

SOFTWARE AND TECHNOLOGY

What Netflix video gaming might mean for luxury marketing

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Netflix's push for video gaming indicates a shift in consumer behavior, presenting new marketing opportunities for brands. Image credit: Getty Images

By NORA HOWE

Global video streaming platform Netflix is eyeing the video gaming space as consumers increasingly turn toward interactive digital entertainment, in a move that may further encourage luxury brands to explore gamification.

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Exacerbated by the COVID-19 pandemic, video gaming has become the fastest-growing media entertainment sector with a **reported** 30 percent year-over-year increase in sales. Luxury fashion brands such as Gucci and Burberry have already leveraged this rise in gamification through campaigns and collaborations, but activity in the space from a major content platform like Netflix implies a seismic shift in consumer media consumption.

Rise of gaming

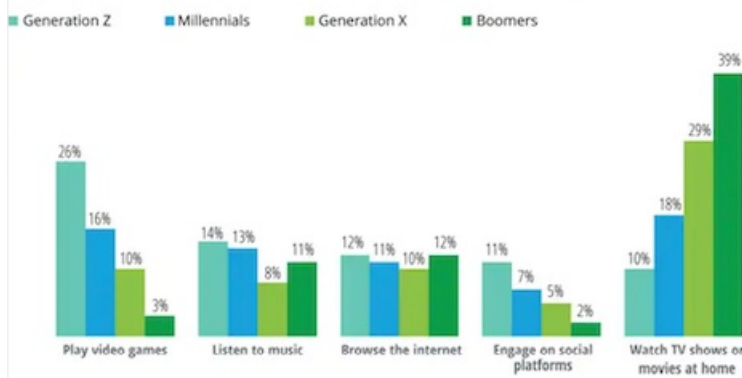
According to **Bloomberg**, Netflix is launching a new gaming division, overseen by its "Interactive" department which will be led by former gaming executive Mike Verdu.

Per a Netflix job posting, the goal of the new division is to create new types of stories and new product experiences, while aiming to enhance existing member engagement rather than attract new subscribers.

Although the video-streaming service **added** only 4 million new subscribers worldwide from January through March 2021, its smallest gain during that period in four years, it remains a powerhouse with more than 200 billion total users, making its interest in gaming a notable shift.

Generation Z may not be "video first"

Respondents across generations ranked their favorite entertainment activity



Gen Z prefers video gaming as a top form of entertainment over other generations. Image credit: Deloitte

Reports surrounding Netflix's new gaming venture come at a time when the sector is rapidly accelerating.

According to Deloitte's annual [Digital Media Trends](#) report, 26 percent of Gen Z consumers cited video gaming as their favorite form of entertainment, followed by music, social media and television.

Before the onset of the pandemic, video gaming saw significant growth, however, younger consumers say video games especially helped them stay connected to other people and get through the difficulties presented by the global health crisis.

And brands, especially in the fashion industry, are starting to pick up on the trend.

Marketing to gamers

Gaming is providing luxury brands new opportunities to reach a growing consumer market.

During a virtual session at the Vogue Business and TikTok inaugural Technology Forum, industry experts discussed how Italian fashion house Gucci has carved a prominent space for itself in various gaming worlds in an authentic way, reaching new consumers in innovative ways ([see story](#)).



Through its collaboration with Zepeto, Gucci brings stylish avatars to its consumers. Image credit: Zepeto

Gucci recently partnered with social app Zepeto in a gaming-centric push to engage consumers, allowing users to dress their Zepeto 3D avatars in pieces from Gucci's latest collections ([see story](#)).

French fashion house Balenciaga bridged the worlds of gaming and fashion with the launch of interactive fashion-gaming experience "Afterworld: The Age of Tomorrow," which Vogue described as a "quantum leap for the fashion industry."

Streamline Media Group worked directly with collaborators from Balenciaga to craft the game's concept, cinematics, audio and streaming elements. While not currently available for play, "Age of Tomorrow" can be experienced through a seven-minute video offering a walkthrough of the fashion label's video game.

While Balenciaga was not the first to incorporate interactive gaming into its brand, the launch was the first time an international luxury fashion brand launched a wholly digital in-game experience ([see story](#)).

Last month, British fashion house Burberry announced a new partnership with technology company Mythical Games to launch a limited-edition non-fungible token (NFT) in the company's game Blankos Block Party.

Blankos Block Party is an open-world multiplayer game featuring NFT vinyl toys known as Blankos, that players can collect, upgrade and sell. By introducing these playable NFTs, Blankos Block Party is creating a new play-to-earn economy and aims to pave the way for the future of digital ownership in gaming ([see story](#)).

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