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MEDIA IMPACT REPORT

Gaming Industry Continues to Explode

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It's Game Time
The Gaming Industry Continues to Explode

By *Nate Becker,* **Director, Media Planning**

On April 5, the Interactive Advertising Bureau (IAB) hosted its first annual Playfronts, a one-day summit focused on why and how advertisers should start considering gaming as a central part of their brand's strategy. Zoe Soon, Vice President of IAB's Experience Center, kicked off the day by addressing a question: Why do this now? Her answer was simple: It's time. Presentations from Meta, Activision Blizzard, Zynga, Unity, Frameplay, Niantic, Twitch and other gaming heavyweights reinforced this wake-up call to the industry.

Advertisers are woefully behind the curve with respect to the behaviors of their customers. Even with time spent gaming increasing 36% during the pandemic and 225 million gamers playing for an average of 12 hours per week, gaming only attracted about 6% of U.S. ad spend last year. The industry is scrambling to change this and to capitalize on gaming as the future of advertising. Companies like Meta and Microsoft are making major investments to begin to pull advertisers into gaming and claim their share of the market. However, brands continue to be slow to jump in. This is due to a few key factors, according to Soon: concerns about the safety of brands in gaming environments, confusion around how to place advertising at scale, and misconceptions about who gamers are.

This last misconception is the easiest to clarify: Gamers look like everyone. In 2020, 41% of women gamed, and 46% of adults 55+ played games weekly. Within Gen Z, 80% claim gaming is their #1 activity, with 50% of them spending time in games purely for socialization. For any brand looking for ways to gain mindshare or share of wallet, especially with a younger audience that is increasingly difficult to speak to through traditional media channels, there is no better whitespace opportunity than integrating into gaming.

A few factors to consider:

- **Attention is the goal.** Think about attention being to engagement what viewability is to impressions. You are placing your brand in front of players not to divert them from their game into a sales funnel, but to get in front of eyeballs that may be otherwise difficult to reach, in an environment where they are immersed, invested and paying attention.

- **Authenticity is vital.** Advertisers must know the player and understand the game. Gamers value the sanctity of their gaming experience, and brands that disrupt players with an overt sales pitch risk backlash. Instead, consider how to enhance their experience by offering gamers value for their time and an unobtrusive creative experience that demonstrates respect for the game they are passionate about.

- **Stay open to new creative ideas.** Integrating seamlessly into gaming content does not simply mean slapping a banner in a game, though this tech already exists and can make sense in some contexts. More likely, you will need to think about new ways to showcase your product. American Eagle shared how they integrated their spring collection into Roblox, allowing players to try on digital apparel. Consider partnering with streamers—53% of gamers have purchased a product after seeing it endorsed by a trusted personality on Twitch.

- **Invest in testing, testing and more testing.** There is no established roadmap for how a brand achieves success with gaming, and predicting the ROI of a gaming budget can be slippery. Successful brands are willing to focus on the relevant metrics (attention, awareness) and invest in an iterative testing strategy.

As the gaming industry continues to explode (gaming revenue is expected to exceed a quarter of a trillion dollars by 2025), and as more types of customers invest more of their time, attention and dollars in these environments, advertisers who cannot adapt and find ways to test into these spaces will fall behind, potentially risking their long-term growth. Now is the time to start considering how your customers are engaging with games, and how you can meet them there in an authentic, respectful and playful way.

How Netflix can build its ad business
[Ad Age]

Sports inventory is selling out faster than ever

[Morning Brew]

'Make a splash in a saturated market': Why a startup investment platform is eyeing OOH to boost brand awareness

[Digiday]

The New Normative

Proprietary Database Developed by Agency's Brand Strategy & Research Team Houses a Decade's Worth of Research Survey Responses for More Efficient Analysis

By *Steve Miller,* **Client Development Director**

Ten years ago, Rain the Growth Agency took its first step in developing its intellectual property (IP) within research advertising technology, or ad-tech. The agency's in-house Brand Strategy & Research department developed MindReader™, an online survey platform to track a brand's awareness, measure brand health and perception compared to competitors, and test positioning and messaging before producing a new creative campaign.

That research ad-tech IP is evolving with the development of a new, proprietary normative database that is based on the learnings from MindReader™ research. The MindReader™ Norms Database is a comprehensive collection of quantitative research questions and answers in studies conducted by the agency in the last decade. It provides benchmarking for client research results by leveraging insights into how clients' products or ads are performing compared to other Transactional Brand Building campaigns.

The MindReader™ Norms Database currently encompasses more than 1.8 million responses collected from 139 studies for 71 clients across 15 categories. The Norms Database will grow exponentially when 2021 and 2022 research is added to the database–it currently only houses data from studies that took place through 2020.

"This is going to become very powerful in the next few years as we continue doing research and inputting the data here."

Cory King, Senior Market Research Analyst at Rain the Growth Agency

As more research is conducted, the database will expand, which will allow more filters to be applied. Standard filters include: client category, study year, and study type. In the near future, the database will be robust enough to apply multiple filters and narrow down to hyper-specific parameters such as question type, creative type or creative length.

Many syndicated research sources and market research providers have normative databases, and agencies tend to rely on these third-party providers. Rain the Growth Agency's proprietary MindReader™ Norms Database is unique agency IP due to its reflection of normative measures through the lens of Transactional Brand Building clients and campaigns, which is the agency's approach to scaling brands, and the promise it makes to its clients.

Your OTT Market On Demand

By [Chris Peterson,](#) Managing Partner

When your customers end a long day, they settle into their favorite chair or couch or camp out at the kitchen or dining table. They watch the entertainment of their choice and far more often, at the exact moment of their choice—with streamed over-the-top (OTT) video.

OTT-streamed video entertainment on TV, tablets, phones, and PCs—is transforming how your market consumes media, and with it, how you need to think about your advertising. It's no surprise that advertising media investment in OTT is on the same growth trajectory as OTT viewership. Multiple research firms, including IAB and Magna, are forecasting investment increases for all digital channels with OTT media investment having the biggest growth rate of all.

So should your brand be present within OTT content? The short answer is: (YES.) Your market may be consuming OTT content in larger or smaller numbers, but they are there. OTT is where there is the most innovation and expansion that will continue to drive change in how American consumers experience entertainment—and your advertising.

But the OTT landscape is complicated, and growth demands a digital mindset. This includes moving away from thinking about a market as a singular segment or just in terms of demographics. Now— on the big living room screen—you can simultaneously market to multiple segments based on a wide variety of interests, buying behaviors, and more because targeting data enables it.

To break down the details and provide meaningful insights for brands looking to drive growth through OTT advertising, Rain the Growth Agency has published an OTT guide, [Your Market on Demand.](#) The free download covers OTT basics, who's watching and five OTT advertising forecasts to watch.

Need More Guidance?

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