

Food, Drink & Retail in gaming and virtual worlds 2024

GEEIQ

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The opportunity for Food, Drink and Retail today



Charles Hambro,
CEO & Co-Founder

Expert insights

Retail

Retail has faced challenges for some time. Namely, the ‘death of the high street’ is reflective of a rise in e-commerce. But what e-commerce fails to capture is the social experience of shopping with your friends.

What we’re seeing at GEEIQ is virtual worlds providing brands with the best of both experiences: An immersive combination of both purchasing and socialising, facilitated by emerging platforms such as Roblox.

These spaces are perfectly placed to provide an evolution of the traditional high street experience. Further to this, how success is measured in-store and in-experience is remarkably similar.

Consider traffic or visits, dwell time and ultimately, conversion.

For the first time, retailers are able to bring people together inside physical and virtual spaces. Roblox’s Walmart Discovered is a perfect example of this happening. Its unique offering to its customers to ‘find their thing’ has been authentically translated into a virtual space.

Virtual worlds offer retailers the best of both worlds. With gaming platforms like Roblox embracing e-commerce, these virtual environments seamlessly bring together the online and social experiences retailers aim for.

Retail has a unique opportunity in this space. Brands across the spectrum, from Harrods to Target, must lean into the value they offer physically, and provide it virtually. These brands have a chance to translate some of the value they lost through the rise of e-commerce, back into the digital realm, to make shopping a social experience once more.

Food & Drink

There’s a clear correlation between Food and Drink products and gaming audiences. This is evident through a long history of traditional gaming partnerships.

But as the landscape has changed over the past five years, Food and Drink gaming partnerships have encountered challenges. As we transition from traditional games to user-generated content platforms, brands are arguably less educated around today’s landscape and opportunity.

The danger lies in translating a Food and Drink offering in a literal sense, say, an avatar holding a can of Mountain Dew. But the reality is that as gaming evolves towards a more immersive form of social media, the opportunity is far greater than traditional product placement and it poses far more potential for innovation.

Early adopters of emerging platforms, such as Vita Coco on Roblox, have had less of a history of activating in traditional gaming. This allows them to take a fresh approach and to avoid being shackled by the legacy of traditional gaming partnerships.

As evidenced in this report, the shift has already begun. Pioneering brands are recognizing these platforms as opportunities for immersive storytelling, where long-term strategies can in fact equate to traditional marketing KPIs and metrics.

From top-of-funnel awareness and education, to bottom-of-funnel conversion, it’s the first mover Food and Drink brands taking advantage of this new marketing vertical that are set to win.

Terms you need to know

Food & Drink

On the GEEIQ platform, 'Food & Drink' covers Snacks (e.g. KitKat), Restaurants & Fast Food (e.g. Chipotle), Drinks (e.g. Red Bull) and Alcoholic Beverages (e.g. Corona).

Retail

'Retail' covers Retail Sporting Goods (e.g. DICK's Sporting Goods), Retail Groceries (e.g. Walmart), Retail Fashion (e.g. Claire's) and Retail Consumer Electronics (e.g. GAME).

Virtual worlds

These are platforms like Roblox, Fortnite, ZEPETO and The Sandbox. Some call them games, others call them metaverse platforms. Blockchain-based or not, we call them virtual worlds.

Virtual brand activations

This term encompasses any form of brand activity in virtual worlds. It includes both 'brand experiences' and 'brand integrations'.

Brand integrations

These refer to when brands integrate themselves into existing virtual experiences for a time-limited period. Think McCain Foods in Livetopia, one of Roblox's most popular non-brand-owned experiences.

Brand experiences

These are brand-owned virtual experiences that exist within virtual worlds. They are created and owned by the brand. For example, Chipotle on Roblox.

User-Generated Content (UGC)

Content created by players or independent developers on a platform, often in partnership with a brand, which can include anything from mini-games to avatar accessories and more.

Key takeaways

56%

of gamers are more likely to buy from a brand that features in their favorite game.

Gen Z

spends more time on Roblox than TikTok, with an average of 180 vs. 107 minutes per day respectively.

1 in 25

shoppers get purchase inspiration from gaming.

Q4 2023

saw the highest number of new virtual brand activations in history, with 30 from Food & Drink and 12 from Retail respectively.

+159%

growth in Food & Drink virtual activations since 2022.

150

Food & Drink virtual brand activations have occurred across all time.

60

Retail virtual brand activations have taken place to date.

+156%

growth in Retail virtual activations since 2022.

E-commerce

is now available for brands on Roblox. You can sell real-world items on the platform.

Why are brands investing in gaming?

As the attention economy shifts, gaming platforms are becoming more attractive to brands, while social media engagement continues to stagnate.

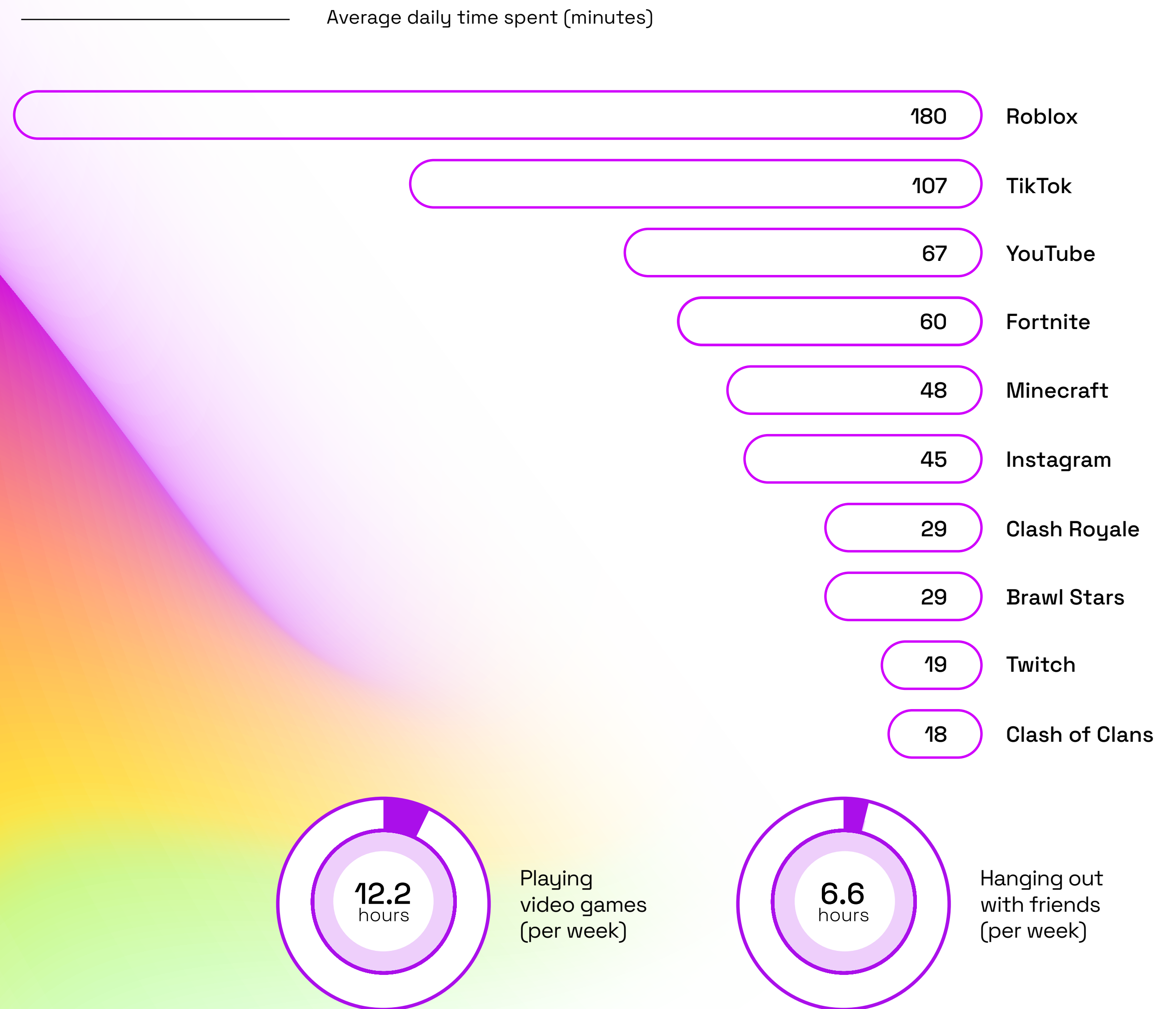
Gen Z already spends more time on Roblox than on TikTok.

TikTok is the 'king' of social media for under 25s, but its average usage time is 107 minutes a day. That is dwarfed by Roblox's average of 180 minutes per day.

To stay ahead of the curve and establish themselves early in this new marketing channel, blue-chip brands like McDonald's and Walmart have started marketing through gaming.

In contrast to social media, these platforms offer an immersive, social and reciprocal experience that consumers are now demanding.

GEEIQ 2023; GEEIQ 2024; Activate Consulting & WSJ Tech 2024; ADR 2023; Vice x Razorfish 2022
LendEDU 2018



From passive to immersive communication

The plateau of social media usage and pivot towards gaming is the next phase of a long-term, consumer-driven move towards more interactive and immersive forms of communication.

Print, TV & radio

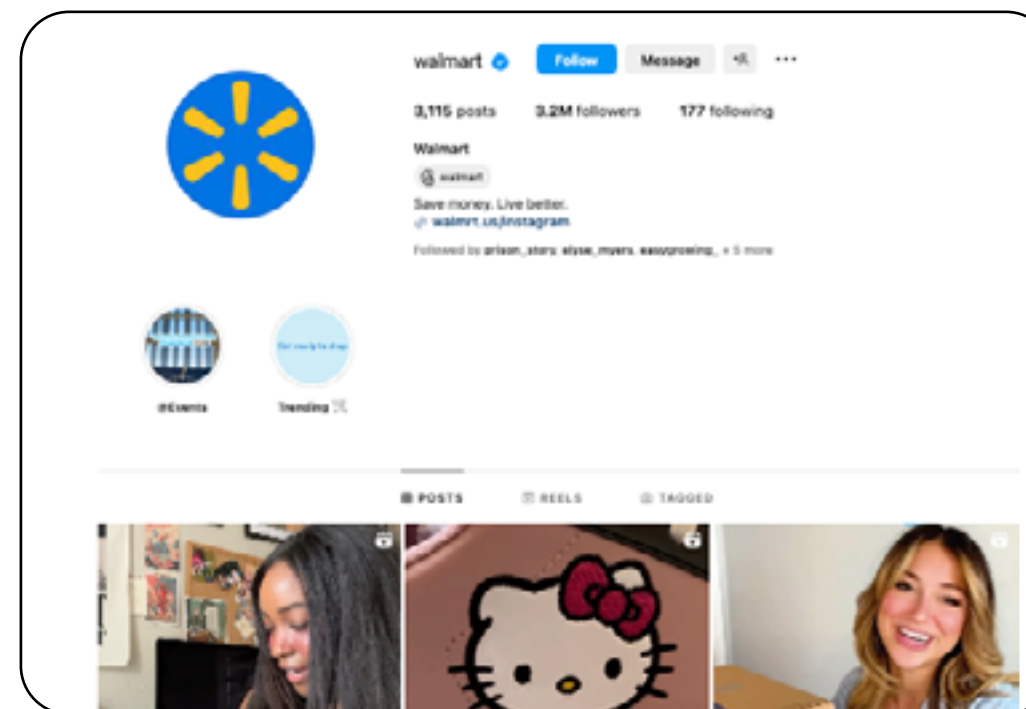
The passive experience



Prior to the 21st Century, brand advertising relied on one-way, passive messaging. Traditional print media, radio and television all marketed at consumers, rather than creating meaningful engagements.

Social media

The social experience



The new millennium introduced the internet and social media as a new marketing channel. Platforms like Twitter and Instagram offered social interactions with consumers that were more interactive.

Virtual Environments

The immersive experience



Now, brands are leveraging virtual worlds like Roblox and Fortnite to **drive engagement, new revenue streams and brand loyalty**. These platforms are immersive and offer multi-directional, social engagement.

Is it all hype?

The shifting landscape of branded activations

For brands trying to innovate within virtual worlds, it can be difficult to separate short-lived hype from long-term brand marketing wins.

A lot of platforms are touted as the ‘future of the metaverse’, but this isn’t reflected in brand engagement, viewership or ROI. You can see that trend in esports and blockchain-based worlds.

SH x GSQ 2024
Esports Insider 2023

Esports

Esports was predicted to scale to the level of organizations like the NFL or NBA, with brands like **Aldi** and **Red Bull** investing heavily.

2020-21 did see 48.7% growth in hours of esports watched. However, **between 2022-23, this growth slowed to 4.5%**. Even the most popular leagues are suffering, with the League of Legends Championship Series in a six-year viewership low.

Blockchain-based worlds

Brand activity in Web3 virtual worlds has declined.

European supermarket giant **Carrefour** entered The Sandbox in 2022, while **Heineken** entered Decentraland in the same year.

But no Food & Drink brand has activated in a blockchain-based world in the past year.

The initial hype for these platforms did not translate into high active user bases that brands require to demonstrate a return on investment.

Gaming as a marketing channel

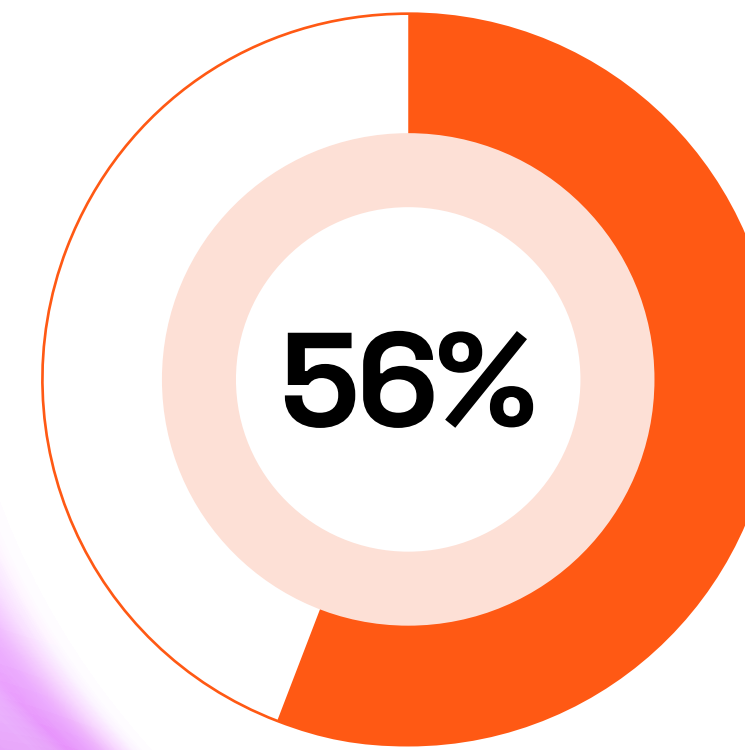
According to the data, it's virtual environments like Roblox and Fortnite that provide the eyeballs brands demand.

Food, Drink & Retail brands are increasingly recognizing this. With 71% of shopping searches happening online, brands with a strong virtual presence gain a competitive edge.

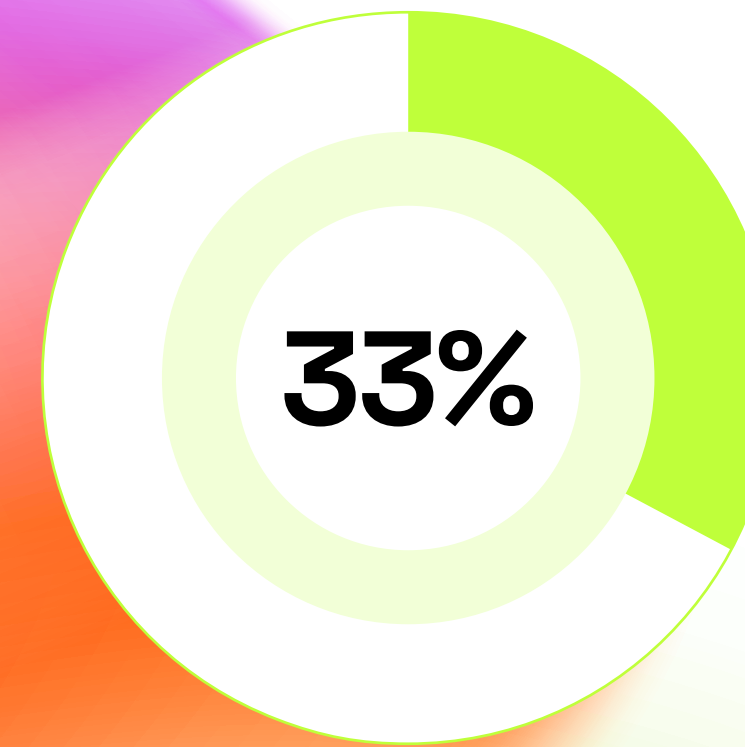
The Future Shopper 2023 Report revealed **85% of consumers consider themselves to be gamers** and **1 in 25 shoppers now get purchase inspiration from gaming**.

So, how can brands tap into these audiences? The rise of UGC platforms like Roblox and Fortnite offers a new marketing channel for Food, Drink & Retail brands.

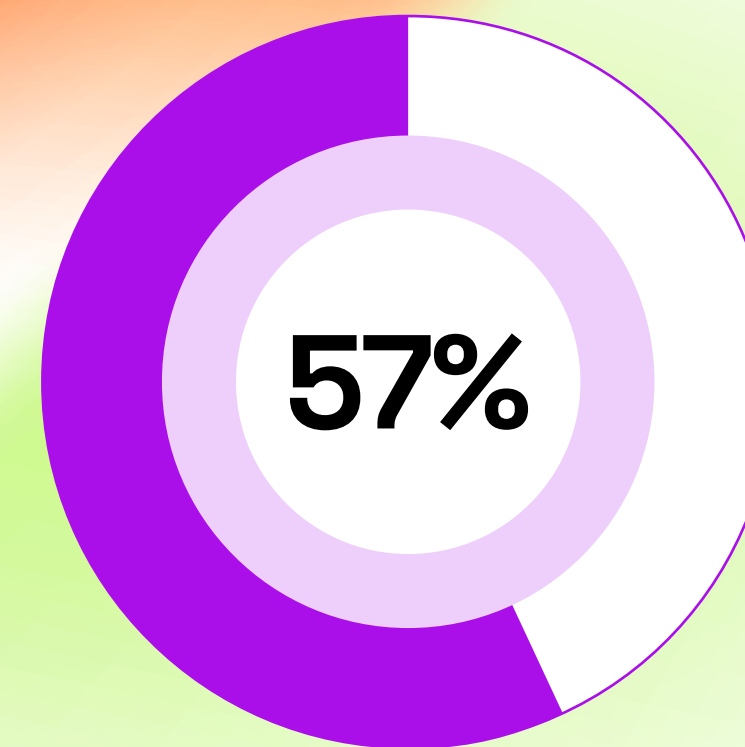
Wunderman Thompson 2022
Newzoo 2023
VML 2023



Of gamers are more likely to buy from a brand that features in their favorite game



Of gamers have discovered new brands while gaming



Of gamers spend money online

Gen Z's favorite Food, Drink & Retail brands are investing in virtual worlds

McDonalds, Amazon, Walmart and Chipotle have all activated across the likes of Roblox, Fortnite and ZEPETO.

Each of these brands were ranked as Gen Z's top 25 most magnetic brands in a report by dcdx surveying 200,000 Gen Zs.

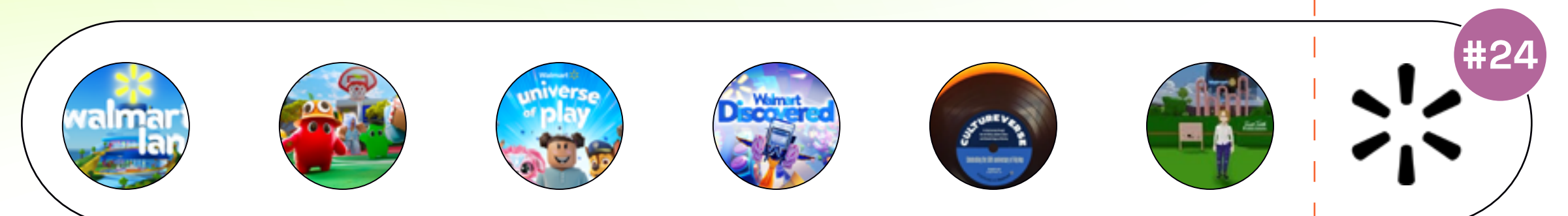
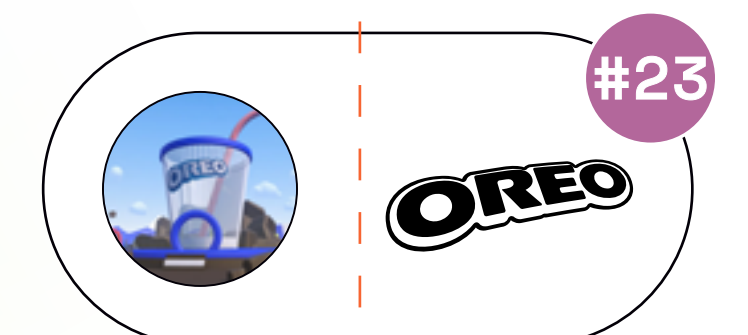
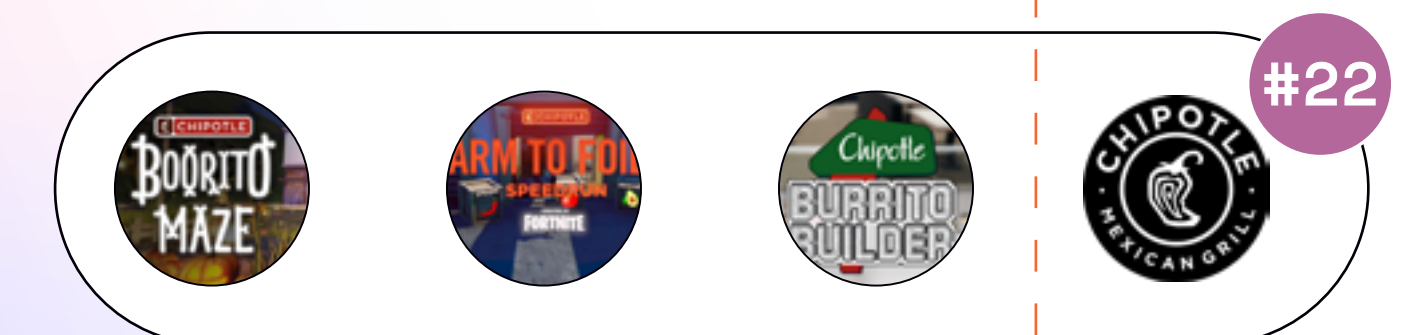
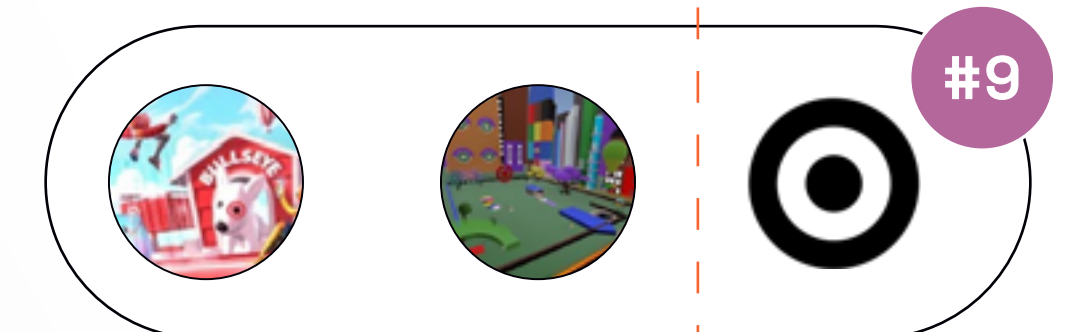
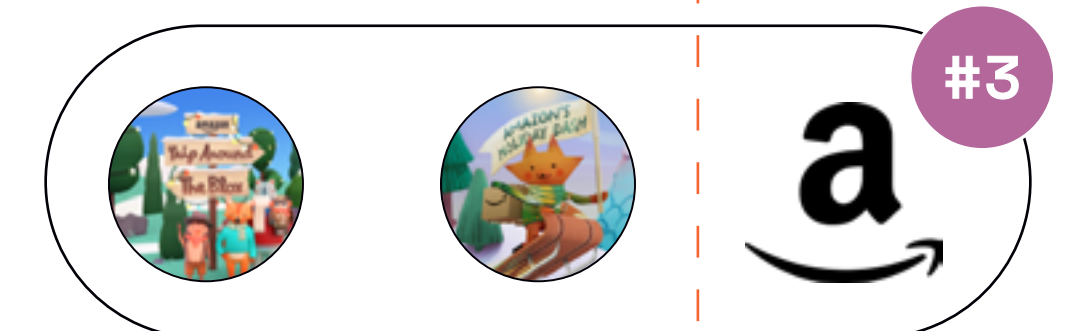
It also ranked **Twitch in fourth place** and **Roblox in fifth**.

It is clear that the attention of tomorrow's consumer is invested firmly in the gaming and virtual worlds ecosystem.

Food, Drink & Retail brands that recognize this are future proofing their brand, while making connections with audiences that are harder to reach through traditional paid and social media channels.

dcdx 2023

How many virtual activations have Gen Z's favorite brands done?



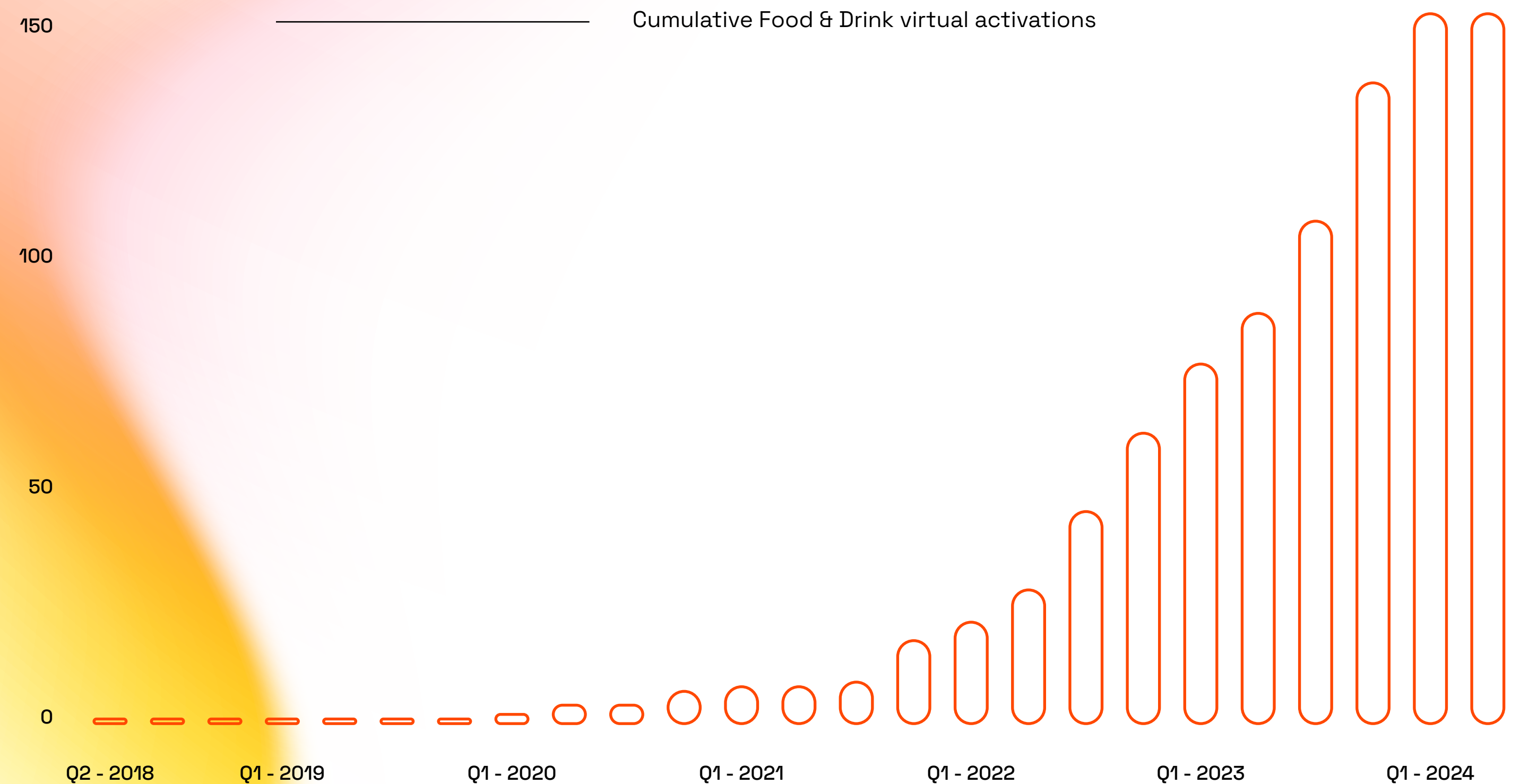
The rise of Food & Drink brands in virtual worlds

Total Food & Drink brand activations in gaming have grown +159% since the beginning of 2023.

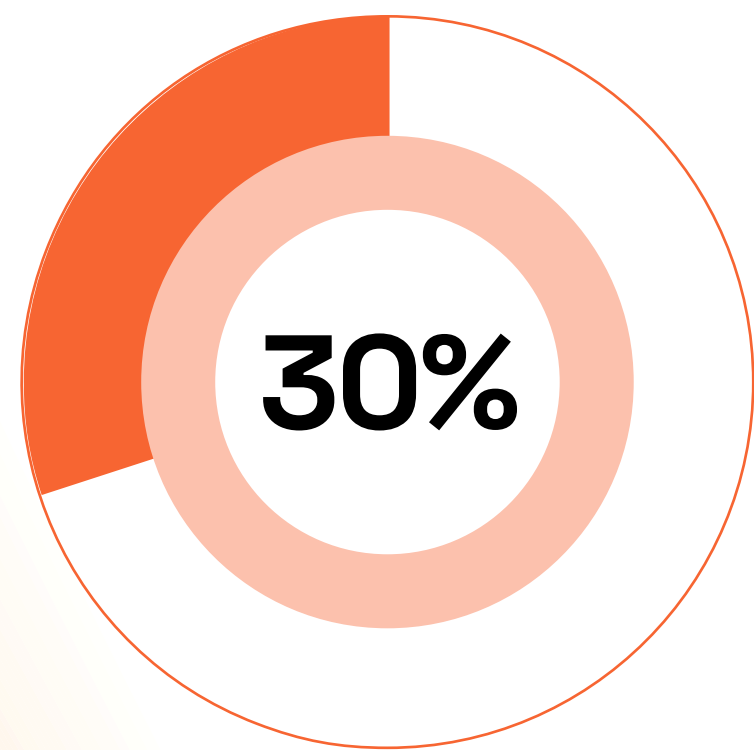
Roblox accounts for 30% of these activations, while Fortnite accounts for 29%.

16% of these activations have been integrations into existing experiences (e.g. McCain's integration into Roblox's Livetopia), rather than persistent, brand-owned experiences (e.g. Roblox's Chipotle Burrito Builder).

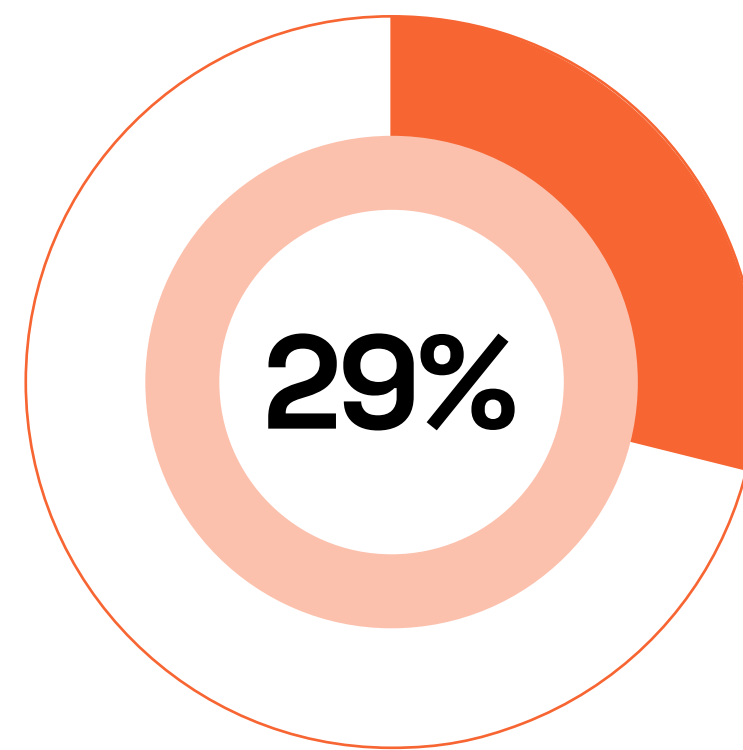
Q4 2023 saw a record high of 30 new Food & Drink brand activations.



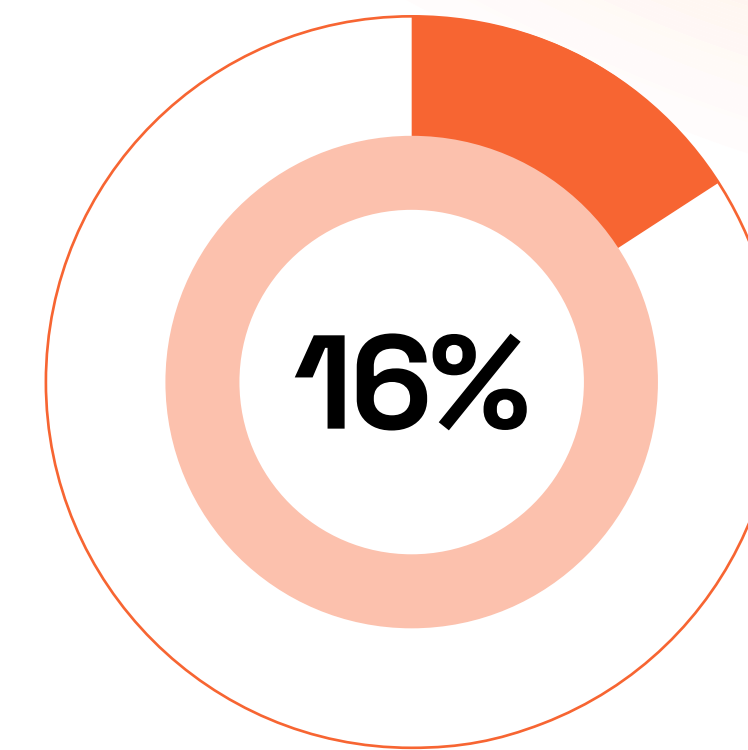
Food & Drink key insights



of all Food & Drink
activations have
been on Roblox



of all Food & Drink
activations have
been on Fortnite



of all Food & Drink
activations have
been integrations

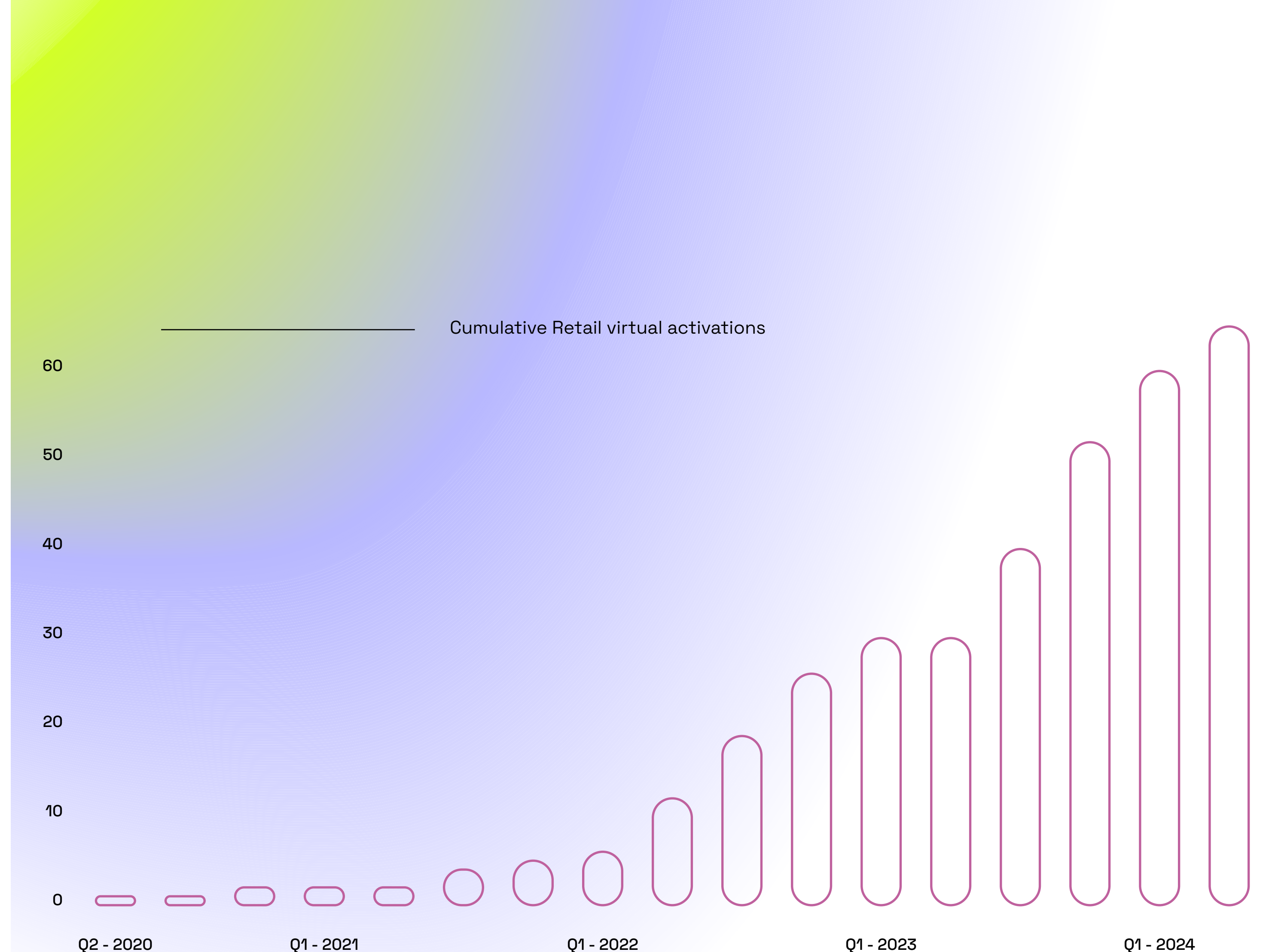
The rise of Retail brands in virtual worlds

Total Retail brand activations in gaming has grown 156% since the beginning of 2023.

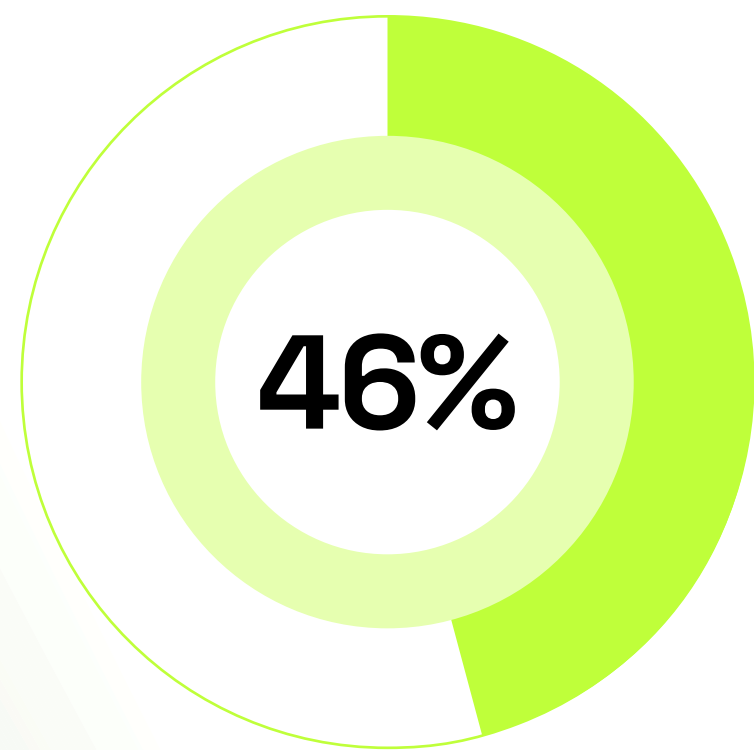
Roblox accounts for 46% of these activations, while **Fortnite accounts for 12%.**

21% of these activations have been integrations into existing experiences (e.g. The Home Depot's integration into Roblox's Redcliff City RP), rather than persistent, brand-owned experiences (e.g. Walmart Discovered on Roblox).

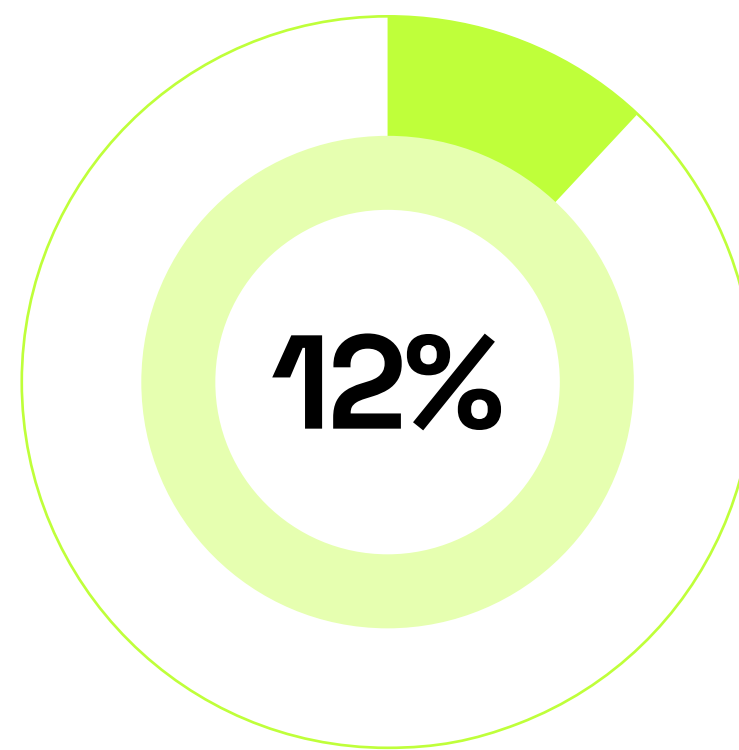
Q4 2023 saw a record high of 12 new Retail virtual brand activations.



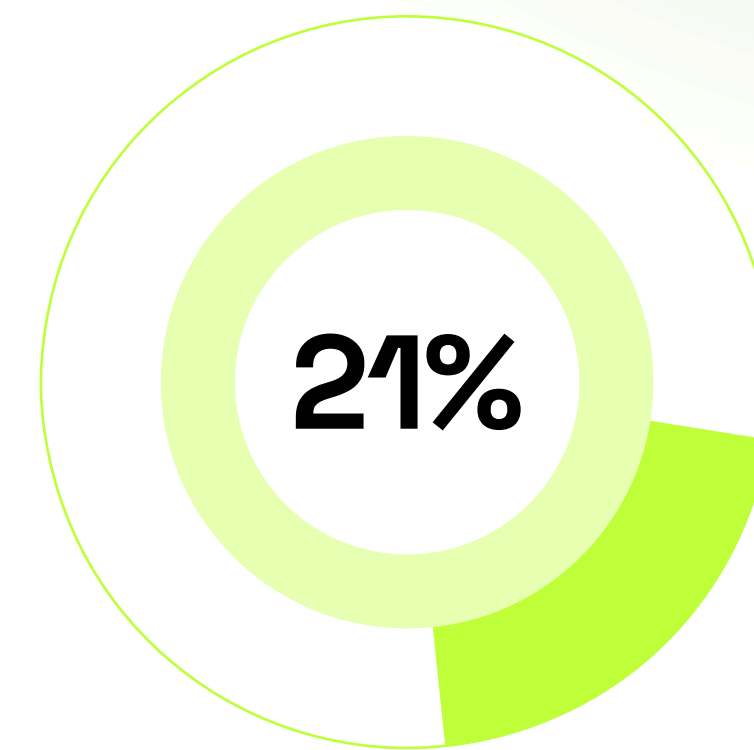
Retail key insights



of all Retail
activations have
been on Roblox



of all Retail
activations have
been on Fortnite



of all Retail
activations have
been integrations

Integrations as a route into gaming

Across all industries, **brand integrations on Roblox alone increased 110% YoY in 2023**. So, why are they on the rise?

Integrations provide Food, Drink & Retail brands with an accessible route to virtual worlds. They offer:

- A lower barrier to entry
- Large, established audiences
- A lower monetary investment

Integrations lend themselves well to campaign-based activations, like McCain Foods on Roblox's Livetopia (4.4bn total visits), promoting sustainable farming initiatives, or The Home Depot in Roblox's Redcliff City RP (715m total visits), promoting the 'Kids Workshops' initiative.

We spoke to Jason Stayaert, who oversees all Roblox global brand partnerships for Century Games, including Livetopia.

“Games like Livetopia have built-in and loyal communities. Rather than needing to acquire users and get players to buy into a new experience, we can give a pretty good snapshot of the users and their behaviors from the outset. This gives brands some reassurance that their messaging will be seen and heard.”

Jason Stayaert, Head of Global Brand Partnerships & Integrations at Century Games

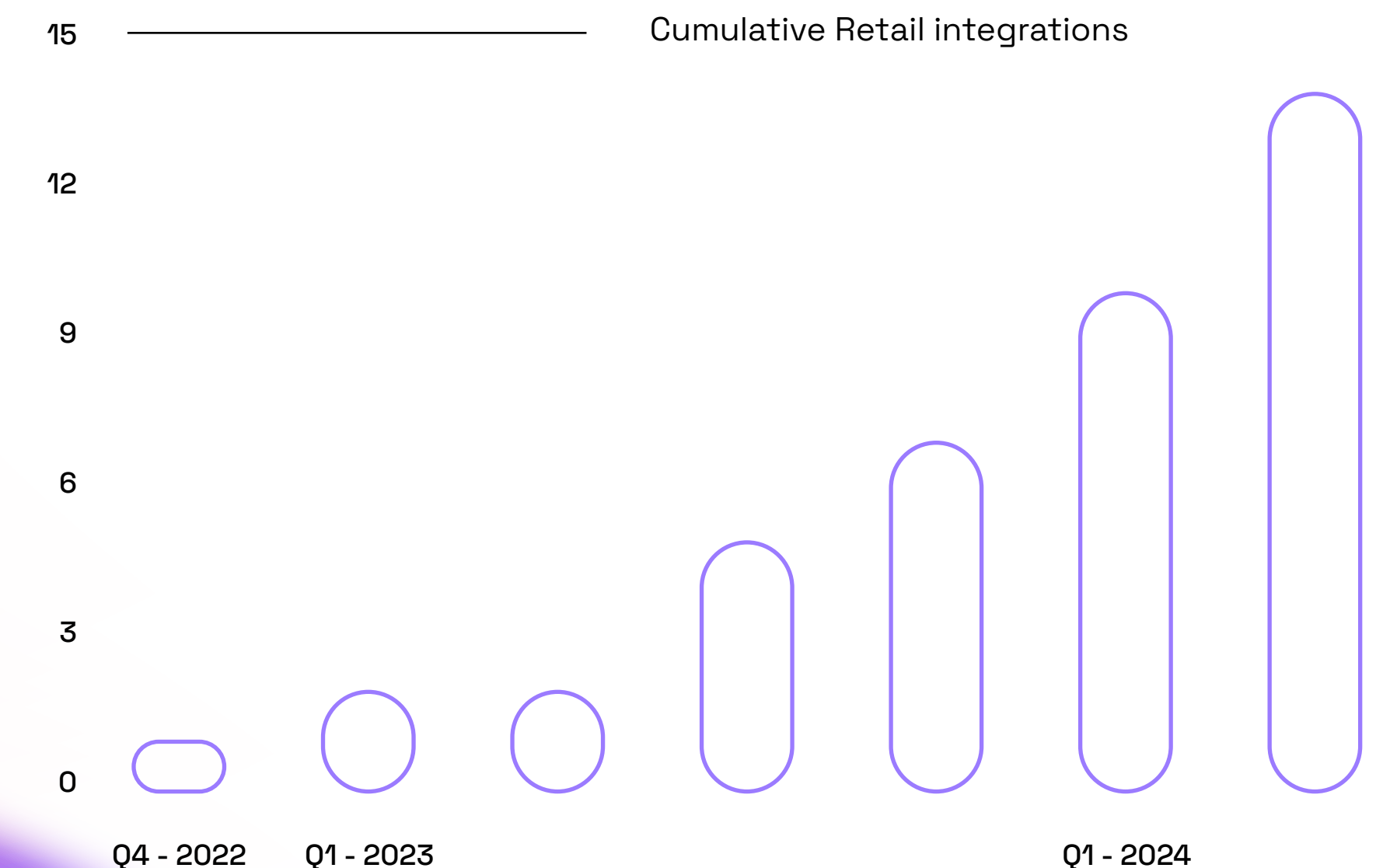
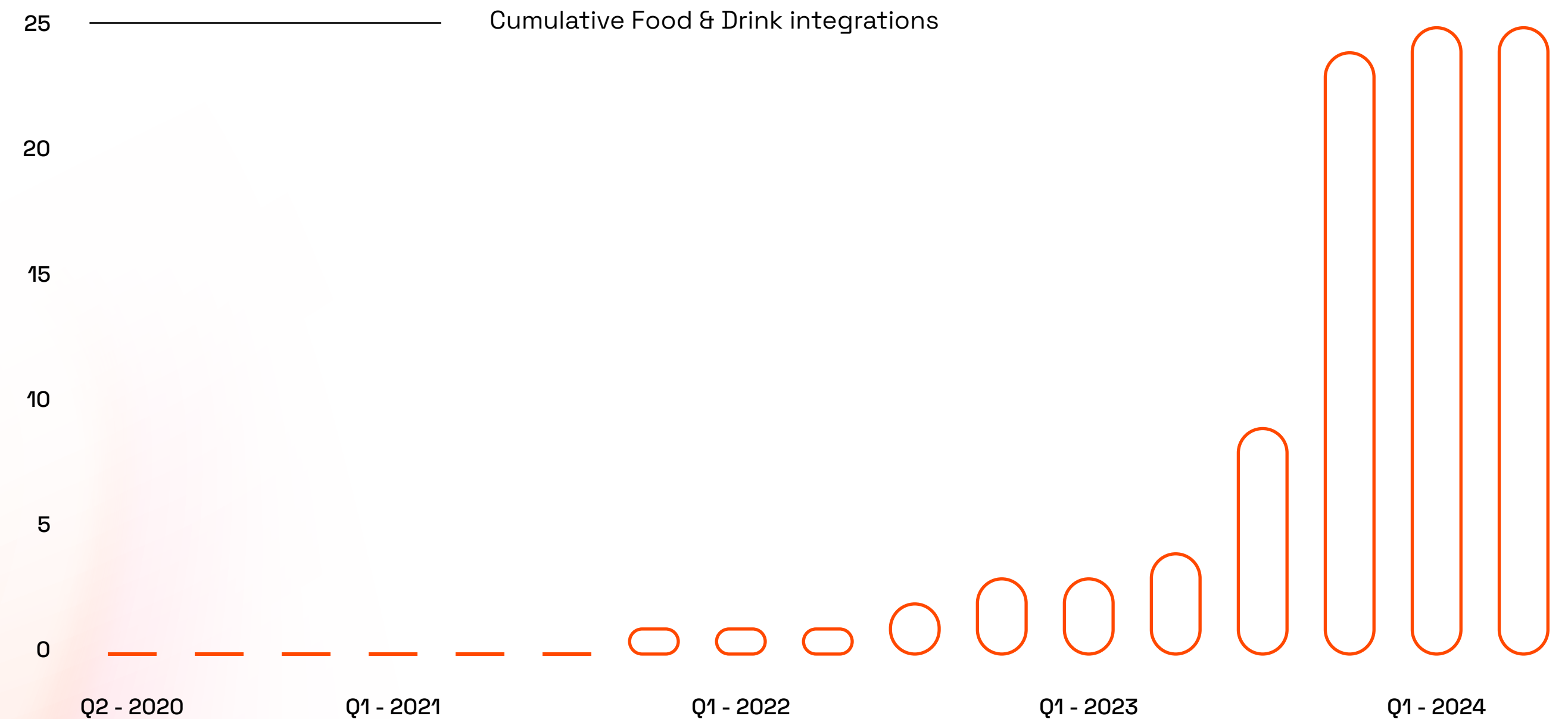
Integrations for Food, Drink & Retail

The pace of Food, Drink & Retail growth in integrations is notable. **Q1 2023 saw none by Food & Drink, Q4 2023 saw 15.**

This **outranked the traditional leading industries in virtual worlds**, including Media & Entertainment (13), Fashion & Apparel (9) and Personal Care & Cosmetics (4).

Likewise, Q2 2024 has already set a new record for Retail integrations.

Q1 2022 saw only one Retail virtual integration, while Q4 2023 saw two. At the time of writing, two weeks into Q2 2024, there have already been five Retail integrations.



Food & Drink on Roblox

From McDonalds to Lavazza to Vita Coco, Food & Drink brands have been leveraging Roblox to drive loyalty and new revenue streams.

In Q1 2023, there were two new activations by Food & Drink brands on Roblox. In Q4 2023, there were 14. That's a 600% increase.

Food & Drink items translate well onto Roblox in the form of UGC, mini-games and immersive product-based experiences.

It is easy to transfer real-life brand and influencer collaborations into virtual partnerships with UGC item creators, phygital loyalty incentives and time-limited integrations.

“Being on Roblox is being able to say while we’re thinking about this in-store promotion or this new item launch, let’s think about how we can do this in the metaverse. More and more on Roblox, these brands are looking into bottom-of-the-funnel strategies, because at the end of the day Roblox is a way to drive a dollar.”

Mae Wen, Senior Omnichannel Manager at Vita Coco

Retail on Roblox

2023 was a watershed year for Retail in virtual worlds. It marked Kroger, Harrods and The Home Depot's entry into Roblox.

The first half of 2023 saw four new activations by Retail brands on Roblox. The second half of 2023 saw 24, a 500% increase.

In 'The State of Virtual Brand Experiences Part II', GEEIQ projected a 321% increase for Retail brands in virtual worlds by the end of 2025. The data shows that Roblox activations are driving much of this growth.

Retail brands see the value in Roblox. **Walmart Discovered, for example, hit 20 million total visits in just six months.**

Walmart's Roblox experience also recently became the first to incorporate e-commerce. Now, US players can order real-world Walmart items directly to their homes.

These innovations make it likely that retailers will continue activating on Roblox.

“There was this perception that Roblox was for kids, but with Walmart Discovered, what we've seen is that more than 65% of people that are spending time with our brand on this platform are above the age of 18. They are at a time when they are actually making brand decisions and purchase decisions. So, we are engaging with the core customer that we intended to engage with by showing up on the Roblox platform.”

Justin Breton, Director of Brand Experiences & Strategic Partnerships at Walmart

PepsiCo, Wow Bao and bottom-of-funnel conversion on Roblox



We sat down with Connor Kelley, CEO & Co-Founder of Flaunt, loyalty technology that's creating bottom-of-funnel data acquisition opportunities on Roblox for brands like Hilton Hotels & Resorts, PepsiCo and Wow Bao.

Why did you create Flaunt?

After spending three and a half years at Roblox, I saw how brands had a difficult time navigating the disconnect between high levels of engagement and core business metrics like sales. That shouldn't be the case for big brands looking to drive results. That was why we started Flaunt.

Another aspect is realizing that Roblox is different to Instagram and TikTok. Brands that have shown up authentically on Roblox have driven more engagement, like with Walmart Discovered. They've understood the community and translated how they add value in the physical world to virtual worlds. That authenticity ultimately drives more engagement and ROI for your brand.

How can brands stand out in this space using Flaunt?

Brands that have leveraged their products to enhance and differentiate how they show up for players have really stood out. They're able to provide novel experiences and drive results that justify their investment in Roblox internally.

Have you seen an evolution in how brands perceive virtual worlds and gaming?

Yes, totally. The Roblox platform has this massive level of engagement, but conveying that to brands has been challenging in the past.

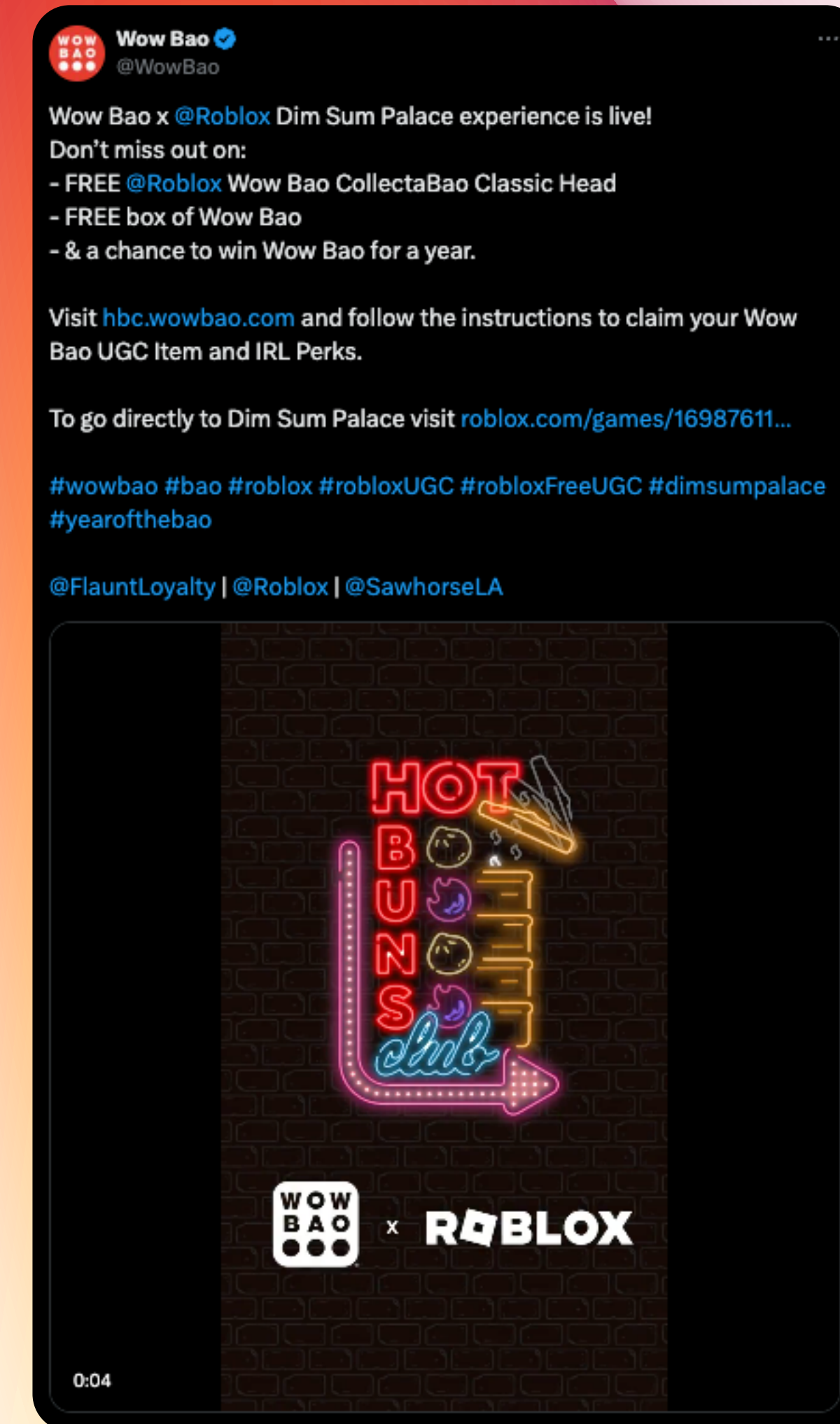
Today, Roblox is evolving its ad offering and is clearly becoming a destination for brands and we've seen a transition with brands realizing this is a marketing channel.

Now that some brands are on their second, third, fourth activation on Roblox, they're looking to establish a link between gameplay and sales.

Tell us more about the Wow Bao activation and Flaunt's role in it.

Our role in any Roblox activation is establishing the link between a brand's business and a Roblox experience.

Wow Bao had an in-game quest that got players to sign up to their loyalty program in exchange for a limited supply avatar item. Facilitated by Flaunt's integration with Patronix, it offers players the opportunity to get free Wow Bao for a year and other similar real-world rewards.



Can you tell us more about PepsiCo's bubly activation?

PepsiCo wanted to collect first-party data from their Roblox integration, so we helped them offer an avatar item in exchange for a bubly rewards program sign-up. Flaunt facilitated that with a direct integration into Salesforce. We partnered with two Roblox influencers, Karl and Kreekcraft, to amplify the activation and it was a big success.

What are the keys to successfully building loyalty on Roblox?

Making sure that you include both off and on-platform rewards is really important. Limited items are particularly popular. They're also opportunities for brands to express themselves and have avatars wear their brand while they're playing games.

The other aspect is ensuring you're doing this per Roblox's platform guidelines. Flaunt has a comprehensive information security system, data privacy program and is GDPR compliant. We make sure that a brand's security requirements are airtight.

Then there's being able to provide proof of concept. We've been able to move extremely fast to create an off-platform player journey that offers anything from purchasing a product to just proving there's an off-platform journey. We help brands make that player experience seamless.

What is the opportunity for other brands and retailers here?

All brands generally have an email marketing list, merch, etc. Many brands want to use Flaunt plugins so that players can accumulate reward points for completing in-game activities because these are valuable levels of engagement. This is an opportunity to offer a gamified loyalty program.

What's in store for Flaunt?

I personally believe that every single brand activation should have an off-platform connection. It's so easy to do. We've already seen more brands want to tap into this and consider how we help connect to harder-to-reach channels, like Roblox, Fortnite, TikTok or Instagram. We want loyalty programs to be showing up in a greater level there. We're specializing in establishing those connections, rewarding those activities and getting more attribution and revenue as well as customer insights as a result.

Food, Drink & Retail on Fortnite

Cumulative Food & Drink activations on Fortnite grew 132% from Q1 2023 (19) to Q1 2024 (44).

The second half of 2023 saw the largest number of new brand activations on Fortnite to date (15).

Food & Drink has the second highest number of Fortnite activations in comparison to all other industries, behind only Media & Entertainment.

And for Retail? As of Q2 2024, there have only been eight Retail activations on Fortnite, most notably Target's Q4 2022 activation 'From Spark to Shelf'.



Vitaminwater:
Fashion Showdown, December 2023



Carrefour:
The Healthy Map, July 2021



Doritos:
Triangle Island, August 2022



Target:
From Spark to Shelf, October 2022

Fortnite as a brand marketing channel

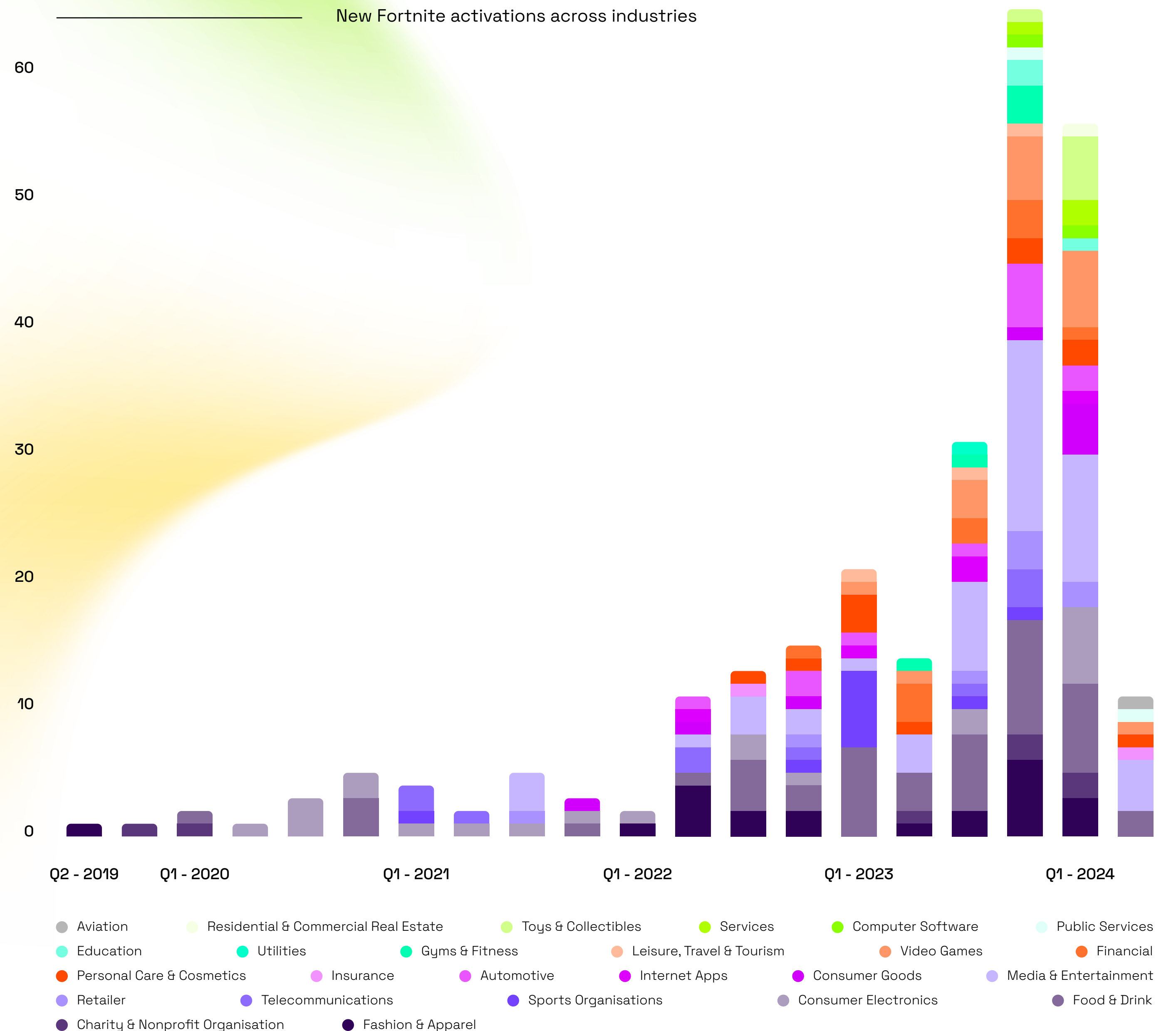
Fortnite is experiencing somewhat of a comeback. **On just one day in November 2023, the platform had around 44.7 million active players.**

This, combined with its high fidelity and Creative mode updates, led to a **record-breaking 65 brands across industries entering Fortnite in Q4 2023 alone.**

When compared with Roblox, Fortnite still has ground to cover. The ability to create UGC for avatar customization is one factor that contributes to Roblox's dominance.

This is not yet possible in Fortnite, but is likely to change in the near future. Likewise, the developer community is much smaller in Fortnite, making the barrier to entry higher, as brands are limited in choice.

But the future is bright for Fortnite. Its aesthetic and growing user base continues to make it a competitive proposition for brands. One of its key challenges lies in developing an ecosystem that will enable brand activations to gain more traction.



Food, Drink & Retail in virtual stores

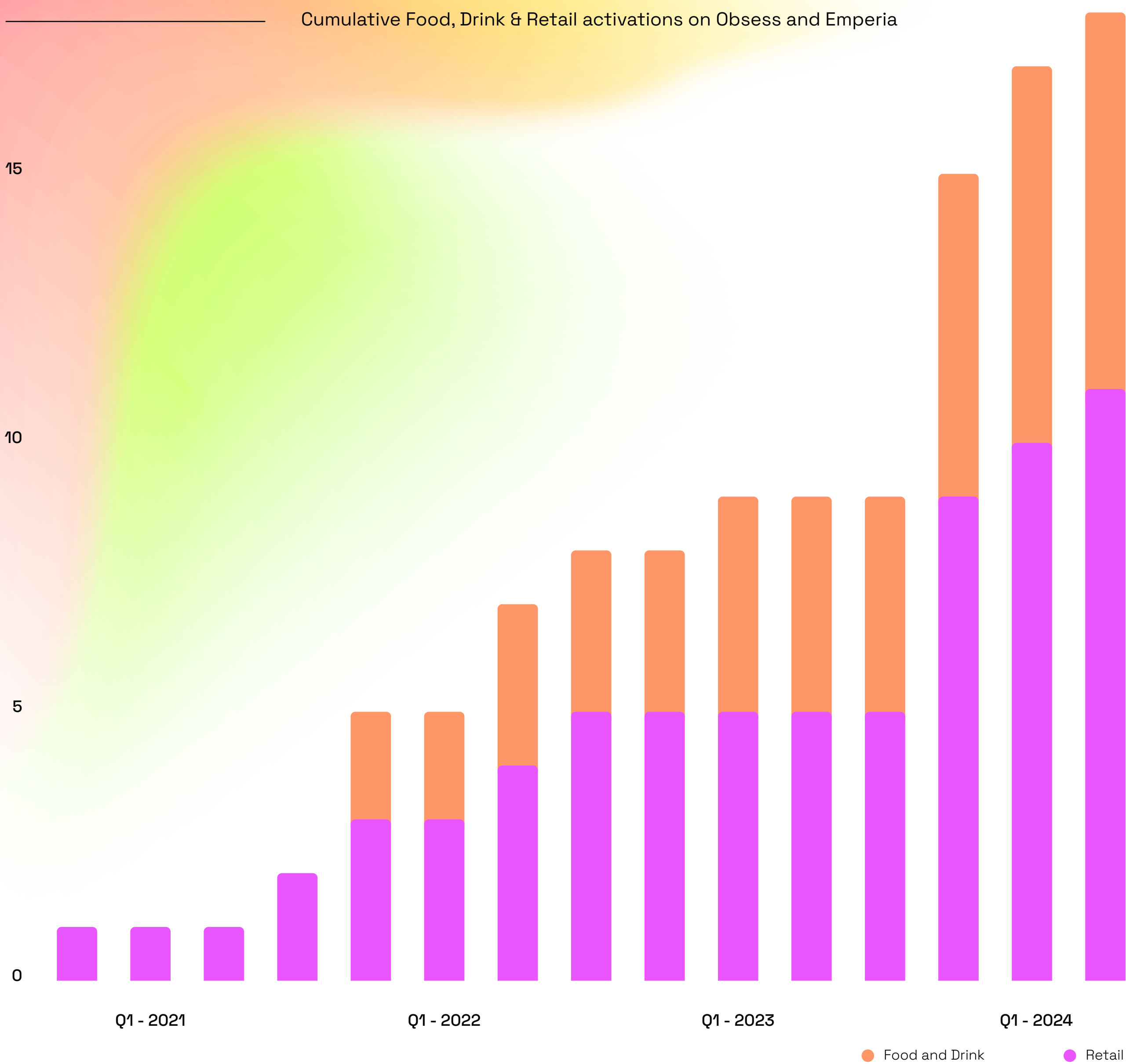
Virtual stores have continued to grow in popularity as a route to activation for brands.

Q4 2023 marked the largest quarter to date for brands entering platforms like Emperia and Obsess. As GEEIQ projected in a 2023 report, VR and 3D shopping environments are expected to capitalize on the release of the Apple Vision Pro.

Food, Drink & Retail have also contributed to this growth. Brands like Bloomingdale’s in Emperia and General Mills in Obsess have leveraged virtual stores to deliver immersive experiences to their customers.

Between 2023 and 2024, the number of Food & Drink brands that have used Emperia and Obsess grew 75%, while Retail grew 120%.

At the time of writing, **Retail ranks third (11)** and **Food & Drink fourth (7)**, for total number of virtual stores.



The wider landscape for Food, Drink & Retail

What does the Food, Drink & Retail opportunity look like for brands in other gaming platforms?



Minecraft has seen a resurgence in virtual brand activations. In **Q1 2024**, **three Food & Drink brands activated** on the platform. This includes a recent activation by KitKat. To date, **no retailers have yet entered Minecraft**.



Having previously welcomed the likes of Nestlé, Doritos and Dominos, **no Food & Drink brand has activated in Decentraland since Q2 2023**. Likewise, there have been **no Retail activations since 2022**. Walmart and Selfridges have previously entered the platform.



While Food & Drink may not have embraced ZEPETO as quickly as other verticals, brands like **Baskin Robbins** have found success with **nearly 7 million visitors across its two activations**. Meanwhile, Korean retailer, **CU Convenience's activation has had over 35 million visits and attracts 70,000 monthly active users**.



Brands like Jack Daniels, Walmart, Dallas Market Centre and McDonalds have activated on Spatial, which continues to grow in popularity. Last year, just 10 brands activated on the platform. **Since Q3 2023, 29 brands have launched new activations**.

About GEEIQ

GEEIQ is a London-based data platform, insights provider and team of experts, that enable some of the world's biggest brands, including H&M, L'Oréal, Walmart and even Elton John, to navigate virtual worlds like Roblox and Fortnite.

Our platform provides an overview of the full-funnel marketing opportunity for brands in gaming and virtual worlds. It facilitates long-term, data-led virtual strategies for brands to enrich new virtual communities, grow audiences and create sustainable revenue streams in the new marketing and communications vertical of virtual worlds.

We leverage data from across this fragmented landscape of virtual gaming environments to provide a holistic view of the space, enabling benchmarking against brand virtual activations, competitor analysis, partner and influencer identification, as well as a deeper understanding of audience affinities and demographics.

GEEIQ also provides in-house experts who act as an extension of brand teams. They curate long-term strategies and bespoke reporting that's focused on tangible measurement and attribution, rather than positive PR and metaverse 'hype'.

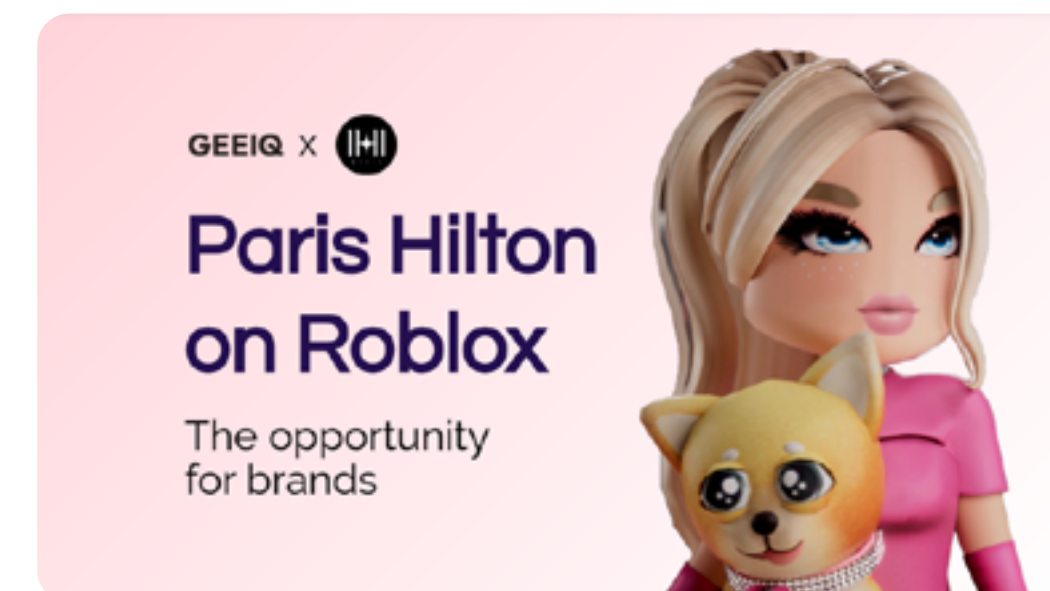
[Tour the platform](#)

Other Resources

Webinars



Reports



Blogs

