

# IN-GAME ADVERTISING

## AN UPWARD TREND IN A MARKET DOWNTURN



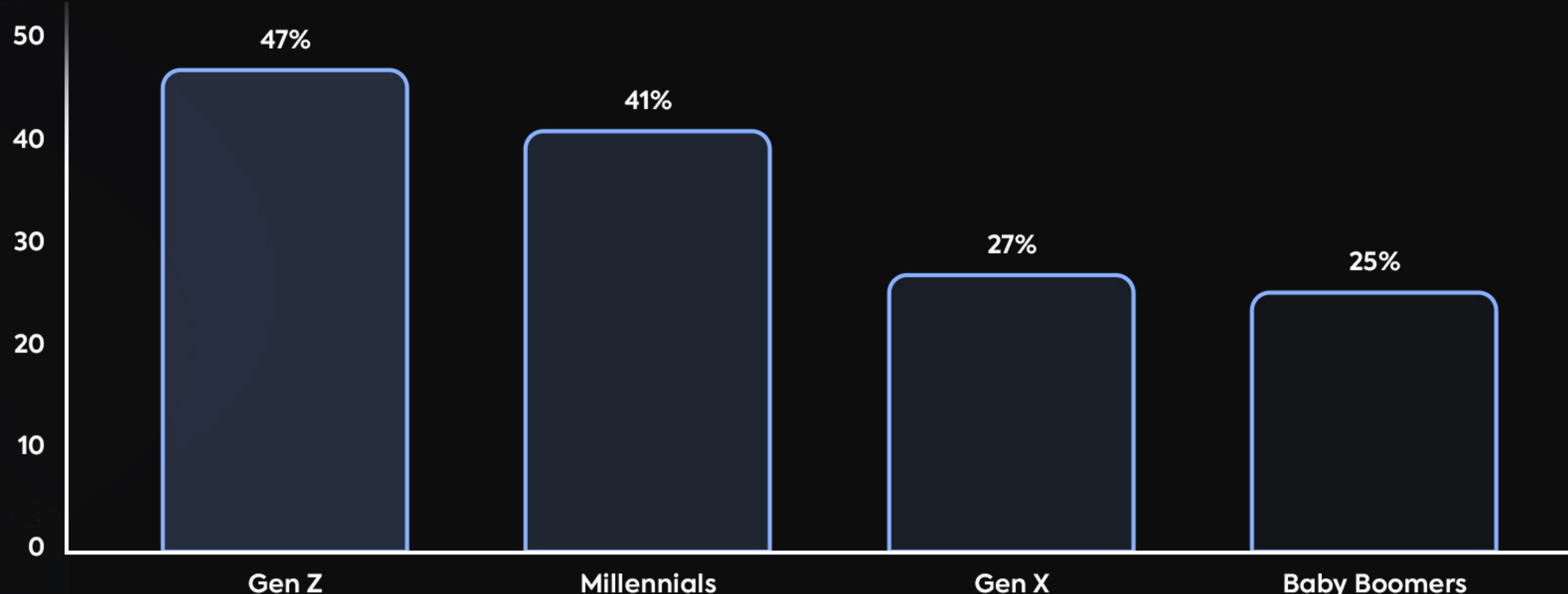
The outbreak of the Coronavirus globally has seen consumer behaviour shift significantly as people have been encouraged to spend more time indoors, socially distance and self isolate. This additional time spent indoors has seen people of all ages turn to gaming as a way to stay entertained and keep in touch with friends.

Bidstack are the leading in-game advertising platform that serve native in-game ads from real world brands into natural spaces within video games e.g. trackside banners in a racing game, pitchside LED boards in a stadium or billboards in open world games. Below are some insights on the changes of media consumption across different ages, platforms and regions, recorded by Bidstack and their partners, GlobalWebIndex (GWI), since the Covid 19 outbreak.

### More time spent gaming across ALL ages

Since governments put temporary restrictions in place to slow the spread of the virus, we have seen at least a 24% increase in time spent on video games across all ages.

% Who are spending more time on computer/video games



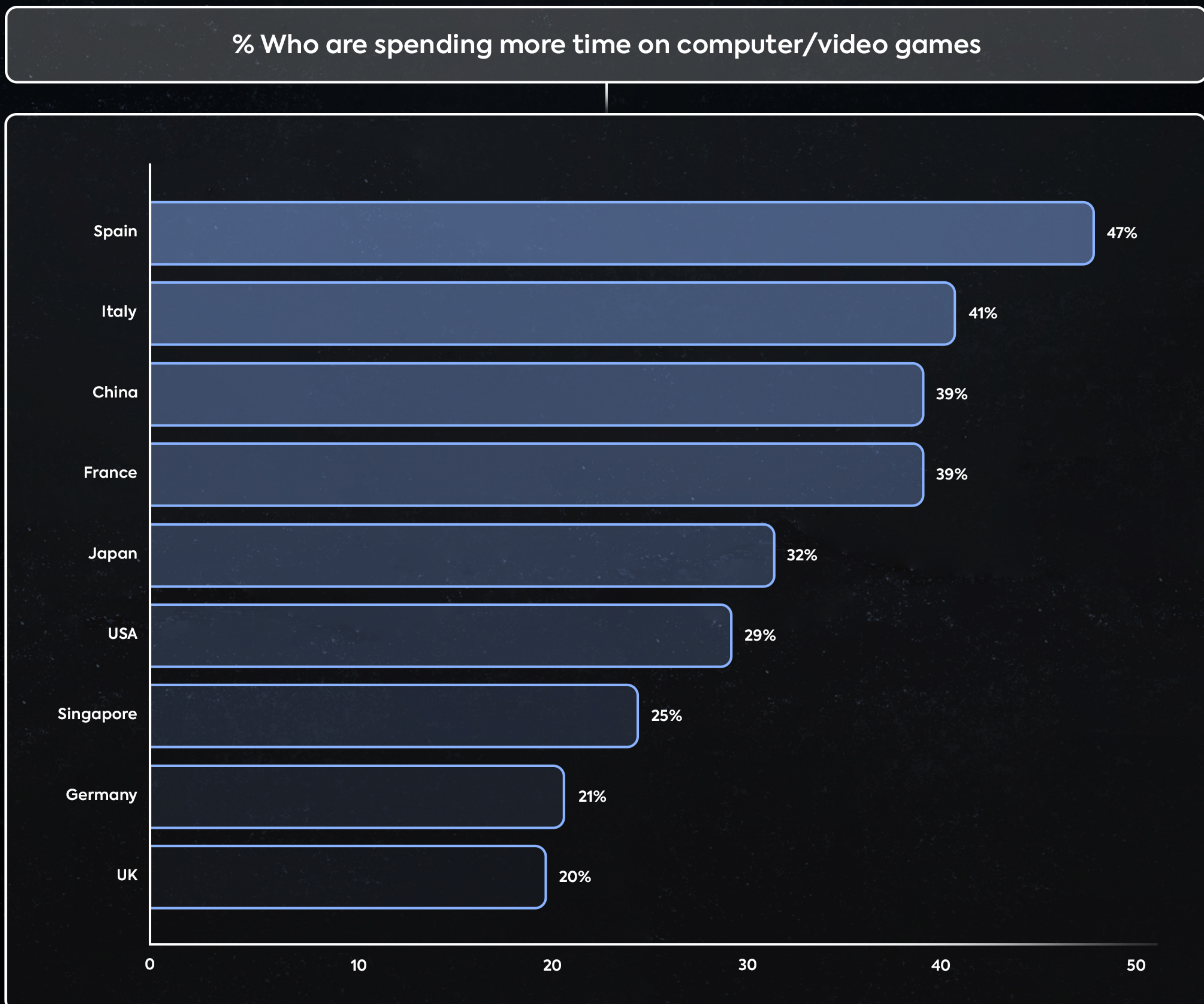
- 47% of Gen Zennials and 41% of Millenials have spent more time on video games since the Covid-19 outbreak began, globally.
- Surprisingly though, 27% of Gen X and 25% of Baby Boomers are spending more time on the activity too.

New data is coming to the fore all the time but one significant pattern is the increase of time spent on computer / video games in countries where there are social distancing rules and enforced lockdowns.



## A global increase in time spent gaming

If we take a look at EMEA 5, China and the US, we can see clear changes in gaming consumption since the outbreak began.



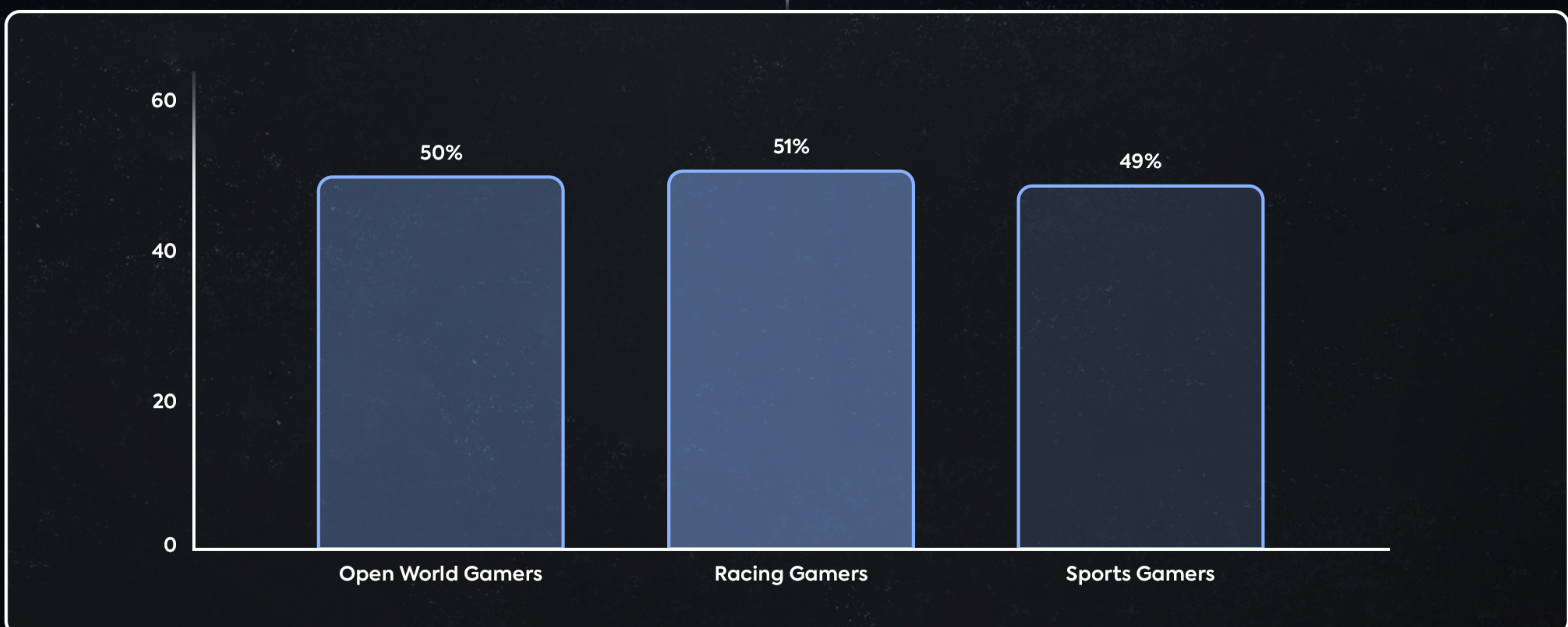
- 48% of people in Spain have spent more time gaming at home since the outbreak, closely followed by Italy (41%), China (39%) and France (39%).
- Countries that are further behind the curve have seen an increase in time spent gaming while at home but this is expected to rise further as social distancing measures are more strictly enforced and adhered to.
- In the United States, 29% of respondents reported spending more time gaming versus 21% in Germany and 20% in the UK. It is anticipated we will see further increases in all of these markets in the coming weeks.

## The upward trend is unaffected by game genre

The upward trend of time spent on gaming has been relatively stable across different gaming genres too. Bidstack serves native in-game ads into three main environments - Open World Games, Track or Racing Games and Sports or Stadium based games.



## % Who are spending more time on computer/video games at home because of coronavirus



- 51% of racing gamers are spending more time gaming, making them 29% more likely to do so than the average online population.
- 50% of gamers that typically play Open World Games and 49% of Sports Game enthusiasts have spent more time on video games since the outbreak began.

## Gaming is an important avenue for sports leagues during the disruptions

As sports entertainment has been disrupted during the pandemic, there's a strong appetite in the UK and US for sports-based gaming content.

- There's a lot that sports leagues and teams can be doing to engage their fans despite the disruptions. Among internet users in the UK and US, the most important of which is offering them exclusive content (18%), redistributing old content, and promoting live interaction with athletes (both on 17%).
- Many sports leagues have already ventured into the world of esports and gaming, and this is now one of the most credible engagement channels that they should be focusing on in light of the disruption.
- Predictably, younger audiences and males in the UK and US are most keen on seeing esports and gaming content from sports leagues, with over a fifth of millennials wanting gameplay livestreams for example.

## Advertisers are changing their media strategies

Some advertising channels such as Digital Out Of Home and Print have been limited by the impact of Covid 19, meaning a number of large scale ad campaigns have been placed on hold. Many brands though are still looking to reach their target audience whilst they are at home and in-game advertising offers them an alternative way to share important messages and stay connected with them.



Despite the ongoing situation, 37% of gamers surveyed by GlobalWebIndex agreed that advertisers should carry on as normal, whilst 25% of this group disagreed with this statement.

Although it doesn't make sense for certain brands to continue their performance and brand awareness campaigns e.g. travel brands, there are a number of businesses and organisations that are adapting their media strategies to continue to communicate with their audience as best they can.

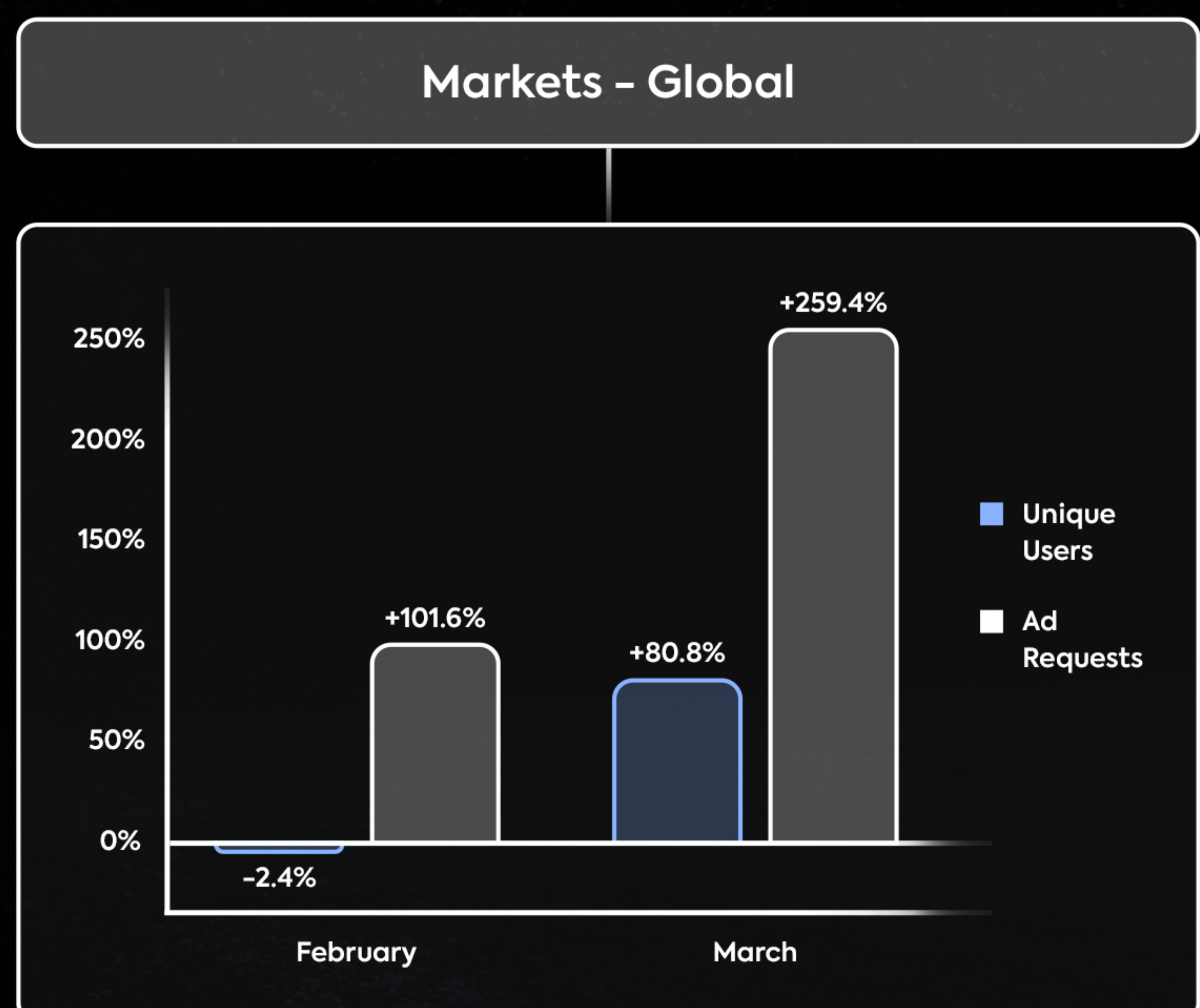


## Brands are getting in the game

GlobalWebIndex's data appears to be in-line with Bidstack's since the crisis began. Bidstack have seen a surge in time spent gaming across all of the titles they work with in the past month.

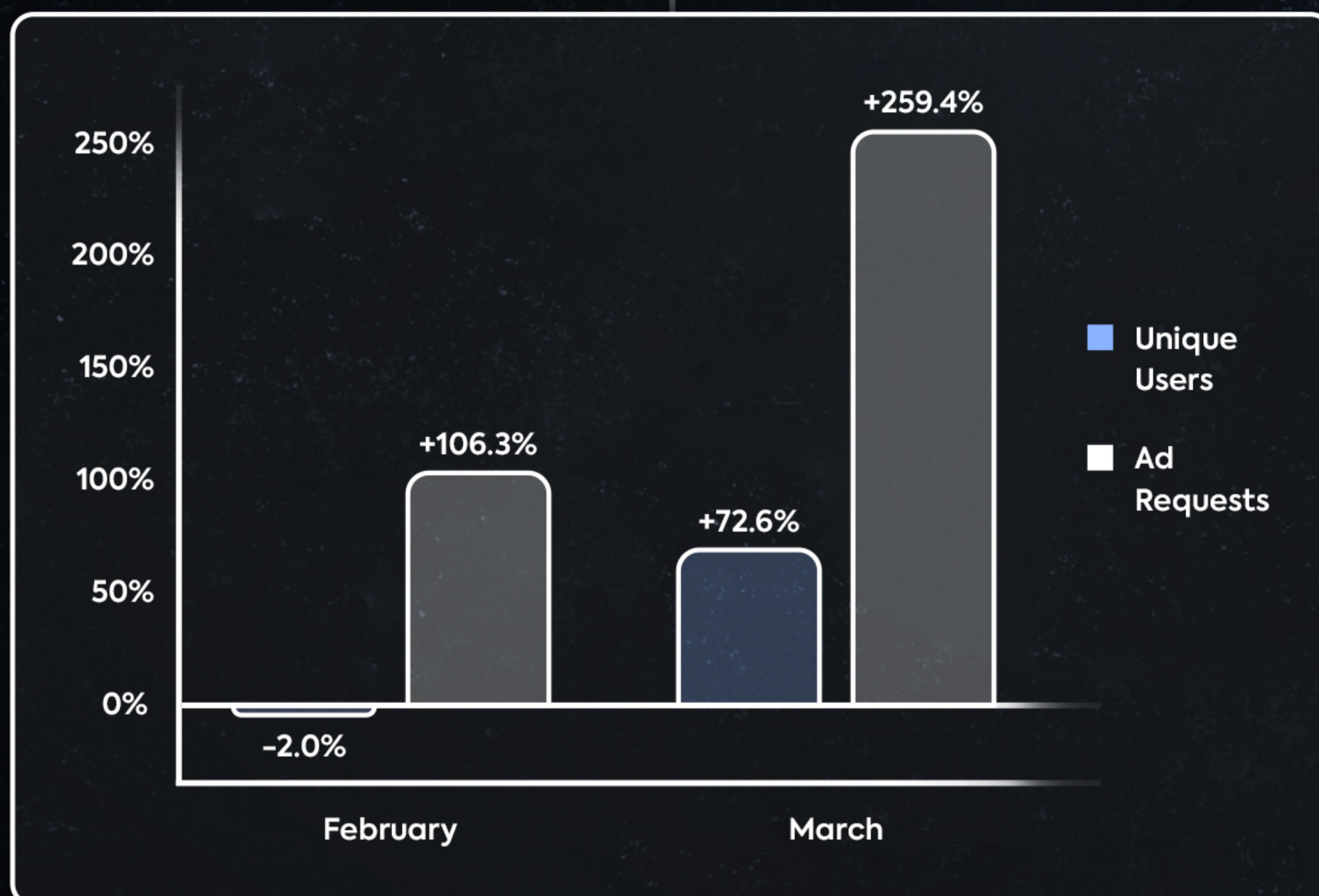
- The number of unique users playing games that they serve ads into have increased by 80.8% globally
- The number of ad requests received have increased by 259.4% in the past month

Looking at the trend across EMEA, APAC and the US, - in EMEA 5 (UK, Germany, France, Italy and Spain), China and the US there has been an increase of 72.6% in terms of unique users and an increase of 259.4% for ad requests.





Markets - UK, Germany, France, Spain, Italy, China, US



This behavioural shift has run in parallel with increased interest from brands and advertisers who are exploring in-game advertising as a new way to reach their audience.

James Draper CEO of Bidstack said “People across society are facing a really difficult time at the moment and it has been heartening to see gaming become a valuable source of entertainment for many and a hub of social interaction for others.

In the advertising industry we are naturally faced with a lot of uncertainty as a result of the current situation but we are extremely fortunate as a business to be in a position to help share important messages and connect brands, advertisers and agencies with their audiences.

Gaming is an enormous industry and we have seen continuous growth year on year for a long time now but the amount of time being spent on gaming at the moment and the upswing in user numbers we have seen has been absolutely unprecedented.

In-game advertising was already making its mark in the world of advertising but the borderless nature of gaming and esports means that it has become an even more important way for brands to connect with consumers - without disrupting or negatively impacting their gaming experience.”

Jason Mander, Chief Research Officer at GlobalWebIndex said “The data we are seeing at the moment paints a picture of how media consumption is changing. Gaming has seen large spikes in terms of the amount of time people are dedicating to it and this shift in behaviour is happening across nearly all markets and demographics.

It’s still too early to make any definitive predictions about a post-coronavirus media landscape, but what is clear is that the outbreak is acting as a catalyst for many media trends we were seeing before the pandemic. Esports is a prime example of this. In the absence of traditional sports events, some consumers’ competitive appetites are being satisfied by esports. Not only are sports fans demanding more esports content, but our data shows that they’re also actively engaging with it too, more so than the average internet user.”