

Newzoo Gamer Insights

Gen Alpha & Gen Z

The Future of Gaming

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Foreword

Gaming is already one of the world's most popular pastimes, and there is no doubt that younger generations will shape the future of gaming. Gen Alpha and Gen Z make up around one third of the global population, and entertainment industries are competing for their time and attention.

Unlike other forms of entertainment, gaming fulfills many needs beyond the core activity itself, especially for those younger generations. Gaming gives them a place for socializing, connecting, self-expression, immersion, and relaxation. The expansions of virtual worlds, and the metaverse, is only going to accelerate those trends.

It is not surprising that more and more brands are integrating gaming into their marketing and brand strategies to authentically connect with younger consumers on platforms where they spend a substantial amount of their free time.

In this report, we will shine a light specifically on Gen Alpha and Gen Z demonstrating why it is important to understand how those younger generations engage with video games.

As touched upon in our [generations report](#), younger generations show notable differences to older generations when it comes to engagement with gaming. Not only do they invest more leisure time, but they are also more likely to spend money on games and engage with gaming in many diverse ways outside of playing. Gaming has become part of their everyday lives as they also look to games for many other reasons.

[Newzoo's Global Gamer Research](#) is the world's most comprehensive consumer research on gaming audiences and gaming behavior providing valuable insights into the global gaming landscape and audiences in 36 markets.

Jutta Jakob, Head of Consumer Insights
Newzoo



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Methodology & Definitions

Newzoo's Consumer Insights Games & Esports

Methodology

Survey methodology: Computer Assisted Web Interviewing (CAWI)

Fieldwork: February 2022 – April 2022

Target group: Representative sample of the online population aged 10-65/10-50 (regional coverage and age scope differs by market).

Sample size: 75,930 respondents across 36 countries/markets. Per country/market, approx. 2,000 respondents, 3,000 for the United States and China, and 1,500 for Egypt, Saudi Arabia, and United Arab Emirates.

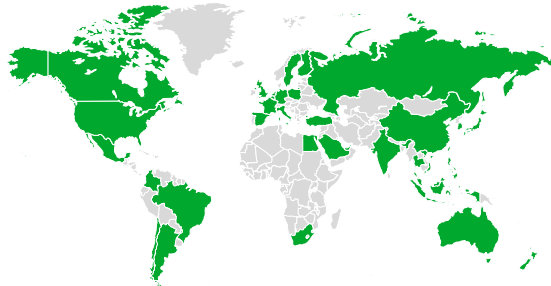
Geographic scope

NAM: United States, Canada

EMEA: United Kingdom, Germany, France, Spain, Italy, Russia, Poland, Netherlands, Belgium, Sweden, Finland, Türkiye, Egypt, Saudi Arabia, United Arab Emirates, South Africa

LATAM: Mexico, Brazil, Argentina, Chile, Colombia

APAC: Australia, New Zealand, China, Japan, South Korea, Thailand, Taiwan, Indonesia, Vietnam, Malaysia, Philippines, Singapore, India.



For more details: Consumer Insights Games & Esports 2022 [methodology](#)

Definitions

Generations:

- Gen Alpha (born 2010 or later / 10-12 y.o.)
- Gen Z (born 1995-2009 / 13-27 y.o.)

Total Online Population: Population that has access to a stable/active internet connection.

Game Enthusiasts: Consumers who engage with gaming through playing, viewing, owning, and/or social behavior.

Players: Those who have played video games on a PC, console, or mobile in the past 6 months.

Payers: Past 6 months players who, on average, spend money on a monthly basis on games on a PC, console, or mobile device. Spending money includes gifts, downloadable content, subscriptions, and other micro-transactions.

Viewers: Those who watched live-streamed or pre-recorded gaming video content in the past 12 months (incl. esports). (=Gaming video content viewers)

Esports Audience: Gaming video content viewers that watched esports in the past 12 months.

Key Insights

1

Gaming is integral in the lives of Gen Alpha and Gen Z

These generations invest a substantial portion of their free time on video games compared to the total online population. In fact, 9/10 Gen Alpha and Gen Z are game enthusiasts*, all with their own diverse ways of engaging with the popular pastime.

Across the broad spectrum of gaming engagement, Gen Alpha and Gen Z engage notably more than the total population demonstrating that gaming is much more than a pastime to these generations. It is a key part of their everyday lives.



9 in 10

Gen Alpha and Gen Z are game enthusiasts*, respectively, compared to 79% of the total online population

2

Younger generations are turning to games to socialize

Gaming goes beyond entertainment for Gen Alpha and Gen Z. It's a ubiquitous part of life that's not only a pastime, but a means of bringing people together. The social elements of video games, like communication, competition, and cooperation are particularly appealing to these younger generations.

Connection via virtual worlds is a key element of the metaverse. These younger generations, already very familiar with and interested in socializing via gaming worlds, will likely play an important role in driving demand for the metaverse.



70%

of Gen Z are interested in socializing in in-game worlds beyond game play in the future (% definitely/probably)

3

Half of Gen Alpha and Gen Z are spending on games

Compared to the total online population, Gen Alpha and Gen Z are more likely to spend money on video games. Spending money on mobile is most common, and unlocking content is the top motivator for Gen Alpha and Gen Z to spend.

Gen Alpha and Gen Z like spending money on virtual goods. They mostly spend money on in-game currencies and gear.



1 in 2

Gen Alpha and Gen Z spend money on video games, respectively, compared to 42% of the total online population

*Game Enthusiasts are consumers who engage with gaming through playing, viewing, owning, and/or social behavior



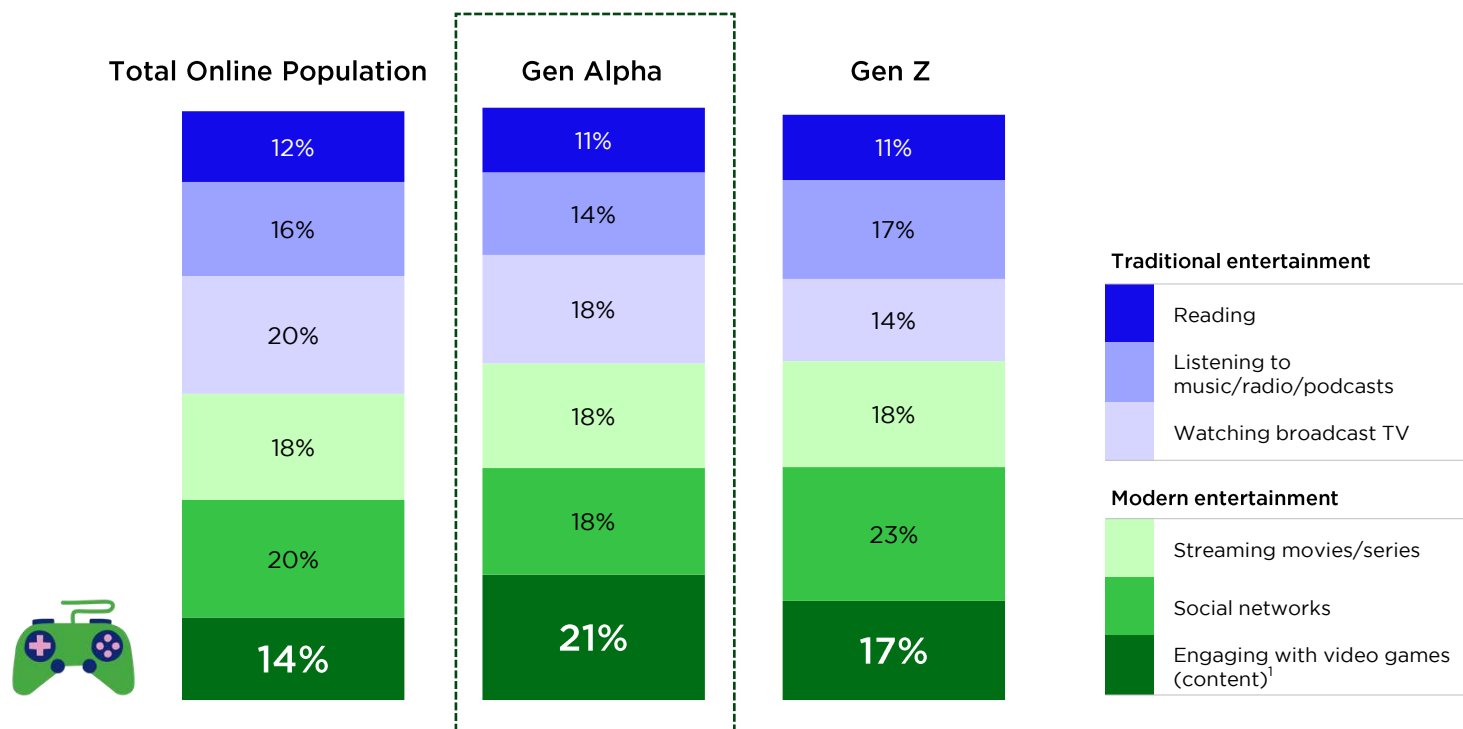
Gaming is integral in the lives of
Gen Alpha and Gen Z

For Gen Alpha, Games are the #1 Source of Entertainment

Games are among the top sources of entertainment for Gen Z

% LEISURE TIME SPENT PER WEEK PER ENTERTAINMENT PLATFORM (OUTSIDE OF WORK)

Base: Total online population



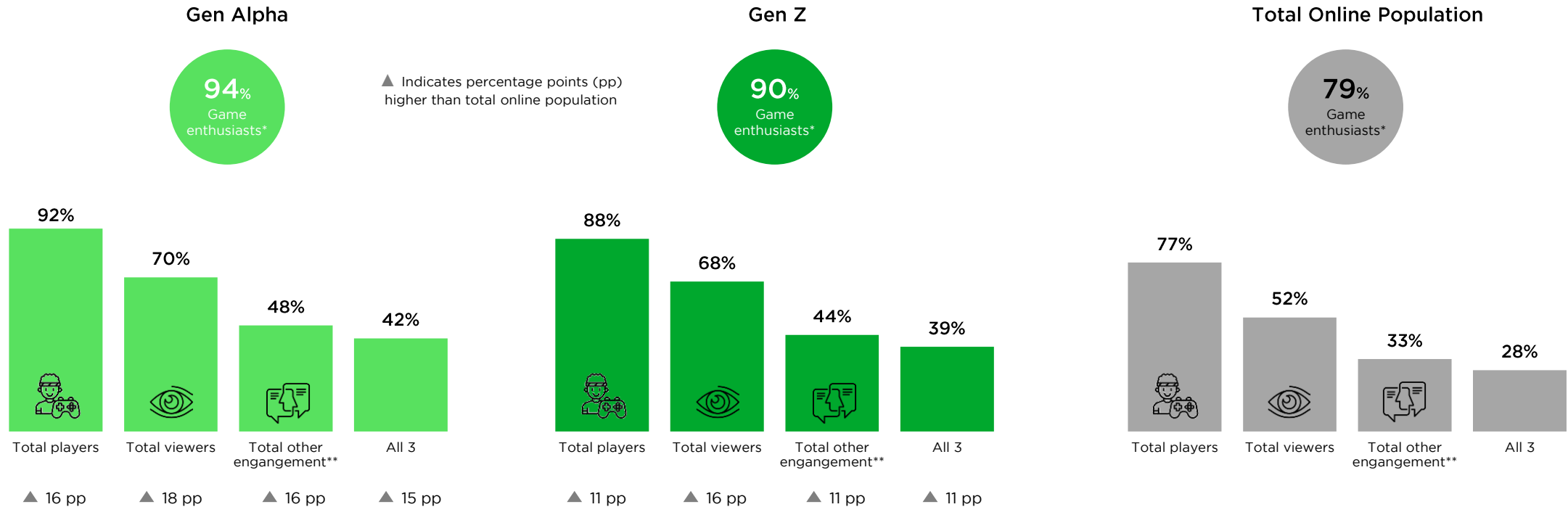
Compared to the total online population, both Gen Alpha and Gen Z invest more of their leisure time per week on video games. Video games are the top entertainment source for Gen Alpha and make the top 3 for Gen Z, following social networks and streaming movies/series.

This substantial dedication of time to gaming demonstrates just how important it is to these younger generations. Video games play an important role in the ongoing race for maintaining attention and engagement across entertainment platforms.

¹Engaging with video games / gaming content = Playing video games, viewing gaming video content, creating gaming content or socializing through/visiting gaming communities

Gen Alpha and Gen Z's Means of Engagement is More Diverse

Gen Alpha and Gen Z are more likely to engage across all dimensions



*Game Enthusiasts are consumers who engage with gaming through playing, viewing, owning, and/or social behavior

**Other gaming engagement includes those that claim to have "often" followed video gaming channels or esports broadcasters, socialized through/visited online gaming communities, discussed video games with family and friends, listened to gaming podcasts, and/or attended large in-person gaming conventions in the past 12 months

Source: Newzoo CI Games & Esports 2022 (Global weighted average across 36 markets)

Q. Total share of Game Enthusiasts, Total players, Total gaming video content viewers, Those who engage with gaming beyond playing/viewing in the past 12 months (% often)

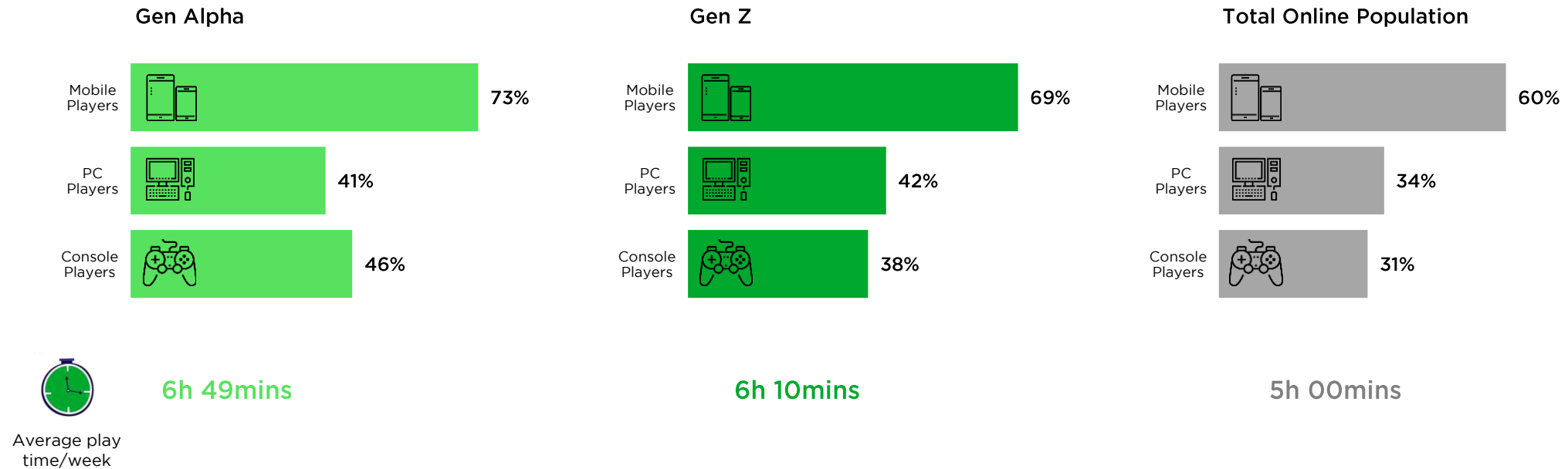
Base: Total sample (n=75,930), Gen Alpha (n=3,693), Gen Z (n=25,659)

Mobile is the Top Platform for Gen Alpha and Gen Z

Gen Alpha and Gen Z spend significantly more time playing than any other generations

PLAY BEHAVIOR (PAST 6 MONTHS)

Base: Total online population



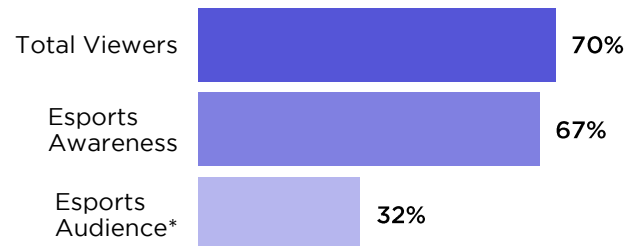
Most of Gen Alpha and Gen Z who are playing video games engage through their mobile phone. As the platform with greatest accessibility, it's no surprise that mobile would lead engagement for these younger groups, just as it does for the total online population. While Gen Alpha and Gen Z also play on PC and console more so than the total population, there is one notable difference: **Gen Alpha are turning on their consoles at a greater rate than Gen Z.** This is likely related to franchises such as Mario and Fortnite – console-first games – being most popular among Gen Alpha.

Approximately 7/10 Gen Alpha and Gen Z View Gaming Video Content

Esports is a popular means of engagement, with 1/3 viewing related content compared to 1/4 of the total online population

VIEWING & ESPORTS

Distribution | Gen Alpha

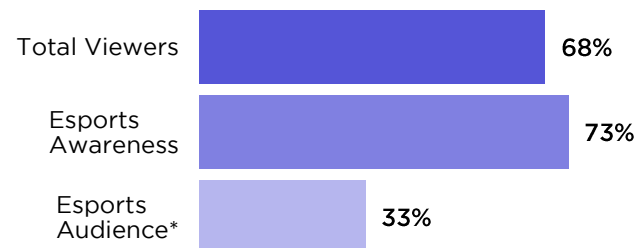


Top Reasons to View | Gen Alpha Viewers

Rated 5, 6, or 7 out of 7

- | | | |
|----|---|-----|
| #1 | Get ideas on things to do in games and new ways to play | 81% |
| #2 | Learn from other (professional) players | 81% |
| #3 | See high-level gameplay / skills | 80% |

Distribution | Gen Z



Top Reasons to View | Gen Z Viewers

Rated 5, 6, or 7 out of 7

- | | | |
|----|---|-----|
| #1 | See high-level gameplay / skills | 75% |
| #2 | Get ideas on things to do in games and new ways to play | 73% |
| #3 | Learn from other (professional) players | 71% |



When they're not actively playing, Gen Alpha and Z are using their devices to *watch* gaming content. Viewing gaming content is notably more popular among these generations compared to the total online population where just over half are viewers (52%).

Viewing for these generations takes on many forms: Watching Esports, getting ideas on ways to play, seeing high-level gameplay, and learning from others.

With so many ways to watch, viewing can be a valuable channel of communication with these highly engaged generations.



*Esports Audience: Gaming video content viewers that watched esports in the past 12 months.



Younger generations are turning to games
to socialize

Social Elements of Games Drive Appeal for the Younger Generations

While also highly appealing to Gen Alpha, multiplayer and social aspects top the list of appealing elements for Gen Z

MOST APPEALING FEATURES OF VIDEO GAMES

Base: Gen Alpha players, Gen Z players | Top 5 out of 14

Gen Alpha Players

#1	Exploration of open worlds	31%	▲ 5pp
#2	Game theme or setting	28%	▲ 1pp
#3	Multiplayer and social aspects	28%	▲ 4pp
#4	Extensive character customization and creation	26%	▲ 7pp
#5	Puzzle solving aspects	23%	▼ -4pp

Gen Z Players

#1	Multiplayer and social aspects	30%	▲ 6pp
#2	Exploration of open worlds	28%	▲ 2pp
#3	Game theme or setting	28%	▲ 1pp
#4	Strong narrative or story	27%	▲ 2pp
#5	Game art style	23%	▲ 1pp



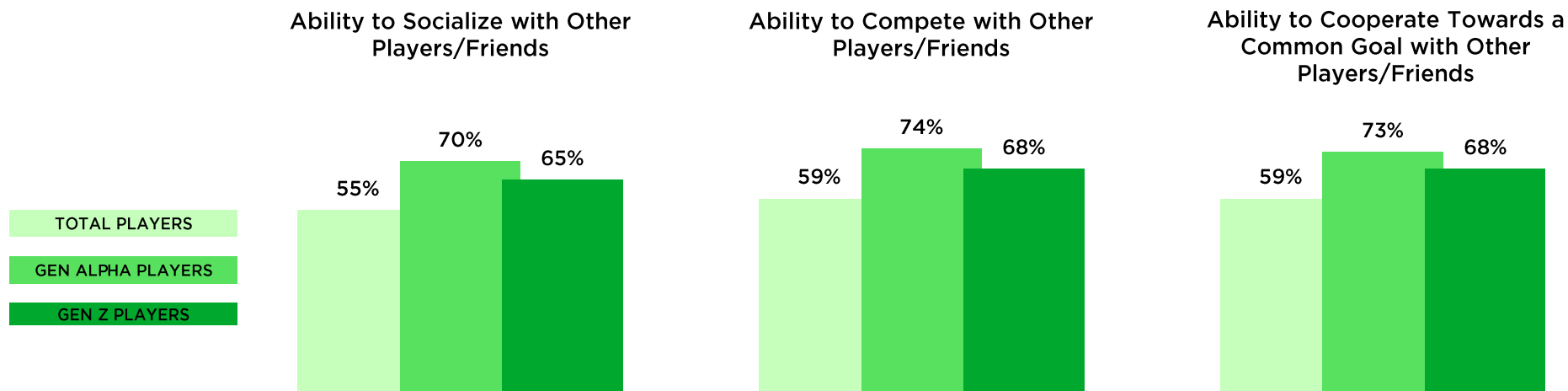
Video games are no longer simply a source of entertainment, but a vehicle for connection among these younger generations. Looking beyond the importance of social elements in games, there are key differences between what Gen Alpha and Gen Z value when picking up a new game. For Gen Alpha, character customization and creation is a must – and is considered significantly more appealing than to Gen Z or the total online population. For Gen Z, a strong narrative or story holds particular weight – while barely making the top 8 appealing aspects for Gen Alpha.

Communication, Competition, and Cooperation All Key to Socializing

These various aspects of socializing via games are of particular importance to Gen Alpha and Gen Z

IMPORTANCE OF SOCIAL FEATURES IN GAMES

Rated 5, 6, or 7 out of 7 in terms of importance



During the pandemic, video games became a popular platform for social interactions no longer possible in our day-to-day lives. While for many of us, the lockdowns and social isolation associated with the pandemic are no more, **the convenience and fulfillment of connection in video game worlds endure.**

This connection is of particular importance to Gen Alpha and Gen Z, who find all social features in games important to their overall experience. These younger groups lead the way in terms of the role of gaming in our lives and how games will further shape the future of the metaverse.

Socializing Top in Game World Activity Outside Playing for Gen Z

As socializing in games catalyzes the metaverse, Gen Z players and non-players turn to these worlds for connection

INTEREST IN IN-GAME ACTIVITIES (OUTSIDE PLAYING MAIN GAME)

% Interested/Very interested | Top 5 out of 11

Base: Gen Z (aged 14-27*)

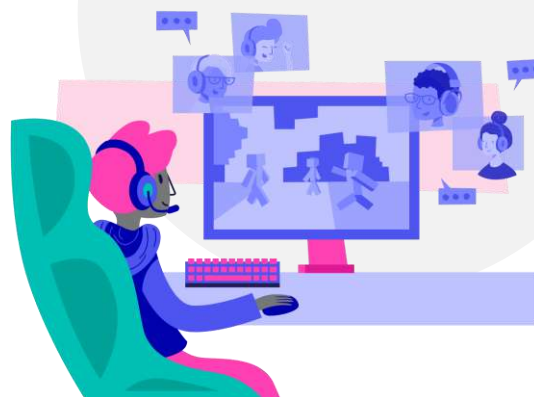


58%

of Gen Z often or occasionally get together in game worlds, not while playing the main game

70%

of Gen Z are definitely or probably interested in socializing in game worlds beyond play in the future

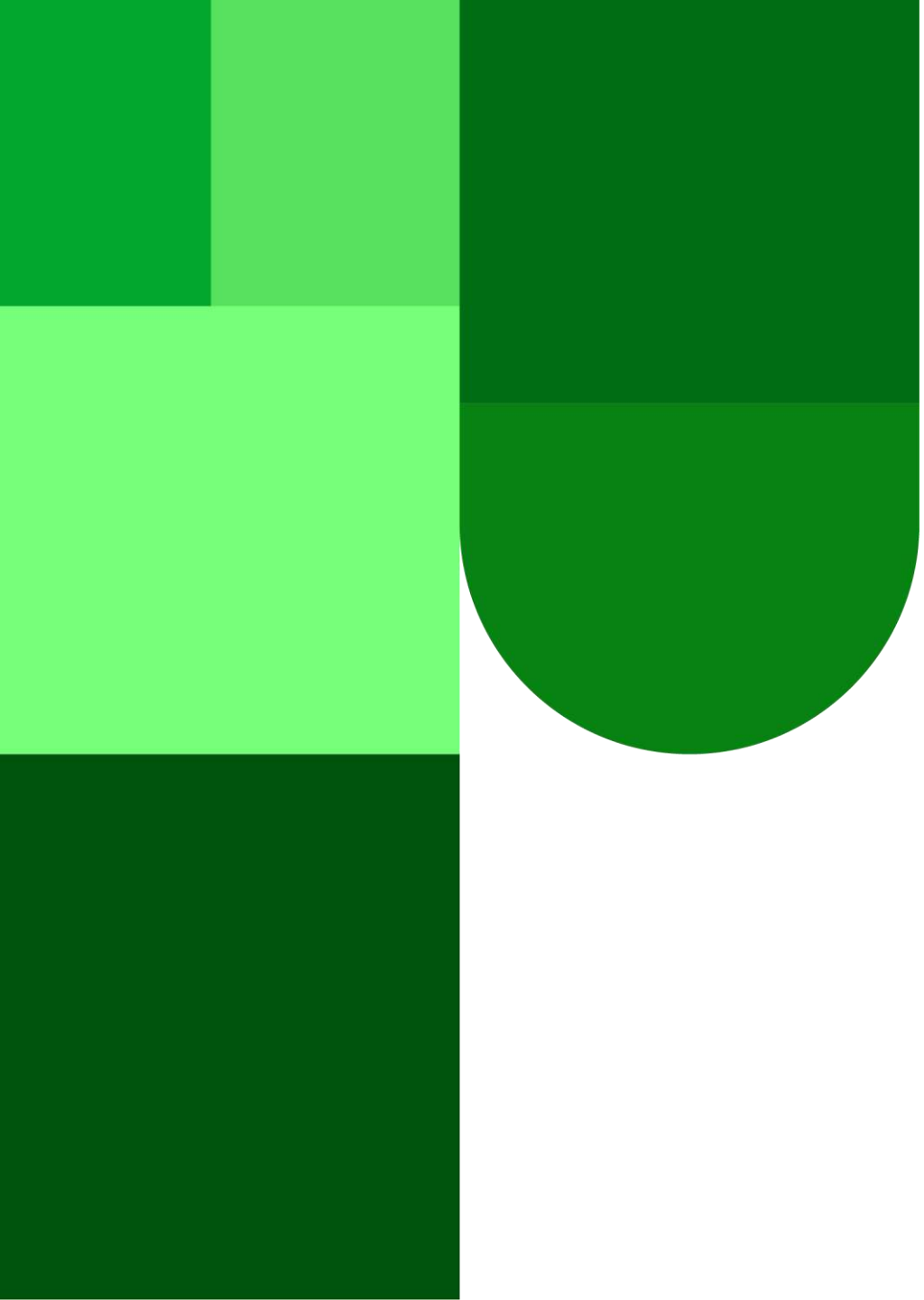


Players socializing in game worlds is one of the factors that has led to Big Tech's infatuation with the metaverse. Now, **players and non-players alike are using virtual worlds to connect with others.**

Zooming in on Gen Z specifically, we see that 7 in 10 are interested in socializing in game worlds beyond play in the future, further emphasizing the important role these younger groups will play in driving demand for the metaverse.

Learn more about the metaverse and Web 3.0 in our free [metaverse report](#).





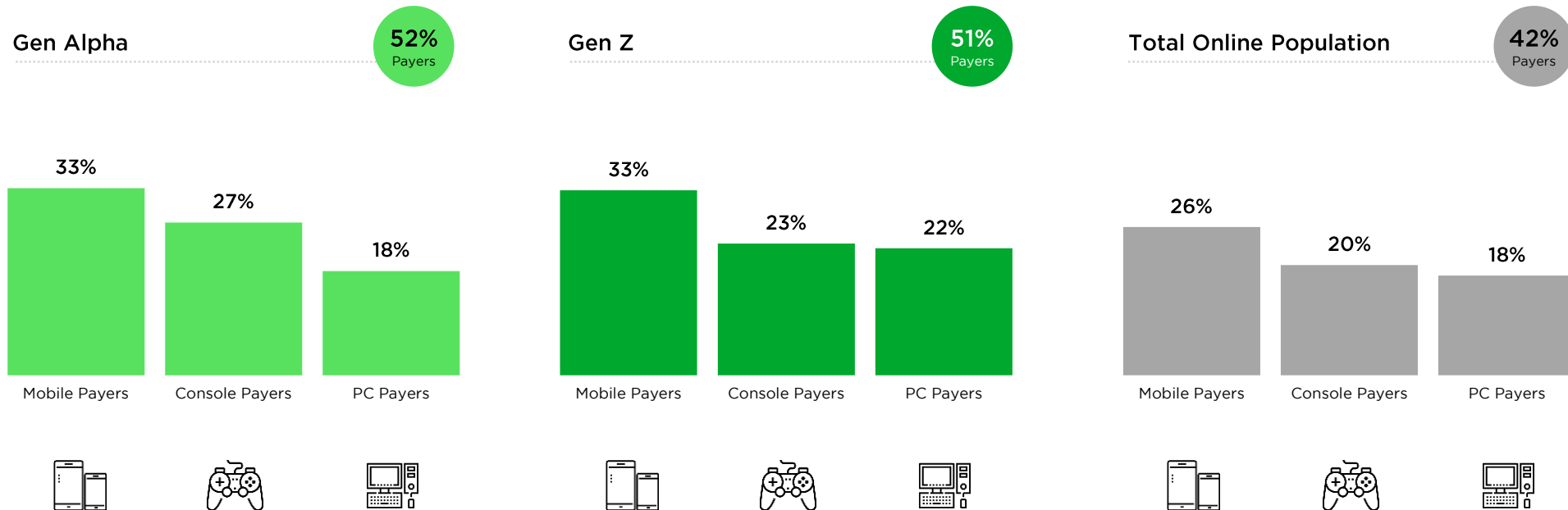
Half of Gen Alpha and Gen Z
are spending on games

Gen Alpha and Gen Z are More Likely to Spend Money on Video Games

The top platform for their spend is also the most popular for play: Mobile

PAY BEHAVIOR (PAST 6 MONTHS)

Base: Total online population

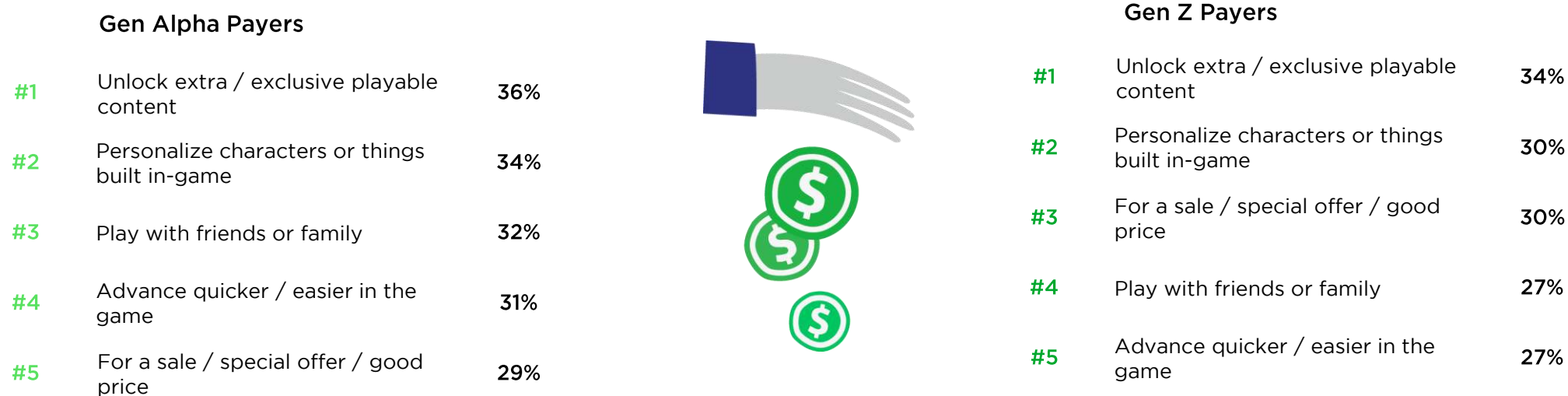


Unlocking Extra/Exclusive Playable Content Top Motivator to Spend

Personalization of game experience follows closely behind as a driver for spend

TOP REASONS TO SPEND MONEY ON GAMES

Base: Gen Alpha Payers, Gen Z Payers | Top 5 out of 13



While unlocking content is the top motivator for Gen Alpha and Z to spend money on games, there are numerous drivers for these generations to spend. Similar to the total online population, these **generations are primarily spending on ways to enhance their gaming experience** – whether it be personalization or advancement.

Purchasing In-game Items is Essential Part of Play for Gen Alpha & Z

In-game currencies and gear top items for both Gen Alpha and Gen Z to spend money on

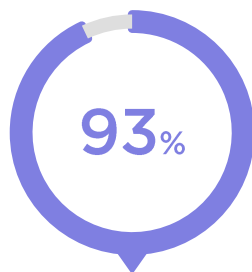
IN-GAME ITEMS SPENT MONEY ON (Past 6 Months)

Base: Gen Alpha Payers, Gen Z Payers

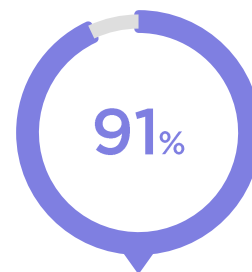
% Spent Money
on In-Game Items (P6M)



Gen Alpha



Gen Z



In-Game Items Spent Money
on (P6M) | Top 3/13



Gear

31%



Playable characters
or heroes

29%



In-game currencies

28%



In-game currencies

28%



Gear

26%



Playable characters
or heroes

25%



With the rise of free-to-play (F2P) games in recent years, in-game purchases have become increasingly common. This trend is particularly evident among Gen Z and Gen Alpha, among whom in-game purchases are nearly a given.

Game publishers and developers, especially of F2P titles, need to ensure they are creating worthwhile opportunities for these generations to part ways with their (or their parent's) money. Striking the correct balance for such opportunities in-game without negatively impacting gameplay will continue to be a major challenge as we move further away from the Pay-to-play games model.

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Note: A Residential Developed Approach methodology is used in AR, BR, CL, CN, CO, EG, IN, ID, MY, MX, PH, RU, SA, ZA, TH, TR, AE, and VN. The results for these markets are representative of active internet users in residential developed areas in respective countries/markets. In CN results are representative of the population in Tier 1 and 2 cities.

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Platform Deep Dives (incl. genres, game modes on PC, Console, Mobile)	Limited	✓
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Game Franchises (incl. franchise funnel)	✗	✓
Gaming Hardware and Peripherals	✗	✓
Cloud Gaming	✗	✓

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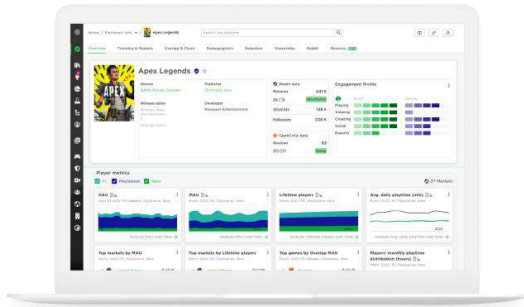


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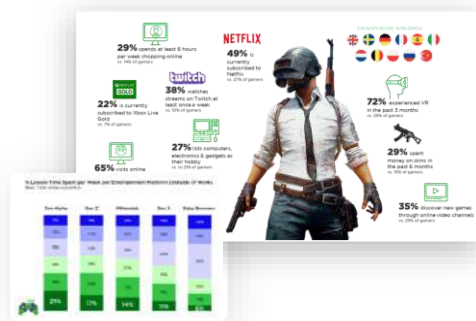


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Consumer Insights

Player Demographics & Psychographic Data

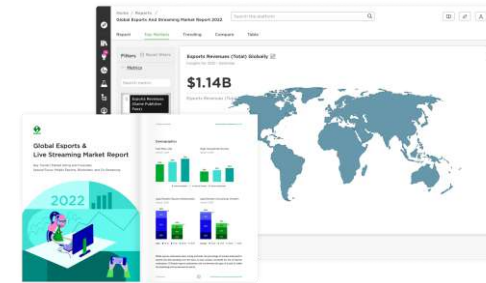


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Motivations, drivers, playing behavior

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Global, regional, market key metrics
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Questions?

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