IAB EUROPE'S GUIDE TO
IN-GAMING

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Section 1. Introduction

Video games have come a long way since the days of Ms. Pac-Man outmanoeuvring pesky ghosts. One of the biggest media habits to be formed during the pandemic appears to be gaming and unlike many other lockdown activities, is showing no sign of going away a year or two after the pandemic. In 2021, there were almost 1.48 billion gamers across Asia, making it the largest market for video gaming worldwide, with Europe coming in second place with a gaming audience of 715 million. In 2023, there were an estimated 3.24 billion gamers across the globe. By next year there will be 3.34 billion gamers!

Gaming is no longer a niche hobby. As we long for human interaction, games have proven to be an invaluable source of connection driven by console and mobile innovations that bring people together and give brands new opportunities to reach engaged audiences.
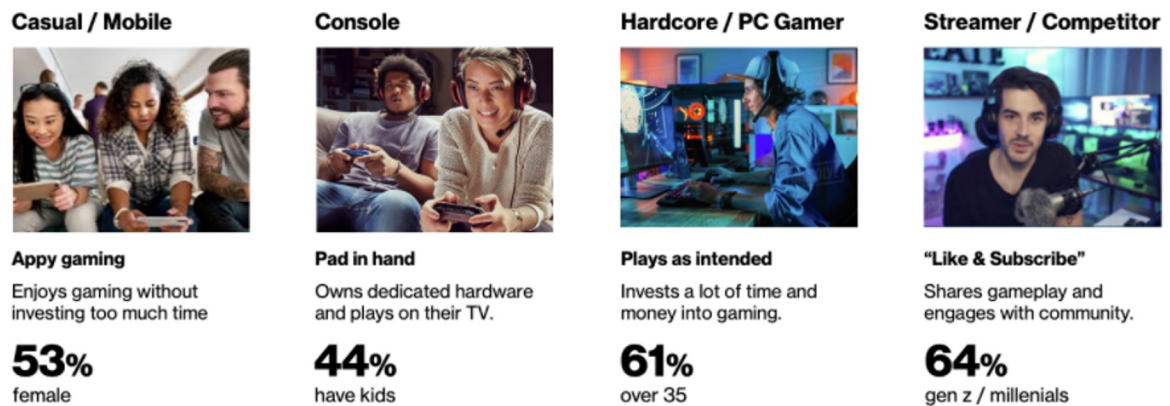
This Guide has been written by experts of IAB Europe's Brand Advertising Committee. It provides definitions for In-Gaming advertising plus insight into how it works, the ad formats available and key considerations and best practices for buyers. This version of the guide was updated in April 2023, replacing content from the previous guide published in November 2021.

1. Source: https://www.statista.com/statistics/293304/number-video-gamers/ April 2023

Gamer Profiles

When you think of a gamer, certain stereotypes may come to mind. You may automatically assume that gamers make up a particular demographic and are unreachable when wedded to specific devices outside of costly sponsorships and partnerships. The reality is that gaming is more accessible than ever. Reaching the growing audience of gamers starts by understanding who's at the other end of the controller. Yahoo Identified four main types of gamer, differentiated by the devices they play on and the depth of their involvement:

Who are today's gamers?

Casual / Mobile

Appy gaming

Enjoys gaming without investing too much time

53%
female

Console

Pad in hand

Owns dedicated hardware and plays on their TV.

44%
have kids

Hardcore / PC Gamer

Plays as intended

Invests a lot of time and money into gaming.

61%
over 35

Streamer / Competitor

"Like & Subscribe"

Shares gameplay and engages with community.

64%
gen z / millenials

GWI insights show that casual gamers, who commonly play games on a mobile device, are the only audience segment with a majority of the player-base being female (53% across EMEA). Younger female gamers (16-34) are more likely to play (video) games to relax or to relieve stress (48% vs 43% of all adults). This audience is also +25% more likely to use gaming for socialising vs all adults (29% have played an online game with their real-life friends).

44% of console gamers have kids, and this device will often become the entertainment hub of the home and family, not only used for gaming, but also watching content.

PC gamers are the oldest with 61% over 35, male skewed (68%), affluent and in the market for car, property and major tech products. They are driven by wanting to be part of a community and get a sense of achievement. Streamers and competitive gamers are the youngest gaming audience, mostly made up of Gen Z and millennials (64%). They are motivated by being part of a community and immersing themselves in a new world (3x likely to talk about games online, 4x likely to have a VR headset).

The Opportunity for Brands
Brands can leverage this profile data and the complexity of gaming universes to reach nearly every audience imaginable. With 57% of EMEA gamers playing on mobile, brands can create meaningful content experiences both in and around the game. Through in-game advertising, brands can reach audiences at scale with a range of display formats and strategic placements that increase awareness. With so many consumers turning to games for connection, brands have the opportunity to become interactive, like the games themselves.

Section 2. Definitions

Whilst the opportunities in gaming are plentiful, understanding the environment is crucial. IAB UK have broken it down into three categories which IAB Europe has adopted in this Guide:

- **INTRINSIC IN THE GAME -** In-game advertising opportunities, looking specifically at how brands can directly influence gameplay visuals/audio with their messaging or alter the gaming experience through skins and sponsored content.

- **AROUND THE GAME** - The opportunities available to brands during the gaming experience but not within the gameplay itself. Examples of this include in-app rewarded video, interstitials and overlaid audio ads.

- **AWAY FROM THE GAME** - Opportunities within gaming that exist away from the gameplay experience itself. This includes streaming, esports, influencer and content marketing

What kinds of ad campaigns are video games best suited for?

Intrinsic in-game tends to be more upper-funnel, focused on brand metrics, because it's often rare to be able to 'click out' from a game through an intrinsic in-game ad. Around-the-game placements are more suited to achieving performance-driven metrics.

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1. Source: https://www.adexchanger.com/gaming/publicis-media-on-what-has-to-happen-before-in-game-ads-can-take-off/ April 2023

Section 3. In-Gaming Ad Formats

Ad formats can vary depending on the device and game you are serving into.

There are several different formats, some of the most popular are covered in this section.

In-Game Display Banners
Display banners can be used to give the impression of real-world advertising in a virtual gaming environment, such as the appearance of an OOH ad. SSPs also allow the ability to leverage common ad sizes such as 300x250 and 728x90 to achieve this effect.

Best practices:
•If a brand wants to maximize its advertising it helps to utilize the most popular sizes of the in-game environment which will differ from standard programmatic display advertising. The common in-game sizes would be 320x480, 480x320, 300x350, 300x600, and others. Explore the sizes so your brand could fully adapt to the game environment.
•Part of the in-game ads are not clickable, so brands must think through what their call-to-action will look like.
•Consider showing off your brand logo in your ads and avoid too much text.

In-Game Video Banners

In-game video banners work similarly to display banners, however, instead of showing an image they play a short video which is blended into the background of the gaming environment. These are usually found on 3D objects like buildings, and roadside billboards, mimicking ads you would expect to find in the real world.

Best practices:

• Keep your video short. Catch the user's attention with your brand logo within the first few seconds of the video.
• Most of the video will be without sound so think through how your video will look like without an audio element. Adapt it to the environment.
• Keep your video short (4-6 sec.) adapting to the changing gaming environment.

Interstitial Ads

Interstitial ads appear within a game and are utilised during natural breaks within the game such as between levels or before a player restarts. Interstitials can offer a more interactive experience and allow users to click through to an advertisers site.

In-game Audio Banners

In-game audio banners allow brands to show off their brand through unique audio ads that blend into the game environment. In-game audio banners are still growing, but the attention is significant from both buyer and supplier perspectives.

Future forecast:

The future will bring even more ad formats. It's only a matter of time before in-game rewarded banners will come into play. Are there any ad formats you are looking for? Speak to your media planners for details on new and upcoming formats.

Expandable/Inline Ads

Inline or Expandable ads can appear within the screen and outside of the game environment. Users can interact with the unit to either click out to the advertiser site or open an expanded panel to interact with the ad unit. Rewarded Ads The player is exposed to an ad for a reward on the game. There are different formats available for this, for example a common one is when the game is put on hold, i.e. the player loses the level and can gain 5 more moves if they listen to an ad. Or before the level starts, in exchange for a booster. There is also a less invasive format of Rewarded AD that is gaining more and more traction on the gaming community in the past few years, that is Rewarded Audio AD, where the gaming experience is not interrupted (see an example here under Rewarded Audio Ad Example)

Section 4. Buying Methods and Measurement

Direct

Some game titles might only be exclusively available via direct buys to keep a sense of exclusivity and as a measure of control. Large game titles can operate as brand entities themselves and therefore would like to have the control over who to work with. In addition, keeping control means publishers can manage the ad density better.

Publishers will reserve inventory at a fixed price when running campaigns directly. They'll also execute on behalf of the buyer. Prices tend to be higher than other buying methods such as PG or PMP/OE. Also, such buying type allows for customization of the advertising which wouldn't stick to only standard programmatic ads. For example, changing the colour of the T-shirt or creating a branded show in the game environment. A great example is the direct collaboration between H&M and Roblox:

Programmatic Guaranteed

A hybrid buying method between direct and programmatic media buying where the execution happens in a DSP. Inventory volume and rates (fixed) are established beforehand with the publisher. It guarantees the agreed impressions, while a buyer can leverage the publisher's data. It allows advertisers to have the ease of hitting supply volumes with the right targeting in place.

Private Marketplace (PMP)

PMPs allow you to pre-select targeting and only receive bid requests for the impressions you choose and are a fit for your campaign. Beforehand, you agree to a CPM floor with the publisher. The floor is a minimum the publisher expects you to pay for selected supply. A floor doesn't guarantee the price for an impression and full delivery. The price you pay and the volume you are able to generate depends on fluctuations of supply available and demand for the given supply. PMP prices are lower than Programmatic Guaranteed prices because of the unguaranteed nature of PMPs.

Open Exchange

For in-game ads publishers don't allow buying through open auction at the moment as the developers want to know who's running ads across their supply.
10 Section 5. Measurement

1. Source: https://social.hm.com/en_US/roblox-loooptopia April 2023

Section 5. Measurement and Metrics

With in-gaming being an upper funnel channel, brand awareness and brand exposure are key considerations when measuring the effectiveness of your campaign. Therefore metrics such as gaze time and viewability become critical to ensuring success. Standard metrics are available and SSP specific metrics can also be utilised, these include:

Standard Metrics Available	SSP Metrics available
• Impressions • Unique views • Viewability • Completion Rate • Spend	• Gaze time & rate • Time-in-view • Dwell Time (ad visible) • Impressions (per game) • PCAs

When considering a video or display banner ad within a game, a number of additional metrics can be considered, these are available in the IAB US in-game measurement guidelines found here.
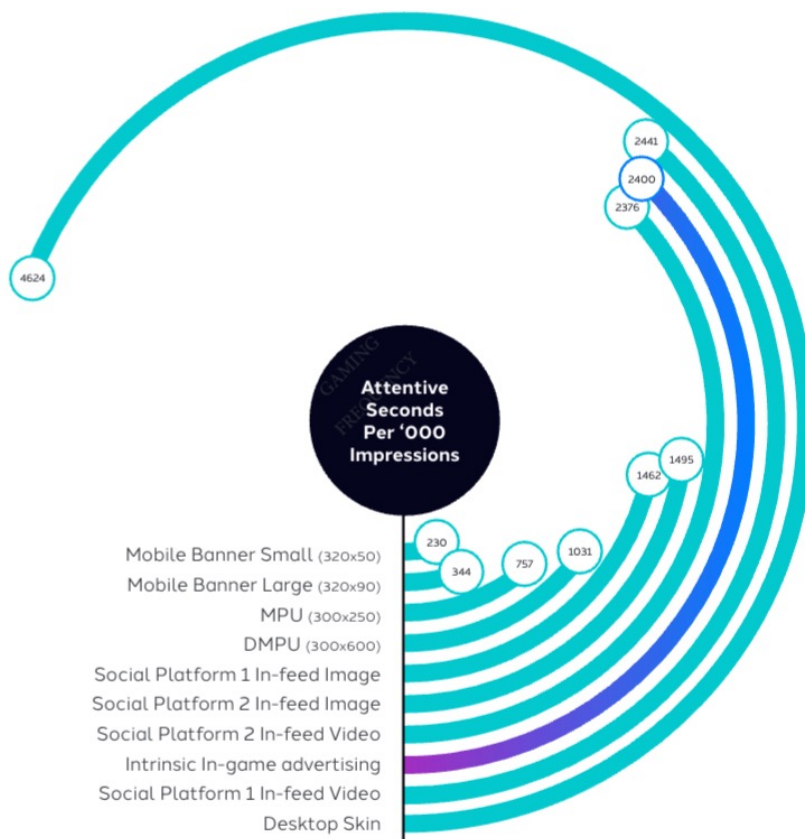
Viewability

Perhaps more-so than any other media sector, gaming has a variety of existing and emerging ad formats that look and behave very differently to media in other channels. The MRC's updated guidance for In-Game Measurement guidelines notes that adequate guidance for in-game viewability measurement does not yet exist, and any reporting of viewability metrics before the development of in-game specific requirements by MRC should consider:

• When game play is in focus
• Thresholds for a valid ad impression
• Minimum Ad Size
• Lighting-Ads are visible within the virtual game environment with sufficient lighting
• Maximum Ad Angle Relative to Game Screen
• Occlusion Determination - occlusion represents an instance where the In-Game ad unit is blocked from view either totally or partially during game play

Attention

Part of the in-game ads which are not clickable require alternative performance metrics. The Attention metric rate is now becoming a proxy to evaluate in-game ad performance. The main reason why this is happening is that in-game ads are top performing media channels. A study conducted by Dentsu show that intrinsic in-game ads perform as social media platform in-feed videos and we know how engaging video ads can be:

We are seeing more similar studies being conducted. Attention is not only about if the players actually were looking at the ad, but what happened afterwards. A study conducted by Anzu and Lumen digs deeper into the question. Their study shows that in-game ads with their 2 times higher attention rate can impact players' buying habits and perception of the brand.

1. Source: https://www.exchangewire.com/blog/2022/10/06/new-research-from-lumen-anzu-gamers-spend-twice-as-long-viewing-intrinsic-in-game-ads-compared-to-other-digital-channels/ April 2023

Section 6. Key Considerations

Targeting

Targeting for in-gaming is done at different levels depending on the device the audience is using. The main devices are PC, console, and mobile. You then have to consider the environment. Is it in-play or In between play.

	Active In-Play	**In Between Play**
PC	• Geo • Time of Day • Language • Age • First-party audience package • Custom first-party developer data • DMP Targeting options • Game genre • PEGI/ESRB Rating	NA
Console (Including VR)	• Geo • Time of Day • Language • Age • First-party audience package • Custom first-party developer data • DMP Targeting options • Game genre • PEGI/ESRB Rating	NA
Mobile	• Geo • Time of Day • Language • Age • First-party audience package • Custom first-party developer data • DMP Targeting options • Game genre • PEGI/ESRB Rating	• Geo • Time of Day • Language • Age • First-party audience package • Custom first-party developer data • DMP Targeting options • Game genre • PEGI/ESRB Rating

Remember adding more layers of targeting may reduce scale. Best practice is to target games on a contextual basis. Also when adding data from a DMP, users have to be matched so this is a very limited way of targeting and shouldn't be used as a main source of targeting or activation as the campaign will struggle to deliver.

With the Google plan to remove third-party cookies, we talk about a cookieless world. A lot of publishers rely on log-in to leverage first-party data, identify the user and a lot of publishers use contextual targeting to match the ad with the user experience and in this scenario with the gaming experience.

The Supply Path and Reporting

The supply path will determine how measurable a campaign is. Measurability is key to full buying transparency – knowing in which environment an ad was served, how much of it was viewable, how that impression was defined and when it was counted in the process, and what kind of GIVT and SIVT measurement can be applied.

Reporting within gaming has quickly matured, especially as more advertisers have entered the space and want to be able to compare their campaigns against other channels. Companies including Moat, IAS, Comscore, Tag, and Human are now working with in-game ad companies to help standardise the reporting process and groups like the IAB Tech Lab are collaborating to help bring about standards to ensure the space remains transparent and accessible to advertisers.

Digital Risk

Gaming is a unique channel for many reasons but also as it carries unique risks, which, make no mistake, can be mitigated. The three main areas of risk in gaming are: children's audiences, brand safety and suitability (mostly due to violence and the live-streaming nature of content) and the variety of the supply path across devices (PC, console, mobile).

To help you understand more about how your campaign will run, we recommend asking the following questions to your in-game supplier:

- Are you buying an ad in-streaming or in-game?
- How does the supplier onboard their inventory, what are the checks in place and do they cover all risks?
- Which device is the ad served on?
- How is an impression defined and when exactly is it counted, when preloaded or when rendered and judged valid and viewable? Is impression delivery verified independently?
- How is ad-fraud monitored?
- Do you have the T&Cs in place to ensure a refund when fraud is identified?
- Is there a difference in measurability in 2D vs 3D games?
- Is viewability measured? For 3D environments, what is the viewability standard? Does it take into account the angle of the ad?

Brand Safety and Suitability
While the game itself is not user-generated content, players' interactions with the game and other players challenge that notion. A lot of the in-game inventory is live streamed, which makes it unpredictable. Unpredictability is brand safety's enemy. Equally, it is true that not all games bear violence and that too often the entire channel is given a bad name due to this wrong perception. However, some of the most popular games do have some violence and what some brands find most problematic, shooting games.

Something to remember is that many games use violence as a storytelling technique and players see it as a small element of the overall game rather than something separate. As brands become more familiar with the gaming space it's likely that games will no longer be seen as violent or non-violent but will be considered for their overall story and theme - much like what happens when brands decide to advertise alongside films and TV shows.

We currently do not have an industry-wide accepted way of categorising violence in games for the purpose of advertising in it. The existing rating systems such as PEGI or ESRB consider the age suitability of a game for a child, and for the moment are the best indicators of suitability we can find.

When you are booking your campaign it is recommended that you also select specific game verticals and make an inclusion list of game titles. Live streaming is another challenge, as the technology is limited in its capacity to understand the context in real time, the best we can do is do the aforementioned due diligence.

In-Valid Traffic (IVT)

As gaming and eSports continue to see market growth and increased audience engagement, the industry should expect that all forms of in-game advertising are vulnerable to fraud. Emerging forms of in-game invalid traffic include background ad activity, hidden ads, misrepresentation/spoofing and more. Moat by Oracle Advertising identified an in-game advertising fraud scheme that leveraged several techniques including User Agent spoofing. Fraudsters using this technique typically build a bot that rotates through several hundred User Agents to portray the effect that traffic is coming from many different browsers and is legitimate.

Child Audiences

Children are a protected group, and as such have particular protection under formal regulations and industry standards

Advertising of High Fat Salt Sugar (HFSS) foods to children is prohibited, as is advertising of alcohol or gambling. Data protection laws such as COPPA (US) and GDPR (EU and UK) specifically regulate the processing of children's personal data. Games often use characters (e.g. cartoons) which are likely to attract child audiences who are vulnerable to undue influence. Here are some key things to think about when it comes to in-gaming and child audiences:

• All games are rated, use it as an indication of games which are more likely
• to be played by adults
• All apps are age-restricted directly in the app store, use that information
• where available to exclude those apps targeting children.
• When planning, use Nielsen/Kantar/any other panel provider data to
• understand the nature of the audience on the particular game/channel
• Remember that the best practice is to target parents, not children
• For brands that are able to target children contextually (other than HFSS,
• gaming, alcohol advertising) NO age targeting is allowed, or data
• processing (processing associated with any ID – cookie or mobile ID) – measurement and optimisation are affected. That means that you need to do the due diligence of your suppliers to understand how they strip away data from games that are likely to be played by children and make a decision based on that.

Digital risk in in-gaming will evolve and fluctuate as the channel matures. It is highly encouraging to see that IAB is stepping up to provide technical standards and definitions aiming to raise the measurability bar.

Section 7. The Future of Gaming

If the history of gaming can be told through iconic characters and consoles, then the future of gaming will be all about community and careers. As technology has evolved, so has the ability for gamers to stream and share their experiences socially, with elite gamers competing for prize money in professional esports tournaments. The opportunity for brands and advertising is huge and will continue to evolve as the technology supporting it, e.g. targeting, measurement, advances.

The expectation of advertising on AAA and AA games
The Sony announcement will definitely shift the gaming ecosystem. It will allow advertisers to present their brand on AAA games. Also, the Microsoft-Activision deal shows that huge companies see gaming as a long-term strategy.

Cloud Gaming
Cloud gaming service providers will expand their white-labeled offerings and invest more in PaaS, empowering more platforms and publishers to offer the cloud as an alternative distribution method. One of the main benefactors of this development will be Netflix. Over the past couple of years, Netflix has taken its first steps into the world of gaming, serving up games to subscribers on top of its other media offering. However, the gaming experience has its limitations, with users required to download games rather than being able to launch them directly in the Netflix app.

Impact of AI
With the growth of AI tools like ChatGPT we will see the impact of AI when it comes to game development. Generative AI can already create images, 3D designs, and even videos, to say nothing of its capacity to pump out reasonably convincing texts. While the visual fidelity isn't quite there yet, generative AI can significantly cut down development time for studios. With progressively more powerful tools coming from the AI space, game developers can create assets in a style that matches their exact specifications. Generative tools can create endless variations of visuals in a highly iterative way at a speed that outpaces any single developer or designer. Which essentially means more advertising opportunities for brands.

The Rise of the Metaverse

Gaming platforms like Roblox, Minecraft, and Fortnite are working towards becoming Metaverses where gamers gather to not only play, but watch films, experience live music, learn, create, and hang out. As a result gaming is beginning to blur the lines between different media channels. As these spaces grow, as will the amount of time we spend in them. Advertisers should look to the metaverse as the extension of gaming, and these gaming platforms present them with a great opportunity to test out what works within these spaces, and how to engage with audiences who are spending the majority of their digital lives within these Platforms.

Summary

In-gaming is an exciting growth area and provides many opportunities for advertisers (the business verticals change from FMCG, Telcos, banks, luxury brands etc.). The contributors of this Guide have, as such, developed a clear and concise step by step guide for planners and buyers to understand the In-Gaming opportunity and how they can tap into its potential.
The exponential growth in In-Gaming across a range of devices has opened up a whole new world of advertising. But for it to scale, it's important that we, as an industry, support the development of this channel.

This Guide draws out some of the key considerations to help In-Gaming in Europe thrive. But, as with any nascent and growing market there are still barriers to overcome. By working together as an industry to address the key challenges such as fraud, and measurement, we have a real chance to enable its success.

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