3 Video Game Stocks That Could Be Better Investments Than GameStop

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Best Video Game Stocks To Watch For The Summer

The coronavirus pandemic has set many video game stocks on fire in the stock market. This came as restrictions were imposed at the height of the pandemic to curb the spread of the virus. As a result, video gaming has emerged as the perfect entertainment option when bored consumers are stuck at home. The jaw-dropping growth we are seeing in the gaming industry has certainly made analysts revisit the growth assumptions used in their models.

For months, GameStop (NYSE: GME) has been one of the most popular meme stocks to watch. The enthusiasm for the video game stock has offered a needed lifeline to GameStop, enabling it to raise capital and revive its failing brick-and-mortar gaming business. While such a move may increase the odds of GameStop’s success, some investors may still have concerns about its business model. For this reason, investors have also been on the lookout for top video game stocks to buy. But the biggest question on hand is, can investors expect these successes to be long-term?

The Growth Trends In Video Gaming Is

Likely To Continue

The video game industry is looking at long-term growth with more people pursuing it as a hobby. Investors are also keen on its potential monetization avenues including advertising and in-app purchases. Admittedly, the unprecedented growth during the pandemic would most probably slow down as the economy reopens. But there's still a great chance many new gamers will continue the hobby when the COVID-19 pandemic subsides.

It's worth pointing out that video gaming is a large industry. And there are a number of best video game stocks to buy. Effectively, the pandemic has served as an unexpected catalyst. It essentially brought forward years of future growth into the present. With that in mind, investors who build positions in top video gaming stocks in the stock market today could potentially be richly rewarded.

Top Video Game Stocks To Watch In June

1. **Roblox Corporation** (NYSE: RBLX)
2. **Unity Software Inc.** (NYSE: U)
3. **Activision Blizzard Inc.** (NASDAQ: ATVI)

Roblox

Roblox is a video game developer that is based in San Mateo, California. The company was founded with a vision of connecting people through immersive 3D environments. Unlike Electronic Arts (NASDAQ: EA) and Take-Two Interactive Software (NASDAQ: TTWO), Roblox users create games and play games created by other users. The company has achieved massive success through its sticky and self-sufficient ecosystem. You could almost compare Roblox to Alphabet's (NASDAQ: GOOGL) Youtube, which relies heavily on independent content creators.

Source: TD Ameritrade TOS

Recently, the company released its first-quarter financials. Revenue for the quarter came in 140% higher to $387 million. Its bookings also increased by 161% to a whopping $652.3 million. Roblox also reported that its average daily active users (DAU) were 42.1 million, an increase of 79% year-over-year. User engagement also increased to 9.7 billion hours, almost doubling year-over-year.

What’s fascinating is that even users who aren’t gamers stick around just to hang out with each other. If you have a kid back home or one of your nieces is in elementary school, Roblox is their Facebook (NASDAQ: FB). It’s the place where they spend most of their time interacting with their friends in their virtual world. I gotta admit that I may be a little

old to comprehend that. But we can’t ignore the possibility that Roblox is shaping the future of gaming. With all that in mind, will you consider RBLX stock as a top video game stock to buy right now?

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Unity

For gaming enthusiasts, Unity Software is a name that you may be familiar with. For starters, the company has a 3D software engine that makes it easy for developers to create new video games. The software company estimates that it has a 70% market share among the top mobile games right now. Although U stock has fallen more than 40% since its highs in December, it appears to be regaining interest in recent weeks.

Source: TD Ameritrade TOS

Earlier this month, Unity had announced its first-quarter fiscal results. Revenue came in 41% higher to $234.8 million. The company's first quarter is reflective of the powerful transition from linear 2D to real-time 3D, which is one of the most important changes in how people interact with technology, according to President and CEO John Riccitiello. He added, "*We believe that real-time 3D will continue to grow at an accelerated pace and achieve massive scale.*"

Many gaming companies depend on Unity Software to create the latest and greatest that the gaming industry can offer. Companies use Unity's real-time 3D technology to create immersive and interactive content. As the company commands a huge market share among top mobile games, it essentially gives

Unity an indispensable position in the gaming industry. And that could very well fuel the company’s growth in the coming years. All things considered, do you have U stock on your watchlist right now?

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Activision Blizzard

When it comes to shaping the world of interactive entertainment, few companies could play a bigger role than Activision Blizzard. The maker of the ‘Call of Duty’ videogames reported strong quarterly earnings that surpassed Wall Street expectations.

Source: TD Ameritrade TOS

During its first quarter, revenue came in at $2.07 billion, beating estimates of $1.78 billion. Activision Blizzard reported earnings of $0.84 per share, topping analysts' estimates of $0.70 per share. Following the earnings announcement earlier this month, ATVI stock is up by nearly 10% to date. It's no secret that Activision Blizzard is an industry leader that is well-positioned to continue delivering gains to its shareholders.

For years, the company holds a strong record of launching and sustaining new gaming hits. There's no question that with its strong force of development studios and marketing expertise, it will likely play a leading role in shaping the video gaming industry. Yes, the pandemic lockdown may have been a booster in its gaming traffic. But hey, you've got to admit that Activision creates games and experiences that consumers truly enjoy. No company can retain its players if its games aren't exciting enough. For these reasons, would you consider ATVI stock as a video game stock to buy and hold for the long term?

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