

GAMERS ON YOUTUBE

Evolving Video Consumption

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When YouTube saw its first video reach a million views in 2005, it became clear that online video could become a favorite way for people to learn, connect, and be entertained. Today, this activity has become ubiquitous among gamers, as 95% of them turn to online video on YouTube for entertainment and information in the moments that matter to them.¹

Given the prevalence of YouTube usage among gamers, we wondered what billions of views could tell us about their video consumption patterns. We analyzed anonymized views of gaming content on YouTube in the U.S. from 2011 and 2012 to learn how gamers behave, what they value, and what this means to game marketers moving forward. In this research, we define gamers as the aggregate of those individuals who watched game content on YouTube.²

- ¹ Source: Complete YouTube Audience Analysis, 3-month average from Q3 2012. U.S. Internet users 18-54 only. Gamers defined as YouTube visitors who had at least three visits to a specified set of video game websites in the previous quarter.
- ² Findings in first section based on 2011 and 2012 anonymized U.S. view data from YouTube 'computer & video game' category. Findings in second and third sections based on 2012 anonymized view data for top selling console games of 2012, according to NPD. Statistical analyses exclude kids and fitness games.

VIDEO – A GROWING MEDIUM

The rapid growth of game content consumption on YouTube suggests that it has become an important medium to gamers, providing them with information and entertainment. In 2012, the amount of time people spent watching gaming videos on YouTube more than doubled over the year before. The growth rate of time spent viewing gaming videos was greater than YouTube's overall growth in the U.S.

While time spent viewing gaming videos increased year-over-year in 2012, much of that growth was fueled by video consumption on mobile devices, such as smartphones and tablets. In 2012, one in three views of gaming-related videos occurred on a tablet or smartphone, nearly double that of 2011.

2X⁺

Increase y/y in time spent viewing gaming content in 2012

Also striking was that when gamers had more free time, they chose to spend it watching video. Weekends saw an 18% day-over-day increase in gaming views. Viewing spiked during the summer, with views in June growing by 17% month-over-month, and remaining elevated throughout July and August. On an hourly basis, 32% of views occurred between 6:00 PM and 10:00 PM ¹, traditional prime time television hours.

1 in 3

Game video views happened on mobile devices in 2012

The increased consumption of gaming video was partially driven by growth of subscribers to game channels. Game views from subscribers jumped 9X year-over-year in 2012. Those who were subscribers watched game content for twice as long as non-subscribers.

CHART 1 | 2012 WEEKDAY HOURLY SHARE OF VIEWS

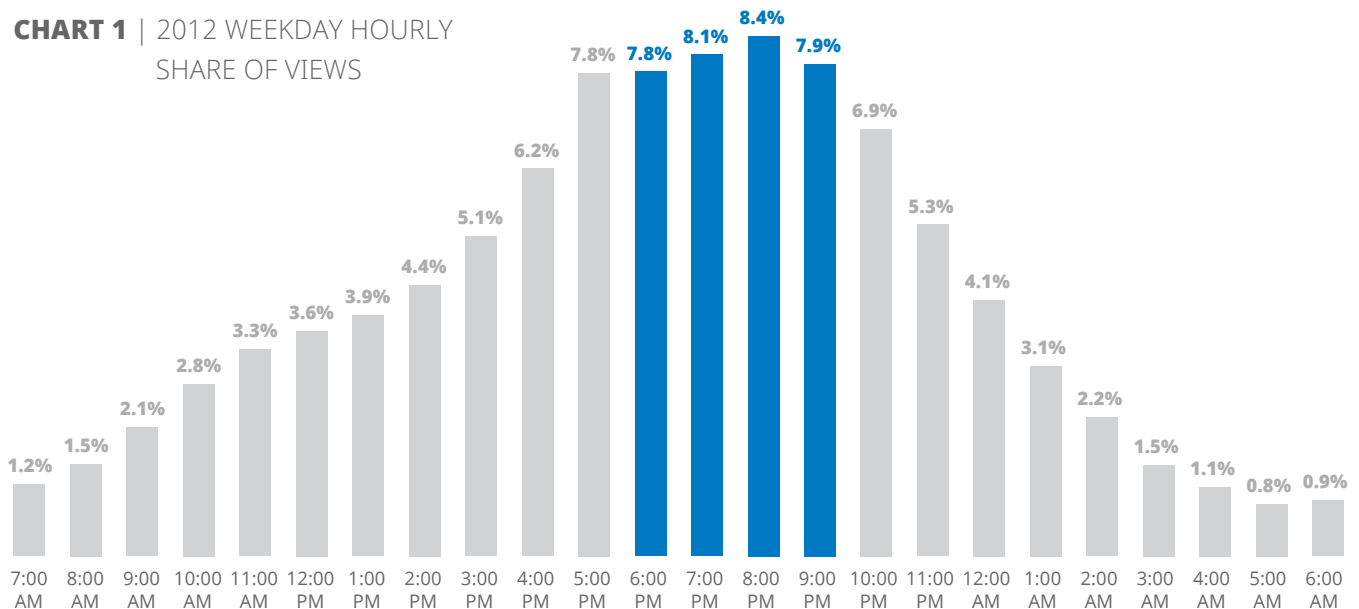


CHART 2 | 2012 DAILY GAME VIEWS (INDEXED)

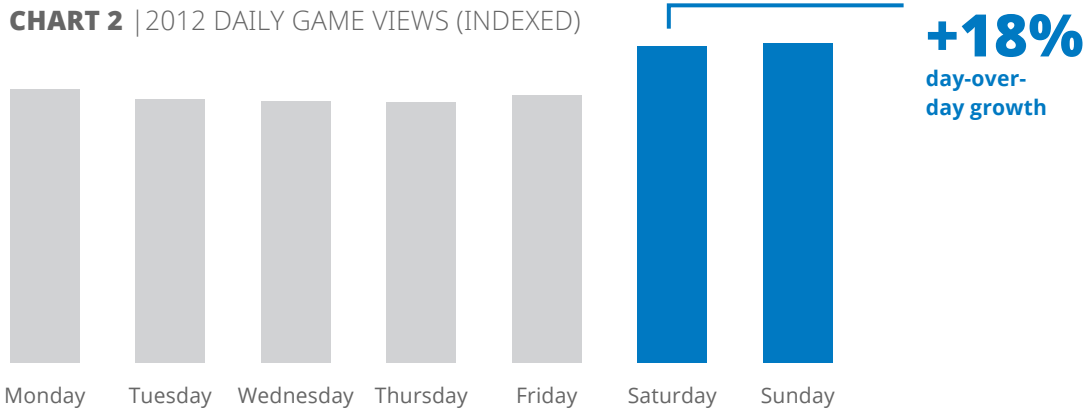


CHART 3 | 2012 MONTHLY GAME VIEWS (INDEXED)

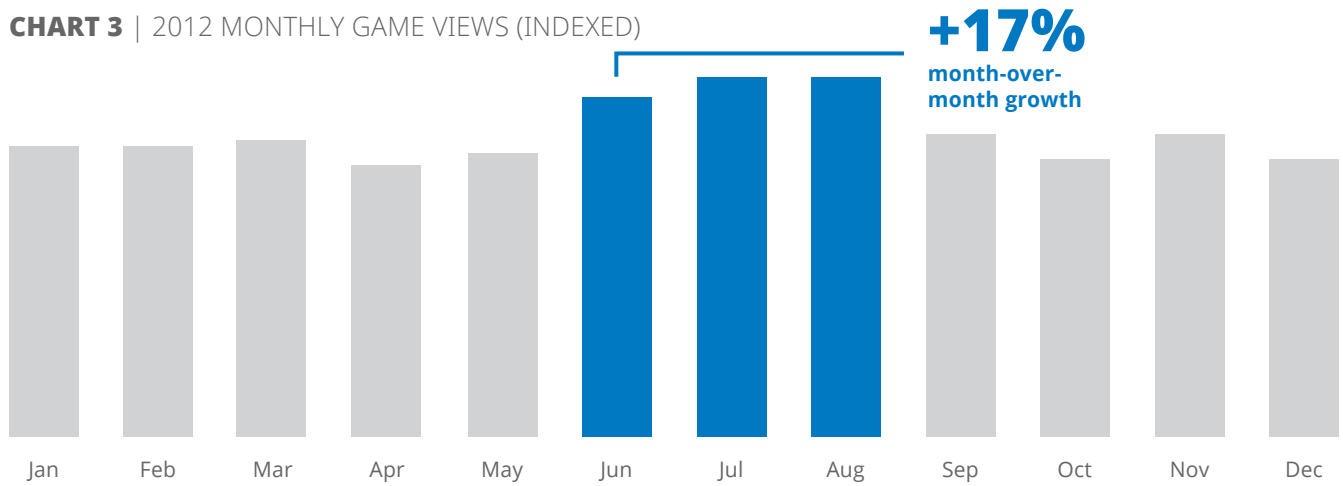


CHART 4 | ANNUAL SHARE OF GAME VIEWS FROM SUBSCRIBERS

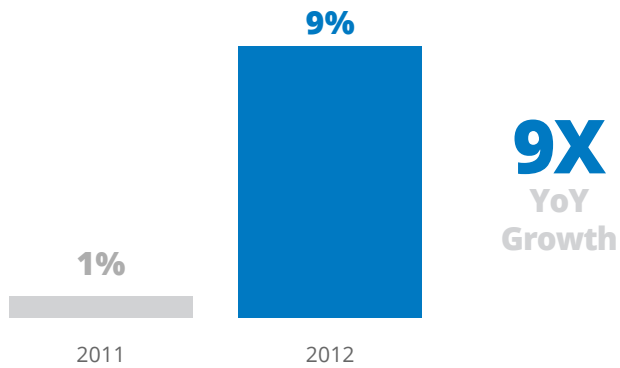


CHART 5 | 2012 AVERAGE GAME VIDEO WATCH TIME



VIDEO – CONTENT FOR EVERY CONTEXT

So, gamers are hungry for video, but what type of content are they viewing? Here's where it gets really interesting. We narrowed our focus from the broader gaming category to videos related to the top 10 console games of 2012. We looked at over 170 videos viewed from early anticipation and research to purchase and play, to understand how fans engage with content at each stage.

When looking at viewing patterns across the seven main types of video content, we saw three clear trends:

First, as gamers moved from researching to purchasing and playing, we discovered that they viewed brand-released and community-created videos, but relied on them at different times. Before a game came out, fans mostly watched content released by the brand, such as announce, gameplay demo, and launch videos. A previous study found that 92% of gamers research a title before buying, and that brand-released game video is the most influential piece of publisher content.³

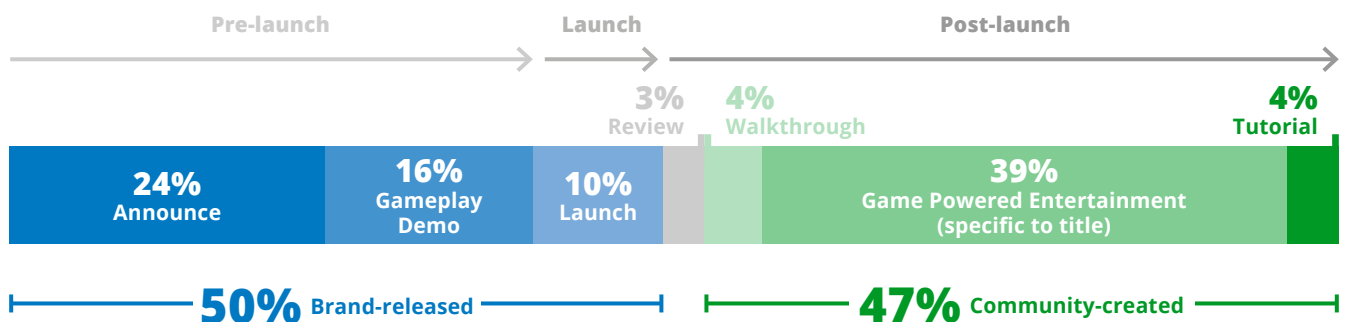
Post-release, those who purchase a game switch their attention to advancing through it and engaging with that game's community. Our data showed this in action, as walkthrough, how-to, and game powered entertainment

SEVEN TYPES OF VIDEO CONTENT CONSUMED BY GAMERS

- 1. Announcement** – Brand-released content, first look at a game, 1-3 minutes long
- 2. Gameplay Demo** – Brand-released content, first look at game mechanics, often debuted at E3, 5-15 minutes long
- 3. Launch** – Brand-released content, reminder that the game will soon be on sale, 1-3 minutes long
- 4. Game Powered Entertainment** – Community-created content, funny videos & parodies, less than 5 minutes long
- 5. Tutorial** – Community-created content, how-to videos, 1-5 minutes long
- 6. Walkthrough** – Community-created content, gameplay footage, 15 minutes or more
- 7. Review** – Third-party review, 4-5 minutes long

videos became the focus after launch. Looking at the lifecycle of a game from pre-launch to post-launch, community-created videos effectively doubled the amount of views the top selling games would have received through brand-released content alone.

CHART 6 | 2012 SHARE OF TOTAL CONSOLE GAME VIEWS BY VIDEO TYPE



³ Source: Console Gamers: Video Game Research & Purchase Process Report, Ipsos MediaCT, December 2011.

Second, gamers displayed a preference in viewing certain types of content on certain screens. Pre-launch, 63% of announce videos and 69% of launch videos were viewed on desktops, which have larger screens that showcase the cinematic quality of this content. Post-launch, we hypothesize that second screens supplemented the gamer's experience on their PC or television, as 50% of game tutorial videos were consumed on smartphones or tablets.

Finally, gamers engaged differently with various types of videos. Certain types of video earned more social interaction, such as sharing and commenting, while others received more voting.

Brand-released and third-party videos associated with highly anticipated moments like the announce, the initial view of gameplay, and the review of a game had the most shares and comments per view in 2012. Community-created content, such as tutorials, walkthroughs and game powered entertainment videos, received more "likes" and "dislikes" per view in 2012. Although they aren't commenting directly, this form of voting allows gamers to contribute to the voice of the broader community.

CHART 7 | 2012 SCREEN SHARE FOR VIDEO TYPES

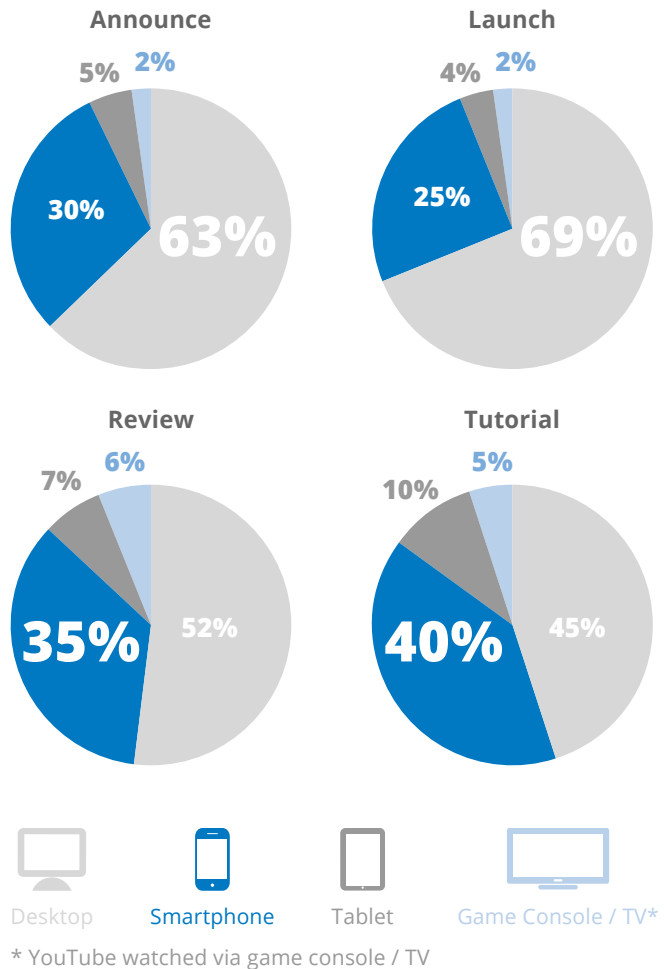


CHART 8 | 2012 SOCIAL ENGAGEMENT FOR VIDEO TYPE

| Comments, Video Shares | | Likes, Dislikes | |
|------------------------|----------------------------|-----------------|----------------------------|
| Rank | Video Type | Rank | Video Type |
| 1 | Review | 1 | Tutorial |
| 2 | Announce | 2 | Walkthrough |
| 3 | Gameplay Demo | 3 | Game Powered Entertainment |
| 4 | Walkthrough | 4 | Review |
| 5 | Tutorial | 5 | Announce |
| 6 | Game Powered Entertainment | 6 | Launch |
| 7 | Launch | 7 | Gameplay Demo |

VIDEO – AN INDICATOR OF INTEREST

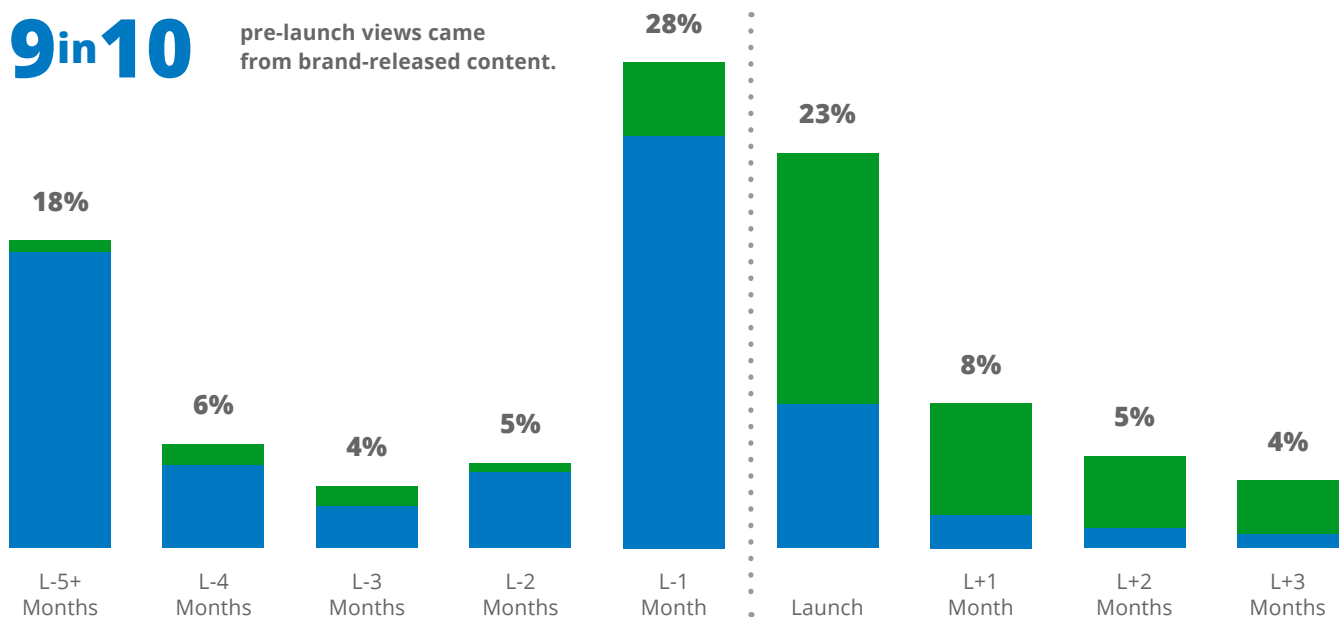
Similar to other product launches, a game’s success hinges on its sales in a short time frame following its release. In fact, 82% of console game sales occur in the first four months.⁴ As a result, game marketers face tremendous pressure to sell as many units as possible in a small window of time.

To drive sales at launch, console game marketers typically focus on creating interest and then sustaining it in the months leading up to release. They often leverage specific video types to achieve specific goals during pre-launch: announce videos build initial awareness, gameplay videos (frequently released during E3) and other types of trailers help sustain interest, and launch videos remind gamers that a title will be in stores soon.

But, this approach presents a major marketing challenge (and one encountered by all companies that launch products): how do game marketers actually know if their pre-launch strategies are creating enough buzz to achieve their sales goals at launch?

With billions of game views on YouTube, we wondered if our data could help answer that question. In examining the timing of views from the first announcement video to four months after launch, we learned that 60% of views happened before launch, on average.⁵ Of those pre-launch views, nine in ten came from brand-released videos, indicating that game publishers play a critical role in driving views before release.

CHART 9 | MONTHLY SHARE OF TOTAL CONSOLE GAME VIEWS
 Brand-released views · Community-released views



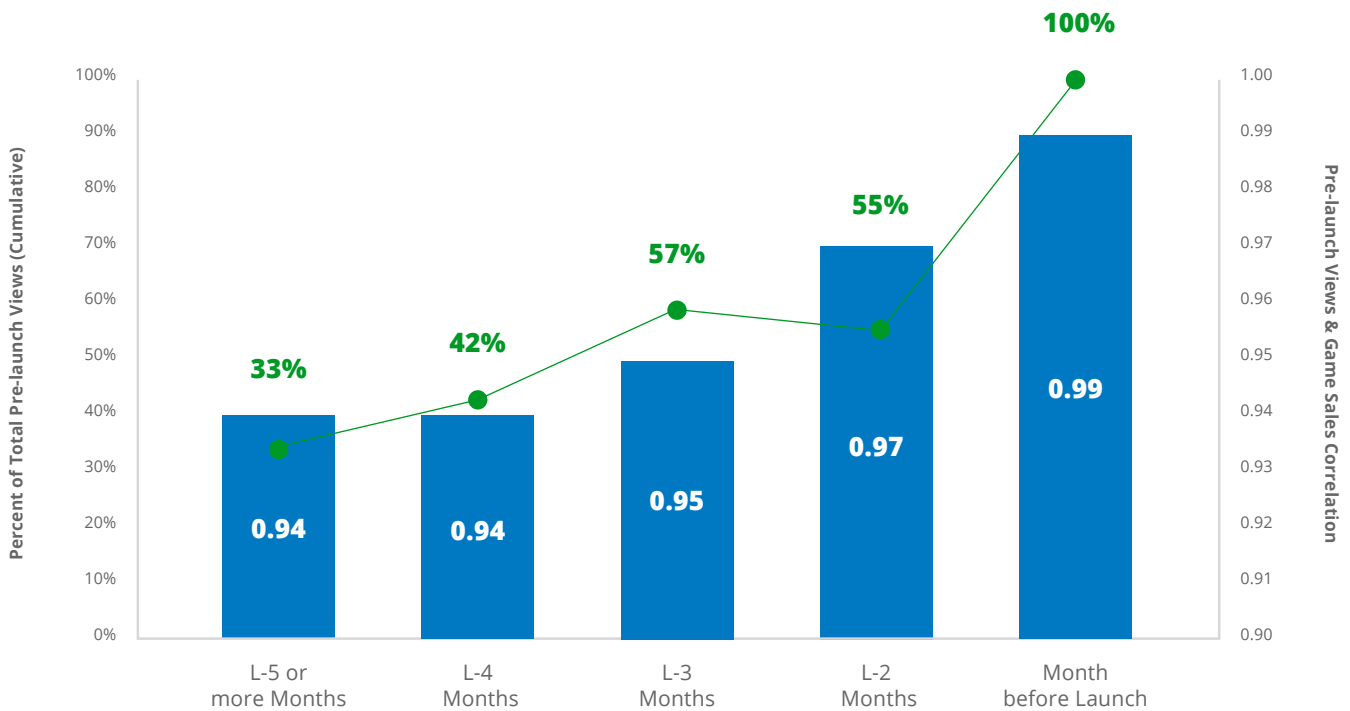
⁴ Source: NPD POS Data. U.S. only. Based on top 50 console SKUs of 2012.

⁵ Note: At the time of analysis, only four months of post-launch data was available. Further, 82% of sales occur in this time window, according to NPD U.S. POS data.

We then compared all pre-launch video views (brand-released and community-created) for the top 2012 games to their sales in the first four months and a compelling correlation of 0.99 emerged.⁶ We focused on the top 10 selling console games because they represented 49% of 2012 total console game revenue and 44% of 2012 total console game units sold.

Because the correlation seemed particularly strong, we investigated this relationship more. Further research revealed that as a game accumulates additional views in the months leading to launch, the correlation between views and sales not only remains intact, but grows stronger.

CHART 10 | PRE-LAUNCH CONSOLE GAME VIEWS & SALES CORRELATION BY MONTH
 Percent of Total Pre-launch Views · Views & Sales Correlation



This is big news for game marketers who could use view data as a leading indicator of their future game sales. By using video data as a weekly or monthly pulse check of audience awareness and interest from pre-release to launch, brands could better measure their buzz and then optimize their marketing strategies accordingly.

While these initial findings are promising, we acknowledge that the relationship between game views and sales deserves deeper analysis. In the future, we intend to examine an expanded data set, investigate the effect of paid views, research how different types of video are connected to sales, and analyze the potential of video as a forecasting tool for game marketers.

6 Source: NPD POS Data. U.S. only.

SUMMARY

Our findings revealed that gamers:

- **Rely on online video** as a key source of game information and entertainment
- **Access a wide variety of content** produced by both game companies and individuals that enables them to research games, advance through them, and engage with the gaming community
- **Watch online video whenever, wherever,** and on whatever screen they want
- **Are an important driver** of brand engagement, as they create, curate, and share content

THE BOTTOM LINE

To engage with gamers meaningfully, game brands must meet them where they're choosing to spend their time. Increasingly, their time is spent with online video.
