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European Union

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CULT 80
EDUC 371
CONSOM 288
IND 447
INTER-REP 95

INFORMATION NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Challenges and best practices in the European video game sector - <i>Presentations by Video Games Europe and PEGI (Audiovisual and Media Working Party meeting on 23 September 2024)</i>

Delegations will find attached the presentations¹ given by Video Games Europa² and PEGI (Pan-European Game Information)³ at the above-mentioned meeting.

¹ This document contains presentations by external stakeholders and the views expressed therein are solely those of the third parties it originates from. This document cannot be regarded as stating an official position of the Council. It does not reflect the views of the Council or of its members.

² EU Transparency Register Number: 20586492362-11

³ EU Transparency Register Number: 172532248970-87

Council Audiovisual WP

23/09/2024



About Video Games Europe

19 European and international video companies and national trade associations across the continent



Industry in numbers

The video games industry in 5 key European is worth

€25.7 billion

(+5% from 2022)



REVENUE SPLIT BY SOURCE



Physical
revenue

15%

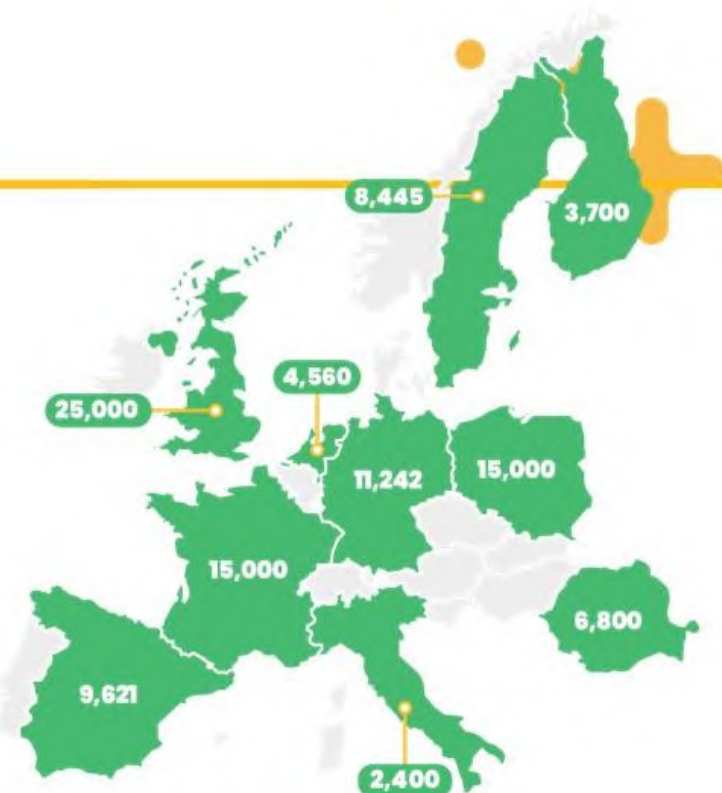
vs 17% in 2022



Digital
revenue

85%

vs 84% in 2022



114,400

People are employed throughout Europe
(+6.7% from 2022)

VIDEOGAMES EUROPE⁺

More Than a Game: Manifesto 2024-2029



Make Europe
the best place
to create and
invest in
games



Continue the
self- and co-
regulation
success story



Create,
attract and
invest in skills
and talent



Support
innovation –
You can make
IP fun too



VIDEOGAMES EUROPE⁺

Add the presentation title

4

Topics



- ✓ Video game play demographics
- ✓ Digital literacy
 - Pan European network of information on video games
 - Games in Schools
- ✓ Minor protection in video game play

VIDEO GAME PLAY DEMOGRAPHICS



Video game players in Europe

Playing video games is an activity a majority of people integrate into their leisure time in some form or another.

53 %

of the population
6-64 year olds

31

is the average age of
a video game player
in Europe

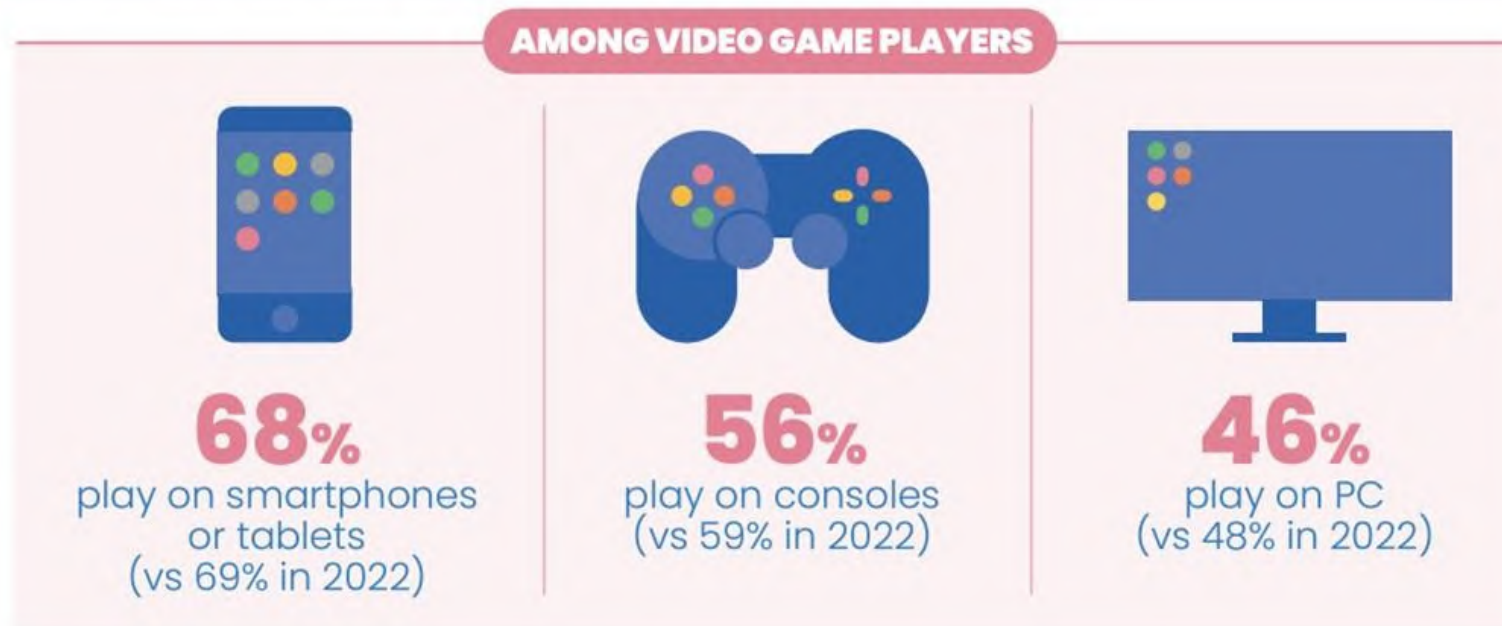
75%

of video game players
are 18 years or older
(up to 64)

43.5%

of European game
players are women

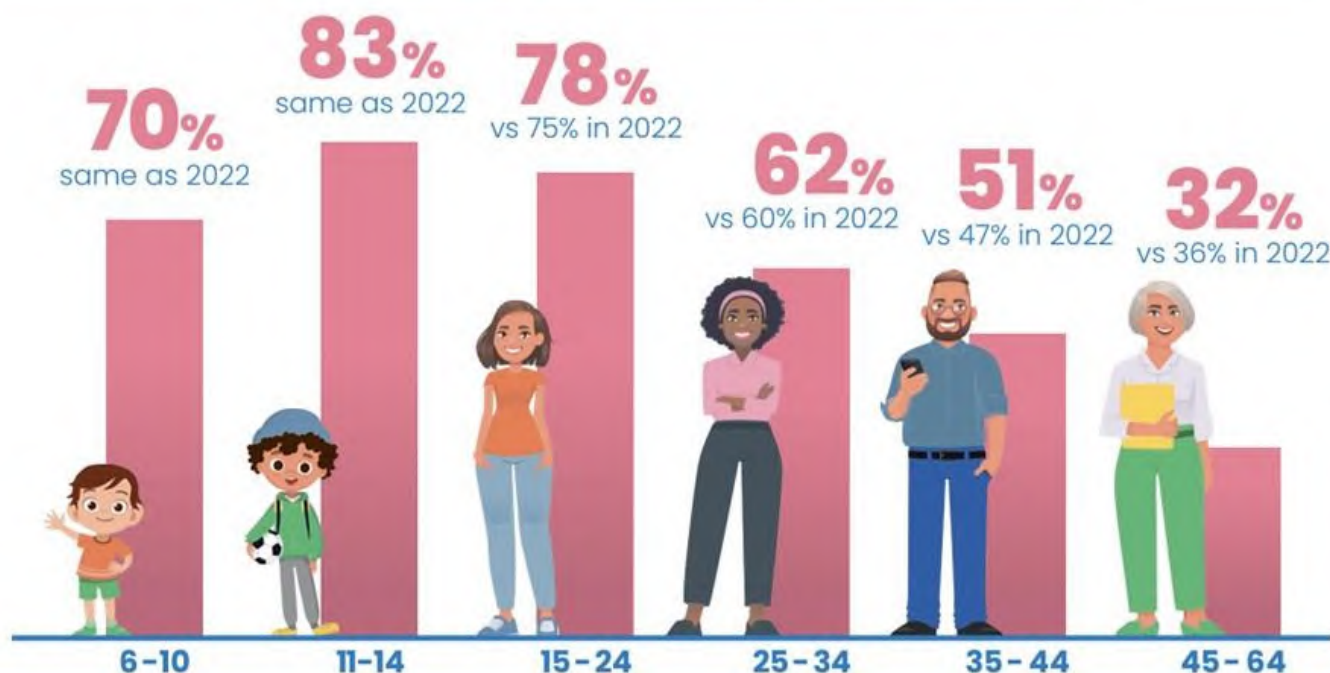
How do people play ?



Source: GameTrack data, provided by Ipsos Mori and commissioned by Video Games Europe.

Video game players by age group

PERCENTAGE OF VIDEO GAME PLAYERS BY AGE GROUP



Europe: Screen time

ON AVERAGE, PEOPLE IN EUROPE SPEND



8.9 hours/week
playing video games



16.31 hours /week
on social media*

24 hours/week
on watching TV**



*GlobalWebIndex GWI Report on the time spent on social media platforms by a "typical" user.

**Thinkbox TV Viewing Report 2023. Time spent watching TV broadcast plus subscription video on demand.

DIGITAL LITERACY



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Video Games and Education



Project designed to train teachers and educators across Europe on how to use video games as pedagogical support in the classroom.
(European Schoolnet and Video Games Europe)

The project includes:

- A 6-week long **Massive Open Online Course (MOOC)**
- A selection of **teacher-created lesson plans**
- A **handbook for teachers** on using video games for educational purposes
- A **research study** to understand the enablers, obstacles and opportunities for game-based learning
- A **list of video games with educational potential** (on the Video Games Europe website)

Games in School – Teacher's Handbook

Available in: English + Croatian, Dutch, French, Polish, Portuguese and Spanish



Digital literacy video games: responsible and fun video game play

- ✓ **Focusing on parents:** Talk to children about the video games they play, discuss online safety and set-up ground rules that works for everyone in the family. <https://www.seizethecontrols.eu/>



What do the PEGI labels mean

PEGI website



Parental and player tools

- ✓ Manage play by access to age appropriate games and descriptors
- ✓ Manage time spent playing
- ✓ Restrict and manage communication with others
- ✓ Manage or disable spending

Digital literacy video games: across Europe

SEIZETHECONTROLS.EU

Austria GemeinsamSpielen www.gemeinsamspielen.at	Netherlands RuleTheGame www.rulethegame.nl	Spain The Good Gamer www.thegoodgamer.es
Belgium Jouezmalin / Speelhetslim www.jouezmalin.be www.speelhetslim.be	Poland Zapytaj o Gry www.zapytajogry.pl	Sweden Fråga, Prata, Spela www.fragaprataspela.se
Denmark GemeinsamSpielen www.angi-nordic.com	Norway GemeinsamSpielen www.angi-nordic.com	Switzerland PlaySmart play-smart.ch
Finland Peliviikolla www.peliviikko.fi	Portugal #SaberJogar	United Kingdom Ask about games www.askaboutgames.com
France PédaGoJeux www.pedagojeux.fr	Romania DespreJocuriVideo desprejocurivideo.ro	
Germany Unterhaltungssoftware Selbstkontrolle (USK) https://usk.de		
Italy Tutto sui videogiochi www.tuttosuivideogiochi.it		

Video Games Europe's 5 tips for parents
videogameseurope.eu/news/5-tips




The 2023 Seize the Controls Campaign: 10-23 Dec 2023

over
2.69
million
impressions and reach
on social media

18k+ engagement on social media –
Instagram micro influencers

Featured in **75+** press articles

Present in TV segment and promoted on radio
channels



VIDEOGAMES EUROPE⁺

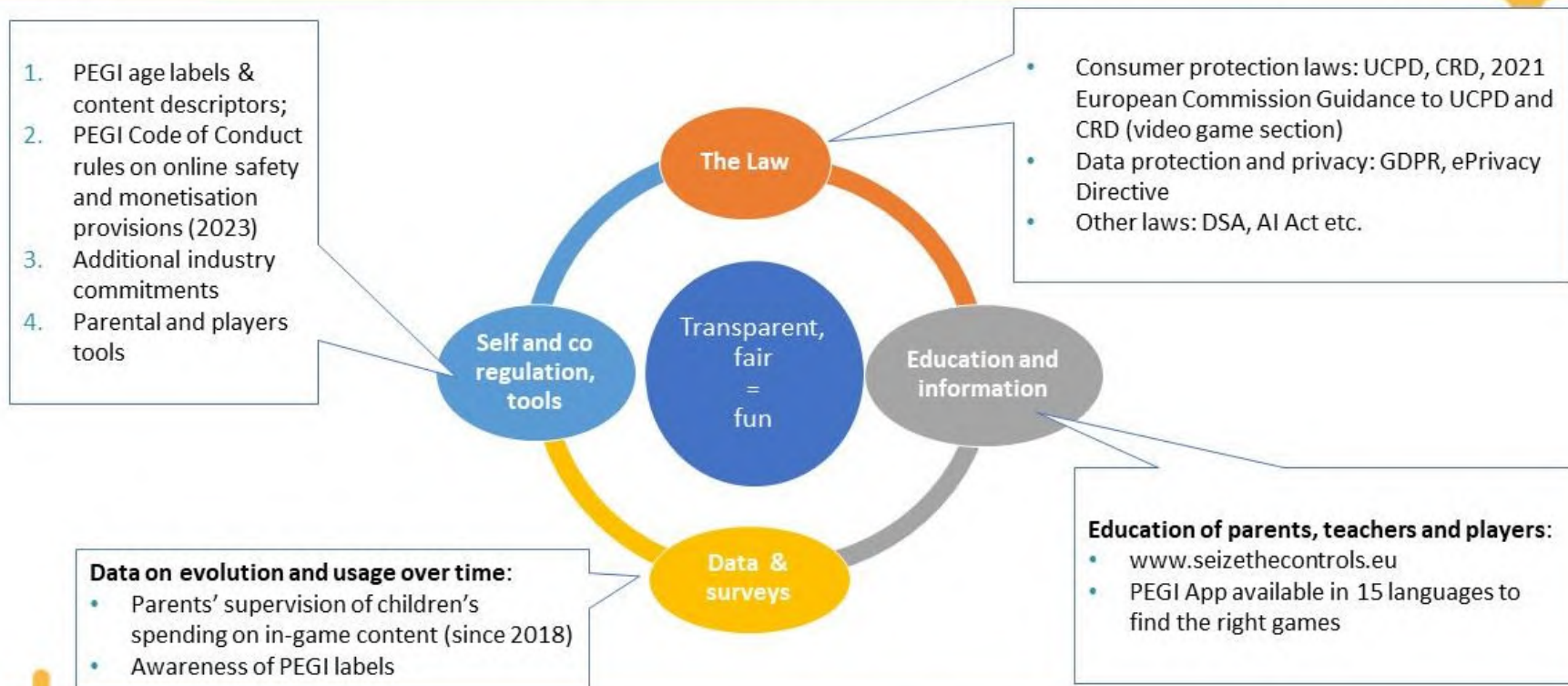
The 2023 Seize the Controls Campaign: 10-23 Dec 2023

We engaged with Instagram micro-influencers to reach those parents with children who play video games who we normally wouldn't be able to reach.



VIDEOGAMESEUROPE+

A policy framework for responsible play



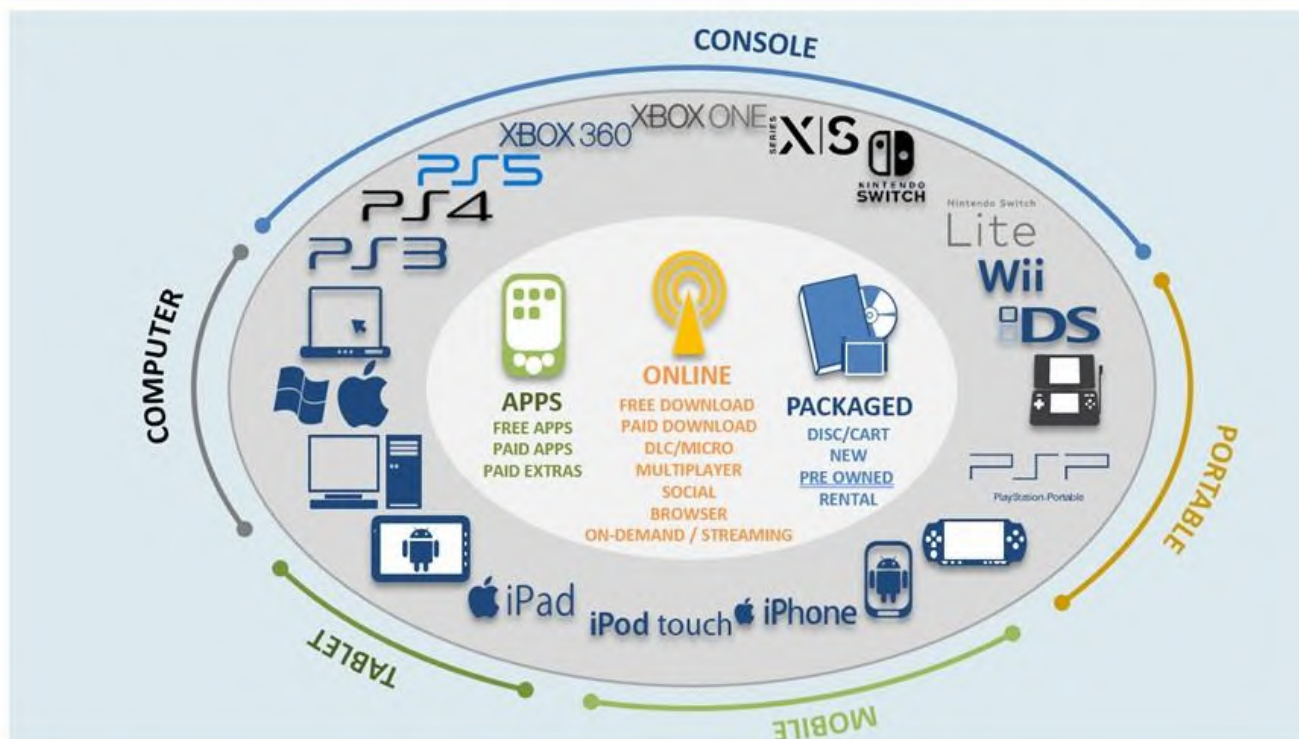
MINOR AND CONSUMER PROTECTION IN VIDEO GAMES

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Vast ecosystem and consumer choice



EGDF and VGE commitments: Transparent and fair purchases of in-game content



PEGI Code of Conduct in-game monetization article

Information obligation: game purchases icon

Transparency in transactions

Transparency on in-game currency and how it is offered

Transparent and fair paid random items

No skin gambling

PEGI Enforcement



Additional commitments

Tools to manage, limit or block purchases

Transactions to be kept separate to gameplay

Fair refund policies

Inform players about discontinuation of in-game currency

No unauthorised trading



Education campaigns & data

Information campaigns - work together with stakeholders

Commitment to provide trusted data

Transparent and fair purchases of in-game content: additional industry commitment to the PEGI Code

- ✓ **Tools to manage, limit or block purchases:** The industry provides tools to parents and guardians to manage children's spending within the video game so that children do not engage in any financial transactions without the consent of their parents or guardians. Many tools have default settings where spending is set at zero for child accounts. Increasingly, other non-device-based systems may require verified parental consent to access purchase options in a game.
- ✓ **Transactions kept separate from gameplay:** This ensures that the commercial intent behind purchases of in-game content, is clearly and unambiguously distinguished from gameplay. Principle was adopted by the UK Office of Fair Trading, now the Competition and Markets Authority, in 2014. Listed by the CPC Network Common Position on in-app purchases in games as a best practice.
- ✓ **Refund policies:** Where spending has demonstrably occurred without parental consent or knowledge, member companies provide fair and reasonable refund policies and instructions on how to turn on and manage parental tools and family settings.
- ✓ **Discontinuation of in-game currency:** If the use of purchasable in-game currency is discontinued, players are informed sufficiently in advance.
- ✓ **No unauthorised trading:** Video Games Europe and EGDF members have policies in place that explicitly prohibit players from using in-game content to engage in unauthorised trading, and should include clear wording of potential player penalties, such as suspending or banning players.

Children's in-game spending

A report by Ipsos for Video Games Europe

2024

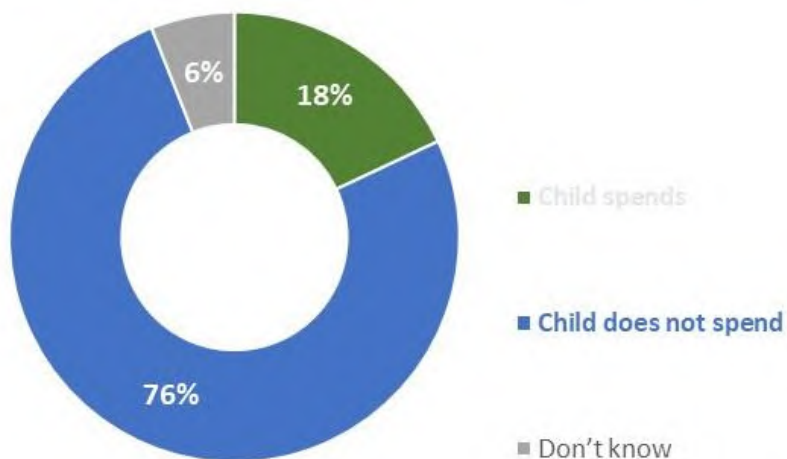
© Ipsos | Video Games Europe Children's in-game spending | June 2024



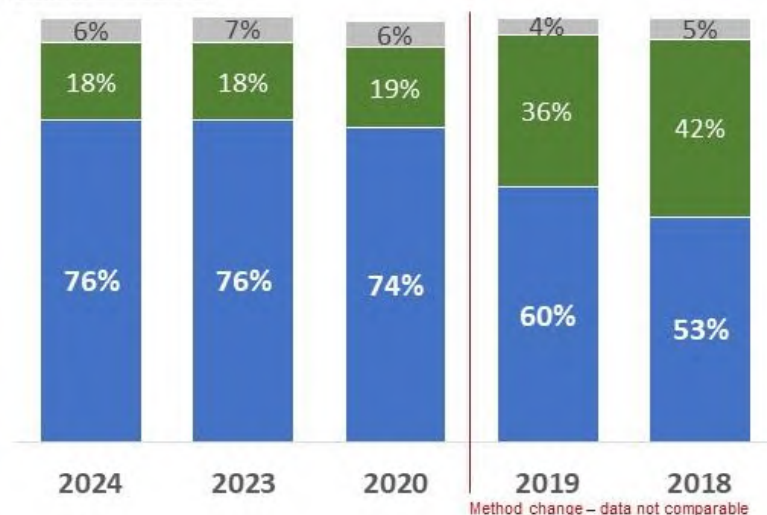
The majority (76%) of parents claim their children do not spend on any in-game extras - this has remained stable since 2020.

- Child spend in-game (Amongst parents of video game players) - 2024

Total - 2024



Total - Trend



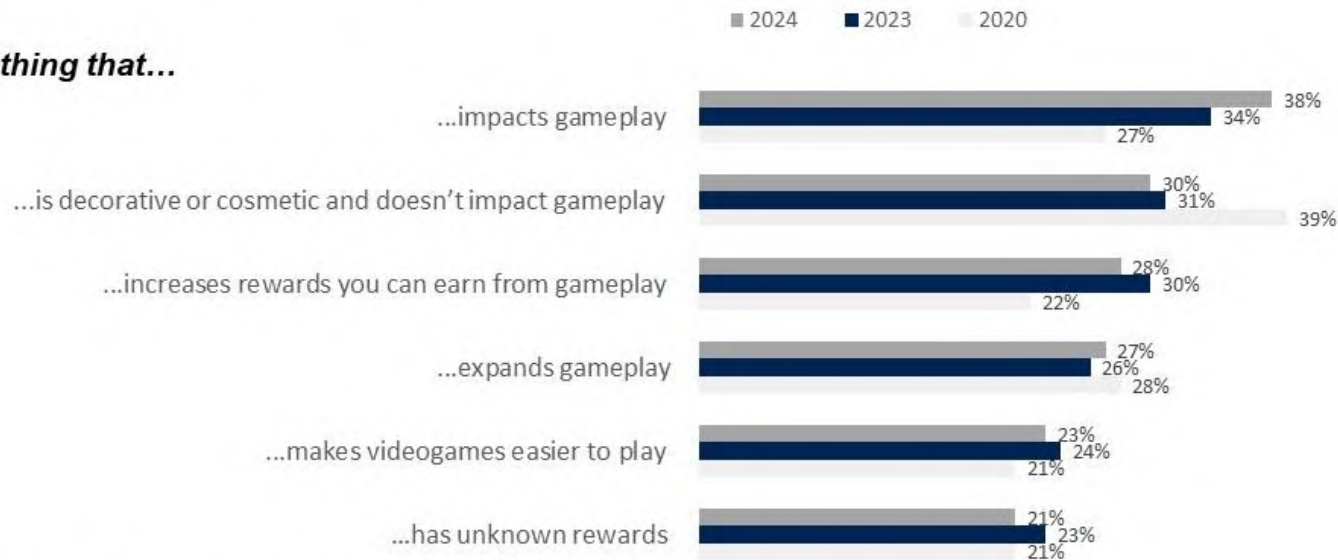
- Q2MICRO. Does your child ever spend money in game?
BASE: Parents / guardians of children in household who play video games TOTAL (2,772)

Among parents whose children spend on in-game extras, unknown rewards (e.g. loot boxes) are least popular. Most popular is content that impacts gameplay, such as new weapons or powers (38%).

- Items spent money on (Amongst parents whose children spend money in-game) - 2024

Total

Something that...

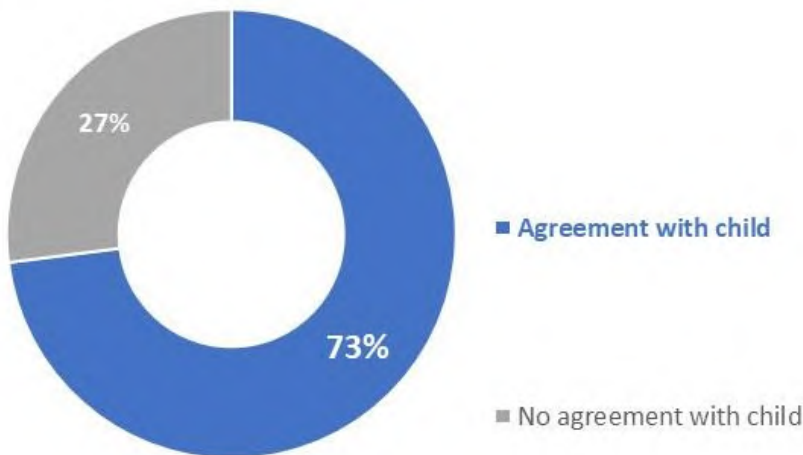


- Q2BMICRO. What does your child spend money on while playing video games?
BASE: Parents / guardians of children in household who spend money in video games (783)

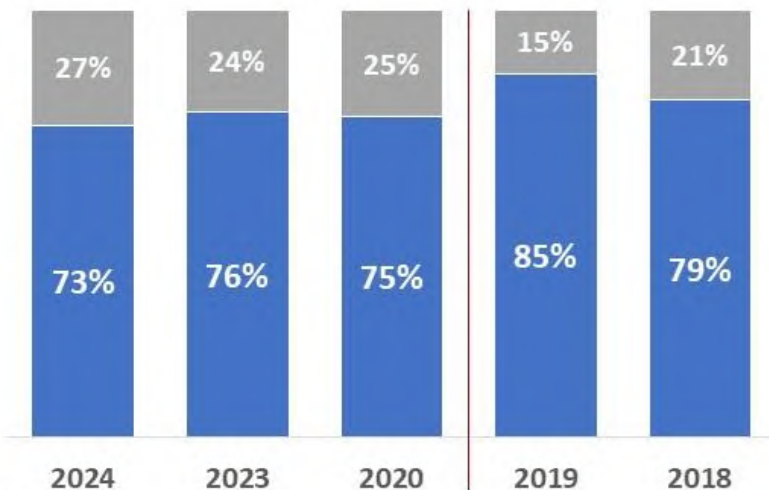
Just under three-quarters of parents have an agreement with their child about in-game spend, which has declined slightly vs. 2023.

- Agreement with child (Amongst parents whose children spend money in-game) - 2024

Total - 2024



Total - Trend

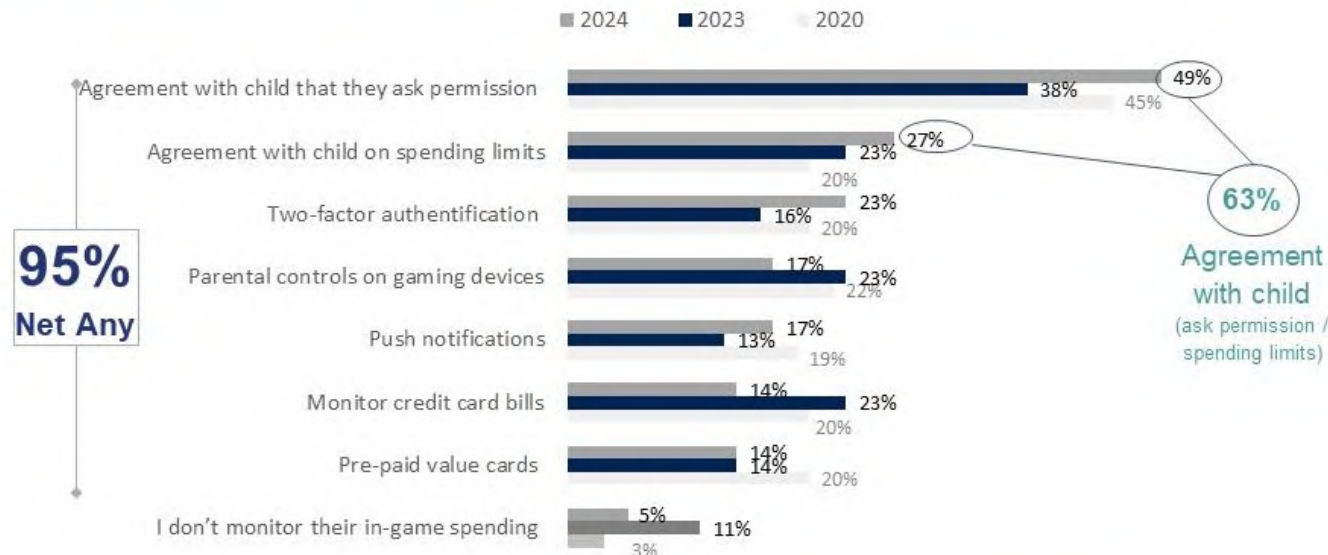


Q4MICRO. Do you have an agreement with your child/children on in-game spending?
BASE: Parents / guardians of children in household who spend money in video games (783)

95% of parents actively monitor their children's in-game spending. The preferred methods include agreements between parent/child and two-factor authentication, both of which have seen increases year on year.

- Types of agreement with child
(Amongst parents whose children spend money in-game)

Total



- Q5MICRO. Do you use any of the following methods to manage or monitor your child's/children's in-game spending?
BASE: Parents / guardians of children in household who spend money in video games (783)

Take outs



1

The proportion of parents claiming their children do not spend on in-game extras remains stable since 2020.

Three in four parents claim their children do not spend on in-game extras within the video games they play.

2

Amongst parents who claim their children spend on in-game extras, average spend has decreased to €31 per month.

Just under three quarters (73%) claim their children spend between €1-20 average / month. Spend has decreased €8 per month amongst those who claim their children spend, vs. 2023.

3

The most popular in-game extra category is content that impacts gameplay such as new weapons or powers.

The most popular content is the one that impacts gameplay (38%), with 30% of those who spend on in-game extras doing so on decorative/cosmetic items (that do not impact gameplay). Unknown rewards, such as Loot Boxes, continue to be least popular in game content (21%).

4

The number of parents of children who spent on in-game extras AND have agreement on spend levels remains very high.

95% of parents of children who spend on in-game extras claim to have an agreement with their children about their spend. Over 3 in 5 (63%) have an explicit agreement with their children, either asking permission (49%) or setting spending limits (27%).

5

Most video game players do not engage with or are not aware of in-game currency purchasing nor loot boxes.

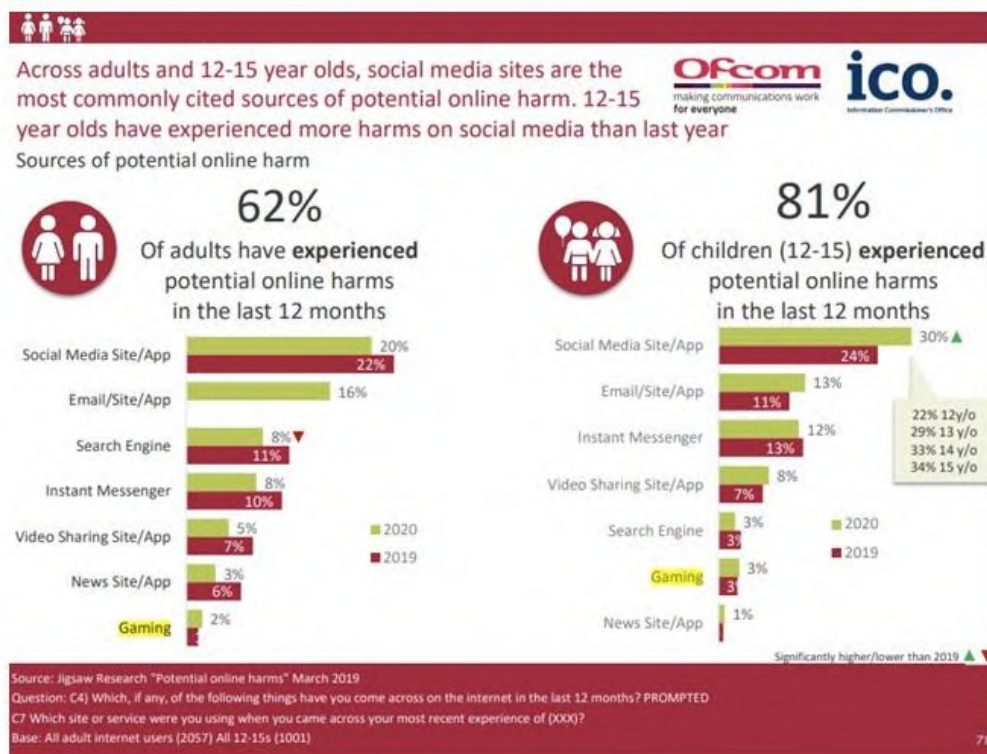
Just 11% of video game players (aged 11-64) claim to have spent real money on in-game currency within the game and only 4% on loot boxes. This is stable year on year for in-game currency and unchanged for loot boxes.

Online Safety in games

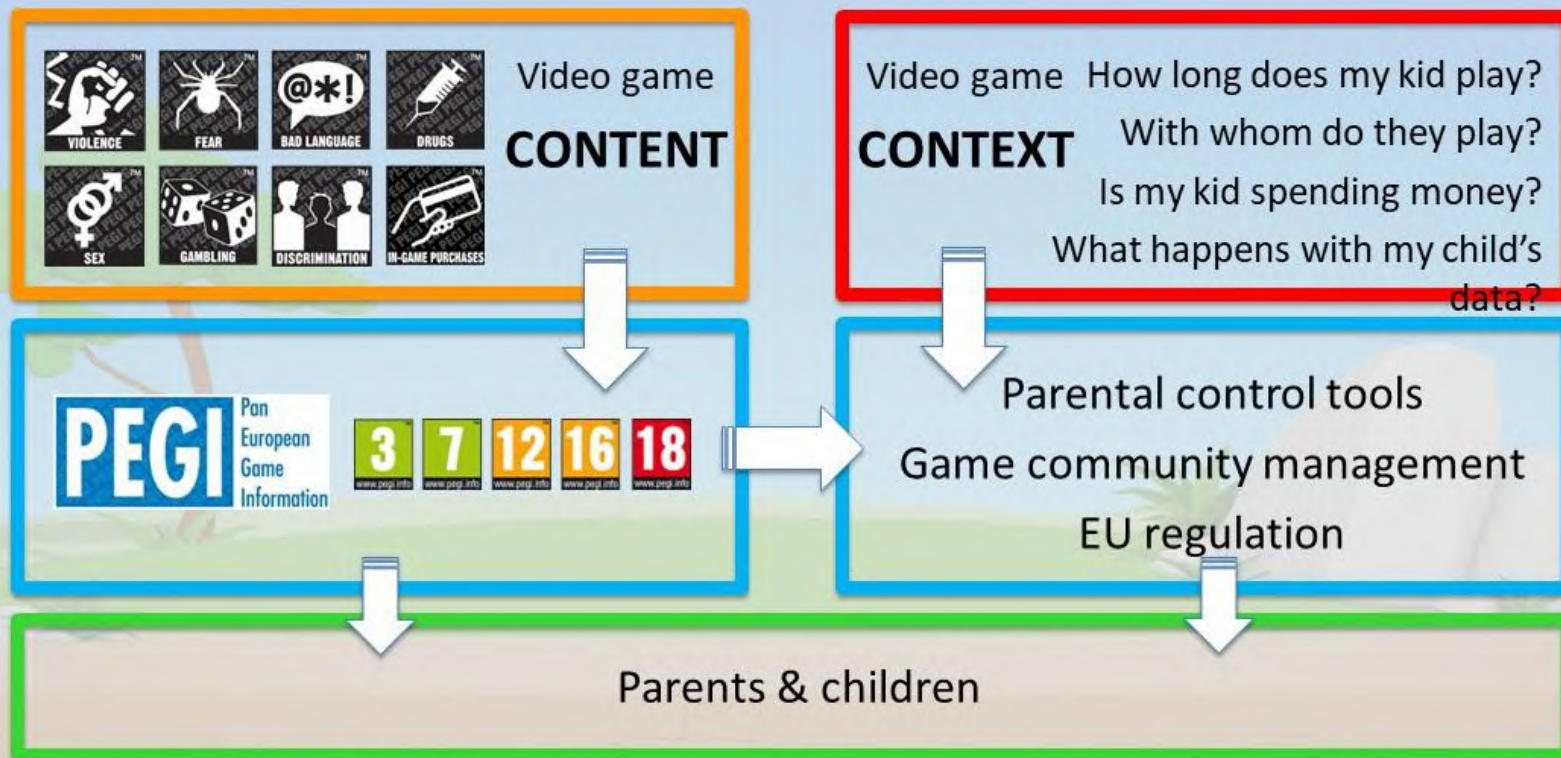


1. **Reporting , blocking and muting** of other players.
2. **Filtering, including proactive filtering**, such as profanity filters and tools that obfuscate links to third party sites.
3. **Moderation tools**: AI and human moderation is used to identify and to remove harmful content, and to remove and report illegal content to law enforcement where required.
 - **Pre-Moderation**: For some video game specific UGC platforms, pre-moderation of text chats is used for games that are particularly popular with children (private information is hashed out prior to upload)
4. **Parental control tools** enable parents to restrict communication with others both in-game and at platform level to ensure that children are protected from, for example, solicitation from unknown players.
 - **Pre-approval by parents**: On some platforms, when parents permit communication with other players in the game, parents can still **pre-approve** communications requests from existing friends of the child.
 - **Game by game approach**: On some platforms, a parent can permit the child to use communication features in one game without affecting the setting that blocks communication in all other games played by the child (“whitelisting”), which gives parents the ability to choose what is right for their child.
5. **Community guidelines** that set out rules for appropriate player behaviour in the game online ecosystem and provide information on the recourse that may be taken in the event of violation of guidelines.

Online safety in games

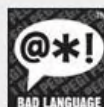


Solutions for shifting concerns



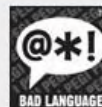
Update to PEGI Code of Conduct

- Agreed in October 2023, implemented in April 2024
- Applicable to newly classified games via the PEGI rating system
- Applicable to older games that are still active via a survey to update the PEGI database
- **Enforcement-by-process** : publishers cannot receive a PEGI rating license for games unless they show us:
 - that a game displays the **probability** of receiving each random item
 - the **policy** that explicitly prohibits that items acquired in-game can be transferred into monetary value for use in unlawful gambling or betting activities
 - the **privacy policy**
 - the **community standards** that prohibit the introduction of illegal and/or harmful behavior or content by consumers.
 - Show us your **reporting mechanisms** and how you address such behavior or content.
- **Enforcement-by-sanction** still possible if disclosure is incorrect



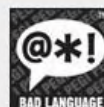
PEGI Code of Conduct : in-game monetisation

- ✓ Comply with applicable laws and regulations
- ✓ Display In-Game Purchases icon and the Paid Random Items notice at point of purchase
- ✓ Transparency in transactions:
 - the cost of in-game currency for in-game purchases is always clear and unambiguous
 - players/account holders should always receive a receipt their account when making purchases with real money
 - the value of the content is always clear by a clear statement of the cost of the content in such in-game currency and easy access to information on how much in game currency the player currently holds, and/or on the storefront area where the in-game currency can be purchased
- ✓ Paid random items – loot boxes:
 - paying for random items is never essential to the gameplay, always optional.
 - inform players about the probabilities to obtain items
- ✓ No skin gambling: signatories shall ensure that their policies prohibit that items acquired in-game can be transferred into monetary value for use in unlawful gambling or betting activities.



PEGI Code of Conduct : safe online gameplay

- ✓ Take reasonably practicable precautions to protect children from access to age-inappropriate content introduced by other players during online gameplay
- ✓ Community Standards: a game's Terms of Service with players must have certain provisions that prohibit players from introducing online content or behaviour that is illegal/harmful and describe the consequences of any breach of these terms
- ✓ Notice and Action:
 - ensure that online gameplay environments are kept free of illegal/harmful content and act expeditiously to remove or to disable access to such user-generated content
 - ensure that appropriate notice mechanisms are in place to allow players and others to notify of such content
- ✓ Companies must maintain an effective and coherent Privacy Policy in accordance with all applicable European Union and national data protection laws



Player and parents' tools



Age rating

Which games they can play based on PEGI age rating and descriptors



Time limit

Agree on playtime limits, allowing for better playtime management



Online spending

Discuss with their children how much can be spent when purchasing games and other downloadable content



Online interaction

Agree on communications in games: friends only, friends of friends, anyone, or no one

In addition to parental control tools on devices, publishers' own platforms increasingly offer parental control tools and additional verification mechanisms such as young player accounts and verified parental consent.

Some examples are: [BlizzardBattlenet.net](#), [EA Origin](#), [Epic Games](#) including [Epic Cabined Accounts](#) for young players, [Roblox](#), [Ubisoft's young player account](#), [Bandai](#), [Niantic](#), [Sega](#). Further, Riot Games have brought in state of the art voice moderation to their chats.





www.videogameseurope.eu

<https://pegi.info/>
