INSIGHTS REPORT

COMMB
Canadian Out of Home Marketing and Measurement Bureau

IMPACT, GROWTH & CHANGE IN OOH

May 2023

President's Note

Spring has sprung, and we are gazing optimistically into the future with the goal of proactivity in this edition of our Insights Report, uncovering an abundance of new opportunities for advertisers to make the most out of the warmer months. This year, unfortunately, seems to be filled with uncertainty as the state of the economy shifts. However, we have unveiled that Canadians are resilient, and in many areas continue to prioritize spending. We seem especially willing to scrape the frost off their pocketbooks when it comes to our new conception of what constitutes the essentials in life. For many of us, essentials now include products and experiences that support our mental health and self-actualization in school, career, appreciation of nature, and memory creation. Essentials are no longer limited to the basics, which is great news for a variety of industries who desire to stay top-of-mind to Canadian consumers in 2023.

The summer season is looking promising for both entertainment and adventure. Domestic travel continues to thrive, regardless of inflation, and Canadians are prioritizing the outdoors more than ever. Enjoying national parks and local food and beverages are the top two projected activities for Canadians in 2023. We are thrilled to see people across the country organizing their summer plans to be predominantly outdoor focused, proof that we are shaking off the cabin fever that established during the COVID era and reasserted itself with a "traditional" Canadian winter following a mild respite in December and early January. Additionally, we are seeing interesting trends in alcohol consumption by province, which may allow brands to shift their messaging to be more relevant and impactful and deliver a first-mover competitive advantage. Concert and festival attendance are now at pre-pandemic levels - with venues stating they went above and beyond projections in 2022.

When we think of back-to-school, we tend to think of the fall season. The reality is, that parents are shopping as early as June for their back-to-school items. Brand marketers in this arena should start strategizing early, as impressionable audiences ready to spend are just around the corner. Last year, 77% of Canadians spent more than $50 on back to school, with the majority spending between $50 and $200. Back-to-school items are considered essentials for Canadians, so we can assume Canadians will continue to invest in back-to-school products for their children, regardless of inflation.

Retail competition, however, will remain keen, as businesses across the retail spectrum - not just kids' clothing, computer, and educational supply stores - depend on the back-to-school season for a significant portion of their annual revenue and as a springboard to increased business for the rest of the year.

Our audience spotlight will be a new, recurring section of our Insights Report, honing in on potentially undiscovered audiences that are receptive to the OOH medium. We reveal the gaming audience as a prime audience for OOH. Affluent, diverse and brand advocates, gamers are an excellent target with deep pockets, who are social and attend gaming events that are exponentially growing in attendees year over year. They also invest in a multitude of products outside of games, giving advertisers an opportunity to not only reach, but make an impact on this audience.

We hope you enjoy this edition of our Insights Report and are provided some takeaways to help strategize, whether you are a brand, agency, or operator.

Amanda Dorenberg
President, COMMB

COMMB

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Summer 2023 — Being Outside Is In!

Summer is just around the corner! We will be taking a look at all forecasted trends for 2023 in comparison to last years' trends, specifically in outdoor and indoor festivals and concerts, alcohol consumption trends, as well as day trips and travel.

Canadians are finally coming out of hibernation. While they do enjoy winter activities, the summer months are when Canadians truly thrive. From exploring the natural beauty in different corners of the country, to gathering with friends and family alike, Canadians take advantage of the warmer months to celebrate. An encouraging fact is that domestic travel is still thriving despite the pressures of inflation. Canadians are finding a reason to venture into other provinces with British Columbia, Alberta, and Quebec projected to see the most domestic visitors in 2023.

Top activities of interest for future domestic out-of-province trip

43% – Hiking or walking in nature

42% – Trying local food and drink

42% – Oceanside beaches

40% – Natural attactions like mountains or waterfalls

37% – Nature parks

36% – Lakeside beaches

31% – Viewing wildlife or marine life

29% – Fall colours

28% – Food and drink festivals or events

28% – Breweries or wineries

28% – Northern lights

Source: Global Tourism Watch 2021

It's important to note the type of activities that Canadians will include in their travel plans. 43% say they are looking to enjoy hiking or walking in nature and 42% say they are wanting to try local food and drinks. Foodies can get an early jump on the season while celebrating Canada's favorite salad at the Ottawa Poutine Fest in late May. After two years of isolation, Newfoundland and Labrador's The Gathering comes together once again with a Summer Series of weekend art shows, musical concerts, and regional delicacies. Other can't-miss food festivals this summer include Ontario's Best Butter Tart Festival on June 10; July's Taste of the Caribbean in Montreal Toronto's Taste of Danforth in August, and Morden, MB's Corn and Apple Festival in late August.

There are additional activities Canadians are looking to incorporate in their future domestic travel plans, but most of these activities focus on enjoying the outdoors. This is a positive detail for out-of-home as it reflects potential heightened exposure to out-of-home assets as people travel to their destination and explore local attractions. Traditional destinations will remain popular, according to Virtuoso Research, with family vacations topping the list.

"Canadians indicated the most popular ways to travel are with a spouse or significant other and multi-generational family travel," Virtuoso's survey found. "Travelling with school-age children is consistently popular. Over half of those surveyed believe travel is important to the development of children under 18."

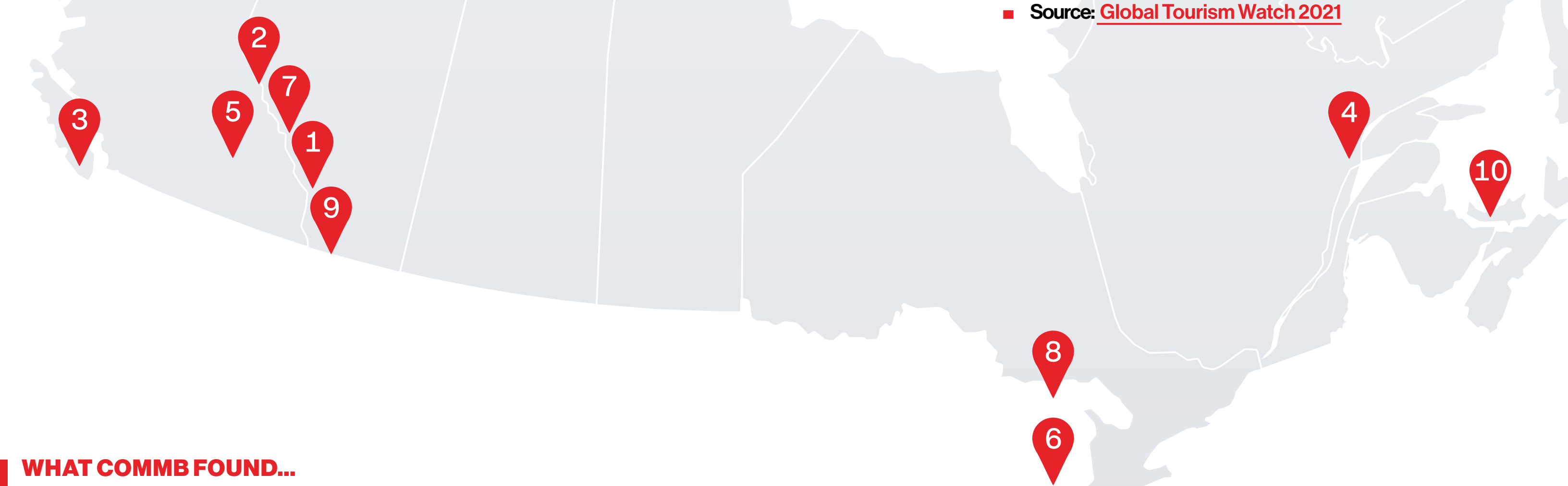
Beaches will also see their share of participants, understandably after many Canadians have been cooped up all winter after isolating for longer than anyone cares to remember due to Covid. The weather seems willing to cooperate, with the Farmer's Almanac predicting temperatures throughout summer 2023 will rival those from last year's - Canada's third-warmest on record.

With enjoying the outdoors being a forecasted trend this summer, we can assume national parks will continue to have a rise in attendees. For the last decade, national parks have attracted over 20 million people per year. The continuing rise of popularity of national parks is paramount considering local economies thrive on these types of tourist destinations. The government has recognized the increased demand for more sustainable tourism experiences by helping develop travel destinations' "more holistic approach to ensuring communities derive meaningful social, economic and ecological benefits from tourism." OOH advertisers can play a critical role by targeting regional economies and supporting local cultures and heritage. This will create stronger collaboration among stakeholders, demonstrate a commitment to sustainability and business development, and accelerate economic recovery while leveraging OOH marketing opportunities.

While 2022 numbers have yet to be released on park visitors at the time of this Insights Report launch, the 10 national parks on the map below had the highest number of visits in 2021.

1.	Banff National Park | Alberta	3,671,545
2.	Jasper National Park | Alberta	2,113,096
3.	Pacific Rim National Park Reserve | British Columbia	1,192,645
4.	Saguenay-St. Lawrence Marine Park | Quebec	880,317
5.	Mount Revelstoke & Glacier National Parks | British Columbia	726,546
6.	Point Pelee National Park | Ontario	538,028
7.	Yoho National Park | British Columbia	537,533
8.	Bruce Peninsula National Park | Ontario	516,583
9.	Waterton Lakes National Park | Alberta	514,558
10.	Prince Edward Island National Park | Prince Edward Island	514,172

Source: Global Tourism Watch 2021



WHAT COMMB FOUND...

COMMB is dedicated to including proprietary research in our future insights reports and projects – which gives us the ability to craft and mold survey questions that are relevant to the topics and environments of the COMMB's projects.

In this instance, COMMB found that people that are planning on attending a national park or private camping park this year notice out-of-home advertising nearly as much as other medias (within 2%), making outdoor advertising an option for brands and advertisers looking to utilize a medium with high exposure.

Grapes and hops = happy Canadians

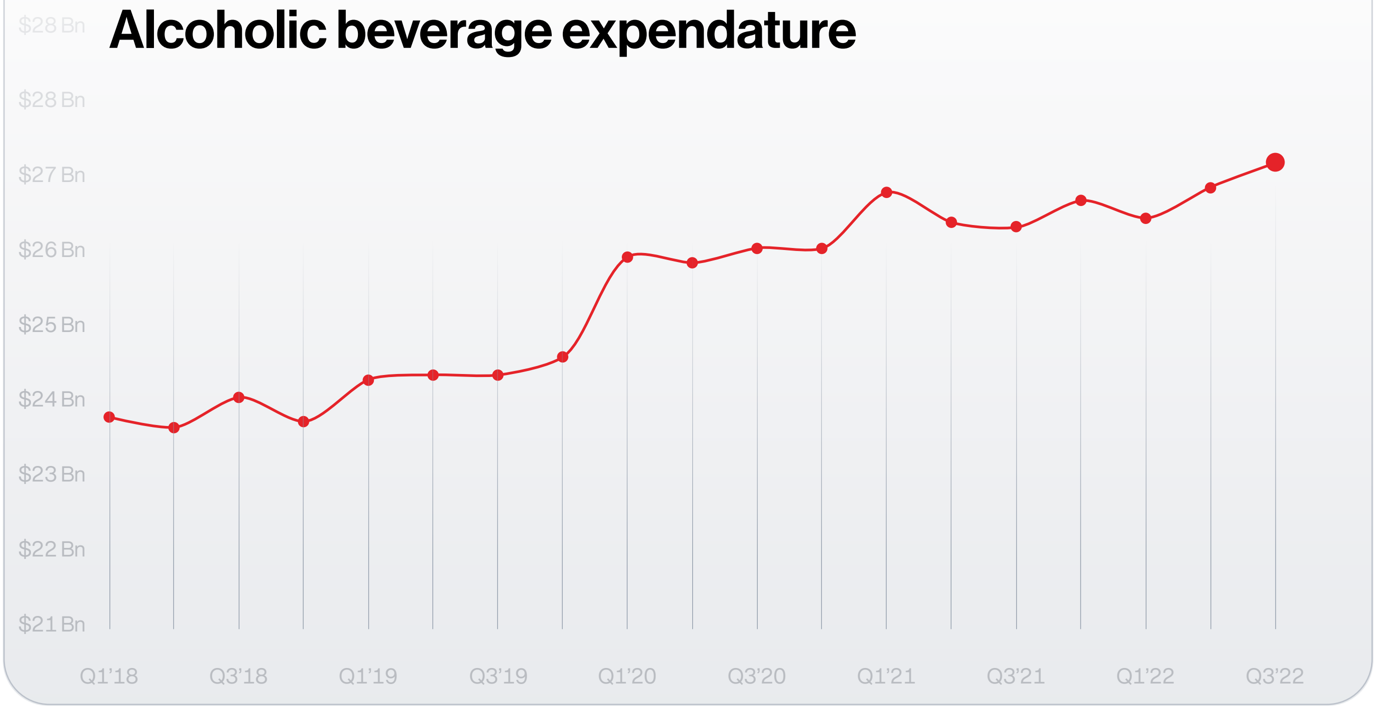
As mentioned above, the most popular activities planned for 2023 summer excursions are enjoying the outdoors and tasting local food and drinks. Wineries and Breweries marry those top two activities - with many of these businesses including the outdoors (patios, wine tours) in some capacity. According to Wine Growers Canada, it is estimated that 4.16M people went on wine-related tours across 638 wineries in 2019. This generated an economic impact of nearly $2 billion. Regions (such as Niagara in Ontario and the Okanagan Valley in British Columbia) draw in both domestic and international visitors who partake in package tours that often include visits to multiple wineries/breweries, participation in cultural activities, as well as seeing local historical sights and natural wonders.

How is alcohol holding up post-pandemic?

During the pandemic, there was an influx in alcohol purchases, and according to StatsCan, those levels have continued to rise steadily into late 2022. In fact, Alcoholic Beverage Expenditure has risen by +12% ($2.8 billion) when comparing Q3 2022 to Q3 2019, +4% ($1.1 billion) comparing Q3 2022 to Q3 2020, and +3% ($880 million) comparing Q3 2022 to Q3 2021.

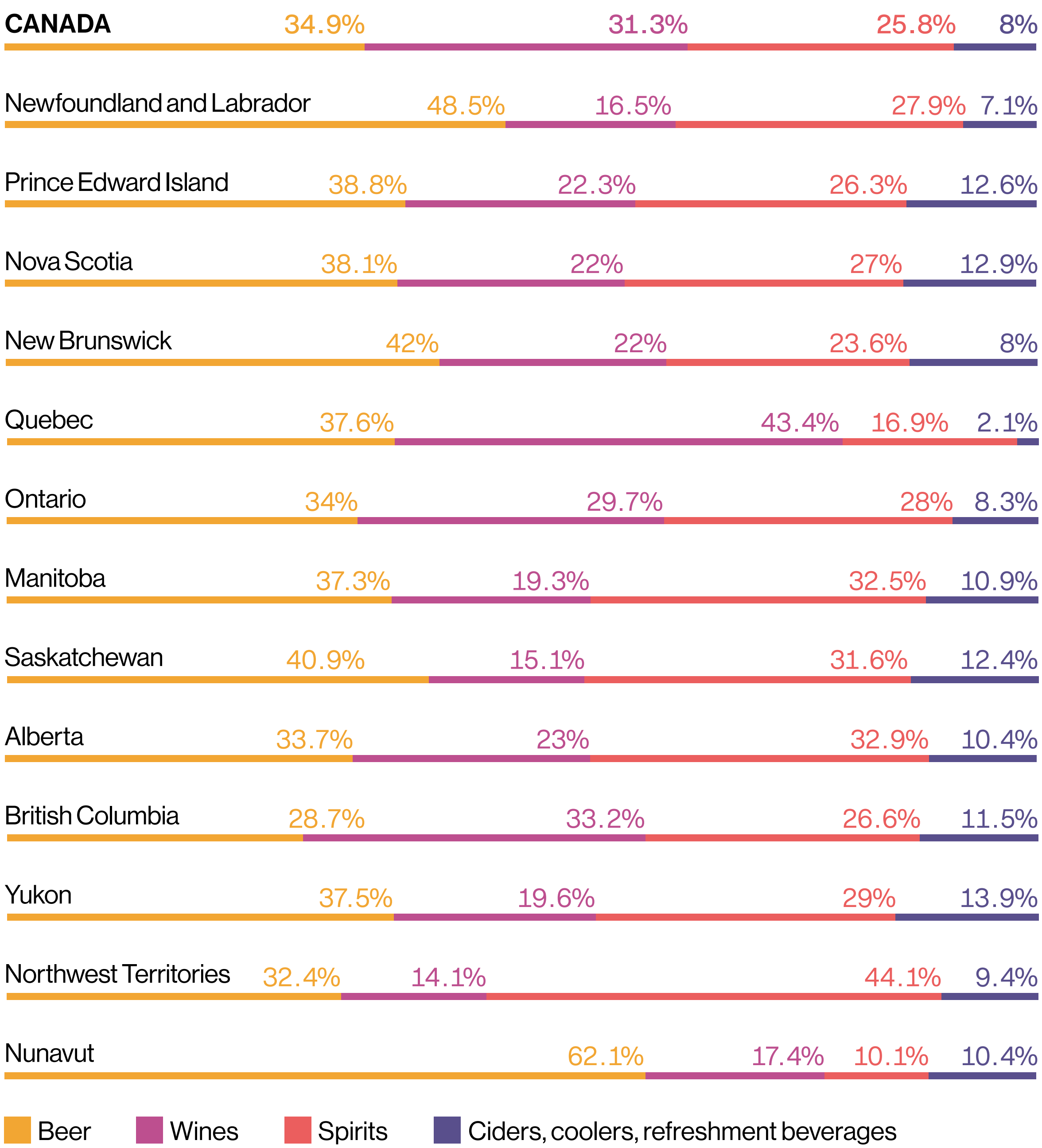
With dry February behind us and prior years' alcohol expenditures looking positive for alcohol brands, we can assume a continual growth trajectory into 2023.

Alcoholic beverage expendature



A notable trend is preference by alcohol type varying depending on province. This highlight could provide insights on advertisers whose target audience are Canadians who consume alcohol. Shifting creative messaging may be an effective strategy for these brands to enhance relevancy for audiences noticing their out-of-home advertisement. It's interesting to note that beer is generally the consensus favorite in most provinces, however Quebec and BC are the outliers where wine is favored.

Market share by alcoholic beverage type, provinces and territories, 2021/2022, total sales (%)



An additional significant insight is that alcohol sales by volume dropped by 1.2% (roughly 9.5 alcoholic beverages per week per Canadian of legal age), but revenue rose by 2.4% in the same timeframe. This is largely attributed to inflation, which rose 2.8% for alcoholic beverages between March 2021 and March 2022.

Considering the outlook on 2023's summer months being focused on the outdoors and tasting local food and drink, we can assume that wineries and breweries will see a successful summer with an influx of visitors. There is a large opportunity for these alcohol brands, and brands associated with target audiences who consume alcohol (such as restaurants, bars and concerts/festivals), on out-of-home advertising assets. Canadians are projected to be out of the home during these months, and being where your audience is, with relevant messaging, is the key to successful advertising.

incredible momentum for the event space in the summer months

Concerts and festivals saw a massive resurgence last year

We can assume based on the resurgence of last years' concerts and festivals post-pandemic that we will continue to see this upward trajectory into 2023 summer months. Canadians are ecstatic to get back to celebrating life - it's true that people are still grasping onto this new sense of 'freedom' with lifted restrictions. According to Narcity, Canadians are ready to have 'non-comfort zone' experiences, even predicting Canadians will seek out unusual and unique experiences like searching for the world's hottest chili pepper, or embarking on a UFO or alien spotting tours. Taking advantage of concerts and festivals will be the low-hanging fruit (in comparison to alien spotting) that Canadians are forecasted to take advantage of this summer.

Incredible momentum for the event space in the summer months is just around the corner! Let's take a look at major markets concerts and festivals queued up for summer 2023 and beyond.

WHAT COMMB FOUND...

COMMB's research found that over half of Canadians are considering attending a concert or festival this summer. 1 in 3 of those individuals who plan on attending also live in suburban areas, heightening exposure to out-of-home considering their need to travel to their concert or festival destination, which often are held in more urban areas.

Toronto Caribbean Carnival (Caribana)

Toronto, ON - *August 3 to August 7, 2023*

Founded in 1967, The Toronto Caribbean Carnival is one of the largest street festivals in Canada. It draws in more than 1.2 million people annually (including 180,000 tourists), and brings an estimated $338M into the Ontario economy. The City of Toronto has announced that they will provide nearly 2 million dollars in funding for local cultural festivals, including Caribana, which has an allocation of 1 million, ensuring that these types of festivals will be supported in 2023 and onward. The visitors attending Caribana is a unique opportunity for advertisers looking to reach mass and diverse audiences.

Toronto Canadian National Exhibition

Toronto, ON - *August 18 to September 4, 2023*

For the CNE, 2022 was the first year post-covid where there was a return to normalcy with attendee rates. It was expected that over 1.4 million people entered the fair in 2022. Not only did the volume return for exhibit visitors, but people brought deep pockets in order to enjoy the festival to the fullest.

People are spending a lot more... Talking to vendors, they're indicating anywhere from 40% to 100% up from the norm

Darrell Brown, CNE's CEO

CNE organizers state they 'couldn't be happier' with the busy crowds in 2022. Their submission to rank on the Festival & Events Ontario (FEO)'s top 100 festivals and events in Ontario list was a success. The Canadian National Exhibition is ranked as the top festival in the Greater Toronto Area. During these few weeks, we can assume an influx of travellers in Toronto to enjoy the festival - a notable insight for advertisers looking to reach mass audiences.

Montreal International Jazz Festival

Montreal, QC - *June 29 to July 8, 2023*

This is a 10-day event that hosts hundreds of artists from around the globe and has drawn over 2 million visitors annually! Over the course of the festival, it's estimated that $48.5M is generated in economic spinoffs, much of which goes right into the local economy. For example, 90-95% of the food sold on the Festival site is purchased within 40km. This festival truly positively impacts the surrounding businesses, making it an excellent opportunity for businesses in the Montreal market looking to advertise, potentially with 'wayfinding' messaging to encourage the festival visitors their brick and mortar location.

This festival has mostly free indoor and outdoor concerts - making this event accessible for multiple audiences that are french speaking or bilingual. It also prides itself on being an inclusive experience that considers individuals with reduced or limited mobility.

Calgary Stampede

Calgary, AB - *July 7 to July 16, 2023*

A Calgary classic, the Calgary Stampede drew in 1.2M visitors last year, nearly matching the pre-pandemic numbers. Notably, nearly 30% of attendees came from outside of Calgary, and hotels saw almost 90% occupancy during the 10-day stampede.

The stampede has a massive economic impact, generating $540M for the local economy in combination with other events in stampede park.

> **I think it's fair to say that Stampede in Calgary is back in the saddle.**

Steve McDonough, President and Chairman of the Stampede board

For the 2023 Calgary Stampede, attendance looks incredibly promising considering last years' success. With Calgarians and Canadians (and potentially even international visitors), attending the Calgary Stampede, this 10-day event is an opportunity for advertisers to explore reaching individuals local to Calgary and beyond.

Festival d'été de Québec (FEQ)

Quebec City, QC - *July 6 to July 16, 2023*

Drawing in hundreds of thousands of visitors, this 12-day music festival is one of the largest in Canada. In 2022 it hosted over 200 different shows and generated $5M in direct economic impact to local restaurants, hotels, and businesses. The FEQ reached 80 to 90% of 2019 volumes, meaning continual growth post-pandemic is likely.

The tickets are considerably affordable at $140 CAD dollars, taking into account the boasting lineup of artists performing. At this price point, this incredible festival is quite accessible for a variety of household incomes, making it an inclusive event. Although the festival hasn't seen a full return to pre-pandemic levels, they've beat projections, and both International and American tourists have returned to enjoy the festival year over year.

The Pacific National Exhibition

Vancouver, BC - *August 19 to September 4, 2023*

British Columbia's largest ticketed event, the PNE drew in 530,000 attendees over 15 days in 2022, nearly doubling the attendance in 2021. The PNE consists of a multitude of attracts such as rides, farms, midway games and concerts - providing an array of entertainment for all visitors to enjoy! It's estimated that the PNE generates over $200M in local economic impact to the region each year.

The PNE's attractions are open during all seasons, making it a destination for families all-year round. For the first time ever, the 2023 PNE will be introducing the South Asian Family Festival on June 18, adding even more extensive programming to the already action-packed exhibit. Advertisers in the Vancouver area or Canada-wide can take advantage of this mass-reach destination for locals and international visitors alike.

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Back-to-School

It may seem a little early to discuss back-to-school, but the truth is that advertisers can start positioning their advertisements with back-to-school earlier than you'd expect. We tend to think of back-to-school as a small window of opportunity for retailers and brands, but that is just not the case. Early shoppers can start their shopping as early as June in order to take advantage of early sales and to avoid the rush of other shoppers later in the season. This four month window gives brands extensive opportunities to reach parents and students regardless of shopping timeline preference.

Let's reflect on 2022 back-to-school shopping trends, and this will allow us to anticipate this upcoming season with a more educated lens.

Retail Spend Breakdown

We know for retailers, back-to-school is an impactful time of year, second to holiday shopping, with ~30% heavily affected by back-to-school shopping sales. The back-to-school items including clothing, school supplies like stationary and backpacks, food items and more, are considered essential for the school year for families. The momentum retailers see from the back-to-school season often overlaps into the holiday season - legitimizing the incredible impact this season has for brands every year.

A study conducted in 2022 asked 771 households (with students in grades K-12) what they expected to spend on back-to-school. **100% of households said they'd make at least one purchase**.

Which of the following items do you expect to purchase for the upcoming school year?

(n=771)

- 94% – Food for packed lunches
- 93% – Clothes (NOT footwear)
- 94% – Footwear
- 91% – Basic school supplies (pens, paper, etc.)
- 53% – Electronics (calculators, computers, etc.)
- 57% – Atheltic equipment/gear
- 54% – Medications/vitamins
- 81% – Backpacks
- 51% – Cleaning supplies
- 44% – Face masks/gloves
- 58% – Hand sanitizer
- 5% – Other

Source: Field Agent Canada

But, will we see the same spending this year? Considering the state of the economy, and inflation impacting Canadians, there is a concern in many industries. Last year, four in ten surveyed said they are increasingly turning to discount brands and curtailing their household budgets due to rising consumer prices. However, despite being in the midst of high inflation for back-to-school shopping, Canadians were still willing to spend. 77% of Canadians spend more than $50 on back to school, with the majority spending between $50 and $200. Back-to-school shopping will likely never plummet significantly in regard to retail sales, as Canadians will continue to spend on these products as they are considered essential for many families.

With nearly one-third of Canadian retailers counting on back-to-school "Some retailers really do use back-to-school as a way of building momentum heading into the holiday season," Leslie Lee, senior vice-president of marketing for digital advertising firm and COMMB member Vistar Media, told Global News.

In the world of convenience with online shopping at our fingertips, one may assume that families are solely shopping online for back-to-school essentials. However, In a study performed by the Retail Council of Canada in 2022, 41.5% of Canadians prefer shopping local at brick and mortar businesses instead of online for their back to school purchases. Considering this, out-of-home advertising is an excellent solution for brands to reach families on-the-go in their back-to-school shopping mindset - capturing them at the most advantageous moment in their journey.

Big box retailers and clothing retailers take the cake for the largest share of

Big-box retailers and clothing retailers take the biggest share of Canadian's wallets during going back to school

Which of the following stores do you normally make purchases during going back to school? (n=3,559)

55.7% – Big Box Retailers (e.g. Costco / Walmart / Canadian Tire / Dollarama / Staples)

35.6% – Clothing Retailers (e.g. The Gap / H&M / Lululemon / Aldo / Holt Renfrew)

21.1% – Drug Stores (e.g. Shoppers Drug Mart / London Drugs / Guardian Drugs)

22.8% – Department Stores (e.g. The Bay / Marshall's / Nordstorm

17.8% – Electronic Retailers (e.g. Best Buy / The Source)

14.4% – Sporting Goods (e.g. Sporting Life / Running Room)

20.8% – Food and Beverage (e.g. Sobeys / Metro / Langos / Loblaw / the LCBO / Tim Hortons)

15.2% – Specialty Stores (e.g. MasterMind Toys / Toys "R" Us / Bath & Body Works / Pen Pets)

7.6% – I normally do not make purchases related to this occasion

15.1% – Other

Source: Retail Council of Canada, Caddle Daily Survey

During going back to school, the top three retail categories shopped are Big Box retailers (55.7%), Clothing (35.6%), and Departmental stores (22.8%).

Parents want convenience as well as economy when buying backpacks, notebooks, pens, and clothes for their children's back-to-school journey. In fact, 71% said ease-of-purchase trumps price. This not only bodes well for OOH but it also opens opportunities for more innovative use of the medium. For instance, billboards and street furniture located close to the retail outlets they promote can inspire impulse buying from parents eager to complete the bulk of their shopping before the rush. Incorporating QR codes enable on-the-go consumers to scan additional information such as directions to the store, downloadable coupons, product reviews, and new product introductions. Mintel Group research reveals that moms especially base back-to-school purchase decisions on recommendations (41%) and promotions/coupons (40%); dads are swayed more by brand familiarity (32%) and social media (33%).

When are people shopping?

EARLY SHOPPERS: Some families start back-to-school shopping as early as June or July, in order to take advantage of early sales and to avoid the rush of other shoppers later in the season.

AVERAGE SHOPPERS: Many families start back-to-school shopping in August, as they get closer to the start of the school year. This is a popular time for shopping, as retailers tend to have a wider selection of products and are offering sales and promotions.

LATE SHOPPERS: Some families wait until closer to the start of the school year for their back-to-school shopping, either because they prefer to wait for better deals or because they have a better sense of their children's needs once the school year is about to begin.

WHAT COMMB FOUND...

75% of people aged 18-24 (presumably students or young parents) and 66% of people aged 35-44 are planning on spending on back-to-school this year. Both demographics are planning on spending $100 or more. Additionally, parents were surveyed, and 84% are planning to spend on back-to-school products. This is a strategic audience to target for retail, CPG and other brands who can position their strategy to appeal to back-to-school audiences. As shoppers head to their shopping destinations, parents and young students can be exposed to out-of-home assets, making this medium an excellent choice for brand marketers.

Enrolment (Domestic and International)

According to StatCan, enrolment of students from kindergarten to grade -12 has remained relatively steady through the years with an average of 4.9 million kids being enrolled per year. Notably, the latest available data indicates that there wasn't a significant dip or change between the 2018-2019 and the 2020-2021 school years - regardless of the effects of Covid.

In both the 2019 and 2022 surveys of first-year students, 44% described themselves as being a "visible minority". Even if we exclude all those who say they are international students - not all of whom are visible minorities - the 2022 figure is still 30%.

In 2020 and 2021, international students made up 16.7% of all university enrolments and 20.4% of all college enrolments. Though it was widely believed that COVID would result in an international student enrolment crash, institutional and provincial-level data from 2020 to 2021 suggests that this wasn't the case. At universities, enrolment was down slightly, while at colleges the international student enrolment numbers rose by 7%.

In fact, international enrolment has hit a new all-time high in 2022 according to Immigration, Refugees and Citizenship Canada (IRCC), with over 550,000 students from 184 countries choosing Canada as their study destination last year.

Unpacking all of this....

Knowing that shoppers consider back-to-school items essential, that the back-to-school season is secondary to the holiday season when it comes to purchases, and that **100% of households say they will make at least one back-to-school purchase**, we can assume that in 2023 we will see a similar resurgence of household shoppers. International enrolment has hit an all-time high, so diverse audiences are reachable during this time period as well.

It's a significant time for advertisers to continue being top-of-mind ensuring their advertising spend matches the influx of sales.

"The return to in-person schooling this year (2022) appears to have ramped up back-to-school advertising campaigns"

Leslie Lee, Senior Vice-President of Vistar Media

The Gaming Audience

Audience Spotlight - A new Insights Report segment

This new section of our insights report uncovers potential audience segments that have yet to be discovered by advertisers. Affluent audiences with higher spending habits, unique interests and daily activities that heighten potential exposure to out-of-home will be spotlighted in this section. Understanding new audiences through COMMB's gathered research will provide brands the opportunity to select new audience targets that may otherwise be overlooked. COMMB's new tool, ROADMAP, will allow audience profiling and segmentation in 45 markets in order to reach a variety of target audiences.

The Gamer Demographic

Gamers are individuals who play video games for various reasons, including entertainment, stress relief, and social interaction. The Canadian video game industry has experienced significant growth, **contributing $5.5 billion** to Canada's GDP in 2021, and employs over 55,300 Canadians. “It's also been growing at a compound annual growth rate (CAGR) of around 10% for the last few years, with no signs that that trend is going to change any time soon,” according to WoWPro.

The Canadian video game industry has experienced significant growth, contributing $5.5 billion to Canada's GDP in 2021

The average age of the Canadian gamer is 34, and 61% of Canadians under 65 played video games in 2020. Online gaming is growing in popularity, with **53% of Canadians playing video games in the past four weeks, and they average 7.9 hours per week playing video games**. The top reasons given for playing video games were to have fun, unwind and have some personal time. Furthermore, 67% of video game players in Canada say that games can introduce them to new friends and relationships, and 48% of players spent time with people they would not have otherwise.

The average age of the Canadian gamer is 34, and **61% of Canadians under 65 played video games in 2020**. The Entertainment Software Association of Canada's research shows that video games have become more social, with community becoming an important part of the gaming experience. Although gamers are a mostly male dominated demographic, they include more women than you'd think. **Women constitute only 23 percent of the total workforce in the industry, however they make up 51% of the Canadian Gamer profile** according to Entertainment Software Association of Canada. Additionally, Almost half of online gamers in Canada (48%) live in an urban setting. A significant number of Canadians play video games regularly with other people, including parents and children who play together.

Who are they?

THE CASUAL GAMER. Many industries were negatively impacted by the pandemic restrictions. However, the gaming industry became an essential outlet for Canadians isolating themselves from their family and friends. Gaming during this period was used as a mental escape and connecting with friends and family from a distance. This continued on post-pandemic where Canadians found a new or refreshed love for video games. According to the Entertainment Software Association of Canada and their 2021 annual report, gamers come from 'all walks of life and ethnicities.' 58% of Canadians admit to playing more video games during the pandemic. Sales of video games and video game hardware during the pandemic period increased more than 29% in 2020, over the same period in 2019. Games became the outlet of choice for many Canadians who could no longer attend theatres, enjoy vacations or go to festivals or concerts due to restrictions.

How do adult gamers play?

72% – play video games with their friends in person

35% – play video games siblings and cousins in person

15% – play video games with their their parents

34% – play video games with their spouses/partners

70% – of adult gamers play video games are playing online solo

48% – of adult gamers play video games are playing offline solo

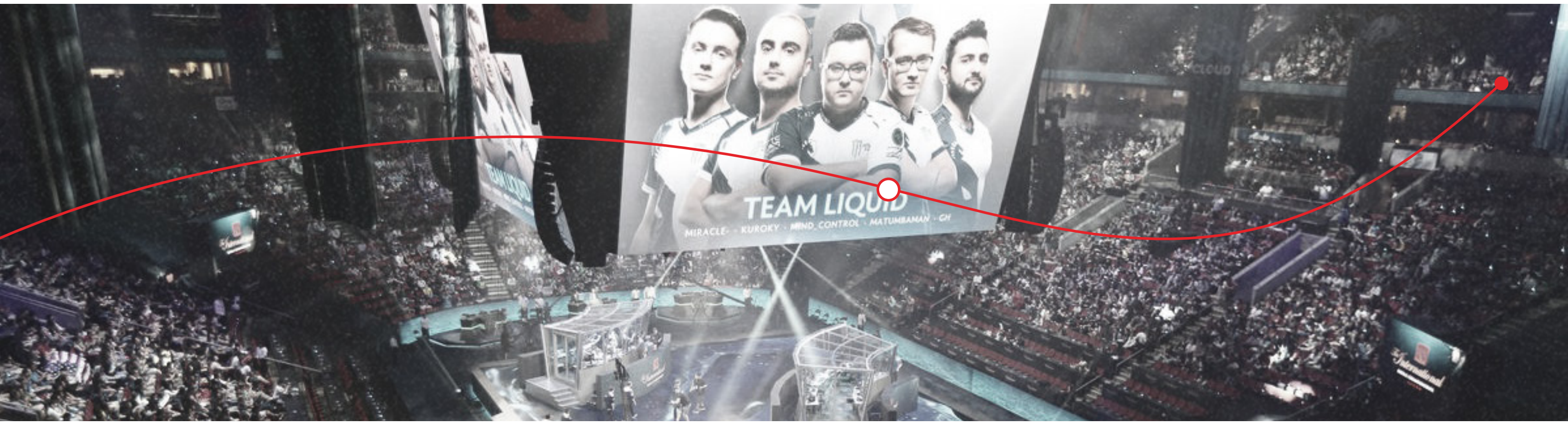
+9% over the past two years

74% – of video game playing parents say that they play video games with their children

69% – of video game playing parents felt that video games helped them to spend more time with their children

The conclusion is that people still tend to play video games in person with their family and friends, making this more likely to be a social event, rather than a solo one.

THE PRO GAMER. Esports - or competitive video game playing, is a trend that has only been accelerated due to the impact of the pandemic. 35% of adults engaged in esports in 2019 and 2020. Audiences who enjoy participating and watching esports are a highly engaged and accessible audience. More than six in every ten internet users watching esports are aged between 16 and 35 years old, while the average age of traditional sports fan is about 50. Esports fans are also receptive to brands with 90 percent of Twitch (streaming platform) fans can recall at least one non-gaming esports sponsor. Gen Z's and Millennials tend to be a receptive audience to out-of-home advertising. Targeting a pro gamer audience, knowing that they're especially receptive to brands, could be a match made in heaven for brand marketers.



WHAT COMMB FOUND...

COMMB's proprietary survey results showcased that people of all ages play video games – with 62% of people aged 18-34, 56% aged 35-44, and 52% aged 45-54 all answered yes for playing video games. Additionally, 62% of households with children partake in video games, making this activity truly a family affair.

We can assume that the PC gamers internet consumption is higher than most – with a potential of being exposed to online advertisements. In combination with online, out-of-home does extraordinarily well regarding exposure – with 93% of people noticing online advertisements and out-of-home advertisements in conjunction. When an advertiser solely uses online advertisements for their campaign, only 64% of those surveyed pay attention to online ads. When out-of-home is the singular media being utilized for a campaign, 82% of people admit to noticing out-of-home. While out-of-home is a powerful medium on its own, this finding showcases the power of MMM combined medias – a strategy brand marketers should adapt to reach success.

Esports are not only virtual events. These events are held in large venues with brand sponsors, art, live music, screenings, panels and more. Last year, 261.2 million people worldwide attended an esport event - and there are 16 announced esport events in 2023, one being the Esport Travel Summit in Toronto on July 12 - 14. High traffic and ad exposure can be expected during event times considering the popularity of esport events rising year over year.

Gamers have deep pockets

The average Canadian spent $213 USD on gaming in 2022. However, it is evident that these prices are on the rise. Statista predicts this number could be as high as $239 USD for a single person by 2027. Additionally, **the state of the economy tends to not directly affect the gaming industry** - and the Globe and Mail considers this industry 'recession proof.' Looking through the past financials of game developers EA, Take-Two, and Activision Blizzard, it is clear the Great Recession was not a big factor in their operating results. The main performance drivers were when they released games. This is significant considering this type of audience is always willing to spend, no matter an economic downturn. Gaming is truly an escape!

Gamers don't just buy games. They invest in a multitude of products, subscriptions, electronics and more to support their passion. Outside of electronics and game-related paraphernalia, gamers also invest in food and beverage and CPG products for enjoyment during their gaming sessions: specifically energy drinks, which are now being branded as not only boosting energy, but sharpening focus for gaming sessions. Gamers also invest in healthier alternatives. Esports Healthcare launches 'A gamers guide to snacking: "7 healthy gamer snacks" to encourage healthy eating choices for gamers. There are snacks that are branded specifically for gamers and esport athletes to help fuel them during long gaming sessions.

Gamers invest in:

Video games: This includes purchasing new or pre-owned copies of games for various gaming platforms such as PC, console or mobile.

In-game items: Gamers can buy virtual in-game items such as skins, loot boxes, virtual currency, and other items that enhance their gaming experience.

Gaming hardware: This includes gaming accessories like keyboards, mice, headsets, gaming chairs, and other hardware that improves the gaming experience.

Subscription services: Gamers can purchase subscription services such as Xbox Game Pass, PlayStation Now, and other services to gain access to a library of games.

Streaming services: Gamers can also purchase streaming services such as Twitch and YouTube Gaming to watch live streams of other gamers playing games.

Esports events: Some gamers also attend or purchase tickets to esports events, tournaments, and competitions.

Food and Beverage: Energy drinks and gamer-branded snacks.

The reality of the gaming audience is that they really are twofold: gamers who support or participate in pro gaming, and gamers who enjoy casual gaming with friends and family. Regardless of their gaming habits, gamers are a diverse, affluent audience that range mostly within a gen Z and millennial demographic - an audience that is historically receptive to out-of-home advertising.

Why Gamers and OOH?

The truth is, physical sales still play a significant role in the Canadian video game market, particularly for collectors or gamers who prefer to have a physical copy of the game. 77% of adult gamers and 58% of teen gamers purchase physical copies of their games. It's worth noting that some brick-and-mortar retailers may offer exclusive physical editions of games that cannot be obtained through digital purchases. Gamers are still likely to go into a physical brick and mortar location to purchase a game, and in turn, this means heightened exposure to out-of-home and place-based advertisements.

OOH is uniquely positioned to attract Canadian gamers. Large-format billboards and location-based displays can serve as high-visibility screens for gameplay, as a snack food brand recently leveraged. The company invited players to engage a Pacman-like game, gobbling up chips during a series of digital display takeovers. The boards included links to continue play online in head-to-head competitions via the product's landing page.

With gaming frontiers poised to explode into the metaverse and extended reality realms, retailers and agencies are presented the opportunity to position their brands for even greater exposure through OOH platforms. Nearly half of all gamers have purchased a brand after seeing or interacting with it in a video game. Tying outdoor promotions to popular game titles could prove lucrative. As the line between real life and the digital world blurs further, so too will the line between

OOH and virtual outdoor environments. As our avatars streak through the virtual reality universe in flying cars and do battle in virtual arenas, the metaverse creates an ideal ecosystem for placing boards and signage promoting physical products and services that can be purchased offline or at "unreal estate" outlets online. Canadian gamers surveyed were especially keen to see food, beverage, sportswear, and brands hawk their wares via virtual OOH advertising.

Even media-savvy expert Paris Hilton has embraced the possibilities. She hosted a metaverse fashion event supported by virtual OOH purchased by Boohoo.

"Billboards are a part of our everyday lives and it should be no different in the Metaverse," she said, an opinion supported by Adverty/Dentsu research that in-game ads make the user experience 31% more enjoyable, compared to web display advertising.

Considering the above sentiment on the gaming audiences' **awareness to brands outside** of the gaming realm, their travel to esport events, their average age being a receptive out-of-home audience, their deep pockets, their preference to purchase games in-store, their desire to enjoy video games with friends and family, as well as the gaming industry being 'recession proof' makes them an attractive audience for brands to target their messaging to.

Special thanks to our contributors:

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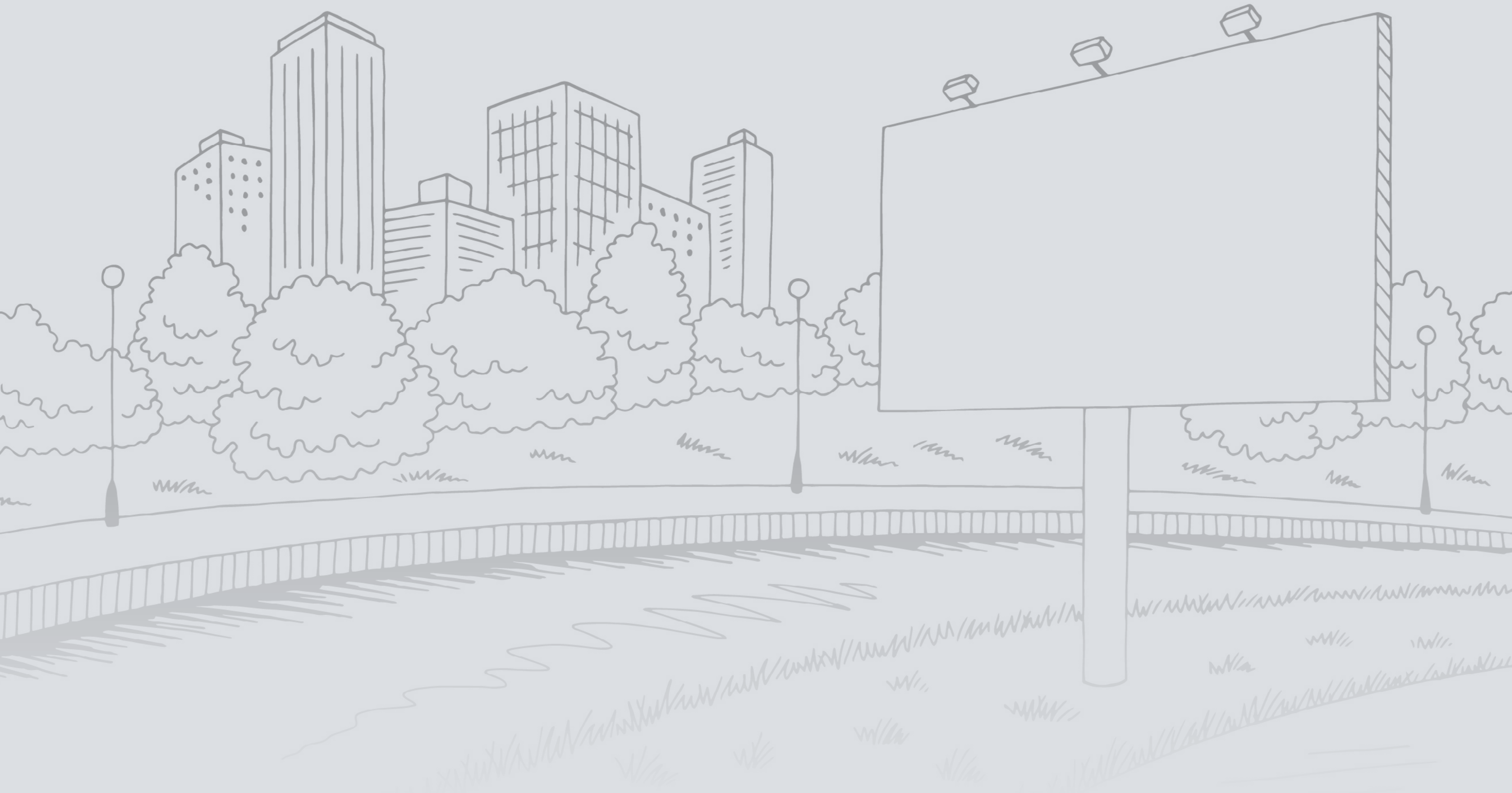

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