

The background of the entire image is a photograph of three young people, two women and one man, all smiling and looking at their mobile devices. They are outdoors, with trees and foliage visible in the background. The image is overlaid with a semi-transparent blue filter. The text '2021: Gen Z Edition' is positioned above the main title, and 'THE MODERN MOBILE GAMER™' is the main title itself, both in white, bold, sans-serif font. A thin white horizontal line is placed below the main title.

2021: Gen Z Edition

THE MODERN MOBILE GAMER™

Presented By

The Tapjoy logo is located in the bottom right corner. It features the word 'Tapjoy' in a white, stylized, cursive font. The 'T' is large and prominent, and the 'j' has a long, flowing tail.

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EXECUTIVE SUMMARY



Tapjoy introduced the world to the Modern Mobile Gamer™ in 2017.

Over the years, our demographic profile reports have revealed industry-first insights into who plays mobile games, how they engage with ads, how they shop, and much more. In early 2021, we kicked off the next evolution of the Modern Mobile Gamer™ series by connecting with consumers across four key personas: Gen Z, Parents, Millennials, and Gen X. We've unearthed new perspectives on their day-to-day mobile habits, ad preferences, shopping behavior, and more. Today, we introduce you to the Gen Z consumer.

In the 14 years since the launch of the first iPhone, we've seen an incredible digital transformation. Entertainment, gaming, commerce, advertising — hardly an industry was left untouched by the move to mobile. Gradually, we all got used to having four-inch computers in our pocket, and now it's hard to remember a time before smartphones.

For Generation Z, however, this has always been their world. Even the oldest "Zoomers," as they are known, were just children when the iPhone hit the market. They literally can't remember a time before smartphones because that time has virtually never existed for them.



As a result, this generation — born in 1997 and later — has a special relationship with mobile platforms. They're digital natives who grew up with smartphones in their hands; nearly a quarter of those surveyed received their first such device when they were 10 or younger. Zoomers are tech-savvy, active on social media, and constantly in touch with their friends through a variety of communication and messaging apps. They're also avid mobile gamers: 86% use mobile as a gaming platform, compared to 42% who reported using consoles or handhelds and 38% of PC gamers.

On top of growing up in a mobile-first world, Generation Z also has a unique relationship with advertising. To them, ads have been largely optional; they can skip video ads on YouTube and Twitch, fast-forward through commercials or pay a few dollars extra for streaming services that exclude them, and even

install ad blockers in their web browsers. That's not to say Gen Z is entirely ad-adverse; they just have high standards when it comes to marketing and branded content.

Many factors influence their purchasing decisions: pricing and product quality, of course, but also brand values and sustainability. Gen Z is incredibly socially aware, and they're often looking for brands that share those values. They're also more comfortable with identities that don't fit established stereotypes, so the gender-based marketing used with older generations won't have the same effectiveness.

For this edition of our Modern Mobile Gamer™ report, we surveyed 7,103 U.S. consumers on the Tapjoy network between the ages of 18-24. Are you ready to meet the Generation Z Modern Mobile Gamer™? Because they're ready to meet you.

KEY FINDINGS



Gen Z is incredibly tuned into the mobile ecosystem.

Of those we surveyed, 22% of Zoomers got their first smartphone at age 10 or younger, and 61% started using smartphones between the ages of 11 and 17. Almost half replace smartphones every 2-3 years. **Their favorite mobile activities are mobile games, social media, and entertainment** such as streaming apps like Netflix or Disney+.



Zoomers frequently use their mobile devices for shopping.

68% shop on mobile phones 1-4 times per week. 60% of Zoomers frequently purchase to-go food or delivery, and 57% make frequent retail purchases on mobile. Their preferred ways to make purchases on mobile are on branded apps and e-commerce storefronts, through rewarded offers in mobile games, and through Instagram ads, respectively.



They prefer rewarded mobile game ads over social media and search advertising.

53% report engaging with rewarded mobile game ads — compared to 38% on Instagram, 23% on TikTok, 22% on Facebook, 17% on Twitter, and 16% on Google Shopping.



Gen Z has a unique relationship with advertising and their favorite brands.

They dislike intrusive ads and inauthentic brands, but they **value meaningful and creative content** such as funny videos, shareable memes, and support of important social and environmental issues.



The COVID-19 pandemic led to a rise in mobile activity.

71% of Zoomers reported playing more mobile games in 2020, and 55% found mobile games “**more fun and engaging than expected**” during the pandemic. Over one-third of Zoomers said they spent more time shopping during the pandemic — particularly for home goods and meal kits!

METHODOLOGY



7,103 Respondents

The study's respondents found and completed rewarded CPA survey offers on the Tapjoy offerwall.



Opt-in Participation

Respondents reviewed instructional information and opted in to participate in exchange for in-game rewards.



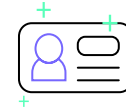
Cohesive Branding

Campaign branding was automatically customized to match each host app's visual style.



Survey Period

Responses were collected and analyzed from multiple surveys launched in February 2021.



Age Verification

All respondents verified that they were 18 years of age or older.



Curated Responses

Responses were filtered in order to get the most accurate and relevant data. Decimals were rounded to the nearest whole number.



Budget Management

Campaign spend was throttled dynamically based on our goals and requirements.



Geographic Targeting

U.S. targeting was defined by users' device settings at the time the surveys were conducted and confirmed by the respondents.



Virtual Rewards

In exchange for participation, respondents received mobile game rewards or premium content native to each game's virtual economy.



Extensive Reach

The survey campaign was distributed across a variety of popular mobile games in the Tapjoy mobile ad network.

MEET GENERATION Z

Generation Z, a diverse group born in 1997 and later, is the newest demographic reaching adulthood. Don't let their relative youth fool you: Zoomers represent \$140 billion in buying power, and they're on track to be the most socially and politically aware and best-educated generation yet. They're also exceptionally tech-savvy, particularly when it comes to mobile devices; many of them have never known a world without smartphones.



Jada, 23

San Francisco, CA



Devon, 20

Wayne, NJ



Dakota, 18

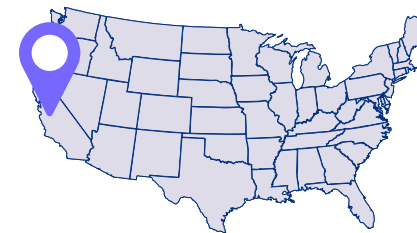
Boulder, CO

MEET GENERATION Z: PERSONA 1



Jada, 23 — San Francisco, CA

- Recent college graduate
- Just landed an entry-level position at a growing tech company
- Long public transportation commutes provide ample time for mobile games



Jada's work requires her to be tech-savvy, and for someone who grew up with a smartphone in her hand, that's never been a problem. Her phone is never far, and the screen is constantly lighting up with notifications from group chats, text messages, and comments on her latest Instagram story. But when she really wants to unwind and blow off steam, she's either marathon-streaming her new favorite show or playing video games.

A lifelong gamer, Jada has a beefy gaming PC and a couple of consoles at home, but she's also always on the lookout for new mobile games. Having grown up in the era of smartphones, she can't remember a time when mobile games weren't mainstream, and she's constantly searching for her next obsession. Her current favorite is a fantasy role-playing game, and she likes to clear her head after work by playing it on the BART commute home. Sometimes she's so engrossed that she almost misses her stop!

When Jada gets stuck without in-game currency, she'll usually check out available offers she can complete for digital rewards. After a particularly productive day at work, she sees an offer for a 20% discount on a monthly beauty box subscription her friends have been telling her about. As a new professional whose collection of drugstore makeup needs some serious updating, Jada decides to sign up for the discounted trial. Once she completes her purchase, she receives the rewards she needs to move on to the next checkpoint in her game.

Favorite mobile games:



Kim Kardashian:
Hollywood



Design Home



Episode



Covet Fashion

DEMOGRAPHICS

The New Gender Paradigm

With every new generation, gender-based stereotypes are becoming more obsolete. This is especially true in Generation Z, which had the largest percentage of respondents who identified as genderfluid, nonbinary, or genderqueer. Men and women are also stepping outside of long-established gender roles, and half of Zoomers believe traditional gender norms are outdated.

Family Dynamics

Generation Z is overwhelmingly single and childfree. At this stage in life, they're more focused on getting an education or starting a career than getting married and having children. That means their disposable income, though limited, is often spent on hobbies, entertainment, and other interests.



GENDER BREAKDOWN



71% are female



23% are male



6% are non-binary



FAMILY



60% are single



28% are in a relationship



20% are parents



12% are married or in a domestic partnership

DEMOGRAPHICS

Education & Career

With the oldest Zoomers approaching their mid-20s, much of Generation Z is currently pursuing an education or embarking on professional careers. Having grown up during a long period of economic turmoil, Zoomers have seen first-hand the effects of rising costs and unemployment on their parents and older siblings.

Our data shows that Gen Z is the most likely age group to be unemployed; many of them are still in school and/or relying on outside support. On top of that, the COVID-19 pandemic impacted Gen Z especially hard, leading to a rise in their unemployment rate — especially among women.



HIGHEST LEVEL OF EDUCATION



46% have some college education and/or are currently pursuing a degree



23% have at least a Bachelor's degree



TOP FIVE INDUSTRIES GEN Z WORKS IN:



Art / Entertainment



Education



Construction/Engineering



Agriculture



Food & Beverage



PROFESSIONAL LIFE



56% are currently employed



5% are currently managers



32% are unemployed:



39% of women are unemployed



27% of men are unemployed



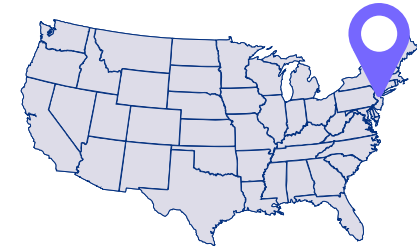
34% of nonbinary are unemployed

MEET GENERATION Z: PERSONA 2



Devon, 20 — Wayne, NJ

- Starting his junior year of college on campus after a year of remote learning
- Keeps in touch with his dorm mates through video calls, social media, and gaming
- Always on the lookout for brands whose values and ethics align with his own



After a year of living with his parents and attending virtual classes, Devon is more than ready to get back on campus. Thanks to the COVID-19 pandemic, he hasn't seen his dorm mates in over a year, but they kept in constant communication through weekly video calls and an active Discord chat. Devon also convinced his buddies to download a popular mobile battle royale so they could all play it together, and they've been having a blast.

Instead of moving back into the dorms, Devon and his roommates decided to get an apartment near campus. Other than their computers and a hand-me-down couch that's almost as old as they are, they don't have much in the way of furnishings and decor. They're also on a limited budget, so a trip to the thrift store is in order.

Just before classes start up again, Devon is enjoying some mobile downtime when he sees

an ad for a new mattress at a deep discount. The brand boasts an ethical manufacturing process and transparent values, which he always loves to see, and the price is reasonable. Even better, he'll get virtual rewards if he makes the purchase! He decides to splurge, knowing a good night's sleep is going to be important if he wants to make the Dean's List. Devon completes the process in a few taps before diving into another battle royale match with his buddies.

Favorite mobile games:



Jurassic World
Alive



Dragon City



WWE Champions



Mortal Kombat



MLB Tap
Sports Baseball

MOBILE USAGE

The oldest members of Gen Z were only 10 when the iPhone hit the market, so most of them have grown up with smartphones. As a result, they're the first generation to be considered true digital natives. In fact, 78% of Gen Z consider mobile their most important device, and 57% actually feel more insecure without their smartphones than their wallets.

22% of Gen Z got their first smartphone at age 10 or younger

61% started using smartphones between the ages of 11 and 17, compared to 41% of Millennials

Almost half — 49% — replace their smartphone every 2-3 years

59% reported using mobile finance or banking apps often

General App Habits

Zoomers start and end the day with social media, though they're more likely to use Instagram and TikTok than Facebook, which is preferred by their older siblings and parents. In between, you'll find them playing their favorite mobile games.

Unlike email-focused Millennials and Gen Xers, Generation Z prefers to use messaging and communication apps to stay in touch with friends and family. For Zoomers, smartphones are so much more than just a communication tool — they're portals to everything they care about.



PRODUCTS AND SERVICES MOST LIKELY TO PURCHASE THROUGH REWARDED ADS:

42% of Gen Z respondents open social media apps first in the morning

35% reported using social media last at night

77% use Instagram

56% use TikTok, more than any other demographic

Only 51% use Facebook

72% reported using social media more in 2020 than previous years



61% use entertainment apps like Netflix in a typical day



73% utilized subscription streaming services more in 2020



78% purchased these subscriptions online more in 2020



78% reported watching more movies and TV in 2020

TOP 3 FAVORITE MOBILE ACTIVITIES:

Mobile games

Social media

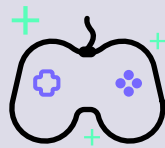
Entertainment
(e.g., streaming video)

Gaming Habits

As a digitally connected generation, it's probably not surprising that Zoomers are avid gamers. They're always open to new mobile games, particularly those with social elements or strong communities. This was especially true during the coronavirus pandemic; nearly three-quarters of Tapjoy survey respondents reported playing more mobile games in 2020.



86% use mobile as a gaming platform



compared to 42% console/handheld



38% play on PC



TOP REASONS FOR TRYING NEW GAMING APPS



Fun ads



Friends are playing it

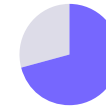


It's free to play



FAVORITE GAMING GENRES:

1. Action/adventure
2. RPG
3. Puzzle/Match-3
4. Battle royale
5. Word games



71% reported playing more mobile games in 2020



66% downloaded more gaming apps in 2020



62% played mobile games to relieve boredom during the pandemic



57% played to relax



55% found mobile games "more fun and engaging than expected" during the pandemic



25% played to stay connected to friends and family — more than any other persona



55% say they're actively looking for new mobile games, 82% play mobile games often

Shopping Habits

When it comes to wielding their impressive purchasing power, Generation Z has different priorities than those who came before them. Purchasing decisions are often made while taking a brand's values, practices, and social impact into consideration. It should come as no surprise that Zoomers are native online shoppers, making purchases from retail apps and mobile websites on a regular basis.



TOP PANDEMIC PRODUCTS



1 Clothing/apparel



2 To-go food



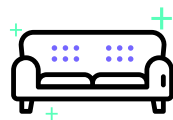
3 Beauty/hygiene



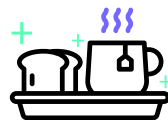
TOP PANDEMIC SUBSCRIPTION SERVICES:



Entertainment/streaming



Home goods



Meal kits



PURCHASING HABITS

68% shop on mobile phones
1-4 times per week

60% purchase to-go food or
delivery on mobile often

57% make retail purchases via
mobile often

39% purchase groceries via
mobile often

34% said they spent more time
shopping during the pandemic

21% make purchases via mobile
"very often" in a given week



FAVORITE PURCHASING EXPERIENCES:

1. Brand apps & ecommerce storefronts
2. Rewarded offers in mobile games
3. Instagram ads

MEET GENERATION Z: PERSONA 3



Dakota, 18 — Boulder, CO

- Working as a server at a popular family restaurant
- Deferred college to earn money
- Spends downtime in front of screens



Six months out of high school, Dakota has decided to put off college so they can spend some time saving up money for education and housing expenses. They've been working at a local restaurant since 11th grade, and they find the job enjoyable, even if it is physically demanding. After a typical eight-hour shift, Dakota is exhausted and just wants to veg out in front of a screen, whether that's a TV, their tablet, or — most likely — their smartphone.

Growing up in the digital age, Dakota hasn't had a cable TV subscription since — well, ever. Instead, they keep up with their favorite shows on apps like Hulu, Netflix, Disney+, and HBO Max. They're also active on social media, with a rapidly growing number of TikTok followers who enjoy their dance videos and makeup tutorials.

Though they don't consider themselves a "gamer" in the traditional sense, Dakota is an avid fan of mobile games. They especially love

simple, relaxing experiences like Match-3 games and word puzzles. Sometimes Dakota's coworkers even catch them in the walk-in freezer sneaking in a few rounds! During one such work break, they see a rewarded ad for a free-to-play puzzle game with characters from their favorite movie franchise. Without thinking twice, they click the link and download the game from the app store. There's no harm in trying something new (and free), especially when you get rewarded for it!

Favorite mobile games:



Disney Emoji Bitz



Wordscapes



Scrabble



Trivia Crack



Family Feud Live

BRAND & AD PREFERENCES

As a result of growing up in a world where commercials are optional, and online ads can be skipped or blocked, Gen Z has a unique relationship with advertising and their favorite brands. Traditional formats like banner ads, intrusive non-skippable video ads, and inauthentic celebrity endorsements won't make much of an impact on this group. Instead, they value meaningful and creative content: funny videos, shareable memes, and support of important social and environmental issues.

Brand Engagement

We already know that Gen Z is extremely active on social media, so it's only fitting that more than half of our survey respondents reported discovering new products through these platforms. Of course, they're not following just any old brands; Zoomers are looking for high-quality content, witty humor, and shared values.

57% say humor is what they most prefer in brand content

52% discover new brands and products through social media

45% of Gen Z trust the quality and reputation of brands they find in-person



Most popular types of brand content:

- Short videos (60.9%)
- Memes (50.4%)
- Social posts (49.9%)



Brand most likely to follow on social media

- Clothing/fashion (61.5%)
- Entertainment (52%)
- Beauty/skincare (50.4%)



67% follow a brand because of interest in the product. Other top reasons for following:

- Funny/engaging content (42%)
- Social and environmental awareness (36%)
- Similar values (36%)

Ad Engagement

Gen Z has a deep understanding of the mobile ecosystem. They appreciate the need to monetize, but they don't want ads to interrupt their experience, whether they're playing a game, watching a show, or scrolling through their Insta feed. On the other hand, they're very receptive to ads that provide a value exchange, such as rewarded ads in mobile games.



52% say they'll try a new gaming app based on a fun ad
37% associate Instagram with quality advertising

ADS MOST LIKELY TO ENGAGE WITH:

- **42%** rewarded mobile game ads
- **14%** Instagram ads
- **11%** Facebook ads

BEST SHOPPING EXPERIENCE ADS

- **22%** Instagram ads
- **21%** rewarded mobile game ads
- **14%** Facebook ads

TOP PLACES THEY ENGAGE WITH ADS:

- Mobile game - rewarded (**53.3%**)
- Instagram (**38.2%**)
- TikTok (**23.2%**)

PRODUCTS AND SERVICES MOST LIKELY TO PURCHASE THROUGH REWARDED ADS:

- **46%** home goods
- **46%** apps/gaming
- **43%** beauty/hygiene product

TYPES OF REWARDED OFFERS MOST LIKELY TO ENGAGE WITH:

- **36%** surveys
- **25%** videos
- **19%** free trials or purchases



REWARDED AD PREFERENCES:



61% enjoy using the offerwall to complete rewarded ad offers



32% have made purchases from rewarded ads



34% complete rewarded ad offers every day



29% complete rewarded ad offers a couple of times a week



PREFERRED AD TYPE:



54% rewarded ads



13% social media ads



11% banner ads



10% non-skippable video ads



9% interactive ads



3% search result ads

THE MODERN MOBILE GAMER™ **CONCLUSION**

By now, it's clear that Generation Z Modern Mobile Gamers™ represent an untapped opportunity for mobile marketers. Their connections to their smartphones and deep understanding of technology make them ideal consumers in the ever-evolving mobile ecosystem.

Stay tuned for the upcoming Modern Mobile Gamer™ editions in our 2021 series, featuring Parents, Millennials, and Gen Y consumers.

83%

started using smartphones
before turning 18

82%

play mobile games often

68%

shop on mobile phones
1-4 times per week

61%

enjoy using the offerwall to
complete rewarded ad offers

**CONNECT WITH
MORE THAN
1.5 BILLION
MOBILE
CONSUMERS**

At Tapjoy,

We connect advertisers with engaged, motivated consumers, many of which fall into the valuable Generation Z demographic. With our collection of proprietary rewarded ad formats, advertisers can reach their desired audience through 100% opt-in, value-based ad experiences. Our dedicated mobile strategists can provide all the support you need to achieve your growth goals.

Ready to get started? Click the button to connect with a mobile strategist and set up a zero-risk test campaign today!

LEARN MORE