello performed a 10 minute set within the Fortnite game to an **estimated 10 million gamers**. While it was not the first ever live performance to take place within a video game, no previous event had taken place at such scale.

During the event, Epic Games disabled weapons for all players of the game, meaning people could watch Marshmello without the risk of being killed by another player. Beyond the reported 10 million who watched live, a further 26 million – and counting – have since watched a stream of the event posted on YouTube.

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games? **Source:** GlobalWebIndex Q3 2018 **Base:** 2,894 Fortnite Fans Aged 16-64

Notes on Methodology

All figures in this report are drawn from **GlobalWebIndex's online research among internet users aged 16-64**. Please note that we only interview respondents aged 16-64 and our figures are representative of the **online** populations of each market, not its total population.

OUR RESEARCH

Each year, GlobalWebIndex interviews over 550,000 internet users aged 16-64. Respondents complete an **online questionnaire** that asks them a wide range of questions about their lives, lifestyles and digital behaviors. **We source these respondents in partnership with a number of industry-leading panel providers**. Each respondent who takes a GWI survey is assigned a unique and persistent identifier regardless of the site/panel to which they belong and **no respondent can participate in our survey more than once a year** (with the exception of internet users in Egypt, Saudi Arabia, and the UAE, where respondents are allowed to complete the survey at 6-month intervals).

OUR QUOTAS

To ensure that **our research is reflective of the online population in each market**, we set appropriate **quotas on age, gender, and education** – meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education.

To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

This research is also used to calculate the 'weight' of each respondent; that is, approximately how many people (of the same gender, age, and educational attainment) are represented by their responses.

MOBILE SURVEY RESPONDENTS

From Q1 2017 on, GlobalWebIndex has offered our Core survey on mobile. This allows us to survey internet users who prefer using a mobile or are mobile-only (who use a mobile to get online but do not use or own any other device). Mobile respondents complete a shorter version of our Core survey, answering 50 questions, all carefully adapted to be compatible with mobile screens.

Please note that the sample sizes presented in the charts throughout this report may differ as some will include both mobile and PC/laptop/tablet respondents and others will include **only** respondents who completed GWI's Core survey via PC/laptop/tablet. For more details on our methodology for mobile surveys and the questions asked to mobile respondents, please download this **document**.

GLOBALWEBINDEX SAMPLE SIZE BY MARKET

This report draws insights from GlobalWebIndex's Q3 2018 wave of research across 44 countries, which had a global sample size of 113,932 respondents. The sample by market breaks down as follows:

Argentina	1,573
Australia	2,346
Austria	1,303
Belgium	1,276
Brazil	2,381
Canada	2,321
China	15,921
Colombia	1,323
Demark	1,293
Egypt	1,754
France	3,292
Germany	2,889
Ghana	1,000
Hong Kong	1,889
India	4,157
Indonesia	1,773
Ireland	1,264
Italy	2,870
Japan	1,731
Kenya	1,000
Malaysia	1,575
Mexico	2,667
Morocco	1,000
Netherlands	1,276
New Zealand	1,287
Nigeria	1,000
Philippines	1,508
Poland	1,856
Portugal	1,297
Russia	2,287
Saudi Arabia	1,505
Singapore	2,563
South Africa	1,547
South Korea	1,289
Spain	2,881
Sweden	1,287
Switzerland	1,286
Taiwan	1,830
Thailand	1,562
Turkey	1,610
UAE	1,784
UK	7,869
USA	16,125
Vietnam	1,612

Notes on Methodology: Internet Penetration Rates

ACROSS GLOBALWEBINDEX'S MARKETS

GlobalWebIndex's research focuses exclusively on the internet population and because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe to lows of c.20% in parts of APAC), the nature of our samples is impacted accordingly.

Where a market has a high internet penetration rate, its online population will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. This is typically the case across North America, Western Europe and parts of Asia Pacific such as Japan, Australia and New Zealand. Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, the **lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated.** This is the case throughout much of LatAm, MEA and Asia Pacific.

This table provides GlobalWebIndex forecasts on internet penetration (defined as the number of internet users per 100 people) in 2018. This forecasted data is based upon the latest internet penetration estimates from the International Telecommunication Union (ITU) for each market that GlobalWebIndex conducts online research in.

GLOBALWEBINDEX VERSUS ITU FIGURES

As GlobalWebIndex's Core Research is conducted among 16-64 year-olds, we supplement the internet penetration forecasts for a country's total population (reproduced above) with internet penetration forecasts for 16-64s specifically.

Forecasts for 16-64s will be higher than our forecasts for total population, since 16-64s are the most likely age groups to be using the internet.

Internet Penetration Rates

ITU Internet Penetration Metric 2018

Argentina	77.1%
Australia	90.4%
Austria	86.3%
Belgium	89.0%
Brazil	65.9%
Canada	92.3%
China	58.4%
Colombia	62.3%
Denmark	98.3%
Egypt	45.2%
France	87.5%
Germany	91.9%
Ghana	45.6%
Hong Kong	91.8%
India	40.1%
Indonesia	32.7%
Ireland	84.0%
Italy	62.1%
Japan	95.8%
Kenya	37.9%
Malaysia	81.3%
Mexico	69.5%
Morocco	59.4%
Netherlands	90.4%
New Zealand	91.6%
Nigeria	32.5%
Norway	98.1%
Philippines	60.8%
Poland	76.6%
Portugal	75.1%
Romania	65.9%
Russia	81.3%
Saudi Arabia	81.3%
Singapore	84.2%
South Africa	60.9%
South Korea	94.5%
Spain	85.2%
Sweden	89.0%
Switzerland	90.6%
Taiwan	81.1%
Thailand	57.8%
Turkey	64.2%
UAE	93.4%
UK	96.1%
USA	79.0%
Vietnam	51.2%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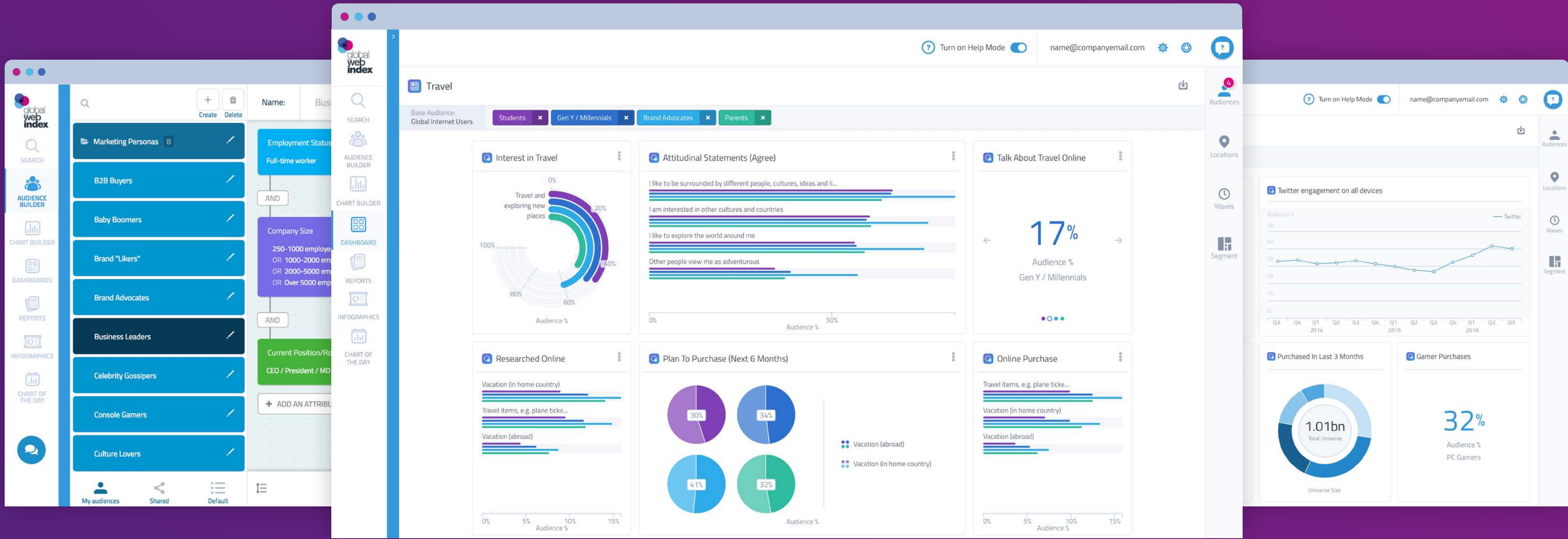
21%
36%
77%
26%
Asia Pacific
Europe
Latin America
Middle East and Africa
Wii



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