

Gen Z Gamer Study

May 2024



Understanding the power of Gen Z

How do you do, fellow kids?

Gen Z has to be one of the most misunderstood generations of all time. In contrast to Millennials, who are pigeonholed by endless stereotypes (I write this over my daily avocado toast and flat white), the vast majority of game developers, brands and advertisers don't understand Gen Z at all.

The effect of this is startling. The World Happiness Report shows that since 2017 young people have actually been less happy than their elders. The latest edition says US under-30s rank 62nd in the world for happiness.

As more of Gen Z ages into adulthood, it's estimated that in the US alone their spending power is upwards of \$360bn. It's high time we all understood this critically important generation, which is why we commissioned this research. As well as helping shape our engagement strategies to unlock the economic potential, we have the opportunity to show Gen Z we understand them, at least a little.

Ben Cousens, CSO

ZBD



Key Insights



65%

Game for more than three hours a day

72%

Feel like they can be their authentic selves while gaming online

43%

Say gaming is more about the social interactive experience than the game itself

79%

Of Gen Z males list Youtube as their preferred platform

75%

Of Gen Z females list TikTok as their preferred platform

47%

See Bitcoin as real money

28%

Of Gen Z males own Bitcoin

70%

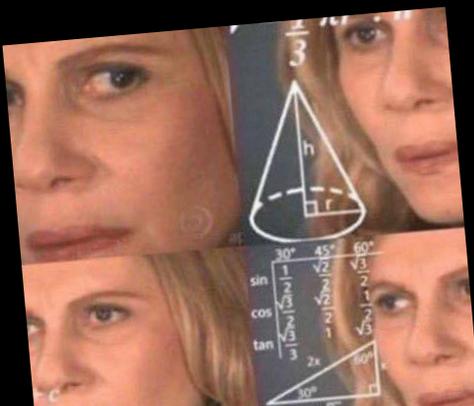
Make money through side hustles

67%

Trust brands more that engage with the creators that they follow

80%

Say it's important creators are rewarded fairly for engaging with brands

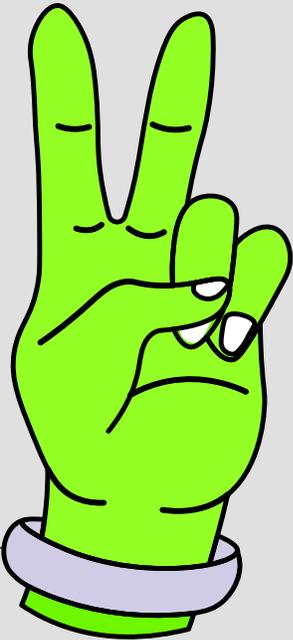


Audience

We surveyed

2,004

Gen Z gamers in the US aged **18-25** who all play video games for at least one hour every day



52%

Male

46%

Female

2%

Non-binary

35%

Employed

6%

Self-employed

22%

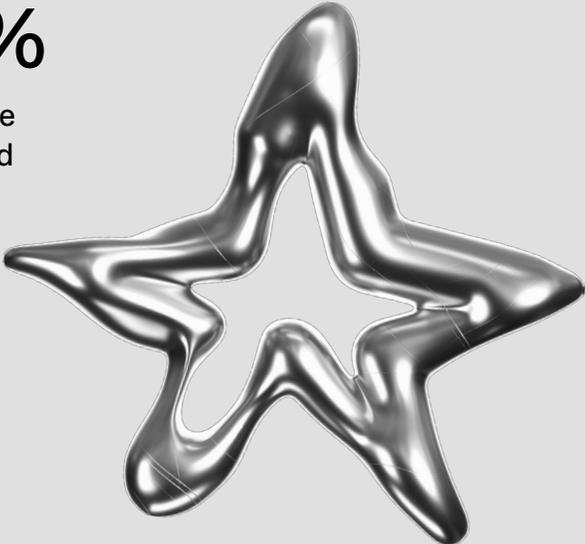
Part-time employed

16%

Unemployed

21%

Students



Why do Gen Z play games?



Enjoyment

Duh. The top reason for playing video games was for relaxation (**75%**).

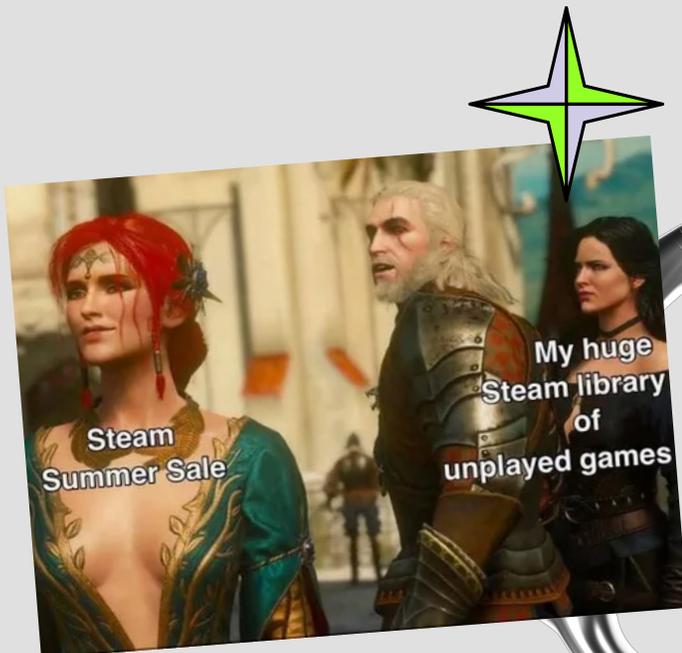
49% enjoy the sense of accomplishment they get from gaming.

Socializing

43% agree that gaming is more about the social interactive experience than the game itself. A not insignificant **22%** of Gen Z gamers prefer socializing in video games over real life.

Self image

39% love to be in control of their digital selves in video games. An intertwining of digital and physical selves is evident. Almost three-quarters (**72%**) of Gen Z gamers agree that they can be their authentic selves while playing online.



“ I play to talk with my friends since we can't go out often.

- Gen Z gamer

What barriers do Gen Z face in gaming?

Safety

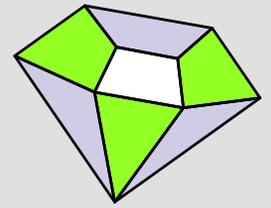
Only **55%** of Gen Z gamers feel safe while gaming online. Females are more likely to feel unsafe than males. A third (**34%**) say that online gaming is too toxic for them.

Trust

42% of Gen Z gamers say big gaming companies have too much data about them, with only **18%** disagreeing. A further **36%** feel that gaming companies run by Millennials and Gen X are out of touch with their generation.



Gaming Habits

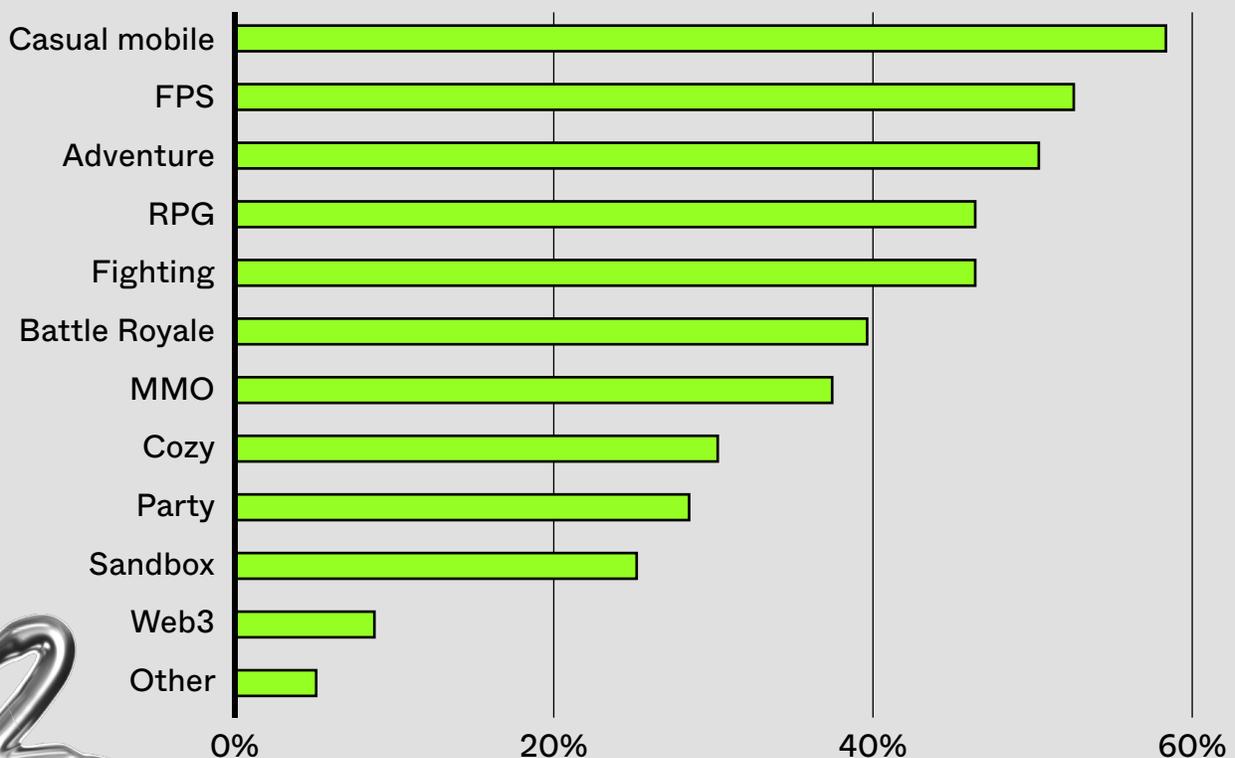


Gen Z gamers like to game. **A lot.**

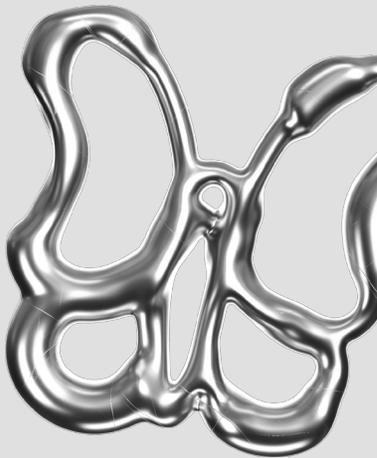
65% of those in our study play for three or more hours every day. A third (**33%**) of males game for more than five hours a day, while females are most likely to spend a more modest one to two hours gaming each day.

57% of Gen Z mobile gamers regularly play casual mobile games, making it the most popular category overall and among females. First-person shooters are however more popular with males (**64%**).

What types of game do Gen Z play?

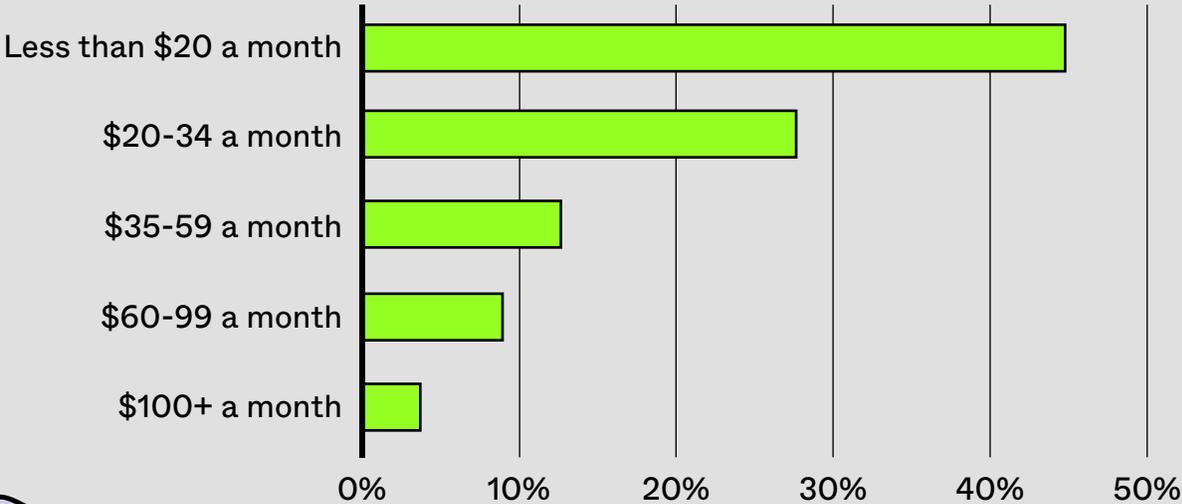


Money in Games



Dollars follow high engagement of Gen Z gamers, although perhaps not as clearly as you'd expect, showing the importance of free-to-play content. **53%** of surveyed Gen Z gamers spend over \$20 per month on games, with almost one third of males (**31%**) spending over \$35.

How much do Gen Z spend on games?



54% of Gen Z gamers have a gaming subscription such as Xbox Game Pass or Apple Arcade. This is more common among males (**63%**) than females (**46%**) and, perhaps surprisingly, not far behind the percentage that have a video (**71%**) or music (**65%**) streaming subscription, which is a much more established monetization model in those industries.

Emerging Tech

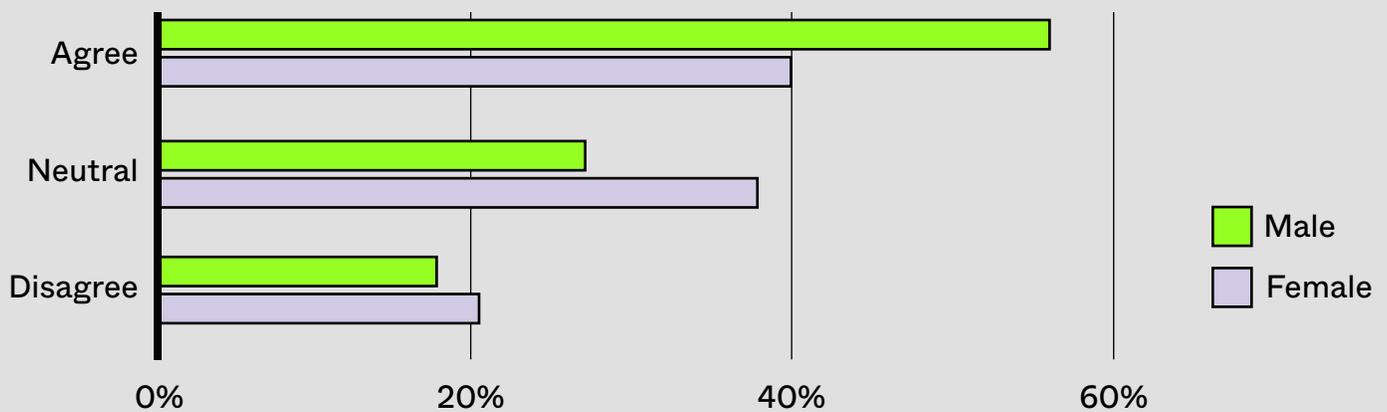
Though Gen Z is so little understood, it's often felt that they're a natural fit for some of the decentralized ideals around cryptocurrency and blockchain technology. **33%** of Gen Z gamers do indeed own cryptocurrency (**41%** of males, **25%** of females). Of those who do own crypto, almost **70%** own Bitcoin (**23%** of all Gen Z gamers).



Most likely to own Bitcoin Males, aged 22-25, self-employed and living in the South

47% of Gen Z gamers agree with the statement that 'Bitcoin is real money', while only **20%** disagree. More than half (**55%**) of males agree that Bitcoin is real money, compared to **40%** of females. **51%** said they would be interested if their favorite games started offering Bitcoin rewards whilst playing; **22%** said they were not interested.

% of Gen Z who agree 'Bitcoin is real money'



Rewarded Play

Most interested in Bitcoin rewards Males, aged 22-25, working full-time from the North East



While the concept of rewarded gameplay can be controversial - games are meant to be fun, after all - the two aren't mutually exclusive. Real-money rewards (in ZBD's case, we do this with Bitcoin), when implemented the right way, become an engaging and fun part of the gaming experience.

Even already-popular titles can get a boost from sharing a small proportion of their earnings with users and it's clear that, among Gen Z gamers, there's appetite for this.

Impact of ZBD rewards in games

+82% ARPPDAU

SQUARE ENIX

+100% ARPPDAU



+12x D30 Retention



+177% Ad Imp's/DAU



Ads in Games

Advertising is a vital revenue stream for video games. For many years it has been the dominant form of monetization in free-to-play mobile games. Many of these games are now diversifying their revenue models, but at the same time, many premium PC and console games can be seen making ads part of their monetization mix.

50% of Gen Z gamers say ads are a bit annoying but they don't mind them for free games. However, **43%** say advertising in games is so disruptive it ruins the game experience.

74%

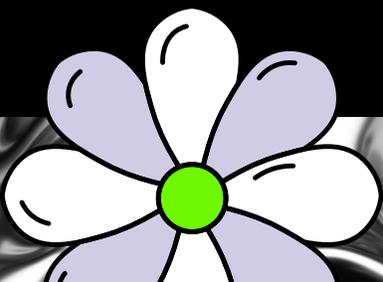
of Gen Z gamers would be more receptive to ads in games if they were paid some Bitcoin for their time.

ZBD data shows that, by sharing between 10% and 25% of ad revenue with players, games can significantly boost engagement, retention and monetization.



YOU'RE
PLAYING YOUR
FAVORITE GAME

A MOBILE
AD POPS UP



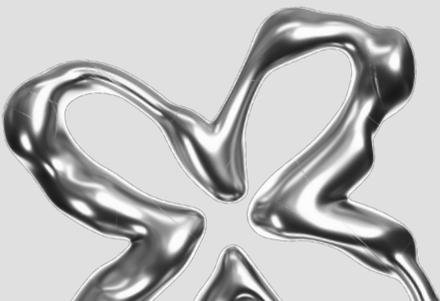
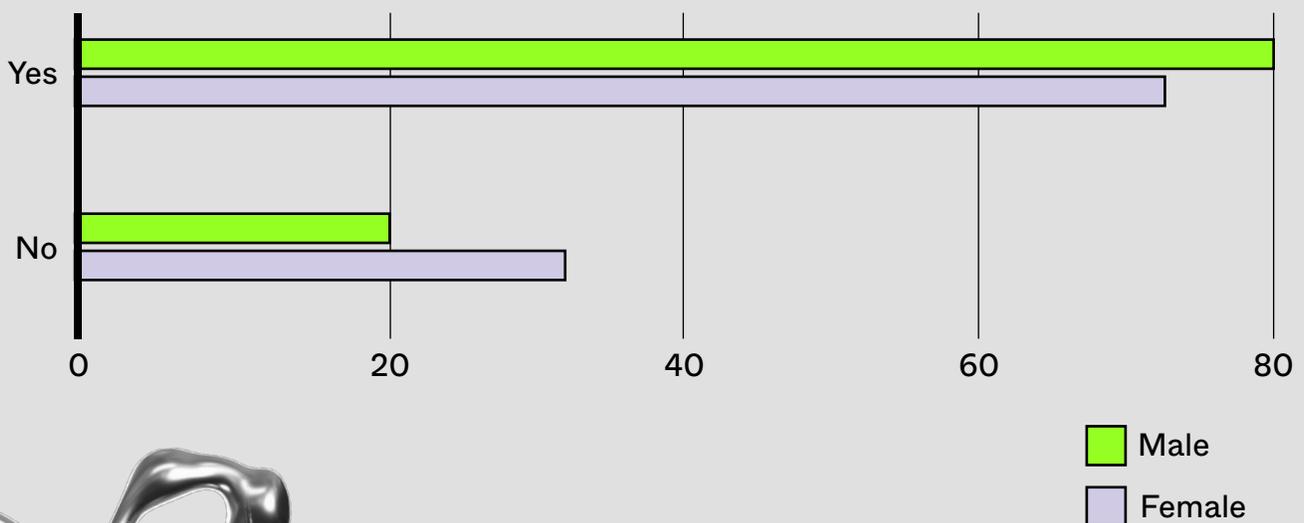


Ads have historically definitely been annoying. But they don't have to be! At AdInMo, we've been focused on non-intrusive in-play ads for years - think banners alongside a racetrack. Now, we are using ZBD to make ads more than just unintrusive, but actually desirable, since they pay players actual Bitcoin just for seeing something that isn't interrupting their experience in any way.

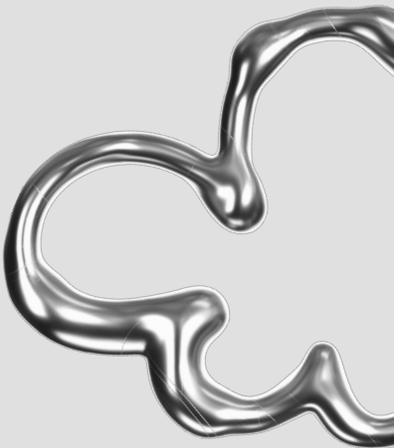
- Kristan Rivers, CEO of AdInMo



% of Gen Z who would be more receptive to ads in games if they were paid some Bitcoin for their time



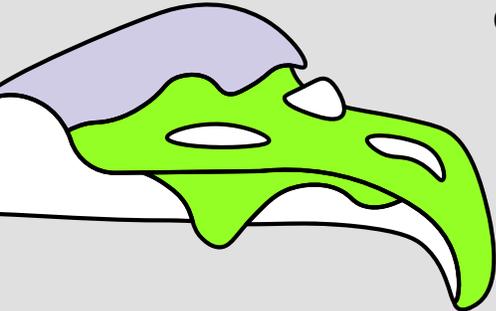
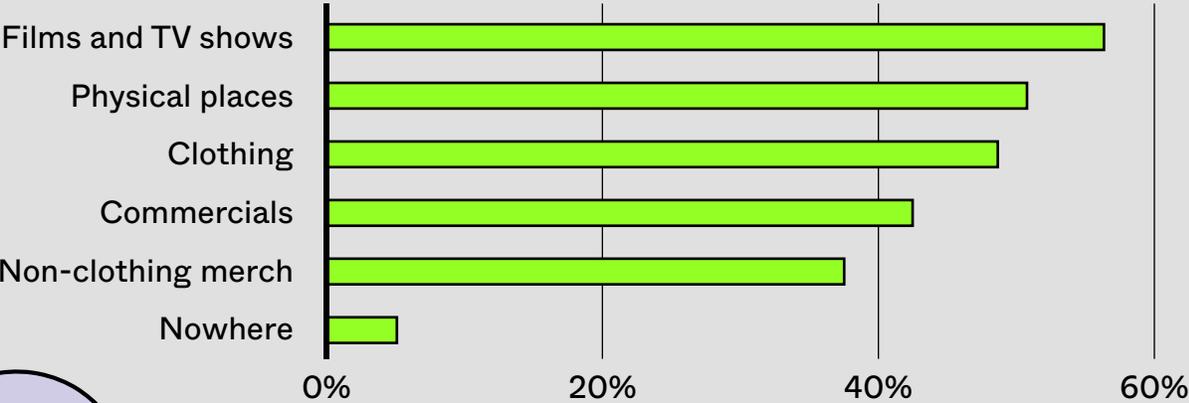
Brands and Games



As more mobile games diversify their revenue streams and more premium PC and console games go free-to-play, the importance of in-game consumables and cosmetic items increases. This is an opportunity for brands as well as game developers, with **68%** of Gen Z gamers saying they have bought or would buy a branded in-game item such as a branded skin in Fortnite or operator in Call of Duty.

With many games becoming crossmedia IPs, our gamers said they'd like to see their favorite gaming brands in films or TV shows (**57%**), in physical places (**51%**) and on clothing merchandise (**49%**). On the flipside, a whopping **81%** have played or would play a video game which is entirely based on a non-gaming brand, such as Nikeland in Roblox, or Lego Fortnite.

Where Gen Z like to see their favorite gaming IPs outside games



“

Game developers need to understand Gen Z behaviours to enhance objectives within their game, and ultimately what appeals to them. Even refine based on heatmaps, and data - whether players are confused or show different behaviours to what is expected (pressing X instead of Y).

Understanding the behaviours can allow developers to get higher retention since it's more suited towards Gen Z characteristics.



Corey Ellis-Johnson, 19, a Gen Z Marketing Advisor to brands (Roblox, Dubit, Y Not Festival, Saw Horse)



Brands and Creators/Influencers

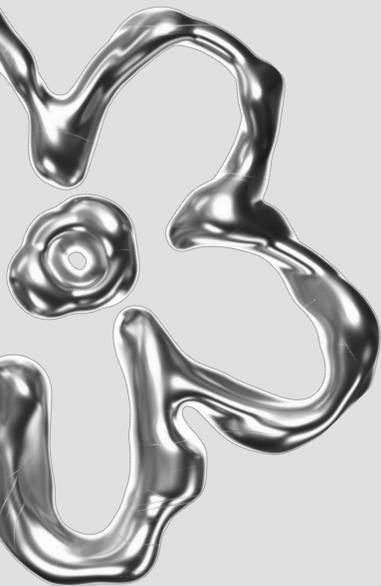
70% of Gen Z gamers feel connected to influencers.



A small proportion (**15%**) feel more connected to influencers online than people in real life. More than two-thirds (**67%**) would trust a brand more if an influencer or content creator they know engaged with it.

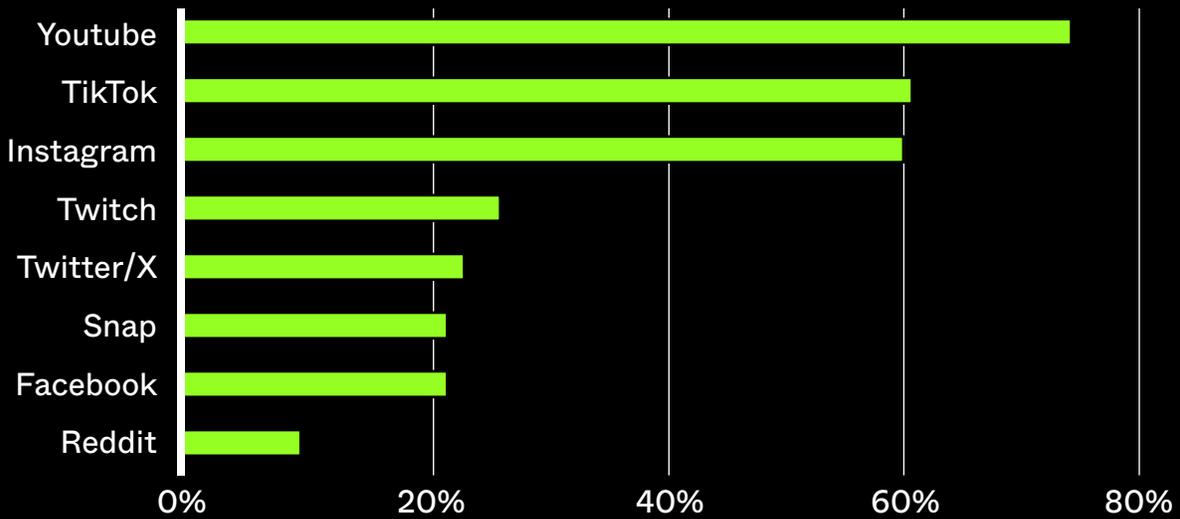
80% agree that it's important for influencers and content creators to be rewarded fairly for engaging with brands. This is unsurprising, with **70%** of those in our survey engaging in some form of side hustle including social media content creation (**29%**), streaming (**15%**), and podcasting (**7%**).

Gen Z gamers engage with creators across diverse platforms and reward their content in a range of ways. YouTube is the most popular platform among males, while TikTok is the most popular among females. Males are slightly more likely to reward creators financially through paid subscriptions and tips.

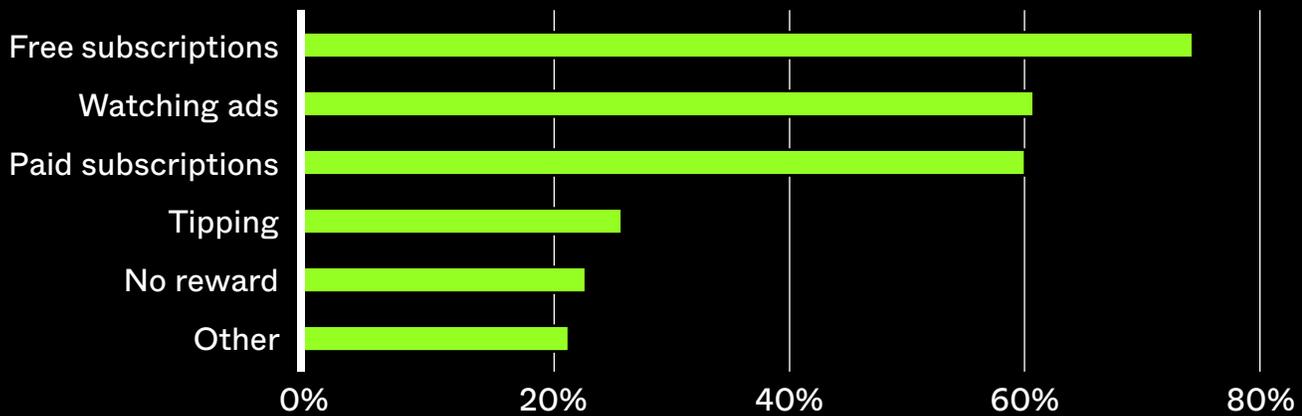


Brands and Creators/Influencers

Where Gen Z engage with creators



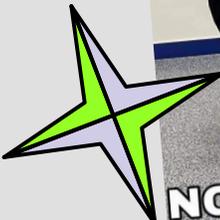
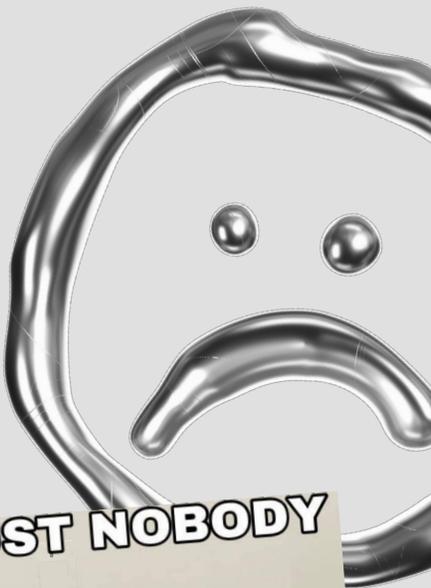
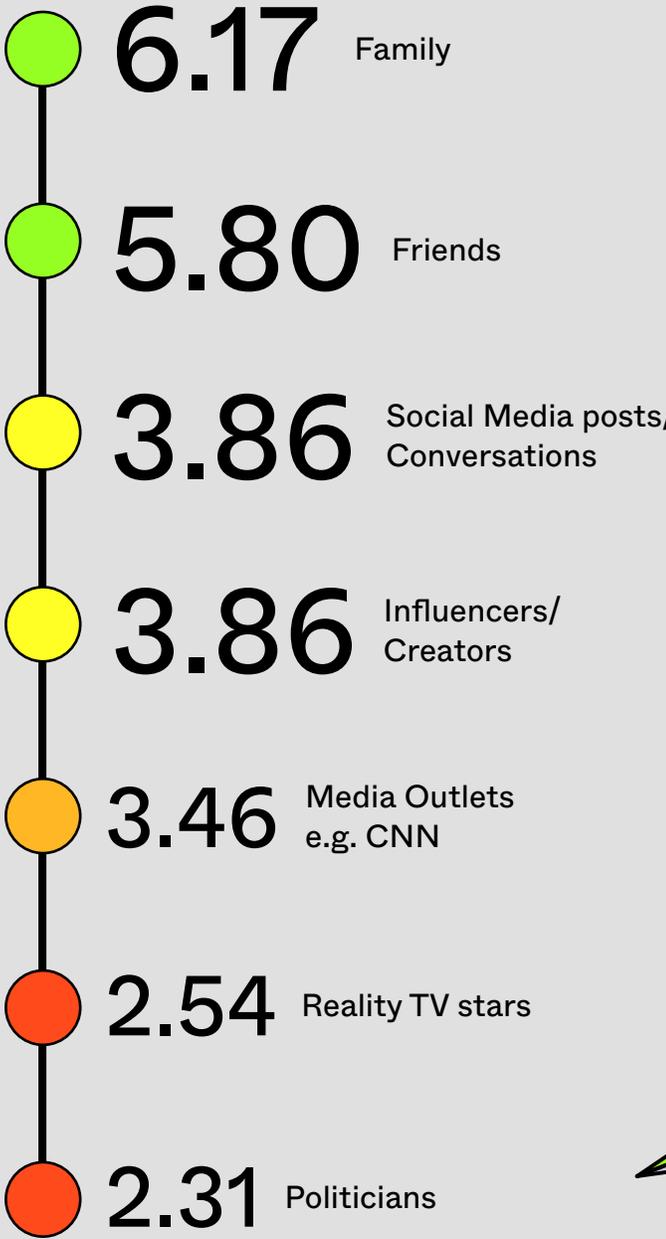
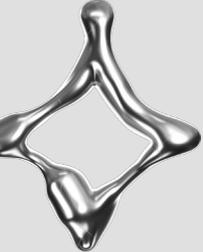
How Gen Z reward creators



The Gen Z Trust Barometer



Who are Gen Z most likely to trust?



“

Gen Z longs for self-expression online, creates parasocial relationships with relatable influencers, and desires an uninterrupted gaming experience.

This study's future vision challenges current content consumption models, suggesting a move towards more transactional and direct reward systems, including crypto. This reflects a larger trend where Gen Z desires transparency, fairness, and agency in their digital interactions.

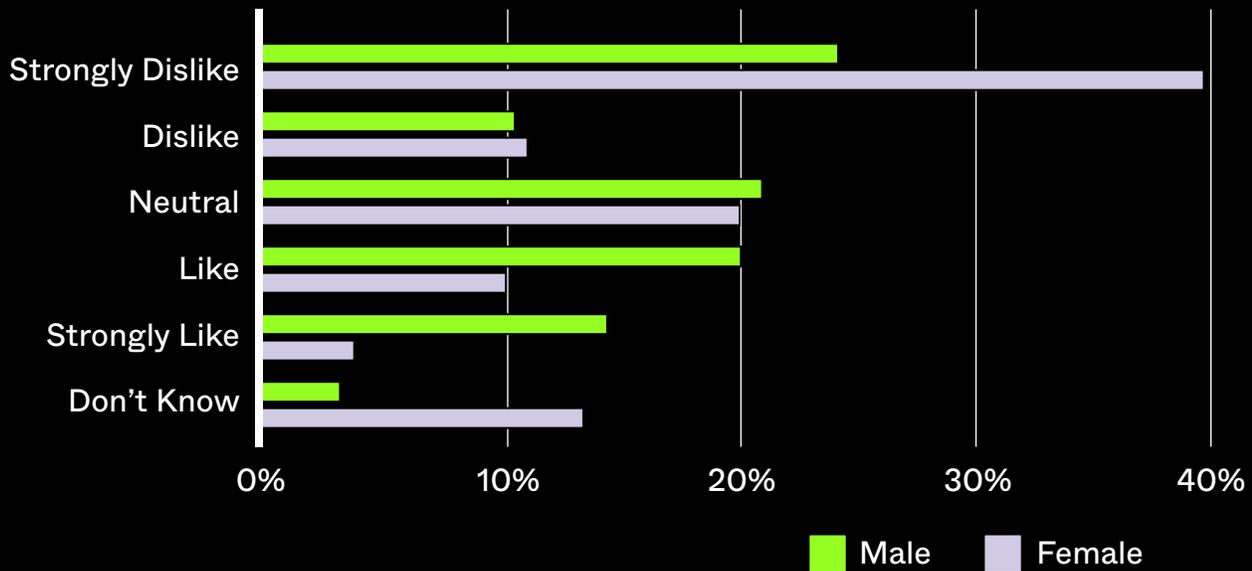


Julia Spinola, Game Developer, Co-Founder Beyond Tomorrow Studios

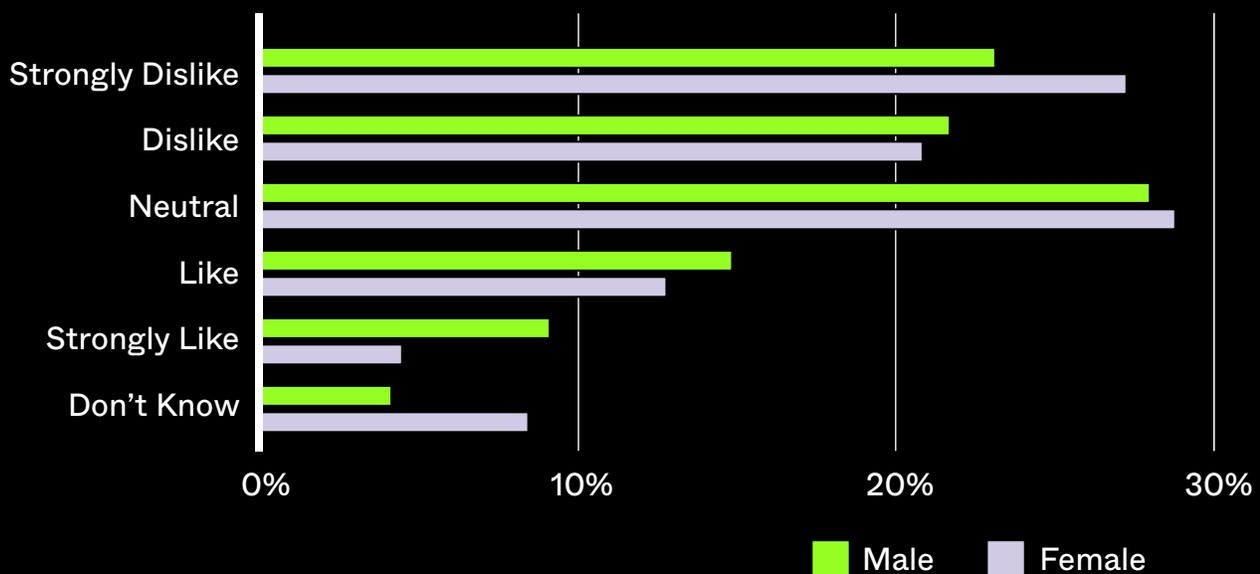


The Gen Z Influencer Sentiment

How Gen Z feel about Andrew Tate

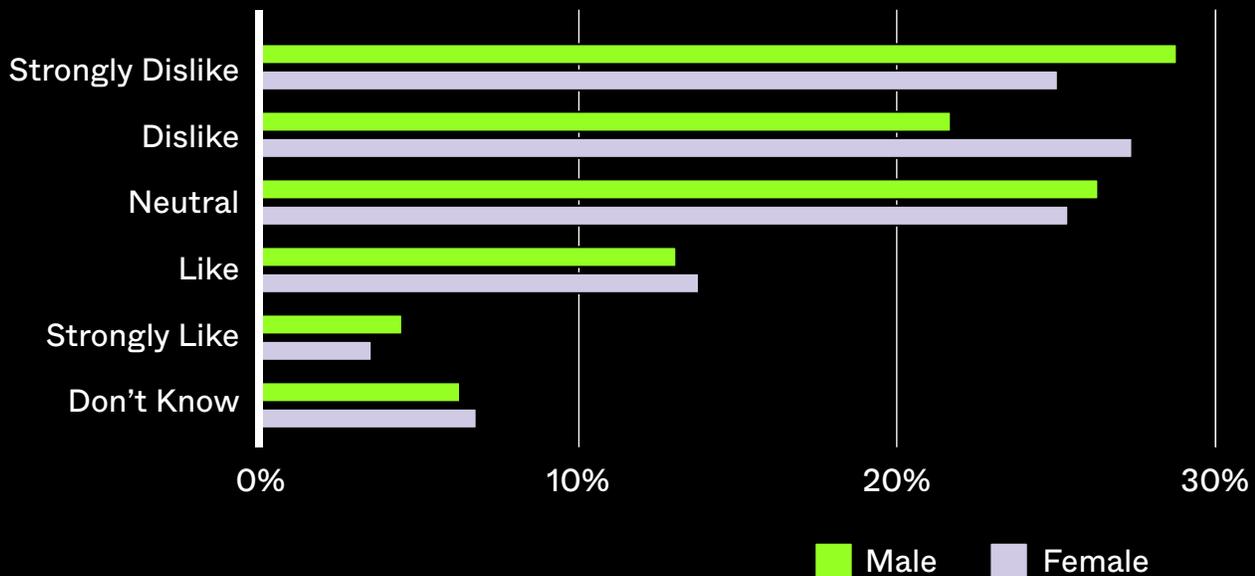


How Gen Z feel about Logan and Jake Paul

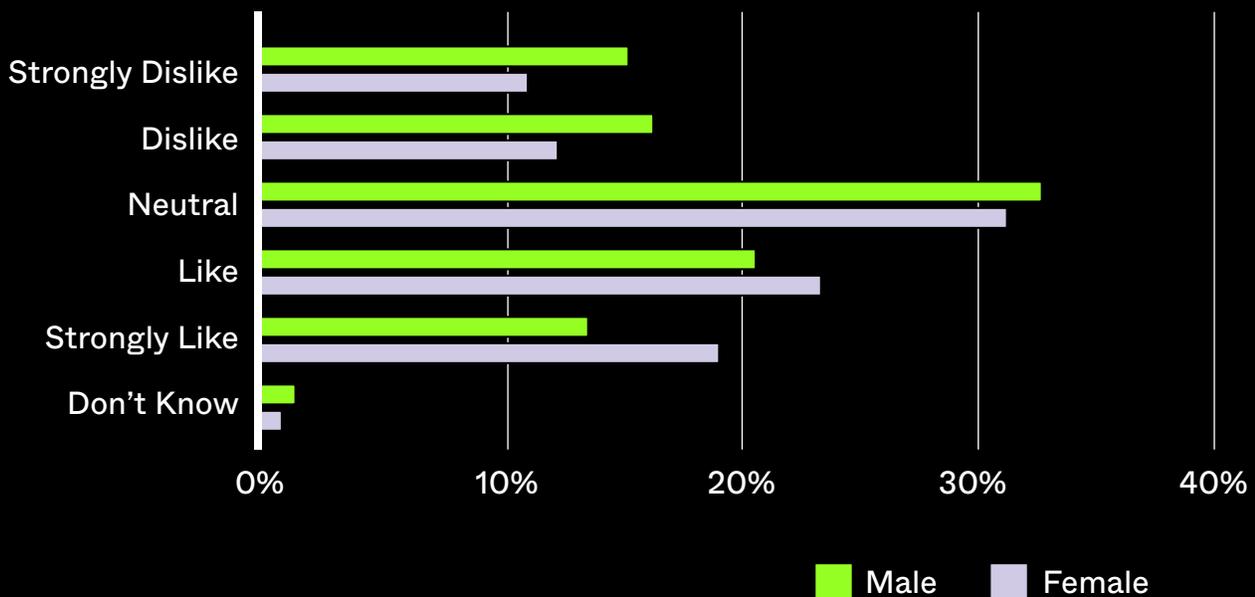


The Gen Z Influencer Sentiment

How Gen Z feel about James Charles

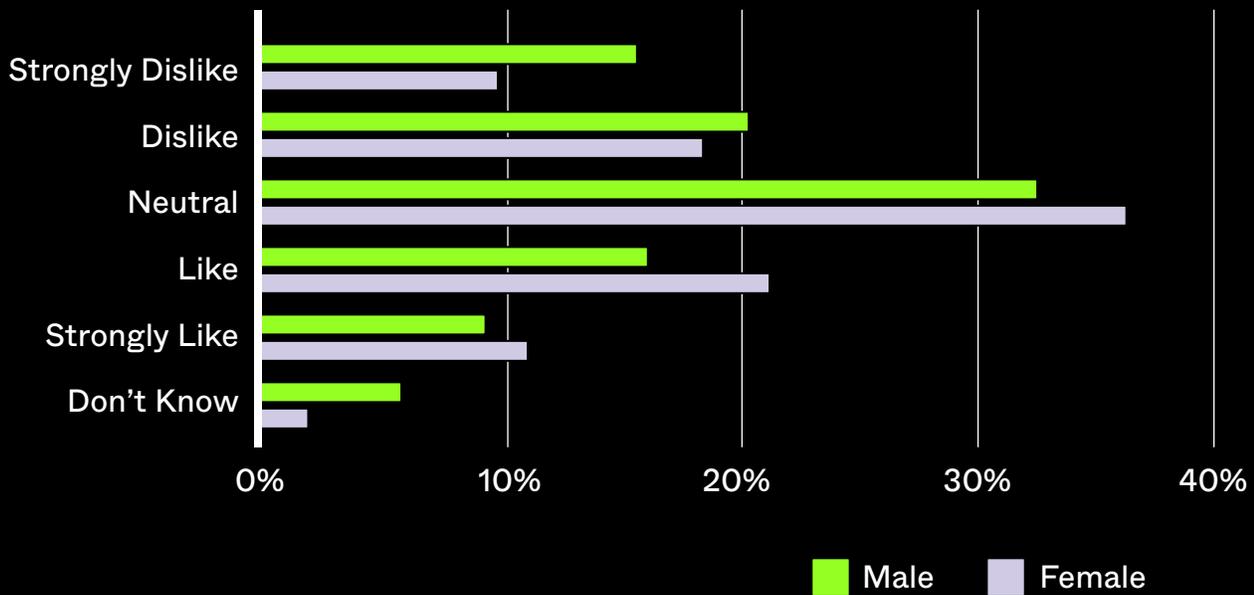


How Gen Z feel about Taylor Swift

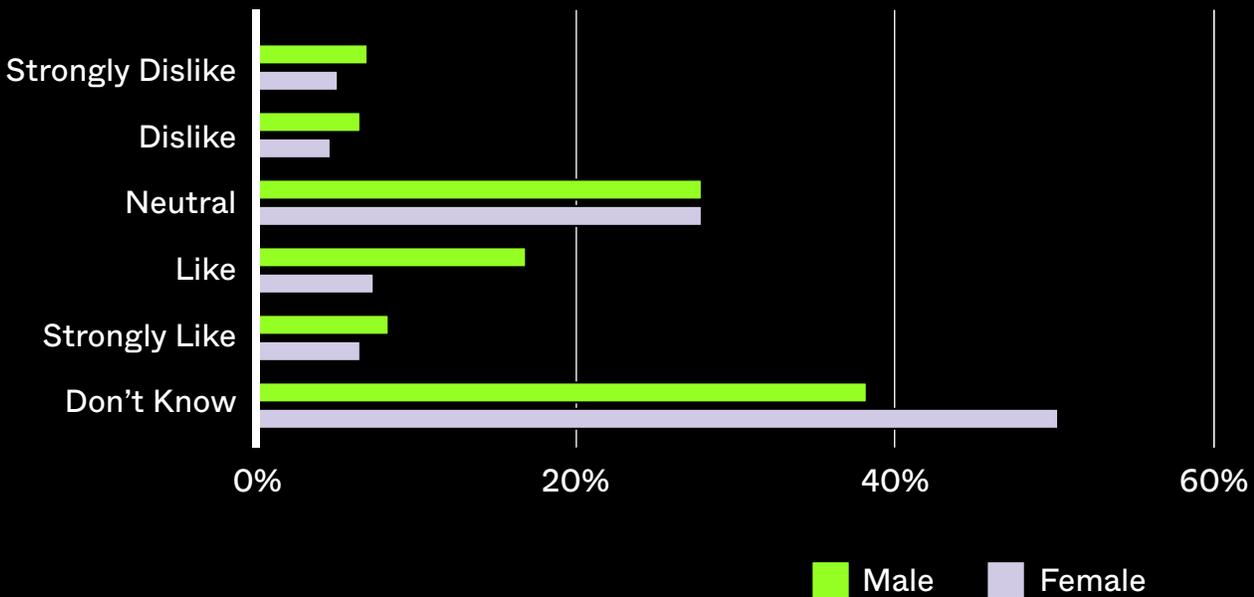


The Gen Z Influencer Sentiment

How Gen Z feel about Kendall and Kylie Jenner



How Gen Z feel about Marques Brownlee



A vision for the future

Gaming, content consumption and beyond...

Gen Z is the first to grow up as digital-natives. They've never lived in an analogue world, and they're profoundly different from those who have.

As we shift into a fully digital-native era, we must be ready to re-examine all existing models and assumptions of identity, social interaction, entertainment and economy. Things that still seem fairly new to over 30s, like subscriptions to entertainment services, are already becoming outdated. While they won't be replaced as the norm today or tomorrow, the time for thinking about alternative solutions was yesterday.

At ZBD, we are creating a world where money moves through the internet as seamlessly as information. Imagine only paying for the content you actually consume, yet rewarding creators more fairly. No more paying for Netflix if you didn't stream a second of video that month, or seeing your favorite indie artists paid a pittance by the platforms they distribute their content on. You're currently consuming a piece of information, which you are hopefully finding insightful. But can you tip me, the creator, for it with one tap of a screen?



A vision for the future



Can you seamlessly send money on-call, in-game, in any app instantly, in any denomination, with no extra effort or interruption to the experience?

None of this is technically out of reach any more. We've built the infrastructure and proved the concept and tech in our first big frontier: rewards in games. Already, around one in every 200 people that own Bitcoin in the entire world earned at least a little bit of it through ZBD. The next step is forming new paradigms of digital interaction, business models and product flows that fit the emerging digital-native culture. Hopefully this document helps all of us understand a little better what this needs to look like. Gen Z and - and subsequent digital-native generations - will thank us.

Thank you for reading. If you'd like to learn more about what we do at ZBD, please reach out and let's build the future now.



Methodology

The research fieldwork took place between 23 and 27 February 2024. It included 2,004 adults aged 18-25 in the United States (US), all of whom play video games for at least one hour per day. Gen Z gamers aged below 18 were not considered for the study. The online survey was conducted by Atomik Research, an independent creative market research agency that employs MRS-certified researchers and abides to the MRS code.



ZBD is a leader in payments innovation, pushing the boundaries of how we move money across the internet. Within gaming, ZBD has made a name for itself by powering instant real-money player rewards for partners ranging from indies like Fumb Games to giants like Square Enix. Game studios use ZBD's rewards tech and payments APIs to reap massive retention boosts, while gamers use the ZBD app as a simple and fun way to earn, spend, play and interact.



To learn more, visit
www.zbd.gg