



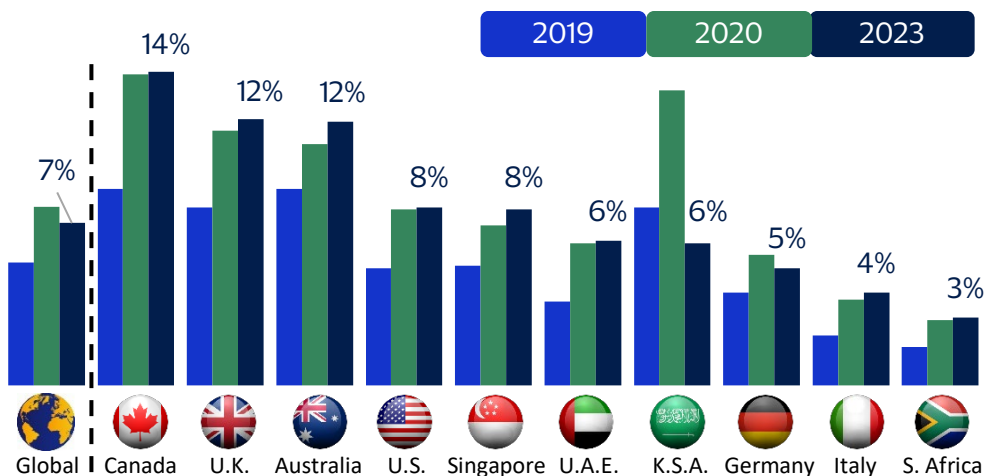
Global Economic Insight

From game over to game on: The rise of the video gamer economy

Video gamers are emerging as an attractive, lucrative consumer segment and a force to be reckoned with globally. Analysis of anonymized VisaNet transaction data shows that video gamers* consistently punch above their weight in terms of overall spending and transaction frequency across all purchasing categories, not just at digital merchants. As the most digitally active cohort, video gamers generally outperform other cardholders in online spending metrics and tend to spend more overall. Visa Business and Economic Insights (VBEI) economists uncovered this trend, along with a set of behaviors common among video gamers, across diverse markets at different stages of digital maturity, highlighting video gamers' growing prominence.

The confluence of major economic, technological and social forces will likely amplify the prominence of video gamers. At the end of 2023, the global games market generated an estimated \$184 billion USD in global revenues, a figure that by 2026 is expected to reach \$205 billion—close to the value of a mid-sized European economy such as Hungary.¹ Meanwhile, the number of video game players is expected to reach 3.8 billion by 2026, accounting for almost half of the world's population.² A number of rapidly developing trends will only reinforce the burgeoning video gamer economy, including the rise of the middle class—especially in more populous emerging markets (e.g., India, China, Brazil). The increasing affordability of more leisure time and the seismic rise in the digital economy will also play a role, as will the proliferation of high-speed internet, advancements in mobile technology and the shift towards remote work.³

Fig. 1: Share of video gamers* rose post-COVID and remains sticky
(Percent of cardholders identified as video gamers, annual average)



*For purposes of this report, we define a video gamer as a cardholder who made at least one online transaction in the "digital goods games" or "video amusement game supply" categories in the preceding three months. Sources: Visa Business and Economic Insights analysis of VisaNet data

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Key Points:

 Economic, social and digital trends are converging to skyrocket the video gamer economy to \$205 billion by 2026

 Video gamers consistently outspend their peers across purchasing categories and markets

 Video gamers around the world have similar spending habits





Game on, wallet ready!

Starting with the pandemic lockdowns in 2020, people around the world found themselves with plenty of time to spare for leisure activity. According to a study of workers in 27 countries, working from home saved each worker about two hours of commute time per week in 2021 and 2022.⁴

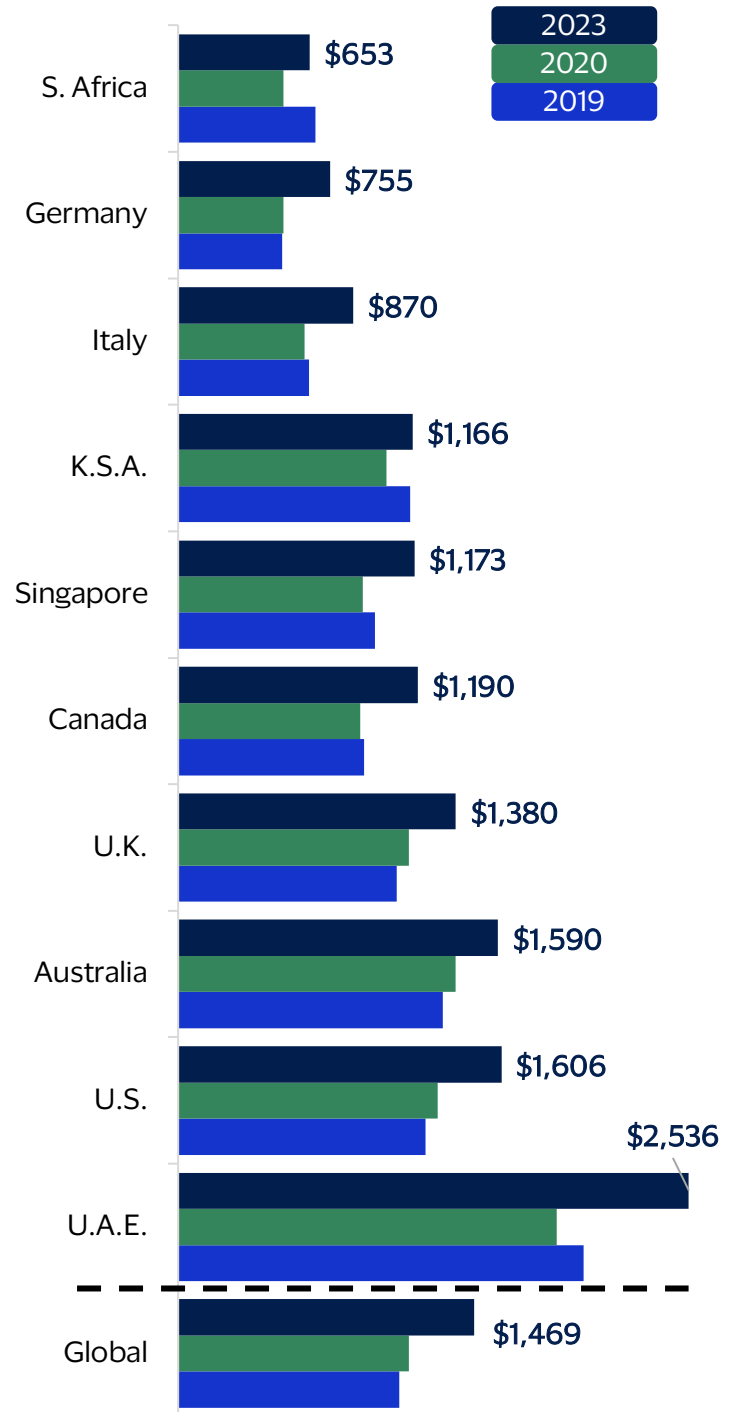
Many people picked up new hobbies, dabbled with DIY (do-it-yourself) projects, or streamed their way through popular social media apps and digital entertainment platforms. The number of video gamers worldwide rose from 5.4 percent in 2019 to nearly 8 percent in 2020 (Figure 1). Three years later, this change in consumer behavior has proven to be sticky rather than temporary, solidifying video gamers as a force to reckon with.

Today’s video games are a vast universe, extending far beyond traditional exclusive gaming consoles and spanning a broader selection of platforms, including PC, mobile, and streaming services. They cover a wide, ever-expanding array of genres from e-sports to horror, fantasy, combat, strategy and beyond. Contrary to some popular stereotypes, the video gamer demographic isn’t limited to younger males. In fact, the global gamer market is fairly evenly mixed between males and females.⁵ As for age representation, video gamers run the gamut in the U.S., with 38 percent falling between the ages of 18-34, 26 percent between 35-54, and 21 percent under 18, illustrating the wide appeal of video games.⁶

Since 2019, the number of active video gamers has risen across all key markets examined. For our analysis, we defined video gamers as cardholders who made at least one transaction in the preceding three months on online gaming platforms and merchants. As not all consumers who play video games make regular purchases on video gaming platforms, this methodology most likely underestimates the true number of video gamers. Nonetheless, the steady increase in the share of active cards regularly used on online gaming platforms is telling. Canada’s share was the highest among the key markets at 14 percent in 2023, and South Africa was the lowest at 3 percent (Figure 1). Interestingly, compared to 2019, the share of active video gamers rose in most markets studied, highlighting the stickiness of this change in behavior.

Our analysis also revealed that video gamers’ average total monthly card spending—in all categories, not only gaming—has risen in parallel with the share of cards used on online gaming platforms. Compared to 2019, video gamer cardholders increased their spending by an average of 21 percent across most of the markets examined. For example, in the U.A.E., the average total spending on a card regularly used on online video gaming platforms jumped from an average of \$2,014 USD per month in 2019 to \$2,536 USD in 2023 (Figure 2).

Fig. 2: Video gamers’ total spending has risen steadily and remains on an upward trajectory (Average monthly total spending by video gamer cardholders, including gaming and non-gaming purchases)



Sources: Visa Business and Economic Insights analysis of VisaNet data

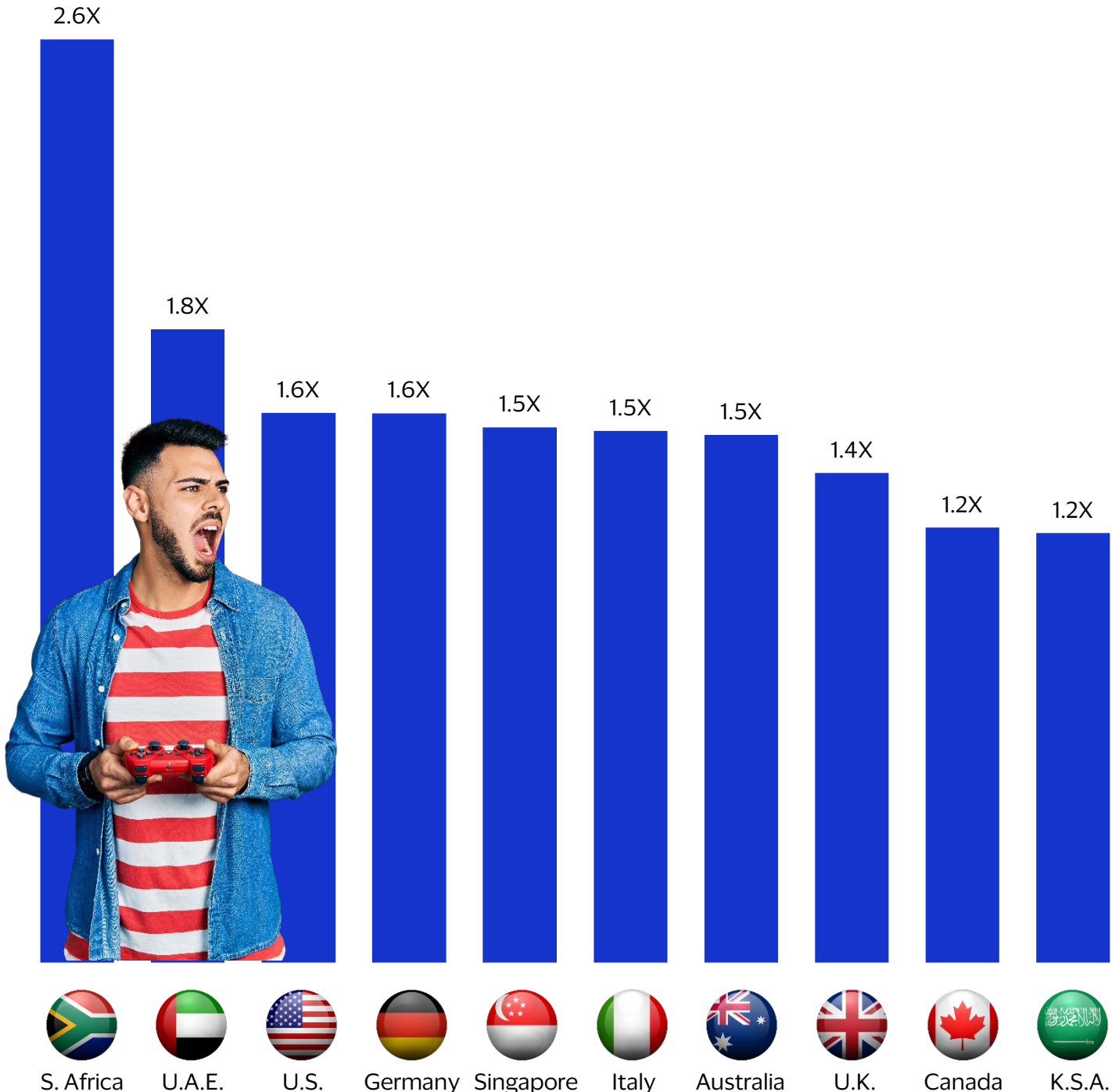


Game on, wallet ready! (cont.)

This finding is significant given that average monthly spending on video gamer cards is often a multiple of average spending on non-video gamer cards. This was true across all markets examined but particularly prevalent in South Africa, where spending on video gamer cards was 2.6 times higher (Figure 3). In Canada and Saudi Arabia, it was 1.2 times higher, suggesting that the margin for video gamer cards is sizeable in all markets.

Fig. 3: Video gamers are a lucrative consumer segment

(Ratio of average total monthly spending on video gamer cards vs. non-video gamer cards in 2023, by country)



Sources: Visa Business and Economic Insights analysis of VisaNet data



E-commerce and video games: Just click, pay and play

In online shopping and e-commerce, video gamer cards clearly outperform non-video gamer cards. Across all markets, average monthly e-commerce spending on video gamer cards is often a multiple of non-video gamer cards. On average, video gamers in the U.A.E. spend 1.7 times more than regular consumers on online or digital purchases, while the U.K. and Saudi Arabia see just over 1.2 times higher online spending on video gamer cards (Figure 4).

Not only do video gamers tend to spend more online and have higher ticket sizes than other consumers, but they also make more frequent purchases online and on e-commerce platforms.

In all countries examined, video gamer cardholders made roughly twice as many transactions online as other cardholders, with country multiples ranging from 1.85 to 2.25 (Figure 5).

Video gamers' higher online spending and transaction frequency aren't surprising given their tendency to live online. A study by Qustodio found that gamers spent an average of 180 minutes daily on top gaming platforms in 2022, outperforming popular social media and streaming services.⁷ Avid gamers also often subscribe to premium content and invest in specific high-tech hardware and accessories; their purchasing behavior and online engagement patterns are characteristic of this immersion in the digital world.

Fig. 4: Card spending gap widens even further for e-commerce

(Ratio of total monthly online spending on video gamer cards vs. non-video gamer cards in 2023, by country)

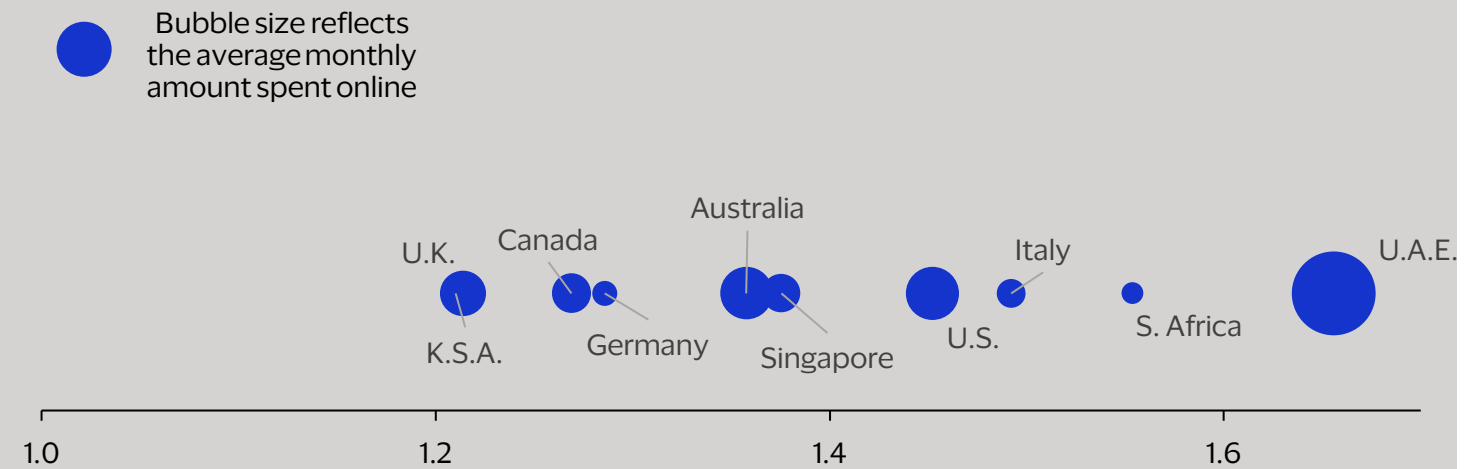
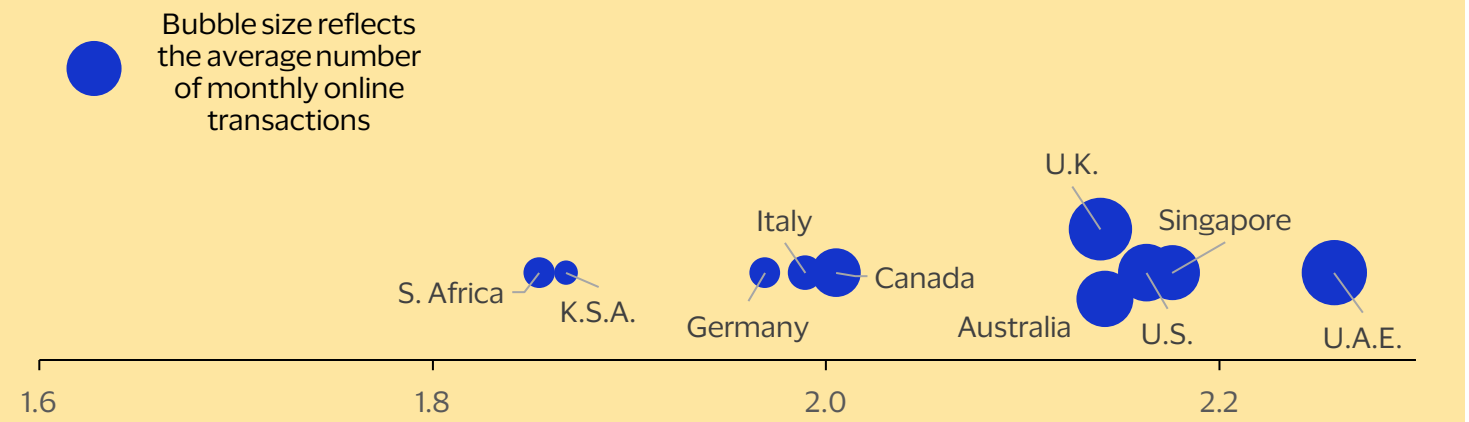


Fig. 5: Video gamers make more frequent online transactions

(Ratio of the average number of online transactions on video gamer cards vs. non-video gamer cards in 2023, by country)



Sources: Visa Business and Economic Insights analysis of VisaNet data



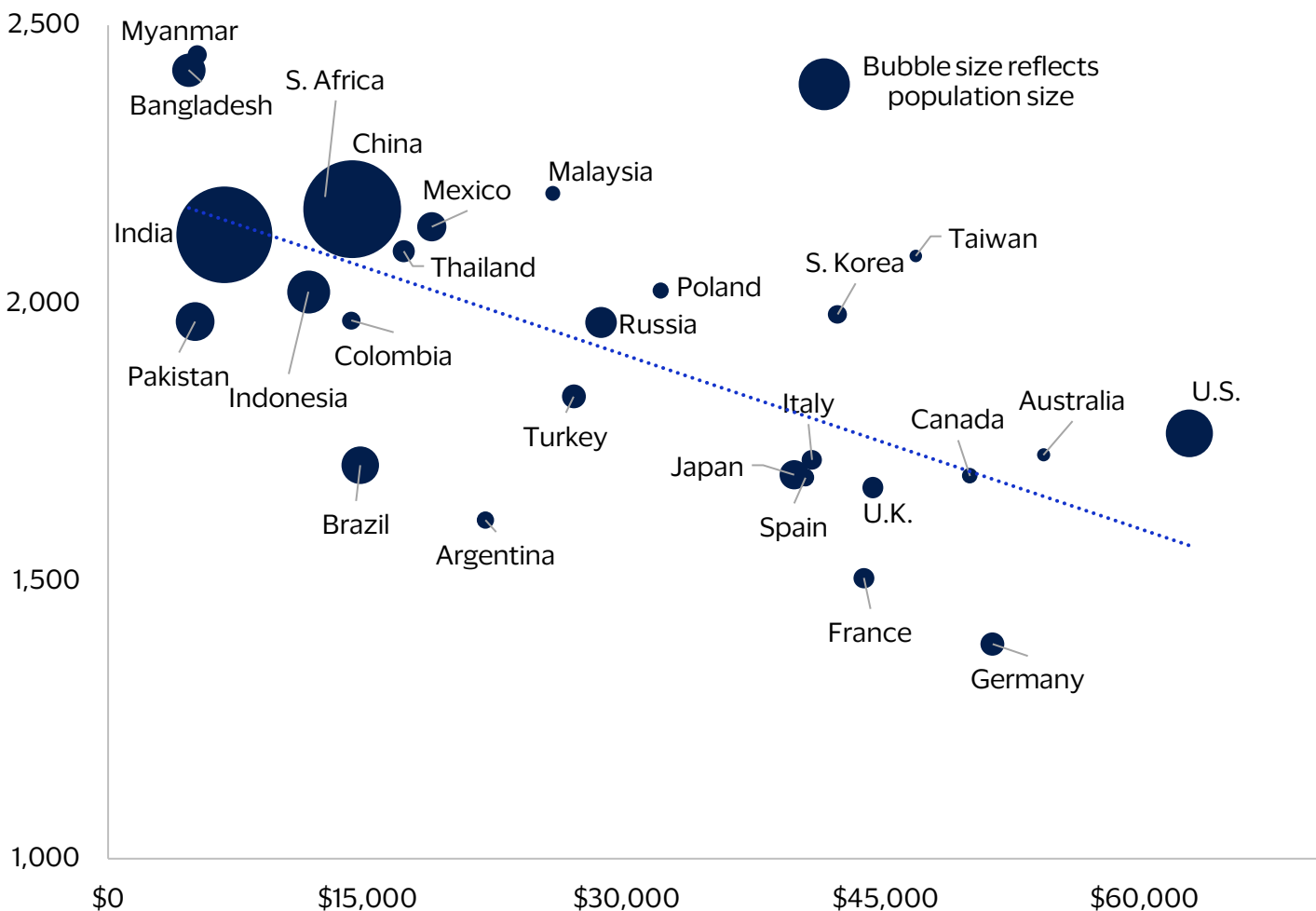
Economic growth equals more time for video games

One of the driving forces behind the rise of the video gamer economy is the increase in leisure time, an important impact of the economy’s growth over the past 50 years. One of the most common ways to measure the relationship between economic growth and growth in leisure time is to compare the average annual hours worked per person across countries and over time. According to the Organization for Economic Co-operation and Development (OECD), the average annual hours worked per person in its member countries declined from 1,855 in 1970 to 1,664 in 2019, a decrease of 10.3 percent.⁸ This suggests that, on average, people in these countries have more leisure time than they did five decades ago, gradually gaining leisure time as their economies grew. This relationship is also apparent when looking at countries with different levels of economic development as measured by gross domestic product (GDP) per capita. Generally, average annual hours worked per capita tend to fall as a country’s economy becomes more developed.

We expect that this decade will feature strong economic growth and, as a result, more leisure time. For billions of consumers around the world, this means more time to play video games. The number of video gamers surged from just under 2 billion in 2015 to approximately 3.2 billion in 2022 and is projected to reach 3.8 billion by 2026.⁹ As their numbers continue to grow, video gamers will become an increasingly valuable demographic for issuers and merchants. Additionally, the video game industry is likely to continue to expand to meet the demand, providing new opportunities for entertainment, social interaction, and even employment.

Contrary to the common belief that gamers are mostly kids, research shows it is an eclectic and inclusive demographic segment with significant economic and business impact. It’s crucial for both issuers and merchants to recognize and capitalize on this influential consumer segment.

Fig.6: Economic development and growth in personal income pave the way for more leisure time
(Annual hours worked per capita vs. GDP per capita in USD in 2019)



Sources: Feenstra et al. (2015), Penn World Table (2021), Our World in Data





Footnotes

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Accessibility notes

Figure 1: A bar chart showing the average share of video gamers by country in 2019, 2020 and 2023. The global share of gamers was 5.4 percent in 2019, 7.9 percent in 2020 and 7.2 percent in 2023; for Canada, 8.7 percent, 13.8 percent and 13.9 percent; for the U.K., 7.9 percent, 11.3 percent and 11.8 percent; for Australia, 8.7 percent, 10.7 percent and 11.7 percent; for the U.S., 5.2 percent, 7.8 percent and 7.9 percent; for Singapore, 5.3 percent, 7.1 percent and 7.8 percent; for the U.A.E., 3.7 percent, 6.3 percent and 6.4 percent; for Saudi Arabia, 7.9 percent, 13 percent and 6.3 percent; for Germany, 4.1 percent, 5.8 percent and 5.2 percent; for Italy, 2.2 percent, 3.8 percent and 4.1 percent; and for South Africa, 1.7 percent, 2.9 percent and 3 percent.

Figure 2: A bar chart showing video gamers' average monthly total card spending in USD by country in 2019, 2020 and 2023. Globally, video gamers spent about \$1,098 in 2019, \$1,147 in 2020 and \$1,469 in 2023; in the U.A.E., these figures were \$2,015, \$1,879 and \$2,536; in the U.S., \$1,229, \$1,290 and \$1,606; in Australia, \$1,315, \$1,379 and \$1,590; in the U.K., \$1,084, \$1,145 and \$1,380; in Canada, \$924, \$903 and \$1,190; in Singapore, \$977, \$916 and \$1,173; in Saudi Arabia, \$1,152, \$1,034 and \$1,166; in Italy, \$650, \$627 and \$870; in Germany, \$515, \$523 and \$755; and in South Africa, \$680, \$523 and \$653.

Figure 3: A bar chart showing the ratio of average total monthly spending for video gamer cards versus non-video gamer cards by country in 2023. In South Africa, spending on video gamer cards was 2.6 times higher than on cards owned by non-video gamers; in the U.A.E., it was 1.8 times higher; in the U.S. and Germany, 1.6 times higher; in Singapore, Italy and Australia, 1.5 times higher; in the U.K., 1.4 times higher; and in Canada and Saudi Arabia, 1.2 times higher.

Figure 4: A bubble chart showing the ratio of average monthly online spending on video gamer cards versus cards owned by non-video gamers in 2023, broken down by country. Video gamers in the U.A.E. spent nearly 1.7 times more on their cards than non-gamers; video gamers in South Africa, Italy and the U.S. spent around 1.5 times more; in Singapore and Australia, nearly 1.4 times more; in Canada and Germany, almost 1.3 times more, and in the U.K. and Saudi Arabia, just over 1.2 times more.

Figure 5: A bubble chart showing the ratio of average monthly online transactions on video gamer cards versus non-video gamer cards by country in 2023. Video gamers in the U.A.E. used their cards to make nearly 2.3 times more online transactions than non-gamers; video gamers in Singapore, Australia, the U.S. and the U.K. made almost 2.2 times as many online transactions; in Canada, Italy and Germany, approximately twice as many; and in Saudi Arabia and South Africa, nearly 1.9 times as many.

Figure 6: A bubble chart showing annual hours worked per capita in 2019 compared to GDP per capita in USD by country. The bubbles are proportionate to each country's population size. Countries with more than 1,500 annual average working hours per capita and GDPs under \$30,000 per capita include (in descending order of working hours) Myanmar, Bangladesh, China, Malaysia, Mexico, South Africa, India, Thailand, Indonesia, Pakistan, Russia, Colombia, Turkey, Brazil and Argentina. Countries with less than 1,500 annual average working hours per capita and GDPs of over \$30,000 per capita include France and Germany. Countries averaging more than 1,500 annual working hours per capita with GDPs of over \$30,000 per capita include Taiwan, Poland, South Korea, the U.S., Australia, Italy, Japan, Canada, Spain and the U.K.





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