globalwebindex

Gaming

An examination of how the gaming landscape is changing

INSIGHT REPORT | Q3 2017

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 even for those without a controller in their hand. Here we seek to answer some of the big questions in the gaming industry; namely, what's next for mobile gaming, what role do consoles have in the future gaming landscape, and what kind of opportunities does spectator gaming present?

INSIGHT REPORT | Q3 2017

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CONTENT

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, GWI interviews over 350,000 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.

INTERNET PENETRATION RATES ACROSS GWI'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 the latest estimates on internet penetration (defined as the number of internet users per 100 people) from the International Telecommunication Union for each market that GlobalWebIndex conducts online research in. Please note that this will reflect internet penetration among the total population, and that the figure among 16-64s is likely to be higher.

INTERNET PENETRATION RATES

(ITU Internet Penetration Metric 2015)

Argentina	69.4%	Netherlands	93.1%
Australia	84.6%	New Zealand	88.2%
Belgium	85.1%	Nigeria	47.4%
Brazil	59.1%	Philippines	40.7%
Canada	88.5%	Poland	68.0%
China	50.3%	Portugal	68.6%
Egypt	37.8%	Russia	70.1%
France	84.7%	Saudi Arabia	69.6%
Germany	87.6%	Singapore	82.1%
Ghana	23.5%	South Africa	51.9%
Hong Kong	84.9%	South Korea	89.6%
Kenya	45.6%	Spain	78.7%
India	26.0%	Sweden	90.6%
Indonesia	22.0%	Taiwan	78.0%
Ireland	80.1%	Thailand	39.3%
Italy	65.6%	Turkey	53.7%
Japan	91.1%	UAE	91.2%
Malaysia	71.1%	United Kingdom	92.0%
Mexico	57.4%	United States	74.5%
Morocco	57.1%	Vietnam	52.7%

SAMPLE SIZE BY MARKET*

(Q1 2017)

Argentina	1508	Netherlands	1259
Australia	1255	New Zealand	1261
Belgium	1260	Nigeria	750
Brazil	2307	Philippines	1573
Canada	2256	Poland	1271
China	8273	Portugal	1294
Egypt	1311	Russia	2265
France	2308	Saudi Arabia	1236
Germany	2346	Singapore	1509
Ghana	750	South Africa	1531
Hong Kong	1265	South Korea	1271
Kenya	3032	Spain	2267
India	1786	Sweden	1285
Indonesia	1276	Taiwan	1240
Ireland	2279	Thailand	1524
Italy	1775	Turkey	1589
Japan	750	UAE	1305
Malaysia	1532	United Kingdom	7778
Mexico	1533	United States	16113
Morocco	750	Vietnam	1519

* This report draws insights from GlobalWebIndex's Q1 2017 wave of research with a global sample size of 89,392 (with 72,892 surveys completed on PC/laptop/tablet and 16,500 surveys completed on mobile).

Key Insights

▪ **Although mobile gaming is continuing to grow in popularity, the emphasis now is on monetization and providing more compelling content**, as increased affordability and processing power improves handset performance. Above all, **it's the marketing potential of in-app advertising, the opportunity for brand-engagement, and the upselling potential that makes mobile gaming such a lucrative opportunity**, as showcased by the likes of Plants vs. Zombies.

▪ **Virtual reality headset ownership remains low.** PlayStation VR has shown a pronounced demand among Console Gamers, but **it's mobile which emerges as the strongest candidate to push VR into the mainstream.**

▪ **The so-called Console Decline is happening** – ownership figures and gaming usage rates of consoles are dropping year-on-year. But this is a trend which, for the most part, is impacting APAC and the Middle East & Africa – **consoles still retain an important role in the gaming industry, especially in North America.**

▪ It's no longer the case that consoles are purely gaming machines. Rather, **their role has shifted into one which provides a household entertainment hub.** In line with this, more internet users now use a console than own one, indicating that engagement with these devices tends to be communal in nature, rather than solitary.

▪ **Current-gen consoles are still yet to surpass their successor consoles as gaming devices.** But further illustrating the core role of Western markets in the console gaming industry, **it's the UK and Germany (to name a few) in which the PlayStation 4 is the top console.** This console is also the most desired across the vast majority of our markets.

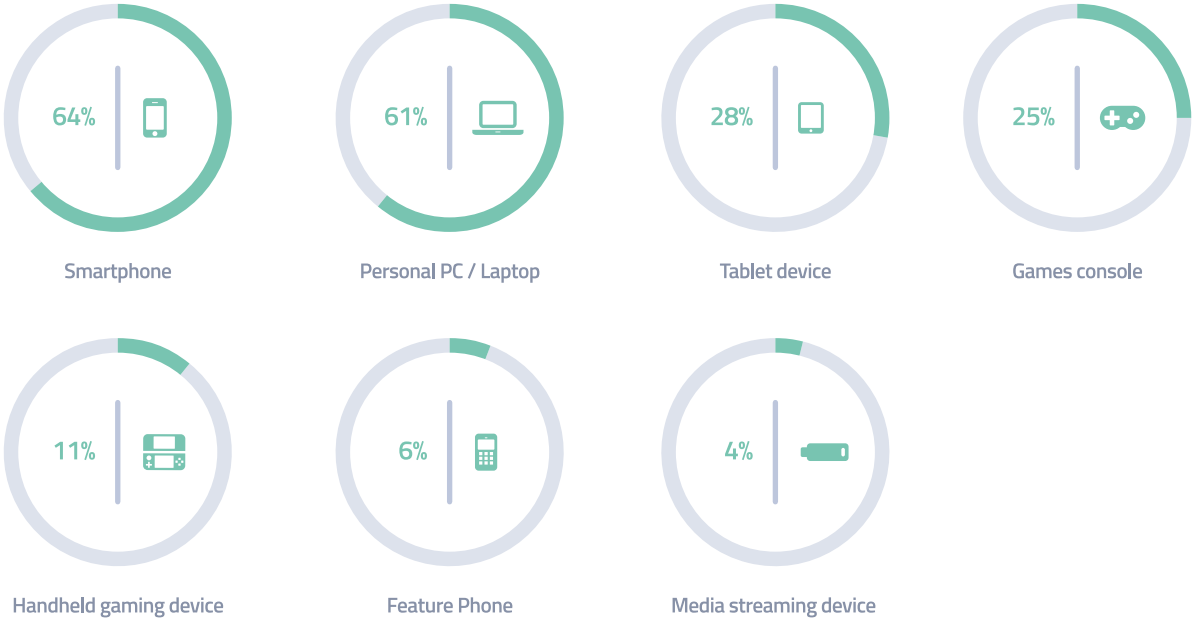
▪ Mobile gaming may be on the up, and console gaming may be contracting slightly to fall back on its core Western markets, but PC gaming shows no sign of letting up. In fact, **PC gaming now has the same share in the overall gaming market as it did in 2015.**

▪ Thanks to the migration of gaming activities online, and the subsequent expansion of the gaming community, a vast array of behaviors now fall within the remit of gaming, even those which don't actually involve playing the game. Spectator gaming has been no stranger to the tech news headlines, and **with important advances in brand sponsorship and league structures in the eSports scene, many are waking up to the marketing potential and revenue opportunities which this new genre of gaming entertainment offers.**

Overview

GAMING DEVICES

% who use the following devices for gaming



EXPLORE THE DATA

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games?
Source: GlobalWebIndex Q1 2017
Base: 72,892 Internet Users aged 16-64

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

Gaming has long played a prominent role in the entertainment space, both on-and-offline. But recently, the gaming community has expanded significantly – **87% of internet users report having gamed on at least one device.** The widespread migration of this genre online, the emergence of online multiplayer platforms, and not to mention the popularity of freemium gaming platforms both on mobile and PC have largely driven this trend.

87% of internet users report having gamed on at least one device

Of these devices, **it's PCs/laptops and smartphones which dominate**, helped by almost universal ownership of each device at a global level. **This genre of entertainment is now among the most truly cross-demographic activities tracked by GWI.** In fact, thanks to mobile and PC gaming, it's difficult to find a region or demographic in which the majority of individuals aren't gaming in some form or another. Just look over to oldest age group tracked by GWI (55-64s), and it's still 71% who use at least one device for gaming. Even in those markets at the bottom of our list like Belgium and the Netherlands, it's just over 7 in 10 gaming in some form.

Look over to console gaming, however, and it's a pretty big step down in usage rates compared to the likes of smartphones and PCs/laptops. While ownership figures are certainly having a big impact here (online adults are around 4x as likely to own a PC/laptop or mobile compared to a games console), there's good reason why this form of gaming gets so much hype, yet displays such comparatively low usage figures. **Console gaming is indeed a mainstream activity, but only among certain demographics and regions; specifically, those with enough disposable income to afford these usually high-end gaming devices.** Although there are notable exceptions (Mexico and Brazil in particular), games consoles see their strongest engagement rates in mature markets such as the US and UK (both on 43%), Canada (42%), and Australia (37%), to name a few.

ENGAGEMENT WITH GAMING

% who use the following devices for gaming

Any Device | Mobile | PC/Laptop | Games Console

		Any Device	Mobile	PC/Laptop	Games Console
GENDER	Female	83%	63%	55%	22%
	Male	90%	65%	66%	28%
AGE	16 to 24	87%	68%	64%	28%
	25 to 34	94%	74%	65%	29%
	35 to 44	87%	65%	58%	26%
	45 to 54	80%	52%	56%	20%
	55 to 64	71%	38%	56%	12%
INCOME	Bottom 25%	88%	61%	62%	20%
	Mid 50%	90%	68%	64%	26%
	Top 25%	78%	59%	54%	30%

		Any Device	Mobile	PC/Laptop	Games Console
REGION	Asia Pacific	86%	68%	61%	19%
	Europe	84%	52%	59%	27%
	Latin America	94%	72%	69%	44%
	Middle East & Africa	93%	68%	65%	20%
	North America	84%	54%	56%	43%

EXPLORE THE DATA

Question: Thinking about the devices listed below, can you tell us which you have at home and have used to play games?
Source: GlobalWebIndex Q1 2017
Base: 72,892 Internet Users aged 16-64

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

TOP MARKETS

Any Device		Mobile		PC/Laptop		Games Console	
Philippines	98%	Philippines	80%	Indonesia	80%	Mexico	51%
Thailand	97%	Indonesia	80%	Russia	78%	Brazil	43%
Indonesia	97%	Thailand	80%	Portugal	75%	UK	43%
Vietnam	96%	Vietnam	79%	Philippines	74%	USA	43%
Egypt	95%	Brazil	78%	Egypt	73%	Canada	42%
India	94%	Malaysia	78%	Brazil	72%	Italy	38%
Mexico	94%	India	76%	Vietnam	71%	Australia	37%
Brazil	94%	South Korea	76%	India	70%	France	36%

The Real Potential in Mobile Gaming

> ***Mobile Gamers are now spending around 3 hours and 20 minutes per day online via their smartphone***

Mobile Gamers are now spending around 3 hours and 20 minutes per day online via their smartphone (climbing to above 4 hours in LatAm). And when asked which are their most important reasons for using the internet, **4 in 10 from this audience cite entertainment such as gaming as a very important motivation.** 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 the true potential of these gaming devices becomes clear.

But 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. A glance back at page 7 reveals a crucial detail about the mobile gaming landscape – **internet users in fast growth markets are the most avid Mobile Gamers.** Around 7 in 10 from APAC, LatAm and the Middle East & Africa are gaming via their smartphone. **It's in these regions where internet penetration rates are at their lowest globally (sub-30% in the case of India and Indonesia), and where online populations are experiencing the most rapid growth rates, primarily due to the influx of low cost internet-enabled smartphones.**

ONLINE BRAND INTERACTIONS AMONG EACH MOBILE GAMING GROUP

● Clash of Clans Players ● Plants vs. Zombies Players

UPSELLING POTENTIAL *% who purchased the following digital content in the last month*

			INDEX	
Mobile Game	29%	24%	2.09	1.73
In-App Purchases	18%	14%	2.08	1.67

MARKETING POTENTIAL *% who say they discover brands via mobile or tablet apps*

	30%	27%	1.61	1.46

BRAND ENGAGEMENT *% who have done the following brand-related actions online in the past month*

			INDEX	
Provided ideas for a new product / service or for a new brand design	17%	12%	2.18	1.59
Used a QR code provided by a company or brand	18%	12%	2.11	1.42
Interacted with a brand on a messaging service or app	15%	11%	2.00	1.43
Played a branded game	20%	15%	1.91	1.46
Uploaded a photo or video to a brand's social network	17%	15%	1.87	1.58

EXPLORE THE DATA

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 Q1 2017
Base: 3,267 Clash of Clans Players and 4,253 Plants vs. Zombies Players aged 16-64

PRO Platform:
Brand > Gaming Franchises

Yet for mobile gaming, the question is no longer how to get more people playing their favorite games on their smartphones (although this has by no means been disregarded). Instead, the new challenge lies in figuring out how to provide more compelling content, and above all how to monetize it. As we explore later in this report, **there's ample opportunity for brands to move further into the gaming space at many different levels, and mobile is no exception.** A quick browse on an app store will reveal the wealth of options when it comes to finding a vast variety of mobile games. And most importantly, **the lion's share of these mobile games on offer are Free-To-Play.**

Two particularly successful examples of a freemium mobile game are Plants vs. Zombies and Clash of Clans (21% and 13% have played these gaming franchises in the last 12 months, respectively). Both of these Free-To-Play gaming franchises have courted substantial industry attention – Electronic Arts acquired PopCap (the developer company behind Plants vs. Zombies) for a total of $1.3bn way back in 2011, and Tencent Holdings recently invested in Clash of Clans developer company Supercell, valuing it at $10bn. **Three factors underline (and justify) these price tags; 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.**

Let's start with the latter of these three factors. Both games have communities in their own right and offer multiplayer experiences. **This competitive undertone provides a clear incentive for players within these communities to upgrade their in-game capabilities to 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. **Almost 1 in 4 Plants vs. Zombies Players paid for a mobile game last month and 14% made an in-app purchase. Meanwhile, an even higher 3 in 10 Clash of Clans Players bought a mobile game and 18% made an in-app purchase.** This makes both audiences around twice as likely to be paying for this content compared to the global average.

As for the marketing potential within these games, **it's significant that around 3 in 10 from each group say that they discover new brands via tablet or mobile apps.** Also, that **well over half from each audience say that they tend to buy brands they see advertised** gives a clear indication of their ad-susceptibility when playing these games.

This feeds heavily into the brand engagement aspect. Across the board, **both groups emerge as highly brand-engaged individuals.** Given that their strongest over-indexes for engaging 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, **this is all taking place on their primary networking device** (mobiles overtook PCs/laptops as the top social networking device some time ago).

Mobile Will Be Key to the Future of VR

If there is one thing 2016/17 has showed us about virtual reality, it's that despite the hype, it is yet to seriously shake the entertainment industry. But that's to be expected currently; high price-points for upper-tier headsets will inevitably price the majority of consumers out of the market, not to mention the additional costs needed for the hardware needed to support these headsets.

Yet PlayStation's answer to VR released this year has been met with considerable success. 12% of PlayStation 4 Users own a VR headset (not necessarily the PlayStation VR product, many are likely to be simple examples such as Google Cardboard), so **there's clearly strong demand in the console gaming market.**

But from a more practical approach, one which prioritizes meeting the consumer on their level, **the ubiquity of smartphone ownership** (and not forgetting the rapid improvements in processing powers and screen resolutions mentioned earlier) **primes these devices as the ideal candidate for pushing VR into the masses.** Worth remembering here is that **it's mobile which underlines the growth in online populations within APAC, LatAm and the Middle East & Africa, all regions which display the strongest engagement rates with mobile gaming.** Again, a look on an app store will already reveal plenty of options available to those looking for a mobile VR game. And with Google putting its full weight behind mobile VR with its Daydream platform and Pixel smartphone, this is certainly a space to keep an eye on.

VR HEADSET OWNERSHIP AMONG MOBILE GAMERS

% of Mobile Gamers who own a VR Headset

TOTAL		**4%**
AGE	16 to 24	**4%**
	25 to 34	**5%**
	35 to 44	**4%**
	45 to 54	**3%**
	55 to 64	**2%**
GENDER	Female	**3%**
	Male	**5%**

INCOME	Bottom 25%	**3%**
	Mid 50%	**4%**
	Top 25%	**7%**
REGION	Asia Pacific	**4%**
	Europe	**3%**
	Latin America	**3%**
	Middle East & Africa	**4%**
	North America	**7%**

EXPLORE THE DATA

Question: Which of the following devices do you personally own? Virtual Reality Headset/Device
Source: GlobalWebIndex Q1 2017
Base: 42,927 Mobile Gamers aged 16-64

PRO Platform:
Device Ownership and Access > Device Ownership

> ***Mobile gaming is the most suitable vehicle to demonstrate to the consumer how VR can improve upon current gaming experiences.***

It may only be 4% of Mobile Gamers who currently own a VR headset, but this still translates into a sizeable audience, especially in APAC. Of course, despite improvements in smartphone specifications and falling price points, consumers are still required to own a slightly higher-end smartphone with the in-built "gyroscope" technology to support mobile VR. That's why we see North America and the top income group post the highest figures on 7%, and is also why many APAC markets barely push above the 3-4% mark.

These figures will no doubt take time to grow, especially in areas where lower-end smartphones remain primary point of access for getting online. It's also fairly naïve to think that VR ownership figures will one-day match those of PCs/laptops or smartphones; the nature of this technology sets it apart from the lifestyle use-cases of these commonly owned devices. But **that makes the (mobile) gaming industry all the more suitable as a vehicle to demonstrate to the consumer how this technology can improve upon current gaming experiences.**

Last-Gen vs. Current-Gen Consoles

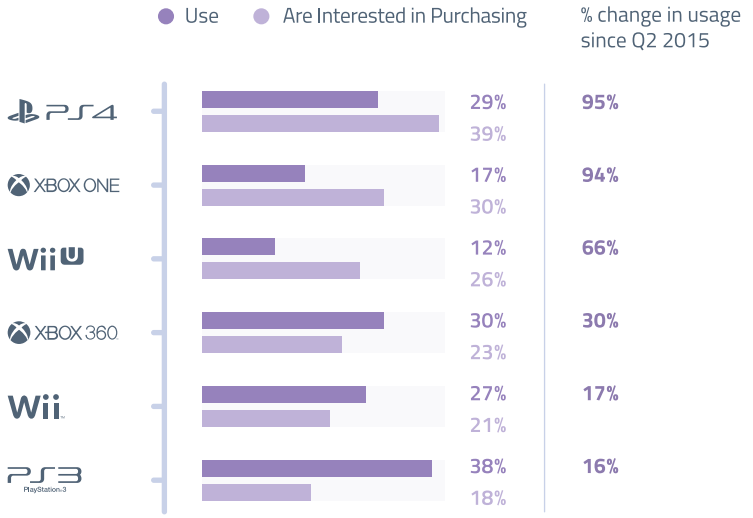
> ***The Xbox 360, PlayStation 3 and the Nintendo Wii just didn't have to compete in the same way for the free time of a consumer like their successors do***

The reason why mobile gaming has swelled the ranks of the gaming community to such a great extent lies in its ability to appeal even to those who do not have an expressed interest in gaming (6 in 10 of those who do not choose gaming as a keen interest are still playing games on their smartphone). **Before the time when global smartphone ownership reached its current level and app stores were filled with an abundance of mobile games, the casual gamer market was catered for by the likes of the Nintendo Wii.** But with the smartphone came the benefits of having these games in your pocket, which can be played with friends via social integrations with the gaming app itself, and most importantly for free. As such, we've seen the mass migration of the casual gaming market – as well as its expansion – from consoles and over to mobiles.

When the previous generation of consoles hit the market (c. 2005-2006), the iPhone was yet to be released, and Facebook was yet to transition from being a website solely for students into a fully-fledged social space for the consumer market. In short, **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 (to name just a few activities) account for such large (and growing) chunks of daily media time.

TOP CONSOLE BRANDS AMONG CONSOLE GAMERS

% of Console Gamers who use / are interested in purchasing the following console brands



EXPLORE THE DATA

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 Q1 2017
Base: 22,215 Console Gamers aged 16-64

PRO Platform:
Device Ownership and Access > Console Brands

This is clearly reflected when we look at the performance of last-gen consoles compared to current-gen consoles. **Despite being on the market for at least 4 years, the latter are yet to overtake their predecessors as the top gaming devices among Console Gamers in all but a few key markets (including Germany, New Zealand and the UK).** But that's not for a lack of want – look over to purchase consideration, and **it's the PS4 which emerges as the most desired console by a considerable distance.**

Yet this purchasing intent has been very slow to convert into real sales. The PS4 has indeed seen the strongest rises in usage rates among the consoles tracked by GWI, but it's gradual path to the top three slots in our chart (the PS4 is now only 1-percent point behind the Xbox 360) has been the result of sliding usage figures among last-gen consoles as much as this console's apparent popularity among Console Gamers.

The newest tactic in the console market – to introduce upgraded versions of the current generation (PS4 Pro and the Xbox One X) – has brought renewed interest in Microsoft and Sony's flagship console devices. These high-spec devices are targeted at the hardcore gaming market, and our data is able to give some indication as to the immediate addressable market for these consoles outside of China (in which a nationwide ban on games consoles only lifted in 2014 has seriously hampered the success of these devices in this market).

Among Hardcore Gamers with an expressed interest in acquiring a PS4 or an Xbox One (Hardcore Gamers are those who devote 3 or more hours per day on their games consoles), just 17% state an actual intention to purchase one of these gaming devices in the next 6 months, climbing to around 1 in 5 among 25-54s. So as it stands, these Hardcore Gamers (and potentially early tech adopters) will be the immediate market for the upgraded consoles. And as long as Sony and Microsoft refrain from introducing gaming titles exclusive to the new systems, this will remain the case at least until the next generation of consoles is announced.

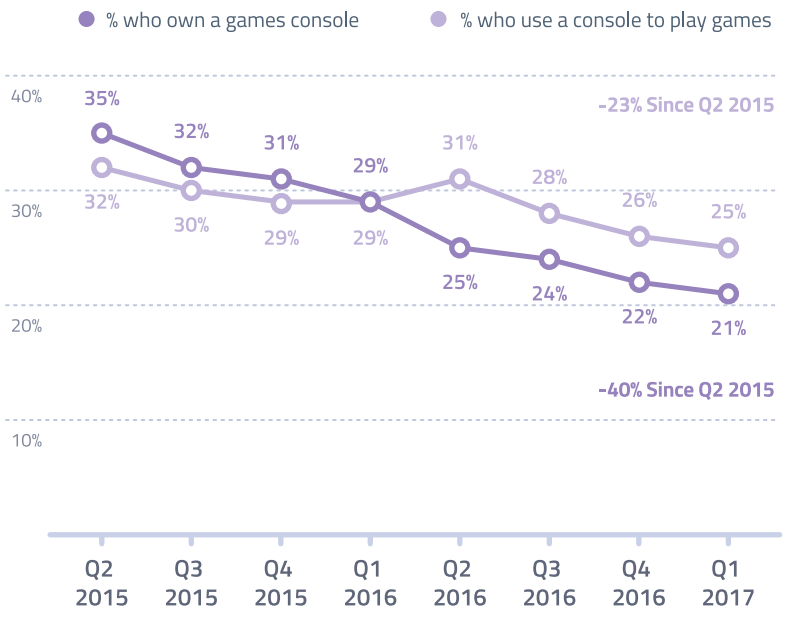
The Console Decline

One of the most pressing topics in the gaming industry has been the question of whether games consoles will still hold a position of prominence in the future gaming landscape. This is obviously a key question for the likes of Sony and Microsoft, especially considering their recent investments in their upgraded console ranges.

GWI's data confirms this apparent decline in the console gaming market. But there's a lot more to this trend than just a fall in usage rates. **Rather than consumers falling out of love with games consoles, our data shows that it's the role of these consoles which is changing.**

Since mid-2015, games console ownership figures have been declining at a very consistent rate, with ownership of these devices having shrunk by 40% in this period (currently 21% own a console). Simultaneously, if we look at those internet users who use these devices to play games, we see that figures here have also experienced a decline, but this time at a much slower and inconsistent rate. **Whereas console ownership outscored that of console gaming in Q2 2015, jump to Q1 2017 and there are now more consumers using these devices to game than there are those who actually own them**. In fact, if we **pin-point Q1 2016, we see that this is the tipping point** in which games consoles began to become more oriented towards communal engagement forms, rather than the solitary gaming experiences which to a certain extent defined the genre before its migration online.

THE CONSOLE DECLINE



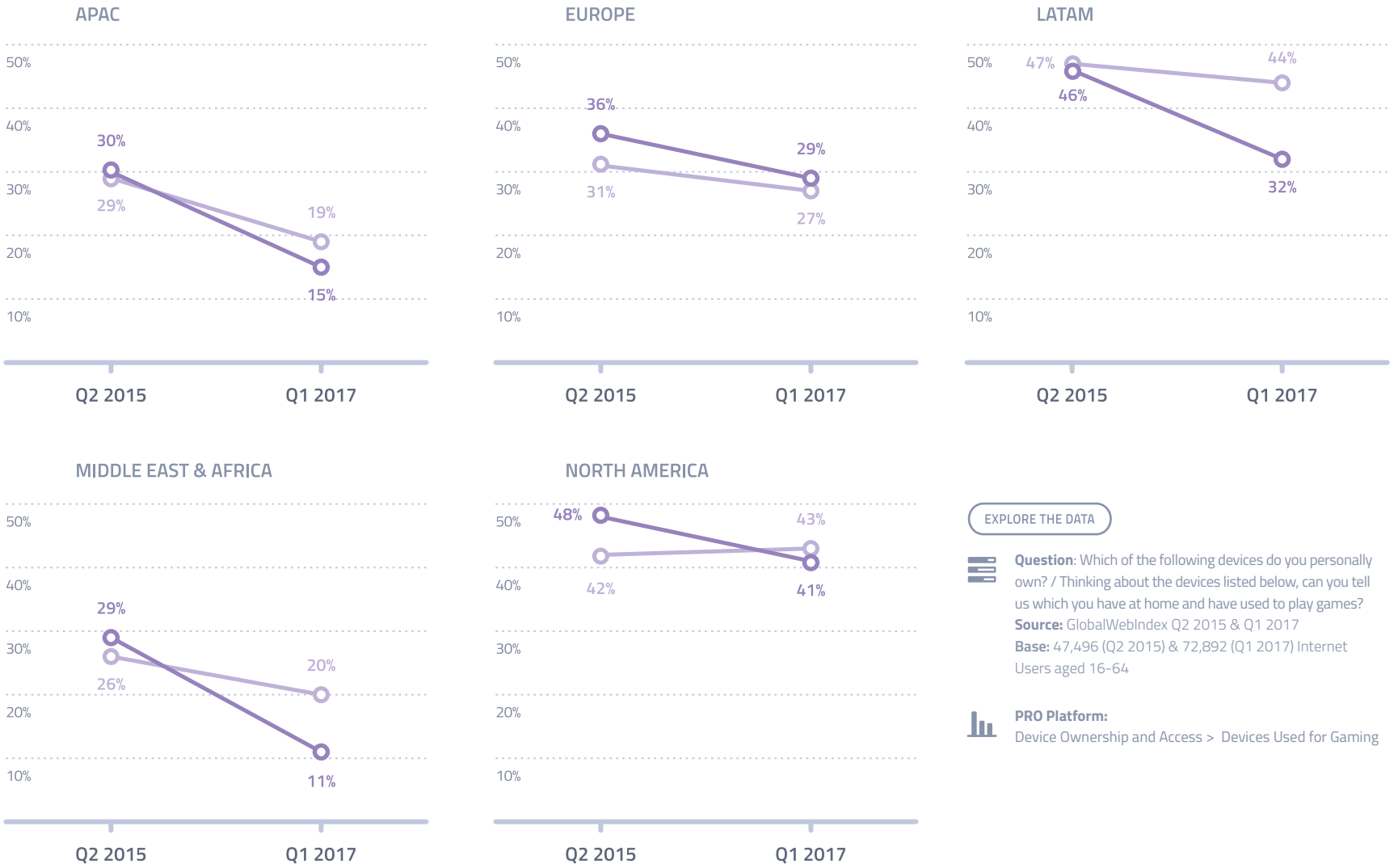
EXPLORE THE DATA

Question: Which of the following devices do you personally own? / Thinking about the devices listed below, can you tell us which you have at home and have used to play games?
Source: GlobalWebIndex Q2 2015-Q1 2017
Base: 434,027 Internet Users aged 16-64 (across all waves of research)

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

THE CONSOLE DECLINE BY REGION

● % who own a games console ● % who use a console to play games



EXPLORE THE DATA

Question: Which of the following devices do you personally own? / Thinking about the devices listed below, can you tell us which you have at home and have used to play games?
Source: GlobalWebIndex Q2 2015 & Q1 2017
Base: 47,496 (Q2 2015) & 72,892 (Q1 2017) Internet Users aged 16-64

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

The Console Decline is primarily a phenomenon affecting Asia Pacific and the Middle East & Africa

Yet if we look at this from a regional perspective, it becomes clear that **this is primarily a phenomenon affecting Asia Pacific and the Middle East & Africa.** Both regions have seen around a 50% decrease in console ownership figures in the same period, with as much as a 23% decline in consumers using these devices for gaming in the Middle East and Africa. While there has been a decrease in ownership figures in Europe, LatAm and North America, this has been to a much lesser extent. Most importantly, in **these 3 regions there are fairly similar numbers of those using consoles to game as there were in Q2 2015, with even a slight increase in North America.**

To some extent, this is to be expected, and is broadly reflective of the fact that **the console industry has for some time had the most to gain from its core Western markets.** As such, it makes sense that **the console industry has doubled down on these regions to future-proof its role in the gaming industry.** Recent developments confirm this, with Sony Interactive having moved its headquarters from Tokyo to California in early 2016, something which speaks to the strength of the PlayStation 4 across North American and European markets in particular. Also, Sony's services division encompassing PlayStation Music, PlayStation Vue and PlayStation Now all have a distinctly Western focus too (offering Western content via standalone subscription-based models).

That said, even Europe, LatAm and North America are not immune to the trend of gaming usage figures for consoles surpassing ownership rates (although Europe does buck the trend slightly here, at least for now).

Admittedly, **the shift in emphasis from single player (and often offline) gaming titles to those which prioritize multiplayer formats is having an impact.**

But also, in an industry such as the games consoles market, product innovation is at the forefront of future growth strategies, and is essential to keep pace with the fierce competition at hand. **'Gaming' is no longer the absolute focal point of console functionality. Now, the console serves as a household media hub.** These consoles allow consumers to browse the internet, upload content to social networks, communicate with friends, listen to music, shop online and, importantly to engage with various forms of online TV. With these added functionalities, consumers now have more reasons to use their consoles. And so it makes sense that **we've seen consistent increases in daily time spent on games consoles among internet users since 2012,** rising from an average of ¾ hours per day to just under an hour.

Gaming is no longer the absolute focal point of console functionality. Now, the console serves as a household media hub

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

17% *Watch TV in any form*

11% *Watch subscription services such as Netflix*

6% *Watch a TV channel's catch-up / on-demand service*

5% *Watch television live as it is broadcast on a TV channel*

EXPLORE THE DATA

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 Q1 2017
Base: 22,215 Console Gamers aged 16-64 (across all waves of research)

PRO Platform:
Media Consumption > Devices Used to Watch TV

In a new addition to our research, GWI now asks internet users about which kinds of TV they engage with on monthly basis, and on which devices. Focusing specifically on Console Gamers, we see that **it's not insignificant numbers who are choosing to use their games consoles as a source of TV entertainment.** Thanks to the introduction of video apps on these consoles (something which stretches back to the last-gen devices), TV platforms such as Netflix, BBC iPlayer, YouTube and Hulu (to name a handful), have been keen to integrate their services with these console apps.

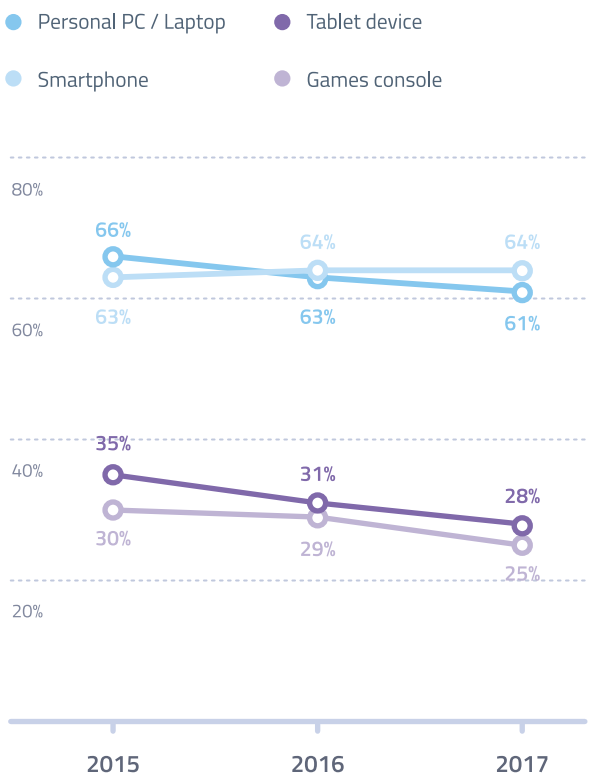
Due to entrenched consumer habits which still prioritize traditional television sets when it comes to watching live broadcast TV (73% of Console Gamers do so on a TV), figures for games consoles fall drastically behind here (on just 5%). Look over to watching on-demand TV services, however, and we see a slightly different picture. It may just be 6% of Console Gamers doing so, but in certain markets and among certain demographics, consoles take on a slightly stronger position here. **Owing to the popularity of catch-up TV services in the UK overall, 1 in 10 UK Console Gamers watch catch up TV on these devices (13% among 16-34s in this audience), with 7% in the USA doing the same.**

But it's for watching subscription services such as Netflix for which games consoles emerge as an important access point. 11% from this group are engaging overall, but some key markets push significantly ahead of the curve here; namely, the US (on 22%), Canada (18%), Brazil and the UK (both on 15%).

PC Gaming is Here to Stay

PC GAMING OVER TIME

% who have used the following devices to play games



So, if app-based gaming (via smartphones and tablets), console gaming, and PC gaming represent the three main camps of this form of entertainment, where does the PC stand amid this changing landscape? Across these gaming devices, smartphones are the only devices which have experienced stability/an increase on this metric. If we isolate PCs, we see that like with the console decline, the gradual drop in figures for PCs as a gaming device can largely be attributed to the decline in ownership rates for PCs/laptops. Nevertheless, **with more than 6 in 10 internet users still gaming via PCs/laptops, these devices will remain a cornerstone of the gaming market for some time to come.**

EXPLORE THE DATA

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 - 2017 (averages of all waves conducted in each year)
Base: 434,027 Internet Users aged 16-64 (across all waves of research)

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

Perhaps most importantly, these figures encompass anyone from those who are playing browser-based games on their PCs online, to those who have the latest PC specifications investing significant time and resources to the latest blockbuster PC gaming titles. As such, **the decline in figures for PC gaming is most likely to be driven from this more casual cohort.** We just need to look towards those with a strong interest in gaming for evidence of this, among which gaming via PCs/laptops has held relatively steady since 2015 (on around 8 in 10)

Similarly, **the decline of the tablet as a gaming device is representative of the broader trend of tablet fatigue,** with these devices having peaked across a range of metrics (as a second-screening device, as well as for both ownership and internet access) in 2014/15 with figures falling thereafter. Also, that tablets have failed to make an impact among the key 16-24 age group (which represent a significant portion of the Gamer audience) has helped to seal their fate for this activity.

TOP 10 MARKETS FOR PC GAMING

% who play games via a PC

Indonesia	**80%**
Russia	**78%**
Portugal	**75%**
Philippines	**74%**
Egypt	**73%**
Brazil	**72%**
Vietnam	**71%**
India	**70%**
Argentina	**69%**
Taiwan	**68%**

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. For these aforementioned activities, the continued attachment to these more "traditional" devices in mature markets has ensured that they remain an important means of engaging with each activity. **For gaming, however, it has been fast-growth markets which have for the most part sustained their strong figures here.** 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,** with Indonesia, the Philippines and India being notable examples here. **This is a sure indication of the future role of these devices as a way to play games.**

EXPLORE THE DATA

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 Q1 2017
Base: 72,892 Internet Users aged 16-64

PRO Platform:
Device Ownership and Access > Devices Used for Gaming

Spectator Gaming

With the migration of gaming activities online, and the subsequent expansion of the gaming community, a whole host of behaviors fall within the remit of gaming, even those which don't actually involve picking up a controller and playing a game. Indeed, **the very idea of what constitutes "gaming" entertainment is evolving, even to the act of sitting and spectating while others play your favorite games.**

18% of Gamers outside China visited Twitch last month

As our data shows, **the rise spectator gaming has been quick to make an impact in this space, with 1 in 4 gamers having watched a live gaming stream in the past month, and 18% having watched an eSports tournament.**

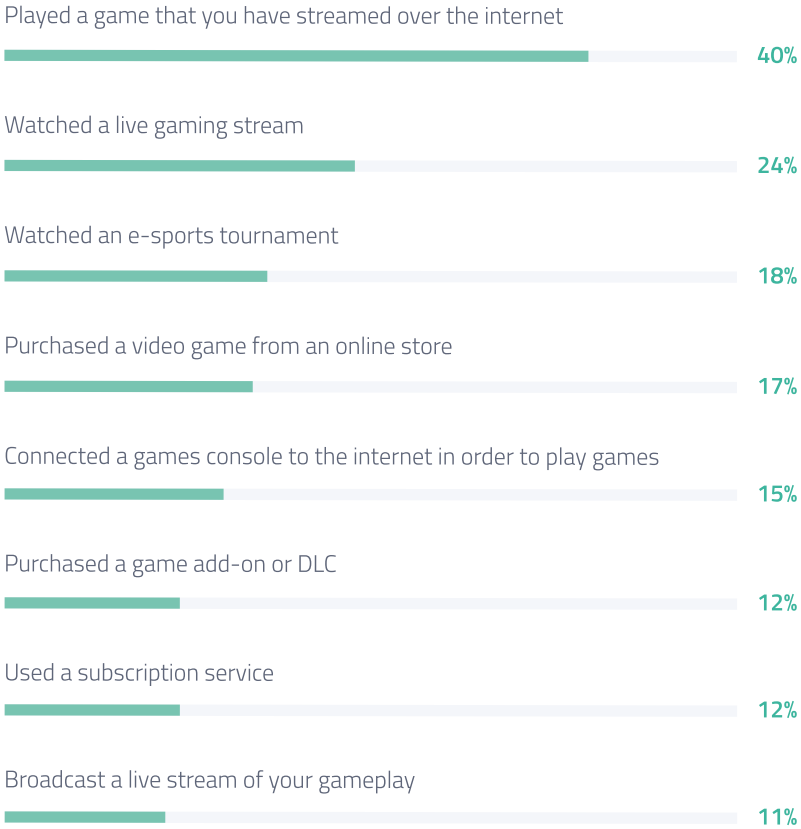
EXPLORE THE DATA

Question: Which of the following gaming-related activities have you done in the last month?
Source: GlobalWebIndex Q1 2017
Base: 61,584 Gamers aged 16-64

PRO Platform:
Device Ownership and Access > Gaming Activities

GAMING ACTIVITIES

% of Gamers who have done the following game-related activities in the last month



So **there's clearly a substantial market here,** which helps explain the $1bn price tag Amazon paid for videogame-streaming site Twitch back in 2014. In the west at least, Twitch has largely held the reigns when it comes to spectator gaming, but the continued popularity of this genre of entertainment has led to competitors sprouting up in quick succession. Most notably, Google's YouTube entered the fray in 2015 with YouTube Gaming (11% of Gamers outside China used this game-streaming service last month), with Microsoft also looking for a slice of the action with Beam. But things are also heating up in China, with long runner Douyu TV (recently valued at $100m) facing competition from newcomer Panda TV.

The implications of the spectator gaming trend stretch beyond simply watching others play a popular gaming title. Twitch represent an important example of a major service looking for new opportunities to monetize its enthusiastic streaming community. Most notably, **Twitch has sought to leverage its influential creator community as a driving force behind game sales, allowing these creators to use their channels to promote games and receive rewards when sales are made.** That watchers of live gaming streams are 2x as likely to be purchasing digital video games each month (1 in 3 are), and also post strong over-indexes for video-based product research channels such as vlogs (16%) and video sites (30%), is a sure indication of the potential here.

16-34s are the most likely to be watching live gaming streams, broadcasting them, and watching eSports tournaments

As might be expected, spectator gaming is subject to considerable age-based trends. **16-34s are the most likely to be watching live gaming streams and watching eSports tournaments.** Even so, it's still 1 in 8 45-54s watching live gaming streams each month in the gaming community, with an impressive 1 in 10 of 45-54s watching eSports tournament, demonstrating that this 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 Tencent's success in driving uptake in China pushes APAC above all other regions** for all three activities, but particularly for eSports engagement.

SPECTATOR GAMING

% of Gamers who have done the following in the past month

Watched a live gaming stream

Watched an e-sports tournament

AGE	16 to 24	33%	22%
	25 to 34	28%	22%
	35 to 44	21%	18%
	45 to 54	13%	10%
	54 to 65	9%	7%
INCOME	Bottom 25%	22%	16%
	Mid 50%	25%	20%
	Top 25%	29%	22%
REGION	Asia Pacific	28%	24%
	Europe	17%	9%
	Latin America	20%	12%
	Middle East & Africa	20%	10%
	North America	20%	9%

But it's the income breakdown for these activities which is especially striking: **for both online behaviors, we see figures rise directly in line with this metric.** eSports in particular has brought with it equal amounts of enthusiasm and controversy, but with such a narrow yet desirable demographic (not to mention one with disposable income), this has certainly caught the attention of brands. The last year alone has seen some major brands move into eSports with sponsorship deals and investments from notable CEO's in the traditional sports arena. But equally important is that **we've also seen the sport itself develop with newly established leagues, and even the introduction of city-based teams across China and the US.**

That **eSports Fans are extremely susceptible to brands, over-indexing for many key brand interaction channels tracked by GWI,** is another example of the opportunity for brands to take advantage of this largely unexploited space.

EXPLORE THE DATA

Question: Which of the following gaming-related activities have you done in the last month?
Source: GlobalWebIndex Q1 2017
Base: 61,584 Gamers aged 16-64

PRO Platform:
Device Ownership and Access > Gaming Activities

Future Outlook

▪ Although mobile will no doubt increase its lead as the top gaming device overall, it will also benefit greatly from the marketing and monetization prospects which lie before it. **Mobile will also be the first point-of-call for the majority of first-time VR users,** and as a result this needs to be the medium where developers invest the most time and effort.

▪ **Western markets will continue to be at the epicenter of the console gaming market,** and so both products and gaming content will cater primarily for consumer preferences in these countries. That said, while these devices have established themselves as viable household entertainment centers, their success in this market largely hinges on ownership rates, which as we saw earlier is reserved to specific younger demographics in mature markets.

▪ As mobile gaming continues to grab more market share and console gaming falls back on its core audience, **PC gaming will remain a considerable force in the gaming industry.** The casual gaming market may have expanded drastically, but for the more hardcore gamers it's consoles and PCs which will be the go-to devices for foreseeable future.

▪ **e-Sports has made considerable ground in onboarding an impressive range of brands in the last year,** and has taken crucial steps to structure itself akin to traditional sports leagues (helping to appease any lingering reservations concerning the viability of this sport's future revenue making potential). It still has a long way to go, however, mostly in convincing older demographics of its legitimacy as a fully-fledged sport in itself.

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The questions and data-points featured in this report are available to explore on PRO Platform. They can be analyzed by any audience, date range or selection of countries/regions, with users able to build bespoke audiences based on our wide range of demographic, attitudinal and behavioral variables.

Each chart is accompanied by a hyperlink which will take you to the appropriate section on PRO Platform; simply click on the relevant link to start exploring the data further.

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GWIQ offers clients the ability to create bespoke audiences on the platform by connecting the GWI panel and passively monitored visitation to their own websites/campaigns. Segment your visitors by the actions taken on your site then profile them utilizing the 100% declared data you already find in the PRO platform. Validate digital campaigns against rich targets far beyond demographics. Understand the impact of digital campaigns on brand perceptions by sending bespoke advertising effectiveness surveys to panelists using a control vs exposed methodology.

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GlobalWebIndex can also offer a variety of custom solutions to suit all your data and insight needs. All projects are conducted in close consultation with clients and resulting data is available for analysis in our PRO Platform.

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Brand Profiling

PRODUCT SOLUTIONS
Usage and Attitudes
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Concept Testing

CAMPAIGN & AUDIENCE SOLUTIONS
Segmentation
Campaign Measurement
Audience Profiling
Audience Targeting

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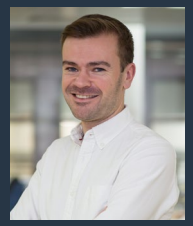

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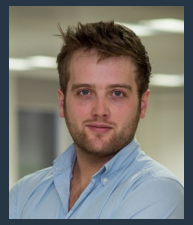

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