Situated meaning is a fancy way of saying "context." Every action, be it speech, writing, or a physical action, has a context in which is sits, changing the effect and meaning of that action. A simple uttered phrase can be a glib or sincere based on the way it was said, the cultural background of the participants, and the current state of the conversation. Gee breaks down this situated meaning (context) into three elements: packaging, flow, and social language.

The packaging element of situated meaning is how an action is formed. Is a sentence overly verbose or is it short and terse? Is it from an active or passive voice? These elements of context, and so many more, can end up changing the meaning of an action. For example, "Grab me a soda." and "Would you please grab me a soda from the refrigerator while you're in the kitchen?" both convey the same information ("I want soda") but they're packaged in different ways and could convey different meanings.

The flow element of situated meaning is how an action is situated inside of an interaction. Are sentences in a paragraph long and eloquent, each with clauses upon clauses? Is a speech dotted with long pauses and breaths between phrases? These elements of context also go into skewing the meaning of an interaction. Back to the previous example, "Would you please bring me a soda from the refrigerator while you're in the kitchen?" and "Would you grab me a soda? They're in the kitchen. In the refrigerator. Please!" have the same literal meaning, but situationally can convey different situational meanings.

The social language element of situated meaning is how distinctive social groups create their own varieties of language that fit their shared culture, and how that shared language affects the context of interactions. Does the text contain insider lingo and business jargon? Is the speech full of expletives and references to memes? Social languages are a specific dialect or vernacular used by social groups with shared experiences. Again, with the soda example, "Grab me a soda," "Toss us a pop," and "Throw me a cola," have the same literal meaning, but the social language used can change the meaning in context.

Situated meaning is obviously extremely important in Discourse Analysis, as the analysis of language must be based on the actual contextual meaning of the discourse and not just the raw semantic meaning. With Gee's Unified Discourse Analysis, the scope of analysis grows to encompass anything that can be construed as discourse. This means that situated meaning and context are just as important when analyzing a game as it is when analyzing prose. When a 'conversation' can be boiled down to the exchange of intention and information between two entities, situated meaning plays just as big a role in analyzing how that intention and information are conveyed and interpreted.