



MAU [Talk]

A CONVERSATION WITH:



FACEBOOK

CHLOÉ GINGRICH

VERTICAL INSIGHTS MARKETING MANAGER

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MAU[Talk] 00:01

Hey guys, welcome to MAU Talk a podcast from MAU Vegas, the premier mobile acquisition and retention summit. Adam sat down with Chloe Gingrich, Vertical Insights Marketing Manager at Facebook to discuss the recently released report, games marketing insights for 2021. The influx of new gamers that started playing during the pandemic has had a systemic shift on the industry. Adam and Chloe discuss the research Facebook put together to understand who these new gamers are, their spending and playing habits, and how marketers can leverage this information to plan for 2021 and beyond. Over to you, Adam.

Adam Lovallo 00:33

Hi, everybody, welcome to MAU Talk. The most literally name podcast in the industry. Episode unknown, call it 20. We got it cool one today. I'm joined by Chloe Gingrich, who's from the Facebook team. She is a Global Insight strategist focused on gaming and e-commerce and Facebook very, very recently published a really, genuinely interesting long form gaming report, which we're going to be talking about. So Chloe, thank you for joining me.

Chloé Gingrich 01:05

Thanks so much for having me Adam. And I appreciate the qualifier of genuinely, you know, I think that in today's day and age, there's a lot of noise out there, there's a lot of pages and things to consume. But I think with the work that we produce, we always try and have kind of an interesting and thought provoking angle. So specifically in my role, like you said, I'm an insight strategist. And I'm focused on understanding the human behaviors and motivations across the, you know, consumers, and both the gaming and e-commerce industries respectively. So what that means in the last year has really, completely, you know, reshaping everything that we once knew, right. And so I think this piece of work was really interesting, because you saw the games industry kind of show up for people and ways that, you know, we couldn't show up for one another physically. So obviously, it led to, you know, these unprecedented spikes and people playing and, you know, really looking at games as a way to bring, you know, the world together in ways that we couldn't do you know, around the table, if you will.

Adam Lovallo 02:14

Okay, so so we're going to be talking about this research report. It's publicly available, right, so we'll, we'll shout out the URL at the end. Okay.

Chloé Gingrich 02:21

Yep.

Adam Lovallo 02:22

So before we get into the specifics, tell me about the research itself. I mean, it was a survey what countries were recovering? You know, some of the some of the basics.

Chloé Gingrich 02:33

We surveyed 13,000 respondents across nine countries to really understand how the pandemic was affecting the game's landscape. This report features four key markets that are, you know, important to the game's marketing industry, as well as developers, and we really, you know, kind of highlight the unprecedented surge in the consumer demand that, you know, came from this unprecedented time in the world and saw that there was

just, you know, an astronomical number of, you know, millions of new players that were added, as well as, you know, a kind of interesting demographic shift from one market in particular, that we'll dive deep into.

Adam Lovallo 03:13

Okay, so let's get into that. So I read the report. One thing I think is was kind of interesting, as I hoped you could speak to is your around the, just the, the age demographic, specifically, what you saw from older demos, like our our generations, parents, you know, kind of ages. So, could you speak a little bit about that?

Chloé Gingrich 03:38

Yeah. So we saw that, you know, across the world that there was kind of a consistently younger demos. But I think what was interesting is that our study showed that there was a 32% increase in the 55, to 64 year olds, kind of not quite baby, baby boomer, but just like, you know, that the ones that are just under them. And so, you know, I think surprisingly, you know, maybe not shockingly, these people were really kind of drawn to games. And if you think about 24%, of grandparents and parents kind of coming together as a family. And you really take a step back and think about it, like many of these people were gamers in the 70s. And they kind of grew up with it, they might have known Atari, they might have been around you know, and, and the impetus of the games industry and now, you know, their their love of game is kind of coming back and it's really transcended, you know, their lives, right. And so, you know, this, this forced fun, if you will, that the pandemic has kind of really brought forward in terms of connecting, I think that this is likely here to stay. And, you know, these numbers are just kind of continuing to accelerate, which is interesting.

Adam Lovallo 04:53

And I don't think it hurts that like the, it's kind of like the arcade generation is actually extremely well served the mobile app ecosystem. Because I, you can pretty much find every arcade game ever rearticulated and like 1000 different mobile games in some form or another, like, they're mostly pretty familiar patterns, which I imagine makes it more appealing, like, easier to adopt even just, you know, even just like simple Max Lee puzzles and stuff, like, that's kind of like a universal, like gaming format, a lot less intense than picking up a console, and, you know, trying to get into something more hardcore. Okay. Alright. So, obviously, there's demographics as part of this. You looked at purchasing slash sort of monetization preferences, you'll get some player preferences around, like gaming types and stuff. So the report is relatively expansive, but why don't that's a broad question. What are some of like, the biggest for you personally, takeaways, like big things that jumped out as you guys completed the research?

Chloé Gingrich 05:55

Yeah, I mean, I think just the surge, right? Like, if you think about the mobile gaming population, and just people like in the world that have access to cell phones, like that is the vast majority, right. But I think like the audience growth since March 2020, was just genuinely mind blowing. I mean, in the UK alone, it was basically 50% of the UK population was now playing mobile games, right. So like, this was a really interesting, you know, time for people to really find a sense of togetherness and escapism through mobile games. And, you know, I think the accessibility of it has really proven to be one of the main catalysts of it, you know, and I think also, just across the world, thinking about how this is kind of a constant human truth of just finding these outlets during a time where, you know, we're forced to be a part of the games industry really allowed for this, you know, the impact of the last year to really help bring people together in ways that, you know, if this happened 30 years ago, would have been possible.

Adam Lovallo 07:04

Now, I know, I already asked you about older demos, just because it's sort of just interesting to me. You know, the most active mobile gamer in my life is my mother, who's 71. So like, I see that first hand. Let's talk about a big part of the report, you can correct me if I'm wrong here is around the opposite end of the spectrum. So younger gamers and how they compared to the mobile gaming population pre COVID. So how does, how does that side of the age demographic

data look?

Chloé Gingrich 07:40

Yeah, so I mean, we saw that I think overall, the new gamers, like significantly skewed younger than the existing players, um, you know, those that were playing pre-pandemic is how we define it existing. I think that kind of goes without saying, but I, I think that what's interesting is, you know, we look at the US, and people were playing like 13.1 hours per week, which is kind of like, you know, it's a lot of time in there to screen. First is the existing players who were playing, you know, 10.9 hours per week. So, you know, I think that there's obviously like, the glossiness of it being new, as well as just, you know, these these players, we're also looking at multiplayer as kind of a core, you know, point of connectivity, whether it's through existing, you know, relationships or meeting people through apps and kind of playing with them. You know, it really shows the power play. And that community within this industry is so paramount.

Adam Lovallo 08:43

And can you talk about so it was so got this, this growth in younger players, which is, I think, even without looking at his research report, everybody would be an industry project, yeah, that, that checks out. Could you talk about some of the, like, preferences, like maybe genre preferences or game type preferences for this, this younger skewed cohort?

Chloé Gingrich 09:04

Yeah. So you know, I think that, um, when we look at, like, specifically the US, UK and Germany, we saw that in the US, 38% of people, like preferred to have the social interaction and like that kind of conversational nature with players versus the existing players. You know, that was slightly percentage wise 29% lower, but still, you know, I think there's a lot of opportunity to think about, you know, the power of conversation and embedding kind of social features into the fabric of games. And, you know, I think that another kind of consideration is outside of games, these people are engaging on social media, like whether it's on our platforms or on Tik Tok, you know, they're, they're consuming games out of kind of traditional play. So I think there's a lot of opportunity to really think about how to, you know, outside of this stay at home orders and moving forward to really find meaningful connections and social interactions, within the online communities. I think this is kind of jumping ahead and not necessarily specific to this younger cohort. But I think just in general, you know, we saw this staggering, um, you know, unprecedented surge in streaming, which really, you know, shows that people are looking for this relationship with the human experience, and are always going to find those to connect. So there's just a lot of opportunity to really think about, you know, how to understand what these people care about why they care about it, and then to like, really hone in on, you know, these types of strategies moving forward to continue to have like, to reach them.

Adam Lovallo 10:47

And I have to imagine it, and I think your data suggests this, that that's not to put it all in one game, but you know, the likes of Fortnite, PUBG, the Call of Duty game, and the countless other competitors that are both cross platform and mobile specific, because because there are quite a few. They had, like, their adoption, along with the pandemic, and streaming because those are all like very, like, major games for streamers to like that, that had to be a pretty big shift. And I imagine, and I think you guys make this point in your report that, you know, some of that is console, that's like, people saying, hey, you know what, I'm, I like this franchise, particularly the case of Call of Duty, for example, we actually had someone from Activision on this podcast like, and, you know, it's pretty clear, they're seeing that, that drag into the mobile app space now that their game, their mobile games are actually excellent, you know, maybe even on par with the console side. Okay, let's talk about, I definitely want to come back to streaming. And I say that, as someone who literally watched a YouTube video of a streamer today, as I had lunch. So I'm interested in that. But, um, let's talk about spending slash monetization. So when you looked at, I'm not not sure exactly how you look at spending monetization. But any, any takeaways there on this you know, existing gamer, new gamer kind of split?

Chloé Gingrich 12:15

Yeah. So, you know, I think in all countries, we really saw that new gamers were willing to spend more money on in game purchases than the existing gamers. You know, I think that there's some obvious reasons for that, you know, really to like, advanced levels, or to have a collection or you know, something that enhances the gameplay. And I think.

Adam Lovallo 12:42

Skins! You got to get skins. That's what we're talking about. Come on.

Chloé Gingrich 12:45

Yeah, you know, and we saw that there was a 41% of people, within the new games, gamers population that were willing to spend, which is interesting, until, you know, thinking about

Adam Lovallo 13:02

That's really high.

Chloé Gingrich 13:03

It is high, right, like, you know, I think people were looking for ways to enhance their lives in ways that were completely like outside of their control. So now you have the ability to enhance your life through, you know, game, so why not? And, you know, I think a lot of it too, also comes down to people, you know, we're looking for just ways in which they would be able to enhance their lives. Right. And I think that, that, whether it's, you know, to have a better gameplay experience, or to skip over ads, or whatever, people, people were into it.

Adam Lovallo 13:38

Yeah. And I imagine there's some, there might be some, like, obviously, there's a lot of dynamics where there's like, the pandemic effect. And then what games are new gamers drawn to? And how are they monetizing? Like, if it's true that, you know, shooters are more and more popular, and those games are more and more about customization and build outs of your, of your character, like it all kinda, it all kind of aligns. But yeah, that that, that willingness to do in app purchase number is shocking to me. And I just say that as like someone in the industry, but that is shockingly high like I have never, ever made an in app purchases in a mobile game, we all go to the grave with that in mind. That's crazy. Okay. Um, and And what about I know, I know, part of the I know, part of the research was around for lack of a better word motivations, like why, you know, basically like, what why are you interested in gaming? Like, what what are the reasons? What were their distinctions there between new and existing?

Chloé Gingrich 14:45

Yeah, I mean, I think, you know, some of the big core motivations were really kind of rooted in just like the the sense of escapism, right and just like this.

Adam Lovallo 14:57

Yeah.

Chloé Gingrich 14:57

This idea that the world around us is just so tumultuous. But you know, I think some of the the interesting things that we really saw, like over index was 68% of people in the US turn to mobile games to relieve stress. And 63% did to pass time. And this one I thought was particularly just interesting somewhat comical is 57% that is to feel like a sense of accomplishment. You know, I think pre pandemic I'd like, you know, run a marathon, go to the gym, do something, you know, outside of like, staring at a screen to feel accomplished.

Adam Lovallo 15:37

But try to win a round of Fortnite. I mean, that's, it is an accomplishment.

Chloé Gingrich 15:43

Yeah, that that, and that's true. Um, but, you know, I think there are a lot of like, you know, common commonalities, and just human truths that we saw across all the markets and feeling accomplished was certainly something that kind of over index in all the markets that we surveyed.

Adam Lovallo 16:02

Okay, cool. And, you know, I'm gonna go a little out of order here. Hopefully, that's okay. I know that in the markets. You look, South Korea was one of the major markets, right?

Chloé Gingrich 16:12

That's correct.

Adam Lovallo 16:13

And the data, there was a little it was a bit of a different story, as that is a very different gaming market, a more advances around word, but like, it feels like more pervasive, and culture, at least what any, any quick takeaways on Korea versus the other regions? Like any any meaningful and like, notable differences, I guess?

Chloé Gingrich 16:36

Yeah. I mean, I think one of the kind of most interesting things is that we, in the South Korean market, particularly was that there, you know, obviously, there was an increase 34% mobile growth in the audience. But I think what was what was particularly unique about this market is that they skewed older, which I think was a little bit unexpected. And, you know, they really kind of over index in terms of like, like in puzzle games, RMG, and simulation games, which was interesting. And they also really preferred to, you know, play multiplayer within the existing games cohort. And they wanted to kind of be a part of a team, which I thought was a very nice kind of binding and sentiment there. But I think, particularly with, you know, this, this demo, skewing older, is certainly an interesting opportunity for, you know, the industry at large.

Adam Lovallo 17:44

Okay, so speaking of industry at large last last couple topics. Now, I'm going to softball this to you on behalf of many of the vendors in this space, but correct me if I'm wrong, but the report found, generally speaking, that the existing

gamer cohort in app purchasing in app spending had decreased, right, presumably, it's a function of economic, you know, pressure, etc. And, and so the implication there is that, well, maybe regular old ad, you know, free to play, ad monetize type of gaming actually has a pretty, pretty strong foothold and will be around for a long time. There are many ad networks out there that would very, very glad to embrace that finding. So what was your takeaway there on like, specifically, around the existing gamer cohort? Like how did their monetization behaviors change?

Chloé Gingrich 18:41

Yeah, so I mean, when we think about the existing gamers, cohort, and you know, their propensity to spend, I think that there's a lot of interesting opportunity, and just like, you know, thinking about ways to capitalize on the engagement, and figuring out ways in which you can, like reach them, that feels a little bit more, you know, in line with what they expect from gameplay, obviously, like thinking about then playing roughly around the same amount of time as the new gamers, you know, slightly, like less in terms of hours, I think there still is a lot of opportunity to think about, you know, how to reach them, and doing so in ways where you're leveraging, like the power of social to really hear from them and create like a two way dialogue. So that was one thing that, you know, we saw that was just really interesting. Going back to this, like, kind of construct of communities, um, is how, you know, these people are, you know, looking for, you know, these these points of connection. So, you know, why don't ask them a question of like, what would they like to see? Or what would it you know, what would get them to spend more? And I think for you know, developers, like the increased engagement and the decreasing propensity to spend means that you really need to get like a little bit creative with your ad based monetization models and just think about, you know, having a more kind of, like strategic approach in the long run to really, like, keep the long term value of these players, while not neglecting, you know, the new cohorts that are kind of coming to, to the games and, and just find finding that that balance, I think, is pretty critical.

Adam Lovallo 20:35

Okay, awesome. So now we're gonna come back, I think, lastly, on the live streaming side, obviously, Facebook Gaming is a big thing, and growing. So can you talk about both, both, I guess, in and outside of Facebook, what behavioral changes you've seen in terms of live streaming? Well, I think I always said that live streaming, and also recorded live streams for those like me who watch them later and don't watch them live. So yeah, what's the deal with streaming?

Chloé Gingrich 21:06

Yeah, totally. So I mean, as we've kind of touched upon community has always just been a huge part of gaming. And you saw that in our research, millions of more people were playing games, and it also created other opportunities to, you know, think about these communities and how they gather through groups on our platforms, and through live streams. So, you know, I think it's kind of been no secret that live streaming has really been on the rise for many, many years, like, you know, outside of gaming content, but we saw just this huge uptick, and just like exponential growth on streaming platforms, like Facebook, gaming, you know, twitch YouTube Gaming. And just like, I mean, I laugh because like, the, the numbers are just like record breaking. And this is from a report that was released by stream labs. There was 1 billion hours, clocked in q3, 2020, on Facebook Gaming, 1.7 billion on YouTube gaming, and, you know, it kind of just, like, just started goes up from there. And on Twitch, it was 4.7 billion hours. So when you think about that, it's just like, just insane, right? Like, there is just such a momentum behind streaming and thinking about, you know, how many people are watching. And in total, from July to September, people watch 7.46 billion hours of content, which is a lot of hours. And, you know, that is just like such a huge influx, with the growth of 98 or sorry, 91.8%, year over year.

Adam Lovallo 22:55

That's crazy. I mean, I'm living that. I think I probably between chess streaming and gaming, as you know, to define in a more macro way. I probably personally consume more of that content than I do all like linear Netflix, like could you

know, TV as a traditionally defined at this point across all different devices to phone, on a Roku, like pressboard. Like I'm like, right, I all this stuff, like completely resonates with me. It's pretty amazing. And now like, I think the hot the hot industry, take the time to get out of it. Take it so universals. I okay, well, live streaming is ubiquitous in the gaming side, like it's coming for, you know, it's coming for e-commerce and all these other categories, too. We're all going to be like reinventing HSN basically.

Chloé Gingrich 23:42

Yeah.

Adam Lovallo 23:42

See whether that, we'll see whether that's true.

Chloé Gingrich 23:44

I mean, you're not wrong, you're definitely not wrong. It's like live shopping is huge and APAC. It's also like transcending now into other parts of the world. But you know, I think it all comes back to like that, that human connection and that, you know, trusted source, right, that like bringing forward a recommendation and what's old is new again, I think that's always kind of the way that history works, right? It's just very cyclical.

Adam Lovallo 24:12

Yeah, that's right. Okay. Okay. This is awesome. Um, so the report is free. It's accessible for download.

Chloé Gingrich 24:20

Yeah, it's fb.gg/insights2021. And if you give it a Google, you know, it's a Facebook games insights marketing report for 2021. That is a bit of a mouthful, but you'll find it and please feel free to download and yeah, give it a read.

Adam Lovallo 24:44

Spectacular. And yeah, there's there's been a fair amount of coverage in my pocket gamer and stuff, little tidbits if you want to sort of get the summary summary summary version. Alright, Chloé, this is awesome. Thank you. And on behalf of everybody, thanks for putting this report together. I think you've set the bar pretty high for Facebook published, you know, user data. So I look forward and stuff like this in the future, probably beats the generic, you know, CPM dropped by 10% or whatever, which most of the industry is publishing, myself included, I might add. So, yeah, it's really great. And thanks again.

Chloé Gingrich 25:19

Yeah, thanks for having us. And, you know, the Facebook games team really kind of strives to bring this perspective forward. So stay tuned for more.

MAU[Talk] 25:28

Thanks for joining us for an insightful chat with Chloé Gingrich from Facebook. To learn more about changing player behavior, demographics, motivations, preferences, and spending habits. You can download the games marketing insights for 2021 report by visiting the insights tab on the Facebook gaming website. Make sure to subscribe wherever you get your podcasts and we'll catch you on the next episode of MAU Talk.