



# Responsible Gameplay in Video Gaming

A Strategic Imperative for the Gaming Industry

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# Introduction

Did you know that over **3.2 billion** people globally engage in video gaming in the year 2024?

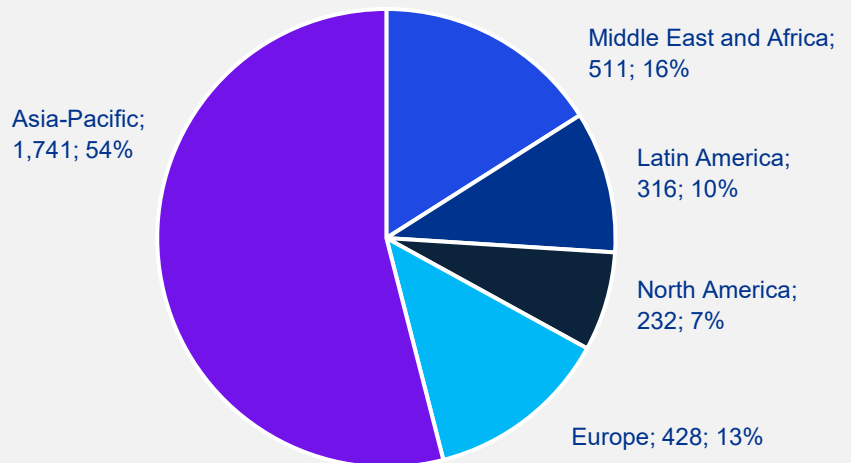


This massive audience drives not only profits but also magnifies the societal impact of gaming. As consumer preferences shift towards ethical responsibility and regulators increase scrutiny, **embracing responsible gameplay, 'RG', is essential for sustainable growth, directly impacting business metrics such as increased player retention and enhanced brand loyalty.** This strategic imperative goes beyond compliance; it aligns with the evolving demands of players, regulators, and investors to ensure the long-term viability and integrity of the gaming ecosystem.

The global games market brings together players who come in from right around the world. The Asian-Pacific region hosts the largest share of gamers as of 2022, with more than half the global gaming community residing here.

*Source: Global games market report (2022) – Newzoo<sup>1</sup>*

**Distribution of players in millions in 2022, by region**



<sup>1</sup>Newzoo report: [2022 Newzoo Free Global Games Market Report.pdf \(daelab.cn\)](#)

**4 out of 5 gamers, or 80% are over 18 years old, totalling 2.47 billion adult gamers.**

**There are also 618 million gamers under the age of 18.**

| Age Group   | Proportion | Number of Gamers |
|-------------|------------|------------------|
| Under 18s   | 20%        | 618 million      |
| 18-34 years | 38%        | 1.17 billion     |
| 35-44 years | 14%        | 433 million      |
| 45-54 years | 12%        | 371 million      |
| 55-64 years | 9%         | 278 million      |
| 65+ years   | 7%         | 216 million      |

Source: Essential Facts 2021 – Entertainment Software Association<sup>2</sup>

# What’s on the horizon?

With the significant expansion of the video game industry, comes the recognition of inherent risks and challenges, including growing concerns about problematic gaming behaviour. The World Health Organisation's recognition of "Gaming Disorder" as a diagnosable condition highlights the urgency of addressing excessive gameplay. This disorder, characterised by impaired control over gaming and increasing priority given to gaming over other interests and daily activities, underscores the significant social and mental health implications of gaming. It is expected that public health bodies will advocate for regulations that aim to reduce potential harm caused by excessive gaming, which underscores the need for the industry to proactively adapt and mitigate these risks.



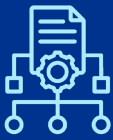
<sup>2</sup> ESA report: [2021 Essential Facts About the Video Game Industry \(theesa.com\)](https://theesa.com)

# Regulatory and Corporate Governance



## **The Corporate Sustainability Reporting Directive (CSRD)**,

which will apply to large and listed entities starting in 2024, enhances corporate governance by requiring detailed disclosures on how organisations address environmental, social and governance issues. It also demands unprecedented transparency in respect of social considerations that are material to an organisation. In the context of the video gaming industry, beyond traditional Social metrics such as diversity, this will typically require reporting on how companies manage player welfare and ethical gameplay, as well appropriate metrics and targets.



## **Loot boxes and Online Choice Architecture (OCA)**,

the latter being a design framework that influences user decisions and behaviours, draw intense scrutiny and comparisons to gambling and manipulation, and may be highly relevant subjects to address in video gaming companies' sustainability reporting.



**CSRD** pushes for a structured approach to responsible gameplay, enhancing corporate governance and player trust. An integration of responsible gameplay into broader

**ESG strategies** demonstrates to stakeholders a commitment to sustainability and ethical practices.

Data suggests about **40% of the world** are gamers.

# Investor Perspective on Responsible Gameplay

## 1 Impact on Viability

Responsible gameplay is becoming a crucial factor in determining a company's long-term viability. It significantly influences decisions made by investors who are looking at ESG (Environmental, Social, and Governance) criteria in addition to financial criteria.

## 2 Attaching Investment

- Risk Mitigation: Demonstrates proactive management of regulatory and social challenges.
- Investor Appeal: Attracts socially responsible investors by showcasing commitment to ethical practices.
- Financial Advantage: Companies with strong ESG practices may enjoy a lower cost of capital and improved operational performance.

## 3 Enhancing Shareholder Value

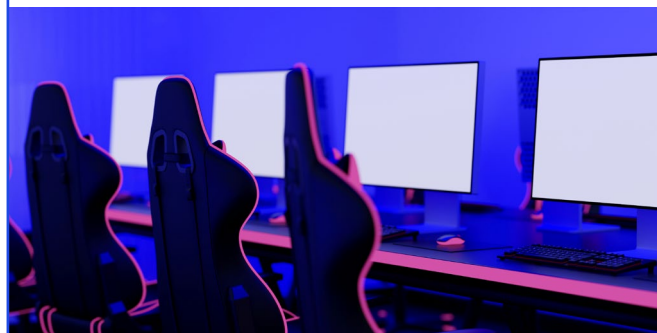
- Avoiding Penalties: Proactive strategies reduce the likelihood of fines and legal issues.
- Brand Loyalty: Ethical practices boost customer loyalty and strengthen brand reputation, leading to superior financial outcomes.

## 4 Leadership and Competitive Edge

- Market Leadership: Leaders in responsible gameplay are viewed as pioneers in the industry.
- Investor Recognition: Innovative and ethical management practices draw investors looking for industry leaders with forward-thinking approaches.
- Competitive Advantage: Sets companies apart in the market, enhancing investor interest and funding opportunities.

## 5 Measurable Progress

Investors prioritise organisations that have tangible metrics that quantify their efforts in advancing responsible gameplay and the impact it is creating.



# The Importance of Trackable and Transparent Metrics

An effective responsible gameplay strategy must be built on a foundation of trackable and transparent metrics. These metrics are crucial for regulatory compliance, investor reporting, and continuous improvement.



## Player Engagement Rates

Monitor how frequently and for how long players engage with games.



## Use of Self-Regulation Tools

Track how often players use tools designed to manage their gameplay.


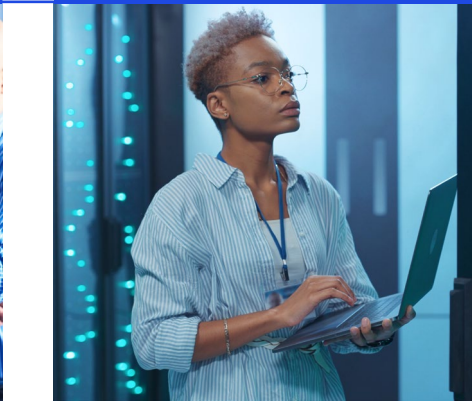



## Direct Player Feedback

Collect and analyse player feedback to continuously improve game features and player welfare measures.

# Responsible Gameplay Index (RGI)

The **Responsible Gameplay Index** can serve as a comprehensive measure to evaluate the success of responsible gameplay initiatives, assessing:

| Engagement Patterns   | Effectiveness of Self-Exclusion Tools  | Player Feedback and Satisfaction  |
|---|--|---|
|  |  |  |

This index can incorporate several varied qualitative metrics that help track these initiatives:



# Tools for Responsible Gameplay

Innovative tools have been developed to empower players and ensure safety:



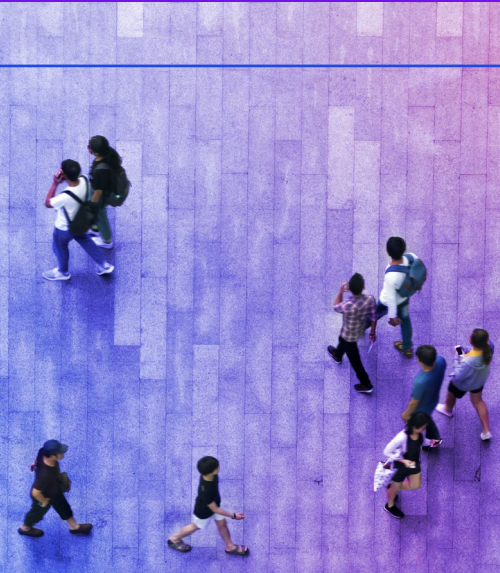
## Player-Led Tools:

- **In-game prompts:** Alert players about their gameplay, encouraging regular breaks.
- **Gameplay control options:** Allow players to set limits on their daily or weekly gameplay.
- **Disabling notifications:** Help players reduce the urge to engage with the game excessively.



## Operator-Led Tools:

- **Age verification systems:** Ensure content appropriateness and adhere to legal age restrictions.
- **Self-exclusion programs:** Enable players to voluntarily exclude themselves from gaming platforms.
- **Gameplay monitoring systems:** Use algorithms to detect signs of excessive gaming and initiate proactive measures.



## Call to Action

The gaming industry must adopt and refine responsible gameplay strategies that encompass both preventive and evaluative measures. These strategies should be informed by reliable metrics that reflect the real-world effectiveness of responsible gameplay practices to ensure their impact and meaningfulness.

## Conclusion

**The stakes are high, and the time to act is now.**

The need for Responsible Gameplay measures is critical in maintaining the integrity and sustainability of the gaming industry and steering away from anticipated 'over-regulation' because of a perceived lack of 'self-regulation'. **As industry leaders, your role in shaping the future of gaming with responsible practices cannot be overstated. By partnering with KPMG, you ensure that your responsible gameplay strategies not only meet current standards but also set new benchmarks for the industry, enhancing player welfare, solidifying your company's reputation and help shape the future of gaming.**







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