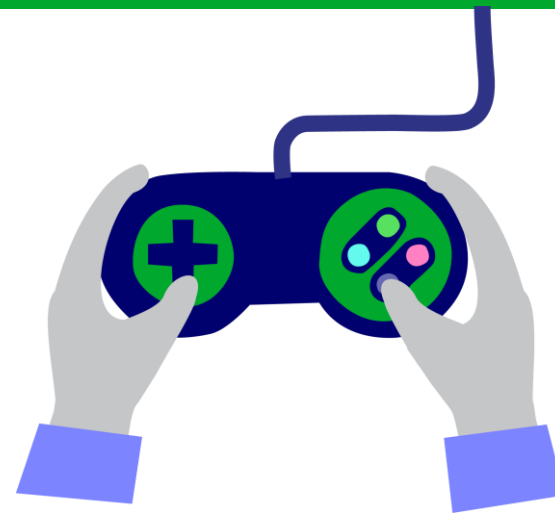




Newzoo's Trends to Watch in 2022

Games, Esports, Live Streaming,
Cloud and the Metaverse!



1. Games

1.

Play-to-Earn Will Become a More Viable Business Model

The idea of gamers making money from playing games is nothing new. Historically, such monetization attempts from players have been against publishers' terms of service. Companies were unwilling to moderate and regulate player-to-player trading.

However, things are changing. Hype around NFTs and success stories such as Axie Infinity mean many AAA publishers are striving to legitimize play-to-player trading. Results so far have been mixed. As things stand, NFT games face many challenges:

Valve has banned crypto- and NFT-based games on Steam, inhibiting NFT growth on PC, South Korea has banned crypto-based games on Google Play and the iOS App Store, limiting growth in one of mobile's highest-spending markets

Players have been vocally against NFTs in games, as shown by the backlash to Ubisoft's Ghost Recon NFTs and S.T.A.L.K.E.R. 2 backtracking on NFTs due to player outrage.

Despite these challenges, the crypto scene is eager to get involved, many non-vocal gamers are likely unbothered by NFTs, and skin trading on Steam's CS:GO marketplace remains popular.

Publishers might use blockchain technology to facilitate more secure and legitimized player-to-player trading within a centralized game environment. However, issues may arise with customer support.

Still, game publishers are stuck between a rock and a hard place: many shareholders and investors want to see NFT strategies as they see it as "the next big thing"; however, gamers in the AAA space negatively react to the technology. We might see publishers appeasing both parties by adding NFT(-like) technology) under a less controversial name.



3.0Bn

Gamers globally in 2021

2. Metaverse Anticipation Will Drive Both Investment and VR Sales

While the metaverse future envisioned by Tim Sweeney and Mark Zuckerberg won't be a reality for years to come, the seeds planted by these companies will begin to sprout in 2022.

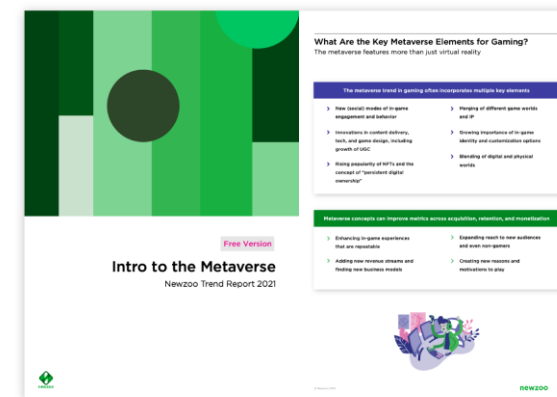
Facebook's rebrand to Meta, its new metaverse-first strategy, and the Meta Quest 2's impressive 2021 sales are prime examples of commercial and consumer interest in VR spiking again.

Some of consumer tech's biggest brands have headsets on the horizon, including Sony's PS VR 2, Apple's VR headset, and Meta's Cambria. These companies are leveraging their huge user bases to position themselves for Web 3.0.

While metaverse buzz will drive investment and consumer spending on VR this year, it will take time for companies to implement an integrated, virtually connected world. To that end, the metaverse gold rush will begin to hit critical mass in 2022.

Only a small group of first movers and innovators will come out on top, as is often the case.

Learn more about the metaverse and Web 3.0 in our free metaverse report.



Read Metaverse Report

3.

Apple and Google Will Open Their Closed App Store Ecosystems (to Some Extent)

We expect to see both Google and Apple opening their ecosystems to some extent due to fallout from last year's Epic vs. Apple lawsuit. The judge enforced stricter rules on anti-steering policies, but the enforcement is currently on hold. App store anti-steering policies have historically stopped publishers from advertising alternate payment systems outside the platform holder's ecosystem.

Apple claims it is still entitled to collect revenues from third-party payments outside of its App Store. Meanwhile, Japan has also enforced restrictions on anti-steering. To abide by these rules, Apple will allow publishers to contact app users via email if users accept such permissions in the app.

These changes mean Google and Apple will have to open up their ecosystems to consumers and publishers alike—not entirely but to some extent. At the same time, consumer demand for services like cross-platform play, cloud gaming, and play-to-earn monetization puts even more pressure on the platform holders.

Developers and publishers—looking to maximize their revenues—will increasingly look for ways to bypass app store payments. We expect that pressure from these companies, regulators, and consumers will force Apple and Google's hands to open their platforms in the coming years.

They will only begin to open their platforms in 2022, with the biggest changes happening in 2023 and beyond.

4. Game IP Value Spikes as Transmedia Becomes More Relevant

Hollywood previously struggled to adapt gaming IP into other media successfully. But we've lately seen a slew of high-quality, commercially successful video adaptations.

These movies, TV shows, and cross-game promotions have effectively portrayed stories, characters, and themes. To name a few:

- **Netflix's The Witcher season 2** (taking many cues from the game) and **Arcane** at the end of 2021 impressed fans and critics alike. And as we've covered before, adaptations of **The Last of Us** (HBO), **Fallout** (Amazon), **Borderlands**, and others are coming
- **League of Legends' Jinx** came to **Fortnite** and **PUBG Mobile**, which helped promote Netflix's **Arcane** to these games' fans
- **Horizon's Aloy** came to **Genshin Impact**, **Fortnite**, and **Fall Guys**—showcasing a single-player game IP to fans of multiplayer live-service games.

Embracer Group's recent acquisition spree, which includes the IP-rich catalog of **Dark Horse Comics**, further underlines the value of solid IP across different media.

We will continue to see publishers putting more emphasis on building new game-related IP and crossing game IP into other media in 2022 and beyond.

67M

Views for **Arcane** (Based on **League of Legends** IP) on **Twitch** in the first 28 days after its release. **Arcane** was the most-watched show on **Netflix** in 38+ countries in that month.



5. Gamers Will Be Spoiled for Choice!

This year is on track to be gaming's biggest yet, certainly in terms of spending but also in terms of content—across console, PC, and mobile alike. COVID-19-related delays have inadvertently led to one of the most crowded and exciting gaming release calendars in recent memory.

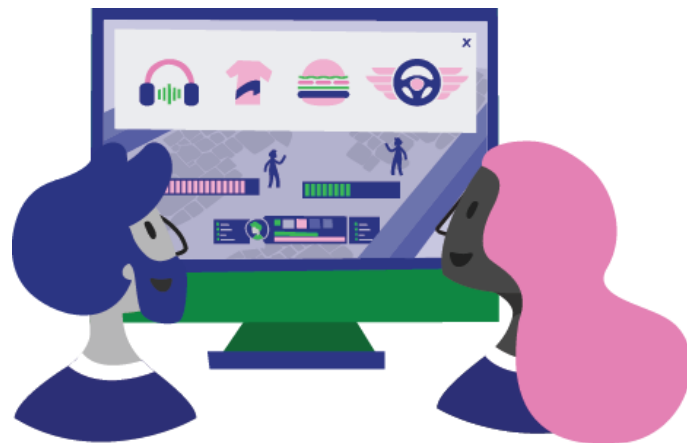
Starting in February with Horizon Forbidden West and Elden Ring to November with Bethesda's Starfield and all the expected titles in-between, 2022 is full of fun for players of all kinds.

The roster includes new releases (God of War Ragnarok), remasters of older games (Life Is Strange Remastered Collection), ports (Apex Legends on mobile), and established franchises hitting new platforms (Diablo Immortal).

The release of the Steam Deck will introduce portability to PC gamers (and PC games to the handheld console audience), while increased PlayStation 5 and Xbox Series X inventory will bring many players to a new generation of high-fidelity content.

At the same time, live operations will continue to innovate across the free-to-play and mobile spaces, keeping players engaged and spending money on their favorite pastime.

When we consider the ever-expanding list of titles available on Microsoft's Game Pass (and its ever-increasing popularity), the release of PlayStation's imminent answer to the service, and cloud gaming becoming more mainstream, the audience for gaming titles has never been so broad.



2. Esports & Streaming

1.

Blockchain Will Become More Prominent in Esports as Organizations Continue to Diversify Revenue Streams

The esports market relies heavily on sponsorship, which accounted for almost 60% of esports revenues last year. Putting all your eggs in one basket can be risky, which is why esports companies are striving to diversify their revenue streams. To that end, teams and organizers are increasingly exploring ways to monetize fans directly.

Many are eyeing blockchain tech and NFTs to achieve these goals. And we're already starting to see new esports business models emerge. So far, esports audiences have been largely positive about blockchain and NFTs. Gamers have notably had the opposite reaction.

The difference here is that NFTs can directly impact the games players enjoy, whereas esports NFT innovations are mainly about demonstrating fandom—often outside the esports events themselves.

For example, organizations are innovating loyalty and reward programs by putting them on the blockchain. Many programs now allow users to trade digital goods with other fans, increasing engagement and personal investment in an esports brand. Fans can also earn digital rewards when they engage with an organization's content, including commenting on an Instagram post, watching a YouTube video, or chatting on a Twitch stream.

Fan participation like this builds reach and engagement for esports teams and organizations. It can also open the door to more sponsorship revenues.

Esports's relationship with blockchain and NFT is already beginning to flourish, and we expect to see even more developments throughout the year.

2. Mobile Esports Will Continue to Grow as the Biggest Mobile Publishers Fight for Dominance

While mobile esports is quickly making a name for itself in growth markets across Latin America and Southeast Asia, more mature markets are also getting involved as new mobile games enter the market with an esports focus.

Free Fire and PUBG Mobile are among the battle royale's most prevalent on mobile. It's no coincidence that these titles are extremely popular in emerging markets. Huge player numbers, regional leagues, and high-octane international competitions attract millions of viewers.

Meanwhile, games from the biggest games companies globally—Tencent, Riot Games (also owned by Tencent), and Moonton (owned by TikTok's parent company ByteDance)—are vying to become esports' #1 mobile MOBA

+1Bn

Accumulated live gaming hours watched for League of Legends: Wild Rift, Mobile Legends: Bang Bang, Arena of Valor/Honor of King on Twitch, YouTube, and Facebook in 2021.

- **Riot's League of Legends:** Wild Rift benefits from the company's longstanding experience in esports development, the popularity of League of Legends esports and PC, and its many regional leagues across Brazil, Japan, North America, and Southeast Asia
- **Tencent's Honor of Kings** (Arena of Valor in the West) is one of the most popular games on the planet, boasts play across all levels, has a cup with a \$10 million prize pool, and is moving to new regions—including the West—with support from professional leagues
- **Moonton's Mobile Legends: Bang Bang** is pushed by its strong presence across Southeast Asia, but the company is also eyeing Brazil, CIS countries, and other regions.

Each of these mobile esports operates tournaments across different regions, drawing the attention of the wider esports audience. The result can only be positive for mobile esports. The more people who watch and play, the more companies invest, and the stronger mobile esports becomes.

3. The Lines Between Esports and Traditional Sports Will Continue to Blur

The synergies between esports and traditional sports are becoming more apparent as each tests the other's waters. Esports teams are evolving into lifestyle brands, and teams are dabbling in music, skateboarding, rollerblading, and chess. Organizers are tapping into new audiences by partnering with content creators and organizations across these non-gaming areas. Esports companies are now even starting to move into traditional sports themselves. A notable example here is esports team EVOS, which recently announced a real-world basketball team.

The popularity of professional basketball has been growing—especially in Southeast Asia, where the NBA has strived to cultivate a basketball culture via the Jr. NBA Program. The program led to basketball's addition into the school curriculum across Indonesian elementary, middle, and high schools. EVOS, also based in Indonesia, is looking to diversify its revenue stream and capitalize on basketball's growth.

Traditional sports can also learn many lessons from esports.

Esports organizations:

- Utilize live-streaming platforms to interact with their fans.
- Prioritize digital content as one of the fundamental ways to inform and engage with their fans.
- Are quickly adapting to new technology trends (like short-video platforms).

Sports teams and broadcasters are entering esports.

- Soccer teams like FC Barcelona and Flamengo have announced gaming and esports divisions.
- NBA runs an esports league including esports-specific teams and the gaming divisions of traditional NBA teams.
- Traditional broadcasters are partnering with leading gaming content creators to reach the gaming community via co-streaming (more on that on the next page), e.g., Brazilian streamer Gaules teaming up with F1 and the NBA.

4. Co-Streaming Will Grow Into Common Marketing Strategy for Brands, Even Those Outside Gaming and Esports

Co-streaming is a proven tool for publishers and organizers to exponentially grow their total addressable audience. At the same time, allowing co-streaming is more transparent and shows trust in the content. Results have been promising so far.

Last year, Riot opened the broadcasting floodgates to content creators worldwide, allowing them to rebroadcast stage 2 of the VALORANT Champions Tour. The competition broke prior viewership records for the title. And our data shows that third-party channels accounted for two-thirds of the event's live viewership.

While the benefits of co-streaming are huge, there are advantages to centralizing broadcasts on internal channels. Keeping broadcasts in-house gives publishers and organizers more control across the board. Fundamental viewership metrics like average minute audience (AMA) and peak viewership—key bargaining chips for sponsorship deals—are far easier to track when all viewership is centralized. What's more, publishers and organizers retain more control over the content and its message.

We're also seeing plenty of co-streaming innovation outside of esports, including from Riot. During the launch of Arcane, a Netflix show based on the League of Legends IP, Riot partnered with Twitch and Netflix to let content creators stream and react to the first episode on their channels. Leveraging the fanbases of content creators helped the TV series quickly become a top-watched Netflix show.

This year, we expect co-streaming to become a key component in the media mix strategy of several brands and products—inside games and out. Following Arcane's success, we expect to see co-streaming for future Netflix show launches—particularly those that overlap with the gaming community.



66%

of the viewership of stage 2 of the VALORANT Champions Tour came from third-party channels.

5. Live-Streaming Platforms Will Become Even More Interactive

In 2021, interactive show Rival Peak took Facebook Gaming by storm, generating over 100 million minutes watched in just three months. The show featured AI-controlled contestants. Viewers from over 70 countries could help these virtual contestants solve puzzles and help them progress. Experiences like this leverage two of live streaming's strongest pillars: immediacy and community.

Following Rival Peak's success, Facebook Gaming announced a similar experience, PAC-MAN Community, in December. The title will be fully integrated within Facebook's Gaming. It even allows audiences to interact with Facebook Gaming streamers. Viewers can join ongoing games and play directly with creators through a "Play With Streamer" feature.

In the next 12 months, we expect more platforms and publishers to announce live-streaming-first solutions leveraging creator-viewer interaction. Such experiences will help make the broadcasts even more engaging and memorable, providing additional avenues for directly monetizing fans.



+100M

Views in the first three months of Rival Peak launching.



3. Cloud Gaming

1.

Hardware Supply Issues and 2022's Packed Release Calendar Will Bolster Cloud Gaming Adoption

From Elden Ring to Starfield, 2022's release calendar is full of highly anticipated AAA PC and console blockbuster releases. At the same time, semiconductor manufacturers like Intel and Toshiba have stated that the ongoing semiconductor chip shortage will continue well into this year and possibly beyond.

These chips power the latest consoles and PC gaming components, limiting many players' ability to play the upcoming titles. As cloud gaming promises AAA experiences without hard-to-find hardware, we expect 2022's new releases to positively impact cloud gaming adoption.

Longer-term, as supply constraints ease, some of these cloud gaming adopters will likely continue to subscribe to cloud gaming services. After all, current user satisfaction with the experience is high, as covered in Newzoo's Global Cloud Gaming Report.

We already saw an adoption spike happen in 2020. When Cyberpunk 2077 launched, players were keen to experience the game. Sadly, the console and lower-spec PC versions were not fully optimized.

As high-end PC components were hard to find, many gamers tried the cloud gaming version via NVIDIA's GeForce NOW and Google's Stadia. They offered high-fidelity versions of the game via the cloud, and both platforms saw user growth during this time.

2. Cloud Gaming Use Cases Will Become Clearer to Gamers Following Innovation in Distribution

The past year has seen some of cloud gaming's most compelling use cases in action. Publishers are also leveraging the cloud to bring high-end content to limited hardware.

Via partnerships with Ubitus, large publishers like IO Interactive and 505 Games have used cloud gaming to bring high-fidelity titles to the aging Switch hardware, including Hitman 3 and Control.

Consumer sentiment has been mixed, as the gaming experience depends heavily on the player's internet connection. Nevertheless, we expect more third-party publishers and developers to continue leveraging cloud gaming to bring their content to the massive Switch user base.

Likewise, last year Xbox Game Pass Ultimate added cloud gaming to Xbox consoles. This highlighted two important use cases:

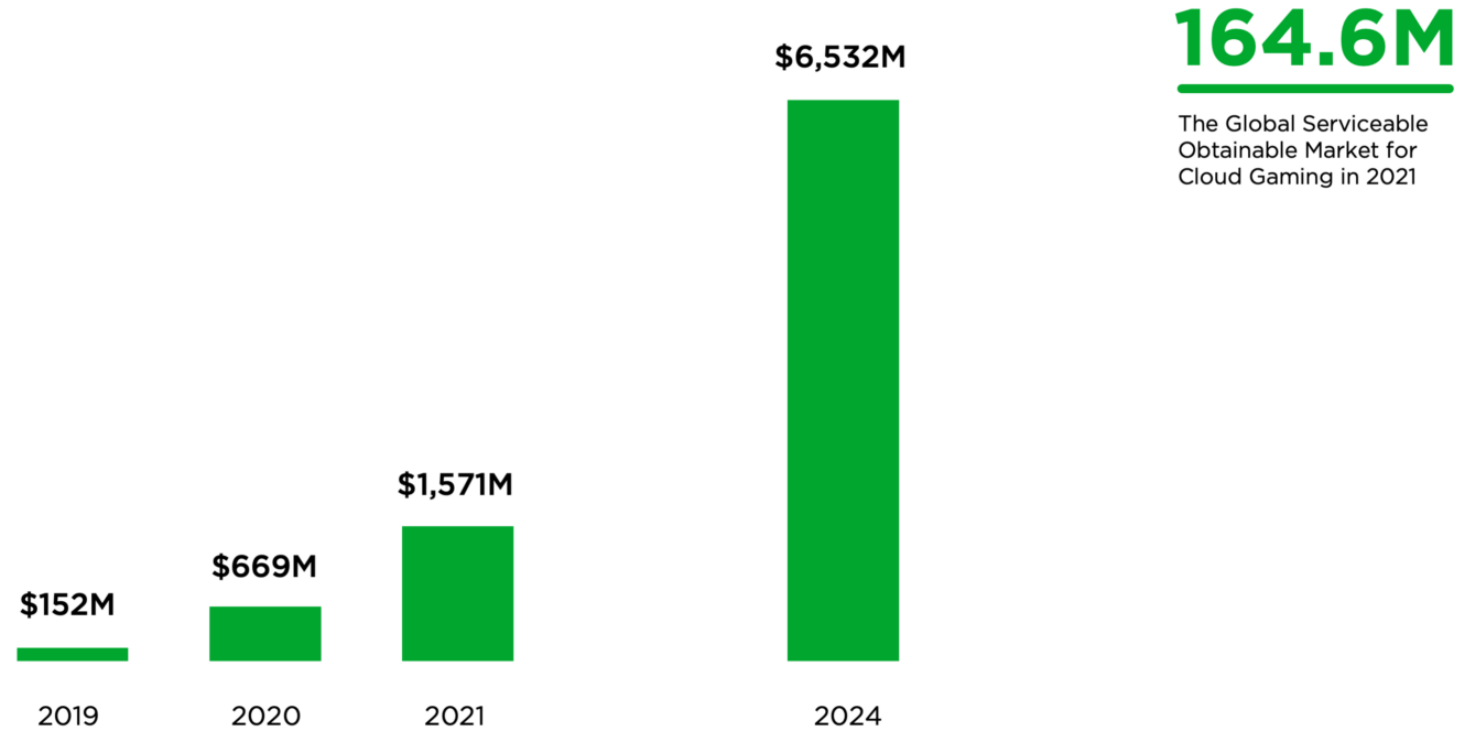
- Game Pass offers access to a huge library of games, but players once had to download these games to try them. Now, even gamers who are not ready to take the plunge into cloud gaming can use the service to try games via the cloud
- Players on Xbox One hardware can play Xbox Series X|S titles via the cloud, giving them access to new-generation gaming on last-generation hardware.

Mobile publishers are also getting involved. They are increasingly using mobile-focused Platform-as-a-Service (PaaS) cloud gaming services to reach gaming audiences beyond the processing and storage limitations of smartphones.



Global Cloud Gaming Market Cap Forecast

Revenue Estimates for 2019, 2020, 2021, and 2024 (Base Scenario)



Source: ©Newzoo 2021 | Global Cloud Gaming Report | August 2021
newzoo.com/global-cloud-gaming-report

3. Consolidation in Cloud Gaming Is on the Horizon

Echoing the broader games market, the cloud gaming ecosystem has seen several acquisitions and funding deals in the last 12 months. For example:

- In April, Shadow was acquired by Hubic for approximately \$30 million, following Shadow's financial and scalability difficulties
- In May, Mail.ru Group acquired Playkey for an undisclosed amount
- In September, Unity bought Parsec for \$320 million
- In November, Intel acquired RemoteMyApp
- Also in November, Antstream Arcade received a \$3.5 million investment led by the Atari Group
- In January of this year, Mythical Games bought Polystream.
- Plenty of cloud gaming companies have entered the market since 2019.

While these early movers continue to vie for their spot in the highly competitive market, we expect to see more consolidation and M&A activity this year as the market continues to mature.

“As is often the case in the games market, larger companies will acquire smaller ones to quickly increase their footprint in the growing cloud ecosystem. The smaller services benefit from more brand recognition and get access to more content—a key driver for user acquisition and retention.”

Tiago Reis - Newzoo Market Analyst

4. Cloud Gaming Will Spread to More Devices and Ecosystems

Most cloud gaming services were limited to PC and Android in 2019, somewhat undermining the use case of high-quality games on any hardware. Services are now available on more platforms, but there have been challenges.

Owing to strict rules around its closed ecosystem, Apple does not easily allow dedicated cloud gaming apps on its App Store. To jump this hurdle, cloud gaming services have used progressive web apps via Apple's Safari browser to bring services to iOS.

Several big cloud gaming services are bringing—or have already brought—their cloud gaming services to TVs:

- Tencent launched its START service on several smart TVs in 2020 and continues to work with Chinese TV manufacturer TCL to optimize the cloud gaming experience on large screens
- Last year, select LG TV models began supporting NVIDIA's GeForce NOW and Google's Stadia.
- Already in 2022, Samsung revealed it was bringing GeForce NOW, Stadia, and Utomik to its latest smart TV models.

However, smaller cloud gaming services have also been keen to add their services to smart TVs to maximize their reach.

This trend will continue in 2022. And we expect to see more services and TV manufacturers announcing collaborations. Xbox boss Phil Spencer confirmed in November that Microsoft was working with manufacturers to bring Game Pass to Smart TVs, so Xbox Cloud Gaming looks to be next in line.

5. Cloud Gaming PaaS Companies Will Grow (Especially Outside China)

Platform-as-a-Service (PaaS) companies allow clients to host, manage, and execute software via the cloud. Game companies are already collaborating with PaaS cloud gaming solution providers to:

- Circumvent app store fees
- Lower user acquisition costs
- Grow their reach, discoverability, and user base.

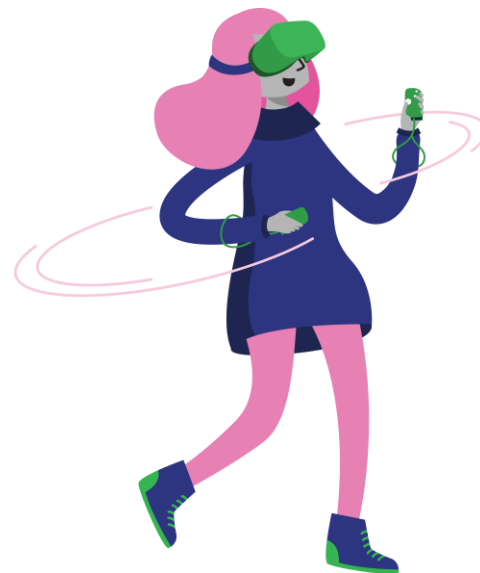
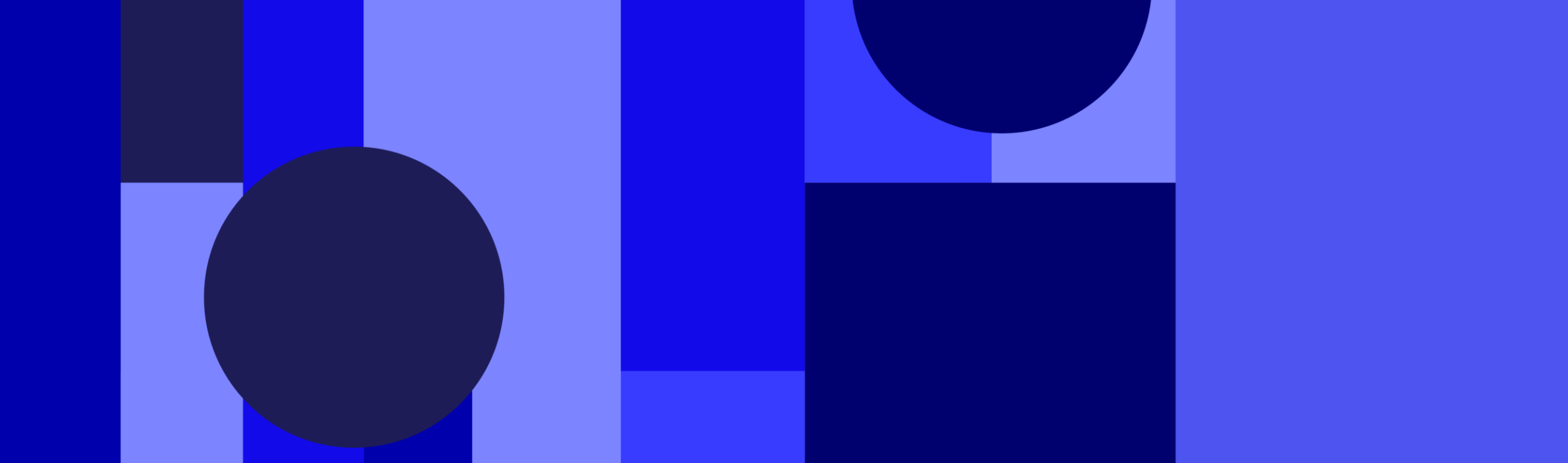
China is a trailblazer in B2B PaaS cloud gaming. Tencent, Haima Cloud, Alibaba, and others are already active and innovating. The PaaS cloud gaming model is well suited to the Chinese market's free-to-play nature. Game publishers pay the PaaS service provider to host their titles. In turn, players can then access the publishers' mobile F2P games free of charge.

These services also boast cloud gaming's many other benefits, such as removing barriers related to storage or processing power on mobile devices.

However, they also carry cloud gaming's disadvantages, including the need for a robust and reliable internet connection and having to queue for access to servers when demand is high.

Although China's fast rollout of 5G has boosted the country's mobile internet quality, some users may still run into issues, especially as many popular mobile games are competitive and online.

Nevertheless, we expect that B2B PaaS cloud gaming solution providers will continue to flourish in China's mobile segment. We also foresee B2B PaaS growth beyond China. Some non-Chinese companies that have already taken the first steps in this area are now.gg, CareGame, Facebook Gaming, and Ubitus.



4. Metaverse

1.

Many Consumers Will Begin to Accept Blockchain Gaming as the Market Addresses Pain Points

Growing pains aside, titles like Axie Infinity have catalyzed a new wave of blockchain game development. These success stories have shifted blockchain games from an unproven concept to a reality that other companies can iterate on.

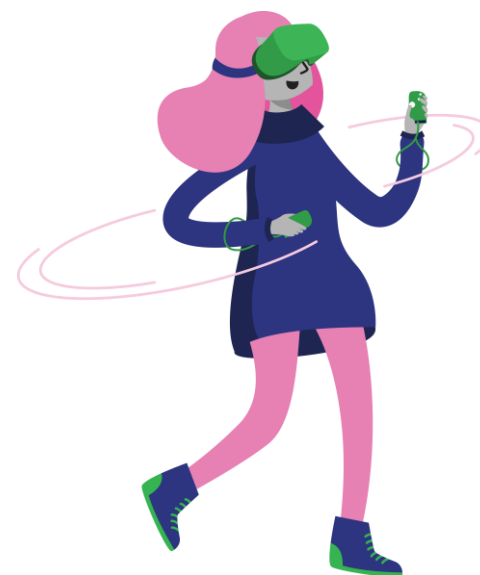
Despite some backlash from gamers, even huge AAA publishers like Ubisoft are getting involved. EA's CEO Andrew Wilson went as far as to say that NFTs will "play an important part of the future" of gaming in a recent earnings call.

Building on the lessons of prior titles, upcoming blockchain games will have deeper gameplay and high-fidelity graphics, likely attracting even more curious players to the ecosystem (especially those on the fence initially).

At the same time, large publishers' blockchain experiments are blurring the lines between traditional and blockchain games, acting as an entry point for many players.

The current barrier to entry for many existing blockchain games is simply too high for undecided gamers, the antithesis of what draws so many gamers to free-to-play experiences. Anyone looking to start playing Axie Infinity right now has to pay hundreds of dollars in up-front costs.

These barriers will lower in 2022 as developers will continue to improve the first-time user experience of their blockchain games.



1/2

players state that they already get together at least occasionally in game worlds to socialize.

8/10

expect to do so in the future.

Source: Newzoo Sentiment Survey (April 2021)
Base: Representative sample by age and gender of the online population 14-50 years old in four markets (US, UK, JP, CN).

2. Metaverse Investment and M&A Activity Will Accelerate in 2022

The metaverse is young, and its growth potential appeals to investors. This means venture capital is flowing into the metaverse market, with more investments happening seemingly every week.

We foresee bigger investments and even outright acquisitions in 2022. Naturally, companies already active in the metaverse will seek strategic acquisitions to strengthen their leading positions—following a trend of consolidation we've seen in the broader games market.

At the same time, M&A transactions are one of the fastest ways for companies without expertise in Web3.0 to catch up with the competition. As the metaverse is already a massive part of many big tech companies' strategies, many will turn to M&A to grow—or form—their footprint.

As the metaverse is such a young market, Web3.0 developers are cheaper to invest in now than in the future. We believe bigger companies will strike in 2022 when the M&A irons are hot.

3. NFT Companies Will Become Luxury and Lifestyle Brands

Some NFT collections like the Bored Ape Yacht Club are already popular among some celebrities. These high-profile people are eager to show their expensive NFT collections to vast followings.

Celebrities who own Bored Ape NFTs—and are vocal advocates on social media—include:

Snoop Dogg: **67.2M** followers on Instagram

Post Malone: **22.4M** followers on Instagram

Logan Paul: **21.9M** followers on Instagram

Even as recently as last week, Jimmy Kimmel and Paris Hilton flaunted their Bored Ape NFTs on Jimmy Kimmel Live!, one of America's leading talk shows. Although, much of the internet ridiculed the showing.

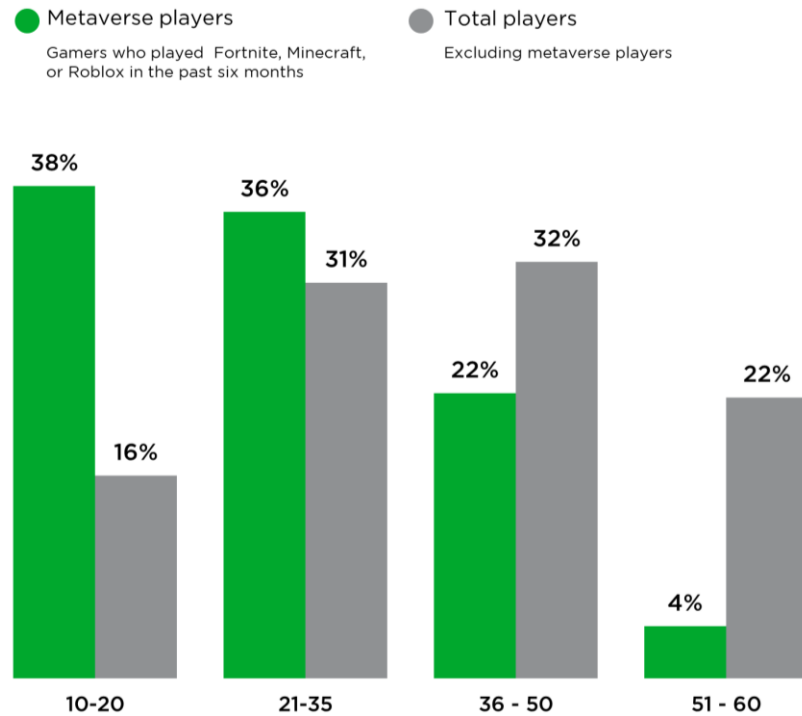
Nevertheless, exposure from influencers can increase consumer demand for NFTs among the extremely wealthy and the wider public, echoing the traditional luxury-fashion market. These exclusive NFTs will serve as status symbols to the broader public.

Social media platforms are also embracing the technology. For example, Twitter Blue subscribers can now display their NFTs on their profiles. The move makes sense, as Twitter is the go-to platform for many crypto and NFT enthusiasts. Twitter can monetize these fans—all while exposing NFTs to a wider audience.

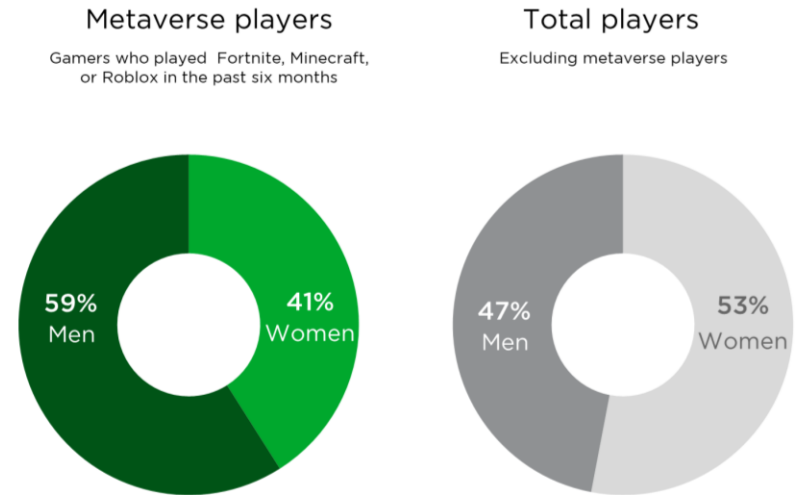
Metaverse Players Are Younger Than the Average Gamer

People who play proto-metaverse games like Fortnite, Roblox, or Minecraft are far more likely to be in the 10-20 age group

Age Distribution



Gender Distribution



Source: © 2021 | Consumer Insights - Game Franchises. newzoo.com/franchises

Base: Metaverse players (players of either Fortnite, Minecraft, or Roblox, past 6 months; n=2,358) and total players excluding metaverse players (past 6 months, n=3,163), within representative sample of online population in US, UK, Germany, and France aged 10-65 (n=8,024).



4. Fashion Brands Will Be Early Winners in the Metaverse Rush

Clothing brands are playing a huge role in shaping the early stages of digital identity. After all, digital expression via avatars is an important part of a player's virtual identity.

Branded skins are nothing new, but fashion brands are best positioned to capitalize on the trend as the metaverse continues to grow. Fashion appeals to most consumers in the real world, translating well into the digital world.

Luxury-fashion house Balenciaga teamed up with Fortnite to launch digital skins alongside a physical clothing line. While the real-world clothing is out of reach for many fans, Balenciaga's digital Fortnite cosmetics are just a fraction of the cost.

Balenciaga can therefore reach and monetize a wider audience via the metaverse while preserving the brand's real-world exclusivity. The company also benefits from early connections with a vast pool of younger gamers—some of whom will be in the market for real-world luxury goods one day.

Also recognizing the opportunity early, Nike acquired NFT maker RTFKT, specializing in digital sneakers, in December 2021.

Likewise, Adidas partnered with Bored Ape Yacht Club and created their own custom NFT wearing Adidas clothing. The company is also investing in virtual land in the metaverse, which brings us to our final trend.



67%

of gamers are interested in attending a fashion show in the metaverse for real-life fashion brands or in-game cosmetics

Source: Newzoo Sentiment Survey (April 2021)
Base: Representative sample by age and gender of the online population 14-50 years old in four markets (US, UK, JP, CN).

5. Metaverse Growth and FOMO Will Result in Brands Buying Virtual Real Estate

Virtual land allows companies to build interactive experiences in the metaverse for consumers. Meanwhile, brick-and-mortar retail stores have struggled during the pandemic and are expensive for brands to maintain.

Virtual land in growing metaverses like Decentraland and The Sandbox can provide an attractive (and cheaper) alternative for brands re-evaluating their physical footprint. These virtual locations can act as venues for events or highly realistic virtual shopping experiences for digital or real-world goods.

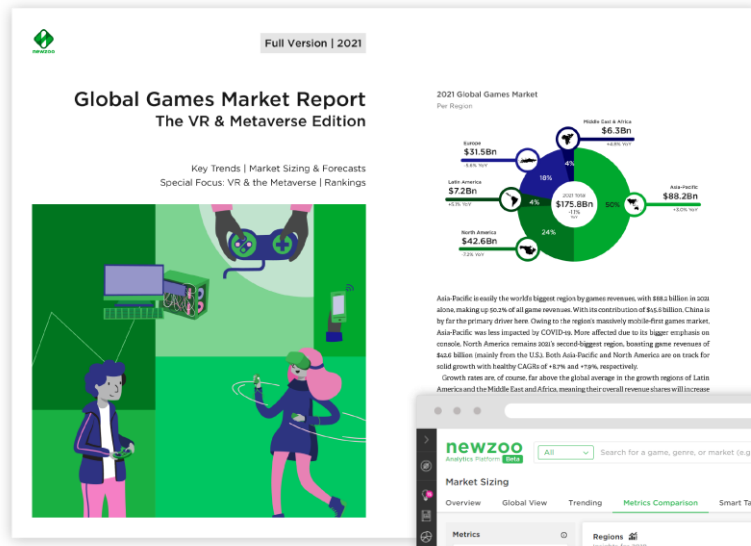
A single location in the metaverse has the potential to reach a larger share of customers than most physical locations. To that end, early metaverses like Decentraland and The Sandbox have attracted major investors seeking to build virtual shopping malls:

- [Tokens.com](#) (via its subsidiary Metaverse Group) purchased digital property in downtown Decentraland's Fashion District for \$2.4 million.
- Virtual real-estate developer [Republic Realm](#) bought land in The Sandbox for \$4.3 million to build a virtual mall dubbed Metajuku, a digital rendition of Tokyo's famous Harajuku.
- [Adidas](#) also bought land in the Sandbox, which it will populate with branded content and experiences.

We expect to see even more brands getting involved in 2022 and beyond. After all, some of the biggest tech companies in the world are doubling down on metaverses (and VR headsets to enter them). The brand gold rush for virtual real estate is only just beginning.

Newzoo Global Reports: The Data Behind the Trends

Global Games Market Report



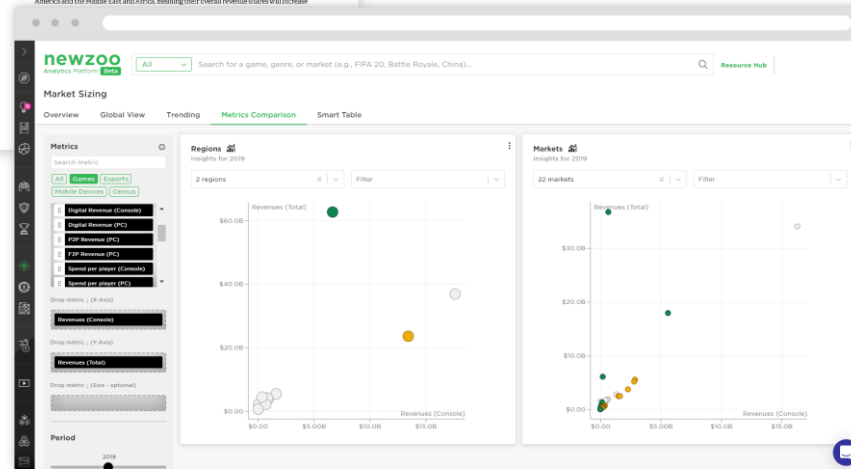
Asia-Pacific is easily the world's biggest region by games revenues, with \$48.26 billion in 2021 alone, making up 48.26% of all game revenues. With its contribution of \$4.0 billion, China is by far the primary driver here. Due to the region's majority mobile-first games market, Asia-Pacific was less impacted by COVID-19. More affected due to its larger emphasis on console. North America remains 2021's second-biggest region, boasting game revenues of \$24 billion (mainly from the U.S.). Both Asia-Pacific and North America are on track for solid growth with healthy CAGR of +4% and +3%, respectively.

Growth rates are, of course, far above the global average in the growth regions of Latin America and the Middle East and Africa, meaning their overall revenue shares will increase.

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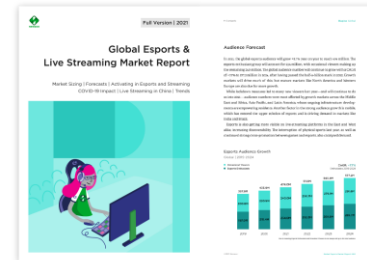
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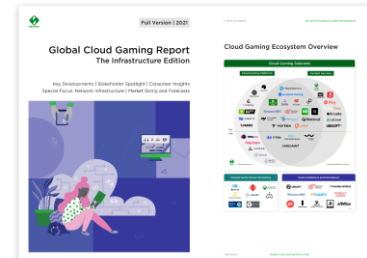
Add-Ons:

Global Esports & Live Streaming Market Report



www.newzoo.com/esportsreport

Global Cloud Gaming Market Report



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Games, Esports, Live Streaming,
Cloud and the Metaverse!