

To Reach Gamers, Advertisers Must Look Beyond Twitch

While most media companies struggled through 2020, gaming was one sector that experienced a breakthrough. For marketers, the gaming channel went from being the slightly awkward teenage cousin at Thanksgiving to the cool uncle taking the kids on spins around the block in his brand-new sports car in a very short period of time.

Speaking of the holidays, this year at your socially-distanced/Zoom Thanksgiving, do me a favor and ask the younger adults what they're streaming these days. It's likely Twitch, Amazon's gameplay streaming service where average viewers can watch other (sometimes professional) gamers.

It's not just within families that gaming has become more mainstream. Advertisers have started to look at the gaming audience with newfound respect. Iconic brands like BMW, Levi's, Puma and Samsung have stepped up and into sponsorships, and even partnered on gaming-themed products like Gucci's Fanatic X watch. And if anything will make an advertiser sit up and take notice, it's the 12.3 million live viewers of Travis Scott's Fortnite concert earlier this year. The numbers are there, and marketers are starting to see that "gamers" represent their target audience, too.

Now that marketers seem to be more sold on this concept, where do they go to reach gamers? The obvious channel is Twitch—the livestreaming platform with 15 million daily active users consuming user-generated content from 3 million monthly broadcasters. While the user base is a fraction of that of TikTok, for instance, Twitch makes more money from advertising alone (\$300 million) than TikTok.

Historically, Twitch has done a great job of looking out for its broadcasters, understanding they are the lifeblood of the platform. To date, Twitch has been pretty friendly with marketing efforts for brands and games as well. Look at how InnerSloth, a small developer, leveraged Twitch to generate massive buzz for its game Among Us and took its place among the political noise when Rep. Alexandria Ocasio-Cortez (D-NY) joined the platform to play.

Then, Twitch's advertising M.O. suddenly changed. Before September, streamers could manually run mid-stream ads, which would get served to their subscribers. Not anymore: now, mid-stream ads will show up everywhere for non-paying users, no matter what. And because the ads are part of the stream itself, ad blockers no longer work.

As former Overwatch pro and massive streamer Brandon "Seagull" Larned noted, "If I don't play enough ads, Jeff Bezos will literally come to my stream and push the ad button."

The internet was ablaze with criticism at this ruined experience. Case in point: while the ads utilize the "picture-by-picture" function, where the stream minimizes into a smaller window while the ad plays, the streamer is muted. Given the impact this has on the Twitch user experience, they wouldn't have risked the change if it wasn't worth it. Amazon doesn't make major product decisions or monetization shifts willy-nilly. Backlash from users aside, I have to wonder if they realized that the same issues that affect CTV platforms are at play here, too.

There's the well-known problem with frequency capping, and of course, the ease in which users can skip ads when using platforms like Apple TV or Fire TV, or glance at their phone during the ad break. When viewing on desktop, users can and will open up another tab, effectively making the ad disappear.

Also, there's the issue brand safety. Unlike YouTube, which has specific guidelines, Twitch streamers are pretty much on their own—and not all are family-friendly. Plus, there's the fact that the streams are live. All that adds up to even more of a brand safety nightmare.

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Pages: 1 2

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