CANADA
MEDIA FUND

INCLUSIVE GAMES

A Case for Inclusion in the Canadian Video Games Sector

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EXECUTIVE SUMMARY

This report, commissioned by the Canada Media Fund (CMF), explores the state of inclusion in the contemporary video game industry in Canada. Specifically, this report assesses the current state of inclusion (i.e., games and practices that encompass members of marginalized groups) across the video game industry, observing current trends and challenges within a mutually reinforcing ecosystem that connects industry (workforce), content (games), and audiences (players).

The culmination of this report is a business case for greater inclusion in the Canadian video game industry, presenting the economic imperatives for more diverse content and workplaces. By coupling best practices for inclusion with key economic arguments, this report aims to compel game companies to rethink and adopt inclusive practices not just as a moral principle, but as a worthwhile economic undertaking with the potential to reach new audiences with immense purchasing power and to optimize workforce productivity. Inclusive practices have the ability to recuperate the "money left on the table" when individuals from marginalized groups are excluded from full participation in the games workforces, from representation in games content, and from engagement in player communities.

Background Context

Workplace diversity, equity, and inclusion (DEI) initiatives, hardware and software features privileging accessible controls and player experiences, and the diversification of game characters and narratives across the industry point to concerted efforts towards inclusion across the industry. However, this report demonstrates that there is still much more to be done within the industry, and that the adoption of best practices may warrant certain, demonstrable economic arguments, especially for large companies that are accountable to shareholders.

The structure and content of this report is underpinned by the fact that there is mutually reinforcing relationship in the video game industry (i.e., the workforce), its content (i.e., games being sold and played), and its audiences (i.e., players and the communities to which they belong). This framework was refined over the course of a series of interviews held with 28 video game companies, academics and organizations across Canada and the UK, as well as desk research and a literature review of prominent trade publications. By framing inclusion through this framework, this report presents multiple different avenues for intervention and the adoption of best practices.

Addressing diversity and inclusion in the games workforce can remediate longstanding issues related to talent recruitment, retention, and advancement, especially where discriminatory ideas of "culture fit", a lack of accommodation and accessibility, poor work/life balance, microaggressions, and tokenism create prominent barriers for workers from marginalized groups. Additionally, a more diversified talent pool contributes
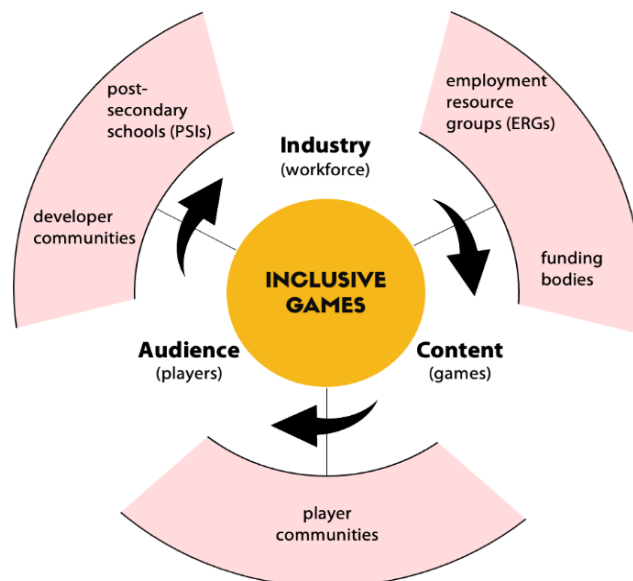
to games content with more authentic and inclusive stories and character representation, appealing to a broader player audience.

Making game content more inclusive can appeal to and attract a previously untapped player bases composed of marginalized audiences, enabling game makers to expand beyond the increasingly over-saturated market. Game audiences are strongly driven by a desire to see themselves in the games they play; with greater diversity in characters and narratives, companies may be able to leverage the growing purchasing power of specific identity groups and strong reference group networks that may help expand the reach of a game, and in turn, its revenue potential.

The findings from this undertaking culminate towards a business case that answers one key question: what is the economic potential of a more inclusive and diverse video game industry?

The Business Case

The impetus for this business case is largely due to the market perspective of video games. The medium itself is an economic development opportunity, with game companies competing in a global market generating revenues of over $184 billion USD in 2023 alone.

In 2021, the Canadian video game industry reported $4.3 billion in revenue according to data from the Entertainment Association Software of Canada (ESAC). The business case posits that this number could have been scaled had companies adopted more inclusive practices. Using conservative estimates based on 2021 industry data,[1] the business case positions inclusivity as a way for companies in Canada to dually:

1. Expand their audiences within existing export markets (North America and Europe), and in emergent markets where there is limited Canadian penetration at present (Latin America and the Middle East and North Africa)

2. Optimize their internal costs, particularly those related to employee turnover.

Based on the $4.3 billion in revenue generated by the Canadian game industry in 2021:

Potential increase in revenues by expanding audiences in existing export markets (North America and Europe)	$ 420 million
Potential increase in revenues by expanding audiences in emergent export markets (LATAM and MENA)	$ 50 million
Potential cost savings related to reduced employee turnover by adopting inclusive practices	$ 85 million
Total economic potential of inclusive games (*based on 2021 data points*)	$ 555 million
Total economic potential of inclusive games (*adjusted for inflation for 2024*)	**$634 million**

Combined, the aggregate revenue potential revenues and cost savings from these two lines of argument could provide the Canadian games industry with an **additional $634 million per year**, adjusted for inflation.

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[1] 2021 industry data was used for the business case as it provides the most recent Canadian data available related to revenues and employment.

1. INTRODUCTION

The video games industry is increasingly coming to the realization that the inclusion of marginalized groups among its workforce and audiences alike is not just best practice – it is essential. In fact, recent findings from the International Game Developers Association's (IGDA) Developer Satisfaction Surveys point to growing sentiments in the industry as to the critical importance of diversity and inclusion on creativity, innovation, and overall game quality.[2] At the same time, survey results indicate that there is much room for improvement among equity, diversity, and inclusion (EDI) practices across the industry – which, if remedied, would serve in the best interest of games companies. Members of marginalized groups make up a significant portion of games audiences, and these demographics are eager to purchase and play games in which they see themselves represented. Likewise, there are many aspiring video game workers from marginalized communities who would be assets to future employers, if given the opportunity. In this context, **more inclusive practices have the potential to support great growth and enrichment throughout the games industry, both in Canada and beyond**. **However, this potential is currently not being fully embraced.**

Some strides have been made when it comes to inclusivity – particularly in the indie space,[3] and by the broader industry in the last decade, accelerated by the momentum of the Black Lives Matter movement in 2020 and the backlash surrounding the GamerGate controversy.[4] However, there remains general reluctance in the broader industry to take on the perceived risk of straying from the tried and tested model of games content (in terms of playstyle, genre, character design, etc.), and workplace practices. This reluctance is born from a number of factors, such as companies feeling a need to cater to a vocal minority of games audiences who champion the status quo, not feeling that they have the funds or know-how to approach developing inclusive content or changing workplace practices, fear of reputational damage if inclusivity is not done right, and a limited appreciation of the magnitude of benefits offered by increased inclusivity.

In recent decades, research has shed light on the significant spending potential of marginalized communities, prompting other content-driven sectors – such as media and advertising – to take notice. For instance, the concept of the "pink dollar" emerged in the 1990s, emphasizing the economic influence of the 2SLGBTQ+ community. Businesses began recognizing greater potential for profitability by targeting consumers in this demographic. Studies have also reinforced the importance of diversity in advertising, demonstrating a positive correlation between diverse representation and increased stock value and revenues for companies.[5]

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[2] IGDA. 2021. "IGDA Releases 2021 Developer Satisfaction Survey in Partnership with Western University." https://igda.org/news-archive/igda-releases-2021-developer-satisfaction-survey-in-partnership-with-western-university/

[3] The "indie" space is characterized by independent studios, which tend to be smaller scale and focus on smaller scale projects. Often with few employees and nimble teams, the games produced by indie studios allow room for experimentation and are creatively driven. The broader industry is also encompassed by AA and AAA studios, which often have more resources in comparison and thus tackle larger-scale projects, and tend to be driven by market trends.

[4] GamesIndustry.biz. 2022. "How much progress has the industry made on diversity, equity, and inclusion?" https://www.gamesindustry.biz/how-much-progress-has-the-industry-made-on-diversity-equity-and-inclusion

[5] Fast Company. 2019. "17,000 data points from 50 top brands prove that diversity in ads is good for their bottom lines." https://www.fastcompany.com/90407174/diversity-advertising-good-brands-bottom-line
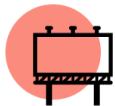
CONTENT DRIVEN SECTORS RECOGNIZING SPENDING POWER OF MARGINALIZED COMMUNITIES

1990s

Emergence of the "pink dollar" and economic influence of the 2SLGBTQ+ community

Diverse representation in advertising shown to increase revenues

Lack of on-screen representation in film/TV linked to potential revenue loss

Today

For audience-driven sectors like the creative industries, this relationship seems even clearer. For instance, in the film industry, organizations like the Geena Davis Institute and the Center for Scholars & Storytellers at UCLA, among others, have investigated on-screen representation. Their findings have suggested that a mainstream film could potentially lose up to $55 million USD (equivalent to 71% of its total budget) if it lacks authentically inclusive representation. [6] In the games industry, on the other hand, organizations and advocates such as Feminist Frequency, alongside whistleblowers, have long called for greater inclusivity and equity, citing toxic work environments and harmful representation in game content.[7] While social arguments advocating for greater inclusivity exist, the games industry has thus far largely overlooked the economic implications of inclusivity.

It is in within this context that this report, commissioned by the Canadian Media Fund (CMF), puts forward a business case for greater inclusion in the video game industry. It compels game companies to rethink and adopt inclusive practices not for moral reasons, but as an economic imperative. Accordingly, this involves framing inclusion as a worthwhile investment, largely based around the fact that there is "money left on the table" when individuals from marginalized groups are excluded from full participation in the games workforce, from representation in games content, and from engagement in player communities.

This report focuses on the "core" of the video games industry; namely for-profit companies making entertainment-focused games for primarily adult (and sometimes teen) audiences. Games targeted solely at children and games in the edutainment space were not studied, except in cases where they are included in aggregate data. The findings captured in this report emerged from a series of interviews held with 28 video game companies, academics and organizations across Canada and the UK ranging in size and scope (see the interview list in **Appendix B**). These findings were supplemented with additional desk research to better contextualize the inclusive games landscape in Canada.

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[6] Center for Scholars & Storytellers. N.d. "Beyond Checking a Box."
https://static1.squarespace.com/static/633f0603fdaa7311ba384d21/t/641a89672c002f011bac33c9/1679460719133/AIR+Report.pdf

[7] Center for Scholars and Storytellers. N.d. "Beyond Checking a Box: A Lack of Authentically Inclusive Representation Has Costs at the Box Office."
https://static1.squarespace.com/static/633f0603fdaa7311ba384d21/t/641a89672c002f011bac33c9/1679460719133/AIR+Report.pdf

A Note on Terminology:

That the way in which complex and multifaceted terms, such as inclusion and marginalization, are used is important. For the purposes of this report, "inclusion" (or "inclusive practices") refers to actions and initiatives which meaningfully empower and welcome members of marginalized groups to participate equitably in society (e.g., in activities, communities, workplaces). "Marginalized" is used to refer to any demographic of the population which is currently or has historically been treated in a systemically disadvantageous way within society. For the scope of this work, the marginalized groups captured in this term include women, those from the 2SLGBTQ+ community, racialized people, and those with disabilities (including the Deaf community).

For more descriptions of terms, please see **Appendix A**.

The Model for Inclusivity in Games: A Mutually Reinforcing Ecosystem

The video games industry is ultimately content driven, wherein value stems from audience consumption and enjoyment. As such, it is the imperative of all game companies – regardless of their size, or their game's genre or theme – to keep players interested and appeal to an engaged and profitable audience. While many games seek to do this by appealing to the broadest possible audience, some games have found success with smaller, targeted player bases.

Including diverse perspectives and authentic representation in game content, which arises from having diverse workers making games, becomes important in helping companies unlock spending power of historically marginalized groups. Audiences will spend money on the products and services that reflect who they are as a form of self-expression – as per the concept of "identity economics". [8] Additionally, consumer behaviour trends indicate that consumers engage with and support media and brands relevant to their identity and the identity of the groups to which they belong.[9]

Therefore, **if game companies create and publish games that feature stories and characters that resonate with different identities and experiences, they can create enriched avenues to sell more games and keep more players engaged.** That said, inclusion should not be framed as any sort of concession or trend. Rather, it is an opportunity for companies to meaningfully tap into new audiences and their spending power, by privileging stories and characters that reflect a greater number of identities, cultures, and lived experiences.

To this end, interviews with various companies and organizations revealed that when it comes to diversity and inclusivity, the Canadian video game ecosystem is interdependent and mutually reinforcing. For increased inclusivity in games to occur, the ecosystem requires three fundamental components to work in tandem – **industry** (which is powered by its workforce), **content** (games), and

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[8] World Economic Forum. 2020. "Understanding Value in Media: Perspectives from Consumers and Industry." https://www3.weforum.org/docs/WEF_Understanding_Value_in_Media_Perspectives_from_Consumers_and_Industry_2020.pdf

[9] Rogova, N. and S. Matta. 2022. "The role of identity in digital consumer behaviour: A conceptual model and research propositions based on gender." https://link.springer.com/article/10.1007/s13162-022-00237-z

audiences (players/player communities). This mutually reinforcing model is depicted in Figure 1 below.

Figure 1: The Mutually Reinforcing Ecosystem of Inclusive Games
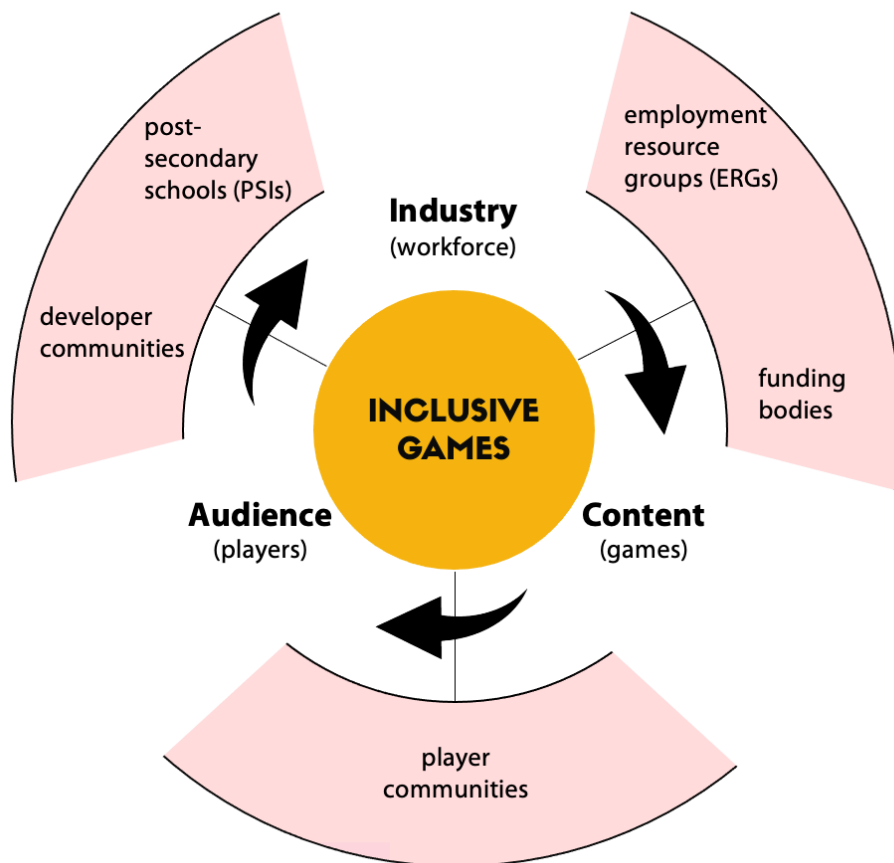
Each component feeds into another to create the ideal environment for successful inclusivity in games. For instance, a company with a diverse workforce (with employees who have often been supported by developer communities or post-secondary institutions) is more likely to create games with substantive positive representation. The games developed by this diverse workforce (supported by employee resource groups, workplace groups, and various funding bodies) are more likely to attract diverse players, and that audience is typically sustained through positive player communities. If these factors are present, members of historically marginalized groups who see themselves represented in video games and supported by the companies creating those games are more likely to enter the workforce, thus supporting the growth of inclusivity and diversity in the sector.

This model informs the structure of this report. Each component is first examined in terms the challenges and general state of the Canadian games industry (Section 2), the benefits of adopting more inclusive practices in each (Section 3), and culminates in a business case (Section 3).

2. STATE OF THE CANADIAN GAMES INDUSTRY

Framing the Need for (More) Inclusivity

Before making an economic case for inclusivity in the games industry, it is critical to first appreciate the context in which this argument is being made. Within the Canadian landscape, progress towards inclusivity is taking place at the company level through an adoption of EDI policies. However, there is still a significant gap in the diversity of and representation in games content, and in those who are making games (i.e., the workforce).

The Canadian industry does not operate in a silo. There is an increasingly global and diverse audience for games, and with that, an increased appetite for games that are representative and inclusive to attract these audiences. The need for more inclusive practices in the games industry is exacerbated by challenges not unique to Canada, but pervasive on a global scale. Challenges related to prompting further adoption of EDI initiatives, labour, shifting audience expectations, and a renewed criticism of representation in video game content characterize much of the narrative surrounding the growth of the industry, but also are areas that could be remedied through increased inclusion.

The Canadian Video Game Industry and Workforce

Canada is a major player in the global video game industry. The emergence and rapid growth of the industry in Canada is attributable to various financial instruments and incentives, cohesive talent pipelines, and a cultural proximity to other prominent game-making centres. As such, the video game industry in Canada today is sustained by indie and AAA studios alike, concentrated in major metropolitan hubs such as Montréal, Toronto, and Vancouver.

According to the Entertainment Software Association (ESAC) of Canada's 2021 report on the Canadian video game industry, 937 companies operated across all provinces, accounting for 32,300 full-time employees.[10] In 2021, the industry contributed an estimated $5.5 billion to GDP, with $3.2 billion in direct impact and $2.2 billion in indirect and induced impact. A considerable share of economic activity and employment in the industry is generated by large companies (studios with more than 100 employees), some of which are subsidiary studios of multinational game companies (such as EA, Ubisoft, Vivendi, Embracer, etc.). Many of these large companies are concentrated in Québec, British Columbia and Ontario; all jurisdictions that leverage advantageous tax credits and ecosystem supports.

SNAPSHOT OF THE VIDEO GAME INDUSTRY IN CANADA

937 games companies

32,000 full-time employees

$5.5 B annual GDP contribution

as of 2021

Canada has a robust system of training, funding, and advocacy supports that allows the video game sector to flourish. Companies are able to source their labour from firmly established talent pipelines, rooted in game development and design programs and credentials offered by post-secondary institutions across the country. Canadian jurisdictions also offer direct funding through various

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[10] ESAC. 2021. "The Canadian Video Game Industry 2021." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

funding and grant schemes at the regional, provincial, and federal level, tailored to project needs and scope across the development process. These same jurisdictions also offer financial incentives – commonly via tax credits – that partially subsidize the labour costs associated with video game development. Various entities such as industry trade associations and community groups provide supplementary support according to their membership and mission statements, spanning industry advocacy efforts, networking and mentorship opportunities, game jams, reskilling, and market access, to name a few.

Games produced within the Canadian industry are a direct product of companies and their workforce. In the past decade, **more Canadian companies have begun adopting EDI policies and initiatives to help institutionalize inclusivity and equity in the workplace, but this progress has generally been slow.** According to ESAC, more than 56% of video game companies in Canada have yet to develop any program to support equity, diversity, and inclusion among their workforce,[11] which could otherwise help foster greater attraction and retention of workers from marginalized communities.

TYPICAL NORTH AMERICAN GAMES WORKER

✓ White
✓ Cisgender man
✓ Heterosexual
✓ 35 years old
✓ No children
✓ University educated
✓ No disability

At present, the Canadian games workforce is not very diverse. According to the IGDA's Developer Satisfaction Survey (which combined Canadian and US data), the typical North American game industry worker is a 35-year-old white, heterosexual, cisgender man, who is not disabled, has a university degree, and has no children.

As Figure 2 below illustrates, the gender breakdown in North America is like that in other regions (i.e., Europe, Nordic region) across the world. While North America fares slightly better than other regions in terms of proportion of women in the industry, the workforce is still predominately male.

Figure 2: Gender Identity by Region, Source: IGDA Developer Satisfaction Survey 2021
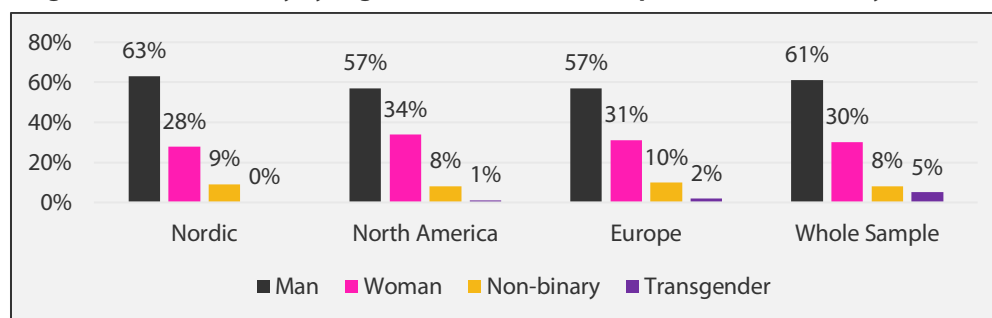
Additionally, an overwhelming majority of the North American games workforce is white (83%), as illustrated in Figure 3 below. The proportion of white to racialized workers is slightly more diverse compared to Nordic region and Europe. However, the percentage of white game developers in North

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[11] ESAC. 2021. "The Canadian Video Game Industry 2021." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

America is 5% higher than amalgamated figures from across the globe (represented as 'whole sample').

Figure 3: Ethnicity by Region, Source: IGDA Developer Satisfaction Survey 2021
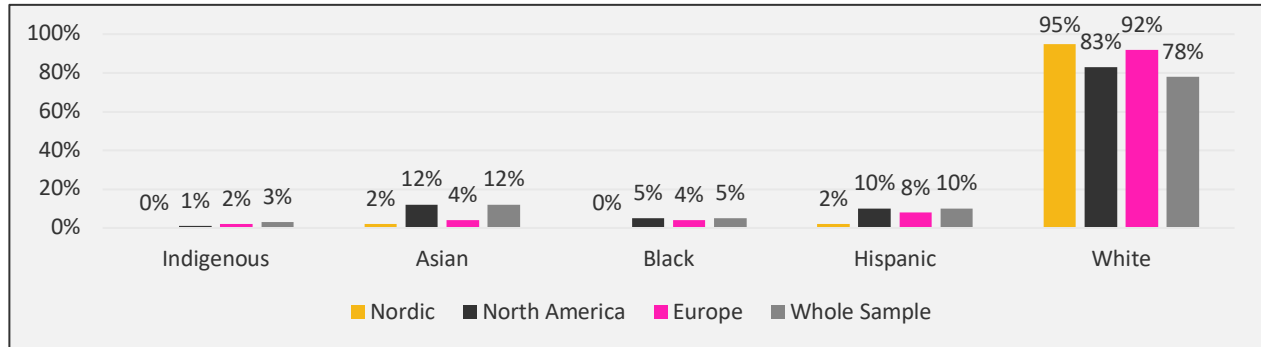
Data from the IGDA also indicates that 37% of game workers in North America report having a disability – higher than the Canadian population, which sits at 22%.[12] However, not all of these workers feel comfortable disclosing their disability to HR, thus not benefiting from supports. Additionally, those with a disability face higher levels of inequity in the workplace, particularly microaggressions and social inequities. Indeed, marginalized workers across the board report face more workplace inequities overall compared to white and abled men. In addition to microaggressions and social inequities, marginalized workers also often experience increased challenges related to receiving promotions and equal pay.

There is also a distinction between the level of power or types of roles that are available to members of marginalized groups in the industry, as compared to the average game worker. IGDA data indicates that white men generally feature prominently in most roles throughout the industry – and by far in decision-making roles such as management – compared to women, non-binary individuals, and people of colour. These marginalized individuals tend to hold roles in administration and quality assurance (QA) testing, which are often entry-level positions. Data from ESAC shows that, in Canada specifically, only 41% of women in the industry hold roles that involve direct work on games.[13] **Intersectional marginalization also plays into power dynamics and representation in the workforce, with women of colour having the lowest representation across almost all role types in the industry.**

> **COMPARED TO THE AVERAGE WORKER, GAME WORKERS FROM MARGINALIZED COMMUNITIES...**
>
> - Experience more workplace inequities
> - Tend to work in entry-level / administrative roles

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[12] IGDA. 2021. "Developer Satisfaction Survey 2021 – Regional Report." https://igda-website.s3.us-east-2.amazonaws.com/wp-content/uploads/2022/11/15161616/IGDA_DSS-2021_Diversity-Report-Regional-Snapshots_Final.pdf

[13] ESAC. 2021. "The Canadian Video Games Industry." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

Overall, the Canadian games industry is a significant economic driver with large amounts of business activity and significant labour needs. While the North American workforce (and by inclusion, Canada) may fare slightly better in terms of diversity and representation when compared to other parts of the world, the workforce is ultimately lacking in diversity – thus stunting the industry's ability to create authentically diverse and representative games that resonate with marginalized audiences.

Additionally, as a labour-intensive industry, it can be difficult to attract and retain the right talent. Labour shortages are a recurring challenge for the video game industry in Canada and beyond, brought on by rapid industry growth, a dearth of senior development talent, and wage attrition between competing studios. Companies face issues related to the attraction, recruitment, and retention of workers, which is intensified by the growing scope and scale of games, the need for more specialized roles to produce these games, and expectations for higher salaries and flexibility following pandemic-era work arrangements. Talent recruitment and retention are also prone to certain pitfalls, such as bias in the hiring process and a lack of cohesive accreditation recognition on the part of companies, as well as limited networking opportunities and an aversion to precarious employment on the part of potential employees.[14] While industry-wide layoffs at the start of 2024 have overturned this challenge temporary, it will likely resume once the market corrects itself.

Players and Player Communities

Marginalized groups are often overlooked as target markets when it comes to designing and developing games, although they have immense purchasing power that companies could better capitalize on. For instance, women control "over 31.8 trillion in worldwide spending", and in the US, data suggests that 92% of women are likely to pass along purchasing recommendations to others.[15] According to data from Nielsen, Black American consumers have an annual buying power of $1.3 trillion, and are more likely to enjoy media when "seeing people… [that] share their ethnic background."[16] Forbes also points to often overlooked 2SLGBTQ+ market, whose purchasing power falls just shy of $1 trillion in the US alone.[17] The buying power of minority groups across the United States is seeing significant growth, and there is every reason to believe that the same is true in Canada. While overall consumer buying power between 2010 and 2020 grew by 55%, those of minority groups grew even more: Asian American buying power grew by 111%, Hispanic buying power grew by 87%, Native American buying power grew by 67% and African American buying power grew by 61%.[18]

While not explicitly thought of as target markets, the video game audience is becoming increasingly diverse. In Canada, 53% of Canadians reported playing video games on a regular basis in 2022, evenly split between those identifying as men and women – representing 49% and 51% of gamers respectively.[19] While there is no concrete data available regarding the demographic makeup of

[14] PockerGamer.biz. 2022. "

Why games industry staffing is broken." https://www.pocketgamer.biz/comment-and-opinion/78507/why-games-industry-staffing-is-broken/

[15] Girl Power Marketing. N.d. "Statistics on the Purchasing Power of Women." https://girlpowermarketing.com/statistics-purchasing-power-women/

[16] Nielsen. 2019. "It's in the Bag: Black Consumers' Path to Purchase." https://www.nielsen.com/wp-content/uploads/sites/2/2019/09/2019-african-american-DIS-report.pdf

[17] Forbes. 2018. "The $1 Trillion Market Executives Are Ignoring." https://www.forbes.com/sites/debtfreeguys/2018/08/14/the-1-trillion-marketing-executives-are-ignoring/?sh=d7ef7a0a97f2

[18] Melancon. 2021. "Consumer buying power is more diverse than ever." https://news.uga.edu/selig-multicultural-economy-report-2021/

[19] ESAC. 2021. "The Canadian Video Games Industry." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

Canadian video game players beyond gender, US-based studies show that racialized individuals – particularly Black and Latinx adults – are more likely to be at least casual gamers than white adults, and that over half of American gamers under thirty will be members of racialized communities within the next ten years.[20] This data indicates that a diverse audience for games exists that could be better nurtured.

Canadian games are not just marketed and played within domestic borders. They also have the potential to reach diverse audiences worldwide. As one of the largest global markets, Asia is home to close to 1.5 billion players, followed by Europe with 715 million and Latin America with 420 million based on data from 2022.[21] Sub-Sahara Africa has become a key growing market particularly for mobile games, with 87% of the population expected to have access to a smartphone by 2030, [22] offering a substantial opportunity for companies to design games that resonate with this audience.

Motivations for game play have also shifted in recent years, with players using games as an opportunity for socialization and connection. Data from ESAC illustrates that 23% of players played games online with other players who they have never met.[23] Data from the US illustrates that 53% of players enjoy game play with their friends, with 78% feeling that games provide an opportunity to form new friendships and relationships.[24] Motivations for online video game use, specifically with other players online, embody a joint desire to play and socially interact with others, and/or to compete and play against others. This outlook reflects two key insights: first, that video games is not a niche activity, but rather a pastime enjoyed by a representative sample of players; and second, that online play (interacting with other players and player communities) figures prominently in this activity. These insights further underline the need to investigate inclusivity in video games within Canada and ensure that practices reflect the composition and motivations of diverse gamers.

Whether intentionally or not, many games tend to be geared towards white cis-male audiences – in part due to their narrative, character representation, or game play style.[25] Additionally, toxic environments in player communities can further detract marginalized audiences from fully participating. There are numerous stories that detail the toxicity of game-related communities, harassment experienced by individuals from marginalized groups (especially women and racialized people), and hostility that deters these same individuals from participating in online gaming spaces.[26]

Overall, while data points to the fact that video games are played by individuals from all walks of life, marginalized audiences still tend to be underserved and overlooked in key markets with critical economic potential. There are two main business models within the industry that would both benefit from new players: games as a product, and games as a service. In the former, revenues are made based on the initial sale of a game, in which the goal is to maximize the number of one-off sales. In the latter, games are continually updated after release, providing a long horizon of monetization

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[20] Natividad. 2021. "'Gaming While Black' Puts BIPOC Gaming Greatness at Its Core." https://musebycl.io/gaming/gaming-while-black-puts-bipoc-gaming-greatness-its-core

[21] Statistica. 2023. "The World's Biggest Gaming Nations." https://www.statista.com/chart/28244/countries-with-the-highest-estimated-user-penetration-in-the-video-game-segment/

[22] CNBC. 2023. "Africa's gaming market is expected to top $1 billion in 2024 – in the face of a global slowdown." https://www.cnbc.com/2023/07/14/africas-gaming-market-is-expected-to-top-1-billion-in-2024-data.html

[23] ESAC. 2021. "The Canadian Video Games Industry." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

[24] ESA. 2021. "2021 Essential Facts." https://www.theesa.com/wp-content/uploads/2021/08/2021-Essential-Facts-About-the-Video-Game-Industry-1.pdf

[25] Fem Magazine. 2018. "Damsels or Daughters: Fetishization in Video Games." https://femmagazine.com/damsels-or-daughters-fetishization-in-video-games/

[26] Lamensch. 2023. "The World of Online Gaming Is 'Uniquely Uncivil' for Women and People of Colour." https://www.cigionline.org/articles/the-world-of-online-gaming-is-uniquely-uncivil-for-women-and-people-of-colour/

opportunities through various incentives such as loot boxes, skins, passes, and so on. The goal in this model is to create prolonged engagement to encourage continued purchases. As such, it is in the interest of game companies to expand beyond the oversaturated staple consumer and reach and sustain new audiences for increased revenues.

Games by the Numbers

When it comes to content, there is a prevailing understanding that video games in Canada lack diversity and representation – particularly in mainstream games content.[27] Even if Canadian games were diverse, it would be difficult to say with any level of certainty given the lack of available data.

Tagging platforms, such as Steam and itch.io, do not provide any obvious visual indicators that games are respectful, inclusive, adequately representative, or otherwise appealing to a member of any marginalized community. While the "Female Protagonist" tag is present in both Steam and itch.io, as were tags for 2SLGBTQ+ content (multiple tags, in the case of itch.io), there are few ways for players to find games with racialized protagonists, or with characters who have disabilities. Steam offers the ability to search for certain kinds of engagement methods (such as voice control), but no other ways for disabled players to find games that might have accessibility features. The lack of platform-based tagging systems is a key barrier for players who may be looking for certain types of characters in which they can see themselves represented, or accessibility features. Rather than being able to identify these features on their own, a players' ability to find inclusive content hinges on word of mouth or third-party referrals.

Additionally, there are noted issues around representation in mainstream video games, with a disparity in the number of characters and stories that resonate with players from marginalized groups. While not Canada-specific, data from Diamond Lobby's *Diversity in Gaming Study* shows that race- and gender-based representation in games skews heavily towards white (54%) and male (79%) protagonists; this same tendency carries to other in-game characters, also skewing towards white (61%) and male (66%).[28] Furthermore, **when characters who are not white men are present, they are often reduced to harmful stereotypes.** For example, Black characters are often framed as violent, as sidekicks, or relegated to supporting roles, and women characters are frequently hypersexualized and two dimensional.[29]

CHARACTER DIVERSITY IN MAINSTREAM VIDEO GAMES

Protagonists
54% white
79% male

Other In-Game Characters
61% white
66% male

Source: Diamond Lobby

Overall, this **lack of adequate representation in video games paired with players' inability to identify when a game is inclusive, serves as a deterrent to players from marginalized**

[27] "Mainstream" refers to games not created in the Indie space, such as those developed by larger, AA or AAA studios.

[28] Lin. 2023. "Diversity in Gaming Report: An Analysis of Diversity in Video Game Characters. https://diamondlobby.com/geeky-stuff/diversity-in-gaming/

[29] Cohen-Peckham. 2020. "Confronting racial bias in video games. https://techcrunch.com/2020/06/21/confronting-racial-bias-in-video-games/

communities, and in turn, translates to a considerable amount of lost revenue and engagement for companies in the industry.

State of the Canadian Games Industry, Summary of Challenges:

From a review of the state of the industry in Canada, it is apparent that the industry is currently not optimized. The workforce within the games sector overall lacks diversity, and faces persistent challenges due to labour shortages, which make it difficult to retain highly skilled talent. This lack of workforce diversity has, in turn, contributed to a lack of diversity and inclusivity in games content itself – particularly in the mainstream games sphere. Even if games were diverse and inclusive, it would be difficult to tell at present given the limited tracked data available. Moreover, it is difficult for marginalized audiences to discover such content.

The absence of game content available that resonates with diverse audiences is a significant missed opportunity for the industry. There are burgeoning global markets available that present substantial economic potential, particularly among marginalized audiences who are eager to invest in content that authentically reflects and resonates with their identities.

Not only does a more inclusive video game industry have the potential to address the hurdles and challenges outlined in the previous section, but it can also have broader benefits at all stages of the video game ecosystem. An industry which supports and fosters more diversity in its workforce from the ground up can reap a myriad of benefits, from improved retention to greater productivity to – most importantly – better received and more profitable content. **When a diverse workforce helps create authentically diverse and inclusive games, those games attract a broader and more diverse audience, the successful retention of which can allow a game company to engage with new, and often untapped, consumer markets.**
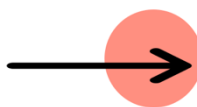
Inclusivity in the Games Workforce

Creating a more inclusive video game industry **starts with creating a more diverse workforce**. Members of marginalized communities face challenges entering and remaining in the industry, but they also present a potential solution to workforce issues in the sector, as well as enhancing the games developed by their employers through diverse perspectives and lived experiences. While making the workplace more accessible to marginalized workers may be daunting to company leadership faced with the task of making foundational changes to their practices, the benefits and potential of an inclusive workplace are significant.

Attracting and Developing a Diverse Workforce

Entry into the games industry often takes a standardized career path. Generally, prospective workers (with some initial exposure to games) are funneled into the industry through game design and computer science programs via internships, co-ops, and/or entry level studio positions. However, attracting and developing a diverse workforce in the games industry can present a challenge, as many prospective workers from marginalized communities face barriers in entering the industry via traditional pipelines (e.g., through post-secondary institutions). Interviewees identified numerous barriers and obstacles, including institutional or peer discrimination, feelings of exclusion and alienation due to limited representation, and stringent academic requirements which may be at odds with the additional challenges faced by many members of marginalized communities (e.g., economic disparity, familial responsibility, lack of familial support, etc.). While some post-secondary institutions are taking steps to remedy these obstacles, they remain a limiting factor in the growth of a more diverse video games workforce.

TRADITIONAL PIPELINE

Formal education (e.g., computer science degree) → Enter industry through internships, co-ops, entry level studio positions

NON-TRADITIONAL PIPELINE *

Game jams, pre-accelerators, coding bootcamps → Often will find or create work in the indie space

Many marginalized workers approach the industry in this way, due to systemic barriers

Given the barriers marginalized workers often face in entering the industry through conventional means, many express that they sought out – whether by choice or necessity – access to the video games industry through alternative pipelines. In doing so, many of these workers have developed key skills across game development and production. These alternative pathways include game jams,

coding bootcamps, and game-writing programs. Many marginalized games workers also indicate having explored entrepreneurial routes through pre-accelerators, impact funds, and co-operative workspaces (such as Montréal-based **Pixelles**, and Toronto-based impact fund **Weird Ghosts**). Interviewees also expressed that marginalized workers often find solace in working outside of the larger studios, such as in the indie games space, for many of the same reasons as listed above (sexism, ableism, racism, etc. in the mainstream industry).

Marginalized workers who have pursued alternative pathways are experienced workers that could, in theory, fill some of the labour shortages that exist in the industry. With many of these workers continuing to occupy spaces outside of core game development due to ongoing inequities in game workplaces, companies should pay close attention to nurturing inclusive cultures and adopting human resource (HR) practices that would entice more of these workers.

Retaining a Diverse Workforce

Although marginalized workers represent a potential solution to labour challenges in the sector, there is still a struggle to maintain this talent, particularly within the mainstream games industry. While marginalized workers tend towards indie spaces (which are often more welcoming, in part because there are more companies led by members of marginalized communities), retention issues exist across the sector.

Many common features of work environments in the games industry are not conducive for certain marginalized communities. For example, crunch culture and long hours required especially leading up to production milestones in a project's lifecycle do not reflect suitable work conditions for individuals with some disabilities. These features can also be significant obstacles for people who have to work multiple jobs or have family care responsibilities, both of which are disproportionately the case among members of marginalized communities.

While negative work experiences can drive anyone to leave a job, the impact is often greater for members of marginalized communities. Interviewees indicate that bad work environments can result in a marginalized worker leaving the industry entirely, both because these individuals are more likely to lack the kind of safety net that more privileged workers may have, and due to an overall sense of alienation and exclusion. In these instances, developer communities (such as Toronto-based **Dames Making Games**) can serve as support systems for marginalized workers, to enable them to remain in the industry. The positive impact of groups like these reinforce that a more inclusive industry can be self-sustaining and self-supporting; when members of marginalized groups have a safety net of people who understand their lived experiences and the obstacles they face, they are more likely to remain in the sector, even when they have negative experiences.

IMPORTANCE OF RETAINING DIVERSE WORKERS

- Cost of turnover
- Challenge the echo chamber
- Encourage company growth

Beyond labour shortage concerns (and basic ethical arguments), there are a number of reasons companies should care about retaining diverse workers. Such as:

- **Cost of turnover:** The process of turnover, recruitment, and training new hires is a costly endeavour, both in time and money; an additional burden that many smaller companies in particular cannot easily afford.

- **Challenging the echo chamber:** Interviewees point to the importance of a diverse workforce in removing the "echo chamber" that can sometimes prevail within companies when too many individuals with the same (or similar) perspective and lived experience are present. Companies with an echo chamber ecosystem of workers hired for culture fit rather than skill or diverse perspectives often face challenges down the line, such as poor reception of games because all members of the team are accustomed to certain types of content. [30]

- **Encouraging company growth:** Companies that lack diversity can offer suffer from a failure to grow once they pass the startup stage, as a result of those same echo chamber issues. [31] Different perspectives and life experiences among staff help a company remain flexible and continue to develop original ideas and work.

In other words, hiring and retaining workers with diverse perspectives invites new ideas and insights throughout the design of a game – leading to stronger and better game content – and can also help a company in identifying potential reputational pitfalls. **Who a company has on staff can help to inform not just how the game is designed, but who it is ultimately intended for – which can in turn help to unlock new and different markets previously not explored by the company**.

Elements of an Inclusive Workforce

There are a number of Canadian video game companies making strides to create inclusive workplaces that support diversity on staff. For example, **Ubisoft' Canadian Studios** are engaging staff in the meaningful improvement of EDI at the company in many ways, including seven Employee Resource Groups for different marginalized communities, voluntary but compensated roles to review content from a diversity and inclusion lens through its Content Review Group, and top-down bias and sensitivity training. In addition, they launched a mentorship program for racialized and Indigenous team members and began scaling a leadership development program to support gender equality. In the indie space, **Sticky Brain Studios** aims to gather people who think in unique and creative ways, and use an approach informed by neurodivergence (and disability more broadly) to do so. Companies like **Achimostawinan Games** and **Sticky Brain Studios** also use reduced working hours, flexible time, and generous vacation and sick leave to help reduce the burden on workers and encourage a happier, healthier workforce. Other studios place an emphasis on inclusive onboarding and hiring practices, with a particular focus on hiring people with diverse experiences and backgrounds to avoid the creation of a monoculture.

Achimostawinan Games notes that being a remote-work studio was key in enabling them to recruit and retain more Indigenous staff members.

Ultimately, creating an inclusive workplace is about making room and ensuring conditions are present so that anyone with skill, passion, and

SOME INCLUSIVE PRACTICES ADOPTED BY CANADIAN COMPANIES

- Rethinking recruitment & hiring
- Thoughtful onboarding processes
- Diversity in leadership
- Work life balance
- Flexibility and autonomy
- Agency and control
- Ensuring meaningful inclusion

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[30] Bycer. 2018. "The Dangers of the Echo Chamber Effect on Game Development. https://www.gamedeveloper.com/business/the-dangers-of-the-echo-chamber-effect-on-game-development

[31] Snyder. 2018. "Rethinking Culture Fit to Avoid the Echo Chamber Effect." https://www.forbes.com/sites/forbescoachescouncil/2018/01/16/rethinking-culture-fit-to-avoid-the-echo-chamber-effect/?sh=454954a546f5

a desire to make games can do so. Making these kinds of changes entails rethinking workplace standards to make accessibility, inclusion and accommodations more universal. In fact, according to interviews, many inclusive measures adopted by companies do not just contribute to helping attract and retain workers from marginalized communities, but also help increase job satisfaction and retention overall – leading to a happier, healthier, and more sustainable workforce.

Based on interviews with studios making headway in this area, the following are some key elements used by these companies in cultivating a more inclusive workforce:

- **Rethinking recruitment and hiring**: Restructuring the hiring process makes a substantive difference to supporting diverse hiring, with interviewees suggesting emphasis on soft skills and hypotheticals (such as how a candidate might approach a problem), rather than relying on credentials and unpaid technical assessments. These changes allow companies to find talent from a wider range of backgrounds, and potentially hire workers with less directly relevant experience, but with insights and ways of thinking that will help enrich the way the company approaches problems or creates products.

- **Thoughtful onboarding, and beyond**: Turning token diversity into meaningful inclusion requires thoughtfulness from the part of employers. Companies will not see the benefits of a diverse workforce unless new employees feel welcome and supported. The creation of a team (or individual role) focused on this not only helps new hires from marginalized communities integrate with the team in a meaningful way, but can also be of benefit to helping existing staff feel supported. The presence of this kind of team or role also gives workers somewhere to go with questions or concerns, or to ask about accommodation needs, which can help improve retention by allowing the employer to address issues before they escalate. Formal or informal mentorship systems can also serve as a way to support new employees and help them feel included, and can serve as a way to train new hires for potential future leadership roles.

- **Diversity in leadership**: Creating an inclusive workplace starts at the top. If inclusive hiring is only evident in junior or intermediate roles, the benefits of that diversity will likely be less impactful (and may be seen as tokenistic). Interviewees emphasized the importance of those with privilege in leadership positions making space for others, and leading by example in engaging with EDI-related efforts, thereby showing employees that these issues are prioritized by the company.

- **Work life balance**: Traditional 40+ hour work weeks are not conducive to all ways of working. Some interviewed companies stressed the importance of limiting weekly work hour expectations, and cap their average work weeks at 30-35 hours. Doing so helps to reduce the impact of crunch leading up to production milestones, and leads to better work life balance. Studies also show that shortened work weeks and reduced work hours have little-to-no impact on productivity, and improve staff stress level and positive workplace engagement.[32]

- **Flexibility and autonomy**: Flexibility in terms of how and where hours are completed creates a culture based on trust, and provides individuals with the autonomy to cater to their own workflow and needs. Remote and hybrid models are particularly valuable to people with disabilities or familial responsibilities. Adopting remote work opens up the possibility of acquiring global team members, granting access to a more diverse pool of workers. Flexibility in terms of time off is also important; giving staff time off when needed and

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[32] Perpetual Guardian. 2019. "Guidelines for an Outcome-Based Trial-Raising Productivity and Engagement." https://static1.squarespace.com/static/60b956cbe7bf6f2efd86b04e/t/60c3d8519bc93c7da4823124/1623447637957/Four-Day%2BWeek%2BWhite%2BPaper%2BFebruary%2B2019%2Bfinal.pdf

providing ample sick leave help companies further support and retain workers with diverse needs or responsibilities.

- **Agency and control**: Companies interviewed emphasized the value of creating a culture where team members want to contribute and are encouraged to do so. Giving staff agency and control over the game by inviting opinions and feedback throughout the design and production process helps create products which are diverse by design, rather than tokenistic (the benefits of which will be discussed in greater detail below).

- **Meaningful inclusion**: Some of the companies that were most successful in having good inclusion practices and diverse content were those who involved employees from marginalized communities in the planning and decision-making processes – without tokenizing those employees or placing extra work on their shoulders. Companies implemented voluntary teams to look at and give feedback on both company practices and video game content through the lens of their own lived experiences. Where possible, companies made sure to provide additional compensation to these volunteers, and where that was not possible, ensured that it would not unduly add to their workloads. These processes helped employees from marginalized groups feel heard, and be able to contribute their expertise to their companies.

The Impacts of a Diverse Workforce

Ultimately, a more diverse and inclusive workforce is a boon to companies on multiple levels. From a workforce perspective, improving diversity in hiring can allow companies to tap into otherwise untapped worker demographics to help solve the ongoing labour shortage the industry is facing. Internal efforts to support inclusion and accommodation allow companies to maintain that labour once they acquire it, and those accommodations (such as flexible work hours or benefits) can often help retain other workers as well.

From a content perspective, a more diverse workforce can enhance the stories and representation in the games they work on, allowing the companies to reap the benefits of having created more inclusive content. The intent and desire to create more inclusive content is there; a 2019 study by the IGDA found that 87% of games workers felt that diversity in game content was important.[33] Companies just need to give workers opportunities to make more diverse games.

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[33] IGDA. 2019. "Developer Satisfaction Survey." https://s3-us-east-2.amazonaws.com/igda-website/wp-content/uploads/2020/01/29093706/IGDA-DSS-2019_Summary-Report_Nov-20-2019.pdf

Inclusivity in Game Content

A diverse and inclusive workforce is necessary to set the groundwork for the creation of inclusive content, but it is important that any efforts at making content inclusive not be tokenistic or performative. Games that attempt to use diversity to increase sales or reach without engaging meaningfully with the marginalized identities they are portraying may be met with backlash (some examples of which are discussed later), but those that are conscious and intentional about the inclusion of these characters will likely be far better received than they would be with a less diverse cast or story. **Inclusive games that tell unique stories are also more able to cut through the noise of an increasingly cluttered content landscape.**

What Makes a Video Game Inclusive?

Much as having a diverse and inclusive workplace goes beyond simply checking off boxes on a diversity checklist, creating truly inclusive video games goes beyond the genders, races, or other marginalized identities of the characters in the game. With the rise in conversations about representation in media, it has likely been tempting for some game companies to include characters from marginalized groups, in order to access a new market they have been assured exists, or to claim a place on "Top 10" lists of games with women, racialized or 2SLGBTQ+ protagonists. However, a tokenistic or stereotypical portrayal will likely be faced with backlash.

AN INCLUSIVE GAME CONSIDERS...

What kinds of stories are being told

The (marginalized) character's place and role in the story

When asked what constituted substantive positive representation in video game content, most interviewees focused on **the character's place in the story**. The presence of a marginalized character mattered far less than their role in the narrative, and the way their identity was either represented or ignored, particularly in regards to playing into negative existing stereotypes. For example, a game with many racialized characters is far less likely to be seen as positive and impactful representation if the characters are mostly criminals or villains. It is essential

INCLUSIVE GAMES

that characters from marginalized groups be celebrated in the same way their counterparts are, rather than just showcased to check a box.

That said, another facet of the conversation is **what kinds of stories are being told**. While AAA games like Apex Legends and The Last of Us 2 have seen great success putting marginalized characters into mainstream genres, part of telling stories about characters from marginalized communities is tapping into the narratives that resonate for those people. Women, racialized or 2SLGBTQ+ players may want (and deserve) to be able to play characters that look like them in a hyper-realistic wartime shooter, but those games have still been found to be most appealing to straight, cisgender, white men.

Many mainstream video game narratives may not be as relatable for members of marginalized communities. A study on racialized game design found that "the frequency and relative inconsequence of physically violent death harmfully emphasiz[ed] real-world trauma in a game where all the main characters are people of color." They also encountered "the surprisingly novel delight of designing and creating slice-of-life narrative scenes in which people of color interact and thrive."[34] Similarly, there are indie video game projects from around Canada and internationally which follow the narrative structures and styles of Indigenous communities, rather than shoehorning those characters into traditionally white narratives. The same can also be said for the proliferation of 2SLGBTQ+ dating simulators and visual novels, like the wildly popular Dream Daddy. There are even games like Ontario-made The Vale (by **Falling Squirrel Inc**), which depicts the experience of disability (in this case blindness) in a way that allows both sighted and blind or low vision players to experience the game in the same way.

Whether marginalized characters are being included in mainstream games or whether they're part of their own unique narratives, the goal remains the same: **portraying those characters and their experiences in a way that is authentic and will resonate with people who share that character's identity.**

How to Make Inclusive Games

Many companies – particularly those with a primarily white, straight, cisgender, male leadership – have understandable concerns when it comes to branching out and creating video game content with more substantive representation from marginalized groups, in part because of the aforementioned risk of backlash. While there is no way to guarantee that a game will be free from criticism in terms of representation, there is a simple way to mitigate that risk: **Employ members of marginalized communities.**

MAKING AN INCLUSIVE GAME REQUIRES TWO THINGS...

Employ members from marginalized communities ⇄ Make games inclusive and diverse by design

The previous section highlighted the many ways that having a more diverse and inclusive workforce can strengthen a company, but this was one of the most frequently discussed rationales among interview participants. Although no individual can speak for an entire group, and no group is a monolith, the companies or games that were identified as positive examples almost unilaterally had members of the relevant marginalized communities on staff.

Likewise, games that were identified as having received criticism based on representation (either by interviewees or in online articles and reviews) were often those which were created or shepherded by

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[34] Brooks, Cruz, Camera and To, 2021, p.1

people who were not part of those communities, and without significant consultation. Examples ranging from a transgender woman who immediately gives the player her deadname[35] in Mass Effect: Andromeda[36] to the fact that the majority of games still fail to accurately depict Black hair[37] show that marginalized players are often alienated from the games they play. While it may not always be apparent to people outside the marginalized group being represented, it is often immediately clear to members of that community when appropriate consultation has not been done, with issues such as aesthetic presentation, language and slang usage, or incorrect cultural touchstones. **Players can tell when a marginalized character was inserted into a narrative in a tokenistic way, and will respond accordingly.**

A more effective way to authentically appeal to these underserved audiences is to **make games inclusive and diverse by design**. This means that inclusion is considered by the game development team from the ground up, rather than at a later stage. For example, while a racialized character does not have to have a narrative built around their race, making a deliberate choice regarding that character's race when they're first conceived will allow for the inclusion of small but authentic touchstones in their dialogue and design as the project progresses. The final result will be far more likely to resonate positively with a player of the same race than if the character's physical appearance was changed at the end of the development process, without any consideration having gone into their design or story.

That said, even inclusion by design can fall short when marginalized creators are not part of the process. In 2022, Activision Blizzard received significant backlash when they publicly shared a "Diversity Space Tool" that was intended to help designers and developers ensure that they weren't falling into harmful stereotypes or tokenism, but ultimately resulted in a tool that was perceived as trying to oversimplify diversity and reduce complex identities down to numerical values.[38] Responses from both player communities and developers reiterated that hiring and listening to diverse staff would be a far more effective and respectful way of trying to make content more inclusive.

Video Games and Disability

This principle of inclusivity by design is particularly relevant when discussing accessibility of video games for players with disabilities. While all the previous discussion of diversity and inclusion also applies to disability, there are additional factors at play when considering how to make video games physically and cognitively accessible, rather than just authentic in their narrative or visual depictions of disability.

When it comes to disability, accessibility by design primarily means considering the needs of people with disabilities from the beginning of the game development process. While a truly universally accessible design is impossible (there are too many different kinds of disabilities and needs to account for), considering as broad a spectrum of accessibility needs as possible from the beginning will make these features both more intuitive and more ingrained in the game process. Additionally, as with designing content for or about any other marginalized group, the inclusion of people with disabilities in a game development team will make this ground-up accessibility design both easier and more impactful. For example, **Ubisoft's Canadian Studios** have a dedicated Accessibility Team

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[35] The term 'deadname' refers to her legal name prior to transitioning, which the majority of trans people do not feel comfortable sharing, particularly with strangers.

[36] Polo. 2017. "BioWare details changes to controversial transgender NPC." https://www.polygon.com/2017/4/5/15195416/mass-effect-andromeda-transgender-npc-changes

[37] Cohen-Peckham. 2020. "Confronting racial bias in video games." https://techcrunch.com/2020/06/21/confronting-racial-bias-in-video-games/

[38] Totilo. 2022. "Activision's video game diversity tool draws backlash." https://www.axios.com/2022/05/16/activision-video-game-diversity-tool

as part of their broader Diversity, Equity, Inclusion and Accessibility Team, which helps ensure and standardize accessibility across Ubisoft's offerings.

Although any degree of accessibility features will make a game more likely to be playable by someone with a relevant disability, it is also often extremely apparent when these features have been added as an afterthought, and it frequently impacts their useability. A common example of this is games which have extensive accessibility features to change text, speech, auditory prompts, or other options, but accessing those features requires navigating through a series of menus unaided.

22% OF CANADIANS HAVE A DISABILITY and are left out when games are not designed with accessibility in mind.

While games that are not thematically or narratively inclusive may be alienating or even offensive to players from marginalized communities, those players are still able to engage with that content. In contrast, **players with disabilities may be entirely unable to play the majority of games available on the market**. Given that 22% of Canadians identify as someone with one or more disability, this is a significant percentage of the population being left out of one of the largest recreational activities. The desire is there, but the capacity to play has not been supported by most companies. As one game developer said, **"Everyone does play games, but not everyone can."**

Hardware and Features

Accessibility also figures into video game hardware and in-game features, allowing players with disabilities to play games in a way that suits their specific needs. It is important to acknowledge that playing video games does require a certain type of posturing, with physical and tactile interactions requiring real-time input and reflexes. Video games are also sensory experiences that depend on the interplay of reading, listening, and spatial relations, which are subject to varying levels of accessibility. Thus, video game developers have begun to maximize the technical capabilities of game engines, software design, and hardware features to provide different options and configurations for players who may otherwise not be able to play games in their standard form.

Video games have historically had option menus, allowing players to adjust certain audio, video, and control settings according to their gameplay needs. However, a more holistic approach to accessibility, centering on more minute and specific adjustments tailored to common disabilities, can be found in more recent titles produced by major video game companies. For example, Santa Monica Studio's 2022 title God of War: Ragnarok was celebrated by players and critics alike for their integration of over 70 accessibility innovations for players with auditory, visual, and motor differences.[39] God of War: Ragnarok featured both minor "quality of life" adjustments, such as automated weapon pick-up and customizable subtitles, and major gameplay adjustments, with options such as high-contrast mode, extra-large text legibility, reduced camera effects, and navigation assistance, among others[40]. These features were embraced by accessibility advocates, disabled players, and

ACCESSIBLE DESIGN leads to a better experience for ALL players – not just those with disabilities

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[39] Glennon. 2022. "God of War Ragnarok breaks a fundamental rule of video games." https://www.inverse.com/gaming/god-of-war-ragnarok-accessibility

[40] Can I Play That? N.d. "God of War Ragnarok – Accessibility Review." https://caniplaythat.com/2022/11/03/god-of-war-ragnarok-accessibility-review/#legibility-across-the-board

able-bodied players alike, allowing for a gameplay experience tailored to their own needs and preferences.

Consultations with game developers and accessibility design leads revealed that there has been an important and gradual shift that no longer frames accessibility-oriented features as a post-production add-on, but instead positions accessibility as inherent to the game design process starting at the pre-production phase. Ultimately, there has also been a significant uptake of accessibility features reported by able-bodied players, which underlines the **universality** of these tools. As explained by game developer Charles McGregor: "Being more accessible means more people can play your games, which means more people can enjoy the things you're making and working on… but the other thing is a lot of **accessibility design will also benefit those who aren't necessarily in need of that**."[41]

The Importance of Inclusive Game Content

As this report has already established, there is an **untapped market of potential gamers** who do not play video games (or not as extensively as they might otherwise) because there is a lack of content that directly appeals to them. However, while this is the most significant benefit to making inclusive games, there are others as well.

As an emphasis on EDI initiatives has grown across multiple industries in recent years, many large companies are actively seeking out partner companies or emerging projects to champion, as part of cultivating a diversity-friendly ethos. One interviewee has been working directly with Xbox, who are showcasing and helping to market their company's game, because it's doing new and innovative work in the inclusion space and Xbox wants to promote that kind of work. There are also a variety of awards and recognition lists which specifically highlight diverse and inclusive games. In an ecosystem that is becoming increasingly oversaturated with content, these accolades can help set games apart from the rest of the noise.

Finally, **creating diverse games can help build a loyal consumer base**. For people who seek out diversity in their video game content (whether representative of themselves or not), a company creating high quality inclusive content is likely to hold their interest long-term. Half of respondents to a Newzoo survey indicated that they would be more likely to buy games from companies that take an active stance on social issues.[42] Furthermore, as one interviewee said, the game itself is a key recruitment tool, because the game is representative of the company's work and values. As is discussed in greater detail below, this is a key piece in completing the cycle between workforce, content, and audience.

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[41] GamesIndustry.biz. 2020. "Accessible design and focusing on the gaps." https://www.gamesindustry.biz/accessible-design-and-focusing-on-the-gaps

[42] Dealessandri. 2020. "Half of US and UK players want more diverse characters in games." https://www.gamesindustry.biz/half-of-us-and-uk-players-want-more-diverse-characters-in-games

Inclusivity in Games Content, Takeaways:

Making inclusive content can **attract an untapped market** of marginalized audiences, **improve quality of life** and enjoyment for players, and **help companies stand out** in an increasingly over-saturated market.

A game being genuinely inclusive **requires more than just a checklist.** The role of marginalized characters in the narrative is important, as are the types of stories being told. **Content must be authentic and resonate with people** who share that identity.

The best way to make sure games are inclusive and representational is to **employ members of marginalized communities**, preferably on staff, but also as consultants. Ensure that diversity is built in from the beginning, not an afterthought.

People with disabilities want to play games, but often cannot. **Embracing accessibility by design** allows companies to make games that disabled players can engage with fully, as well as adding features that able-bodied gamers may also appreciate.

Large companies are often looking for studios to partner with or products to promote, to show their commitment to inclusion. These **partnerships can help increase visibility**, as can **inclusion on award and recognition lists** highlighting diverse games.

Diversity in Audiences and Inclusive Player Communities

The previous sections have outlined key factors and benefits in having a diverse and inclusive workforce, and creating inclusive video game content. Additionally, as discussed, having a diverse workforce substantially improves a company's ability to generate inclusive content in a way that will garner positive engagement. The final stage of this three-part cycle (as depicted in Figure 1) is the audience.

Game Audiences from Marginalized Communities

While there are insufficient studies on the purchasing power of diverse audiences specifically within the video game sector, anecdotal evidence from both gamers and game developers suggest that players (particularly those from marginalized groups) are strongly driven by a desire to see themselves in the games they play. Studies show that a significant percentage of the US and UK gaming population have avoided games in the past that they felt were not made with them in mind as a target audience.[43]

Furthermore, games with diverse representation attract far more players than just those who see themselves represented. Multiple interviewees stated that they saw a significant uptick in players

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[43] Ibid.

who – based on social media engagement or other forms of feedback – seemed to be interested in the game as a result of its inclusivity. Across a wide variety of industries, companies are increasingly designing for and marketing to diverse audiences, despite protests from a subset of the gaming population who consider it "pandering." This clearly indicates that all these industries see marginalized groups and those who support them as a stronger market demographic than those opposing these changes. This cross-sector trend creates a strong precedent for the video game industry to follow suit.

IMPORTANCE OF CHARACTER DIVERSITY IN GAMES ACCORDING TO PLAYERS

* According to survey data from Newzoo's Gamer Sentiment Study, 2020

41–47% of players in the US and UK have avoided games that they feel was not made for them

33% of players in the US and UK prefer to play games with characters that look like them

Unfortunately, even companies with good intentions are often deterred from pursuing these audiences because they are unaware that they exist. One of the main reasons that inclusive games tend to be created by studios which are founded and run by members of those marginalized communities is that those are the people who are aware the market exists. The desk research phase of this project found a lack of foundational market research about marginalized video game audiences, particularly within Canada, which was corroborated by interviewees. While anecdotal evidence is enough for indie studios who want to make games that reflect themselves, it is often not enough to convince larger studios or investors of the importance of targeting or prioritizing these audiences. Even funding bodies who have specific criteria intended to prioritize studios owned by marginalized creators do not always place enough emphasis on those criteria to balance out the longer track records of other indie and mid-level companies.

How do Diverse Audiences Find Content?

Given the aforementioned challenges in finding games about members of marginalized communities through standard tagging channels on gaming platforms, it is important to understand how these gamers do find the kind of content they're looking for, if a company hopes to understand or access this untapped market.
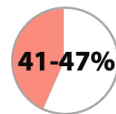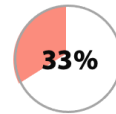
KEY WAYS DIVERSE AUDIENCES FIND GAMES CONTENT

✓ Curated lists and collections (e.g., bundles on Steam)

✓ Referrals made by friends and trusted sources

Curated lists and collections are one of the most common ways that video game players find out about any non-mainstream content, and diverse games are no exception. Game platforms like Steam will create curated bundles or groups of games with similar themes (such as 2SLGBTQ+ games or games by Black creators), often in celebration of awareness months or sociopolitical occurrences. In some cases, these bundles will also contribute to a fundraiser or charity, further enticing individuals whose identities or political convictions are reflected in the content being promoted. Online magazines or other video game-centric websites are often also good sources of curated recommendations, though sources specifically made by and/or for marginalized communities are sometimes more reliably accurate in their suggestions.

Referrals are also a key way that marginalized gamers find inclusive content. As mentioned previously, over 90% of women in an American study said they passed along recommendations for content, and anecdotal evidence suggests that the same is true for members of other marginalized

communities. This phenomenon is particularly observable when movies or television shows with excellent representation are released, but the same is true of games: members of marginalized communities are not only highly responsive to seeing themselves in the content they consume, but they are also likely to recommend that content to people who share those identities, assuming the representation is positive. However, it is worth noting that the reverse is also true. Word of mouth can be deeply damaging to media with negative or poorly-crafted representations of marginalized communities, particularly when the creators of that media don't demonstrate a willingness to hear criticism or make changes where possible.

These referrals (or condemnations) often happen in spaces – often online, especially since the rise of Discord – where marginalized gamers can find community in the form of people to play games with, discuss both games and world issues, and share personal experiences. The project team hoped to liaise with moderators of some of these spaces to have qualitative conversations with marginalized gamers, but was mostly unsuccessful. Organizers or moderators were frequently non-responsive to inquiries, and in one case, while representatives of the group eventually responded, they were vehement about not being willing to expose their members to any discussion of their marginalized identities, regardless of the purpose of the conversation or offers of compensation.

The reticence of community leaders in connecting the project with their members speaks compellingly to both the fatigue that marginalized communities experience about being surveyed or studied, and the extent to which people are cautious about exploitation or revictimization. This directly supports the findings below on audience retention, and the factors that may make marginalized individuals feel unsafe or unwelcome in video game communities.

Attracting Diverse Audiences

The primary key to reaching diverse audiences is simply creating content that allows them to engage with characters and stories that are relevant to themselves and their life experiences. While the specifics of creating this content may be as-yet unfamiliar for some companies (i.e., ensuring accuracy in representation through the hiring of diverse employees, or engaging in game development that is inclusive by design), the process is straightforward: to attract diverse audiences, create games with inclusive content.

However, it is also important to note that reaching audiences from marginalized groups does not inherently require increased representation in game content. Studies show that women comprise approximately half of mobile gamers, and that the majority of them (64%) prefer mobile gaming to other platforms.[44] Mobile gaming is particularly popular among women over the age of 36; a market which is generally not captured by other forms of gaming.[45] However, mobile gamers have historically been considered "casual gamers," and are often neglected by the more "serious" gaming community. There is significant potential to convert these audiences to more regular players by creating more engaging content that targets them directly. One interviewee identified that in their experience, mobile games feel safer or more approachable for people who don't identify as "gamers," especially those who have heard rhetoric from self-proclaimed "real gamers" that may make them feel unwelcome entering those spaces.

To seek out non-traditional audiences, game studios may need to use non-traditional methods. Underserved gaming audiences may not find games via standard channels (such as gaming stores,

[44] Faze. N.d. "Women Are Dominating the Mobile Gaming Market." https://faze.ca/women-dominating-mobile-gaming-market/

[45] GameHouse. 2023. "More than 74% of Women of All Ages Play Mobile Games Daily, 67% See it as a Vital Source of Relaxation, Stress Relief & Mental Stimulation." https://www.newswire.ca/news-releases/more-than-74-of-women-of-all-ages-play-mobile-games-daily-67-see-it-as-a-vital-source-of-relaxation-stress-relief-amp-mental-stimulation-851472236.html

online magazines, or social media). Instead, as one interviewee said, reaching diverse audiences requires figuring out how to meet audiences where they are. For example, while "casual" gamers may not engage in gaming-adjacent media, recommendations via other lifestyle media or entertainment may be a way to reach those audiences. Some interviewees also identified using analytics to see where traffic was coming from, helping them identify marketing avenues that they might not have otherwise considered.

Retaining Diverse Audiences

While attracting diverse audiences is relatively straightforward, retaining those audiences takes active involvement and commitment from video game companies and community managers, particularly with games that have online multiplayer elements or particularly active social media communities.

While the video game sector is, like most other industries, broadly moving in the direction of progress, there remains a vocal minority who are strongly opposed to diversity and inclusion efforts in video games. These individuals (many of whom define themselves at least in part based on their identity as "gamers") tend to reject any shift in the industry away from the content to which they have grown accustomed; and which generally caters to their interests and representational demographics.

The presence of these voices within online or community spaces are one of the most significant forces driving audiences from marginalized groups away from gaming. Given the prevalence of discrimination in these individuals' daily lives, they are generally disinclined to remain in communities or activities where they're faced with similar bigotry.

Some community managers have expressed hesitation to deal too harshly with individuals who make these spaces unwelcoming for members of marginalized communities, citing concerns about freedom of speech or coming down too hard on friendly "trash talk" among players. While these hesitations are valid, they often reflect a perception that this vocal minority makes up a larger percentage of a game's player base than may actually be the case. These concerns can also be reflective of a lack of awareness about the potential player base growth that could result from being decisively and publicly supportive of diversity and inclusion within their community. Fortunately, some major companies are investing in tools to protect their players, such as Call of Duty's partnership with Modulate to implement ToxMod, an AI-Powered, real-time voice chat moderator tool that targets hate speech, discriminatory language, and harassment.[46] **Ubisoft**'s La Forge research and development group is also looking at ways to use AI to identify hate speech in online play, hopefully helping to eliminate this kind of negative behaviour and retain players from marginalized communities.

Lastly, it is important that game developers be willing to listen (and meaningfully respond) to feedback. Particularly for creators who are involved in games with content or characters that aren't reflective of their own identities, it is inevitable that there will be missteps, even with the best of intentions. While some audiences may reject a game outright in the face of discriminatory or otherwise negative representation, many will still be willing to continue engaging if there is a clear demonstration from the creators of the game that they're open to receiving and acting upon feedback from members of the affected community.

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[46] Pappas. 2023. "Activision and Modulate Team Up to Bring ToxMod to Call of Duty." https://www.modulate.ai/blog/activision-call-of-duty

The Importance of Diverse Audiences

Attracting and retaining diverse audiences is important for several reasons. First, marginalized communities are a mostly untapped source of massive potential consumer growth. While the content they're most interested in may be different from the games that developers are accustomed to making or playing, the market is significantly underserved, particularly compared to the increasingly oversaturated market of mainstream action, roleplaying, and shooter games. These underserved audiences are also growing as international markets expand rapidly, particularly in jurisdictions with majority non-white populations, as mentioned earlier.

Second, not only are gamers from marginalized communities a relatively untapped market, but these groups frequently serve as excellent word of mouth marketing for content they enjoy. Anecdotal evidence suggests that if a company can both attract and retain these audiences, they tend to show loyalty to companies who make content they enjoy, as well as recommend that content to others.

Finally, the attraction and retention of gamers from marginalized communities serves the renewable growth of the video game workforce, particularly for companies creating the kind of content these audiences want to see. A common refrain across industries from members of marginalized communities is that they were motivated to enter a field of study, career or hobby because they saw someone who looked like them in that space. Gamers from marginalized communities who see themselves both in games and among the people making those games will be more incentivized to enter the industry themselves, helping perpetuate and grow the presence of marginalized workers in the video game community. It will be much easier for a company to gain the benefits of a diverse workforce if they are known for creating content with consistently positive representation of marginalized communities, thereby allowing for the creation of further new inclusive content.

Diversity in Audiences and Player Communities, Takeaways:

It would be advantageous for game companies to **make a concerted effort to attract players from marginalized communities**, as those are broadly untapped markets.

These audiences are strongly driven by **a desire to see themselves in the games they play**, and make a loyal consumer base for companies who are able to give them consistently positive representation. Consumers from marginalized communities are also **more likely to provide informal advertising** in the form of word-of-mouth recommendations, either in person or online.

Retention of marginalized audiences can be a challenge, particularly in games with online multiplayer or other active online community spaces. A vocal minority of gamers who are opposed to increased diversity and inclusion in video games will often **directly target marginalized players to drive them away**. Community managers need to react decisively in these cases, to provide to marginalized players that the companies support them. Game developers also need to be **receptive to feedback and criticism**, to show a willingness to learn and change.

The cultivating of diverse audiences also serves the **renewable growth of the games industry**, as emerging talent from marginalized communities is more likely to enter the industry if they feel represented and included.
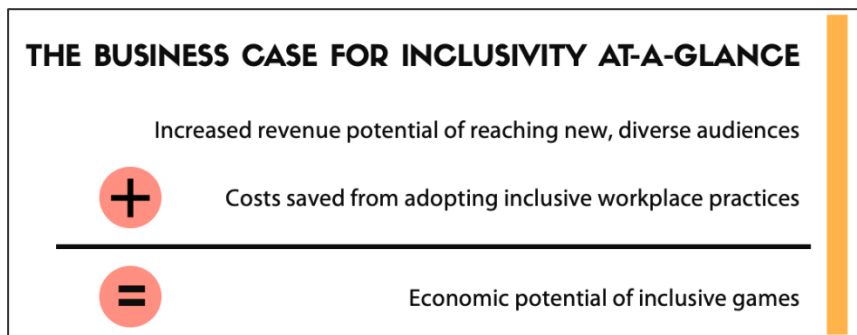
4. THE (BUSINESS) CASE FOR INCLUSIVITY

As explored in Section 2, there is a clear need for more inclusivity across the industry. There are also significant benefits for having a more diverse workforce and producing content that resonates with a diverse pool of gamers (as illustrated in Section 3). With this context in mind, a key question remains: **what is the economic potential that can be realized by these benefits?**

It has been long understood that making the industry more inclusive is the "right thing to do," yet games companies are – like any industry – ultimately driven by operational efficiencies and profit potential. As such, this section provides a business case that frames inclusive practices as economic opportunities that can maximize revenue potential and decrease operational costs.

In 2021, the Entertainment Software Association of Canada reported that **Canadian video game companies generated an aggregate $4.3 billion in revenue**.[47] This business case suggests that this figure would be greater if inclusive practices were pursued, through two key lines of argumentation:

1. **Expanding Audiences:** Making games more inclusive would enable companies to further tap into existing and new audience pools across the globe ("blue oceans"), presenting opportunity to increase overall revenue from game sales and player monetization.

2. **Optimizing Workforce Efficiencies:** Adopting inclusive practices can help attract and retain workers, thus mitigating costs for companies related to employee turnover.

These lines of argumentation are distilled at a high-level in the formula depicted below:

THE BUSINESS CASE FOR INCLUSIVITY AT-A-GLANCE

Increased revenue potential of reaching new, diverse audiences

+ Costs saved from adopting inclusive workplace practices

= Economic potential of inclusive games

A Note on Methodology

This business case deconstructs areas where inclusion and diversity come into play as economic imperatives and provides assumptions about potential revenue gains and efficiencies linked to inclusive practices. These economic arguments are supported by conservative estimates based on 2021 industry data, as that is the most recent Canadian revenue and employment data available. Monetary figures, unless otherwise specified, are in CAD. The assumptions made for the purpose of this exercise are detailed throughout the lines of argument below.

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[47] ESAC. 2021. "The Canadian Video Games Industry." https://theesa.ca/wp-content/uploads/2022/07/esac-2021-final-report.pdf

Expanding Audiences: Seeking Out New Blue Oceans

The first line of argument can be illustrated clearly through the concept of "Blue Oceans". The concept outlines a path for companies to pursue and create greater economic potential by tapping into new audiences and new demand (blue oceans), rather than competing in tried and true markets where competition runs fierce (red oceans). In red oceans, companies must often invest and spend more to create a product that stands out and vies for the attention of a small, existing audience pool – which, in turn, often results in smaller profit margins.[48]

BLUE OCEAN

Explore **new market** (players from marginalized communities)

- Less competition
- Much larger audience pool
- Greater revenue potential
- Greater innovation

RED OCEAN

Continue to compete in **existing market**

- High competition
- Limited audience pool
- Higher costs to compete
- Following tried and true formula
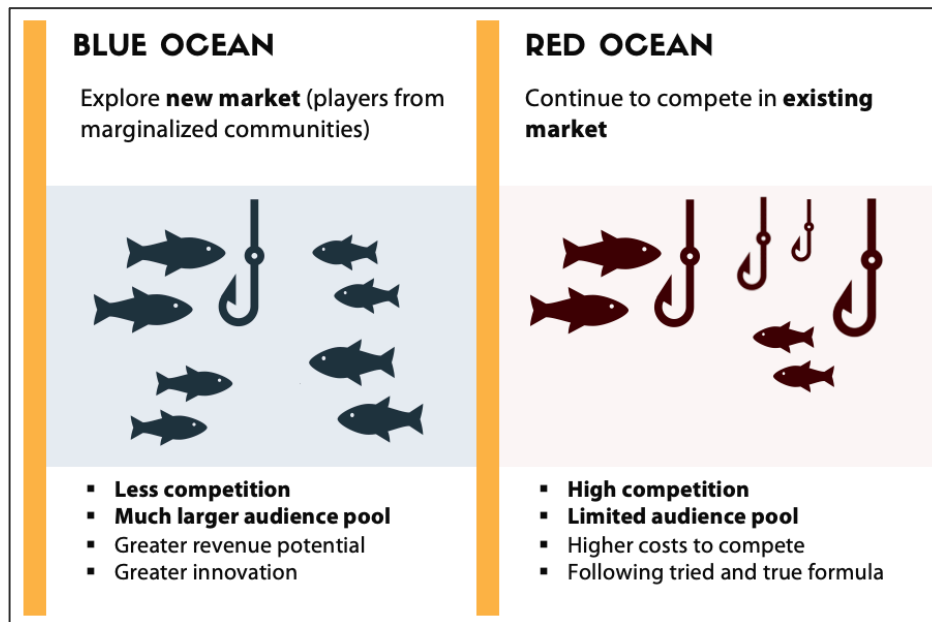
In the games industry, companies have long been competing in the same space for limited market share (red ocean), largely ignoring the untapped revenue potential of creating inclusive games that would reach and activate players from marginalized communities (blue ocean). As mentioned in Section 3, such content would require companies to think about storytelling in new ways and placing marginalized characters in more prominent roles within content. To do this work in a meaningful and authentic way, companies need to employ a diverse and representative workforce, and ensure inclusivity is thought of from the onset of game design.

There is some past precedent in the industry that shows the effectiveness of using a blue ocean strategy. For instance, Nintendo saw success by tapping into the casual and family gaming markets with the Wii. By targeting a market previously thought of as non-consumers of games, Nintendo saw its revenues skyrocket from 2007 into 2008 by 73%, amounting to more than Microsoft and Sony combined.[49] In essence, Nintendo's strategy of creating experiences to capture the attention of non-consumers paid off, allowing it to seize market share in a blue ocean years ahead of its competitors.

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[48] Blue Ocean. n.d. https://www.blueoceanstrategy.com/what-is-blue-ocean-strategy/#:~:text=A%20blue%20ocean%20is%20an,in%20terms%20of%20profitable%20growth

[49] 2008 fiscal year. Nintendo. https://vgsales.fandom.com/wiki/2008_fiscal_year#:~:text=10%20million%20%5B7%5D-.Nintendo,70%20million%20Nintendo%20DS%20units.

Mobile games companies, such as Zynga continue to tap into the casual gamer market, capturing the attention and monetization potential of a broad audience. Zynga's revenue continues to show significant growth year-over-year, with the company reporting a 59% growth in its 2021 earnings.[50]

Similar to the cases above, there is **significant opportunity for games companies in Canada to tap into a diverse audience pool and unlock new potential for higher earnings**. Audiences have been offered an expansive variety of gaming experiences as the games industry has evolved; from first-person shooters, to franchised sports titles, to innovative indie games, audiences have their pick of genres, narratives, and modalities of play. However, across all genres, the relative lack of inclusive experiences has been a deterrent to playing specific video games, or video games in general. Here we can posit that the current slate of video games at large generally tend to cater to audiences within the red ocean, vying for the attention of gamers accustomed to established genres, character archetypes, and narratives. Popular games and franchises have innovated in the area of inclusion and accessibility but have yet to attain a level of inclusion that actively encourages many would-be players to engage with their content.

If Canadian companies were to capture the blue ocean that is diverse audiences, the revenue potential could be broken into two parts:

1. An expansion of audiences within current, already established export markets (namely, North America and Europe)

2. An expansion to audiences within emerging export markets where there is less Canadian market penetration at present (namely, Latin America, the Middle East and North Africa)

Tapping into the Blue Oceans: Established Exports Markets

The Canadian video games industry has a strong foothold in North America and Europe, yet there is still room to expand reach to new audiences within these existing export markets. According to Newzoo's 2020 Gamer Sentiment Study, **41-47% of UK and US video game players have avoided playing a game in the past because they felt that it was not "made for them**."[51] In other words, companies are ignoring roughly 47% of audiences by not designing representative and inclusive games to reach these "would be" players.

Based on 2021 data from Newzoo, North America and Europe together account for 42% of the total global gaming market.[52] One can then assume that 42% of Canada's games industry revenue also originates from these markets, although this would be a conservative estimate. In reality, Canada's revenues are more heavily weighted in North America and Europe compared to the global average, given Canada's limited market penetration in other burgeoning markets.

ROUGHLY 47% OF AUDIENCES are being ignored by games companies
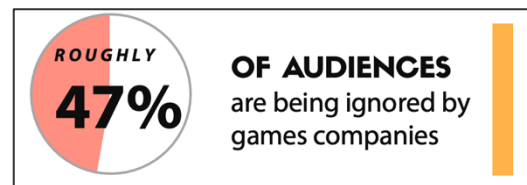
Applying this reasoning, approximately $1.8 billion of revenues generated by Canadian companies in 2021 (which, as mentioned previously, stood at $4.3 billion) were generated in North America and

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[50] Pocketgamer.biz. 2021. "Zynga Q2 revenue up 59% to $720 million." https://www.pocketgamer.biz/news/77009/zynga-q2-2021-revenue-720-million/#:~:text=Zynga%20has%20revealed%20that%20its,cent%20by%20in%2Dapp%20purchases.

[51] Newzoo. 2023. "Diversity and representation are becoming important for video game audiences." https://newzoo.com/resources/blog/diversity-and-representation-video-games-2023

[52] Newzoo. 2021. "Global Games Market Report 2021." https://newzoo.com/resources/trend-reports/newzoo-global-games-market-report-2021-free-version

Europe. Now, consider a scenario where Canadian companies would have reached just *half* of players (47%) who avoid games not designed for them. Doing so would potentially have increased revenues by 23.5%, scaling Canada's $1.8 billion to a total of $2.23 billion in North American and European markets. Put differently, the **games industry missed out on an additional $420 million in revenue in 2021 by not reaching diverse players** in its existing export markets.

$420 M IN REVENUE WAS LEFT ON THE TABLE by not reaching diverse audiences in North America and Europe (2021)

Tapping into Blue Oceans: Emergent Export Markets

As mentioned throughout this report, there is a growing global market for games, and audiences are hungry for content that is reflective and representative of their lived experience. Games that reflect or appeal to more diverse audiences could enable game companies to better access audiences in emergent player markets. Accounting for vastly different life experiences and preferences outside of "traditional" player concentrations in North America and Europe, games that provide more diverse narratives, characters, gameplay experiences, and innovative features may find **new player bases in markets such as Latin America (LATAM) and the Middle East and North Africa region (MENA)**. These markets have seen 6% and 11% year-over-year increases in players between 2022 and 2023, respectively.[53] This level of rapid growth presents significant opportunity for revenue growth for Canadian game companies.

Y-O-Y INCREASES IN PLAYER BASE IN EMERGENT GAMES MARKETS (2022-2023)

↑6% LATAM   ↑11% MENA
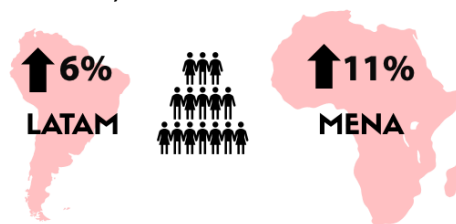
Following a similar line of logic presented for existing export markets, consider the possible revenue potential if Canada were better able to capitalize on this growth in LATAM and MENA. According to Newzoo, these two markets accounted for a combined 8% of the global market in 2021.[54] Since Canada has a lower market penetration in these markets compared to the global average, one can assume that LATAM and MENA markets comprise roughly 4% of total revenues (which is half that of

[53] Newzoo. 2024. "Global Market Games Report."
https://resources.newzoo.com/hubfs/Reports/Games/2023_Newzoo_Free_Global_Games_Market_Report.pdf?utm_campaign=2023-08-GMRF-GGMR 2023 free report&utm_medium=email&_hsmi=269284764&_hsenc=p2ANqtz-_HrCdk46z4i-7TmxVtTnkOiWb0dLlQLWIW6WRz6hRFdrGYsqcLhMZ9A3prE_AaYLa2kYtx1pUtr98ER0xHDrMXJ29ztA&utm_content=269284764&utm_source=hs_automation

[54] Newzoo. 2021. "Global Games Market Report 2021." https://newzoo.com/resources/trend-reports/newzoo-global-games-market-report-2021-free-version

the global average). Using this estimation, it can be gauged that roughly $200 million of Canadian 2021 industry revenues were generated from MENA and LATAM markets.

Newzoo's 2023 Global Gamer Study estimates that approximately **57% of global video game players have avoided games not made for them**. This figure is higher compared to audiences in more traditional export markets (UK and US), indicating that issues of diversity and lack of representation are felt more acutely in global markets. If Canada were to reach even half of these global game players who have previously avoided games (meaning 29%), industry revenues from these markets could have scaled to $220 million in 2021. Put in incremental terms, **Canadian companies could have seen an additional $50 million in revenues by reaching global audiences through authentic and representative games content**.

$50 M

ADDITIONAL REVENUE TO THE INDUSTRY IS POSSIBLE
if Canadian companies can better reach global audiences through inclusive content (based on 2021 data)
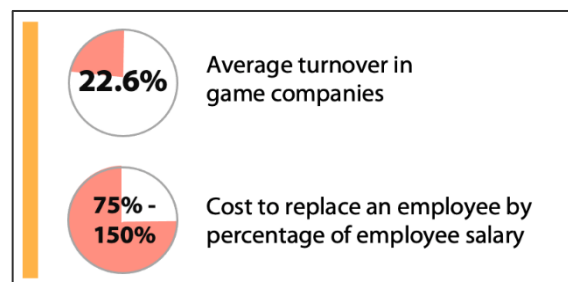
This revenue potential is likely to grow over time given that the player base continues to rapidly expand in these two markets. By not capitalizing on this growth, the Canadian industry is losing out on a significant opportunity. It should also be noted that this estimation is quite conversative as it only takes two emergent markets into consideration. It does not even broach the possibilities offered by reaching audiences in Asia, for instance. Asia was left out of this calculation in part due to the more insular nature of its industry at present.

Optimizing Workforce Efficiencies: The Case for Staying

As discussed in Section 2, Canadian games companies are increasingly recognizing the importance of adopting EDI policies that can help efforts in recruiting and hiring diverse candidates and creating an inclusive culture. A diverse workforce is critical to the success of an inclusive game. As previously mentioned, it is impossible to create a game with diverse characters, narratives, or gameplay that feels authentic if the game creators themselves do not reflect that diversity.

This second line of argument goes further in explaining that there are important workforce efficiencies to be found in inclusive workplace practices, specifically linked to increased employee retention and reductions in costs related to turnover. Companies may experience some additional costs in establishing inclusive workforce practices, such as extra costs for development features and workforce accommodation. However, these costs are comparatively marginal to the economic benefits adopting such practices would allow and would be offset by the revenues achieved by tapping into new audiences.

22.6% — Average turnover in game companies

75% - 150% — Cost to replace an employee by percentage of employee salary
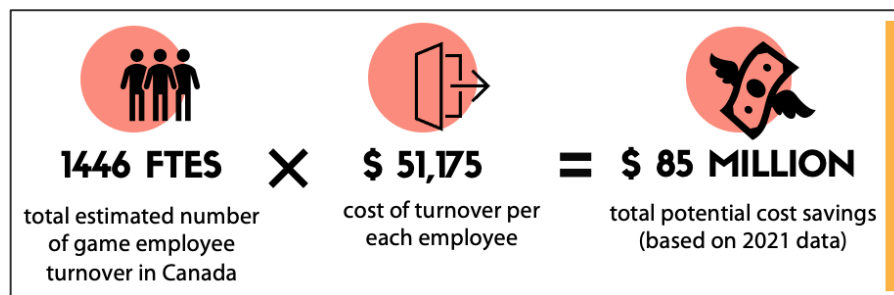
The video game industry is continuously marred by volatile labour trends, including high rates of turnover and attrition. The "burn and churn" tendency in games can result in high costs attributed to recruitment, onboarding, training and skill acquisition, and lost productivity. Aon's study of American employment trends notes that in 2020 (coinciding with

the industry's peak growth during the pandemic), **the average turnover rate for the games industry was 22.6%.**[55] Diverse workplaces and inclusive company cultures can contribute to mitigating losses (in talent and productivity) resulting from frequent turnover, especially where senior talent attribution is common. For instance, the Harvard Business Review notes that an increased sense of belonging resulting from workplace diversity and inclusion initiatives can result in a 50% decrease in turnover risk, encouraging instead organizational commitment and engagement on the part of employees.[56]

Furthermore, G&A estimates that the approximate **cost to replace an employee** in a professional and technical position (which would include most games workers) **ranges from 75%-150% of their annual salary**.[57] To provide a conservative estimate, the following calculation will assume the lower 75% figure. Given that the average salary of a full-time-equivalent position (FTE) at a games company was $78,900 according to 2021 ESAC data,[58] it is therefore safe to assume the **approximate cost of turnover for one games worker in Canada was approximately $51,175 in 2021**.

ESAC data estimates that there are roughly 32,000 FTEs in the Canadian game industry.[59] It would be fair to say that not all of AON's estimated 22.6% of games industry turnover was a direct result of a lack of inclusive HR practices and unwelcoming company culture. That being said, if even a fifth of that turnover could be attributed to these causes, it would translate into turnover of 1446 FTEs in Canada (roughly 4.5% of all FTEs).

In total, the estimated cost of employee turnover related to the absence of meaningful inclusive practices would amount to roughly $85 million rounded down and based in 2021 amounts. In other words, **Canadian companies could have saved $85 million on expenses related to turnover had they adopted inclusive practices to better retain employees**.

1446 FTES	×	$ 51,175	=	$ 85 MILLION
total estimated number of game employee turnover in Canada		cost of turnover per each employee		total potential cost savings (based on 2021 data)

This estimation only considers potential cost savings related to turnover. It does not even consider the numerous other financial benefits related to adopting inclusive practices, such as increased production and innovation. For instance, companies with a diverse workforce – especially at

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[55] AON. 2020. "Retail Sector Wages Are Rising Due to Higher Employee Turnover and e-Commerce Demand." https://humancapital.aon.com/insights/articles/2020/retail-sector-wages-are-rising-due-to-higher-employee-turnover-and-e-commerce-demand

[56] Harvard Business Review. 2019. "The Value of Belonging at Work." https://hbr.org/2019/12/the-value-of-belonging-at-work

[57] G&A. n.d. "Calculating the Cost of Employee Turnover." https://www.gnapartners.com/resources/articles/how-much-does-employee-turnover-really-cost-your-business

[58] ESAC. 2021. "The Canadian Video Game Industry 2021." https://theesa.ca/wp-content/uploads/2022/10/esac-2021-final-report.pdf

[59] Ibid.

management levels – have been shown to yield 19% more revenue due to innovation.[60] Moreover, a high sense of workplace belonging has been linked to a 56% increase in job performance and productivity.[61]

Conclusion

As this business case has illustrated, there is significant economic potential to be had from inclusive games. If companies were to design and create games with diverse players in mind, it would allow them to reach new blue oceans and expand revenues sources. Companies could also increase their margins by putting inclusive practices in place to support a diverse workforce and establishing an inclusive culture, thus leading to reduced operational expenditure related to turnover. Table 1 collates the total calculations relative to the Canadian game industry's $4.3 billion revenue figure in 2021:

Table 1 - Summary of Business Case Results

Potential increase in revenues by expanding audiences in existing export markets (North America and Europe)	$ 420 million
Potential increase in revenues by expanding audiences in emergent export markets (LATAM and MENA)	$ 50 million
Potential cost savings related to reduced employee turnover by adopting inclusive practices	$ 85 million
Total economic potential of inclusive games (*based on 2021 data points*)	$ 555 million
Total economic potential of inclusive games (*adjusted for inflation for 2024*)	**$634 million**

In summary, the economic potential presented by inclusive games practices, as outlined in the arguments above, amounts to a conservative total estimate of $634 million after adjusting for inflation.[62] In other words, **Canadian games companies could collectively expect to see an additional $634 million in revenue and cost saving per year if they embraced inclusive strategies** that would retain diverse talent required to develop representative and authentic content, enabling them to reach an untapped pool of marginalized players across the globe.

$634 M IN POTENTIAL ADDITIONAL REVEVENUE AND COST SAVINGS PER YEAR if companies were to adopt inclusive practices

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[60] Forbes. 2018. "A Study Finds That Diverse Companies Produce 19% More Revenue." https://www.forbes.com/sites/annapowers/2018/06/27/a-study-finds-that-diverse-companies-produce-19-more-revenue/?sh=7610aae6506f

[61] Harvard Business Review. 2019. "The Value of Belonging at Work." https://hbr.org/2019/12/the-value-of-belonging-at-work

[62] The Bank of Canada's inflation calculator was used to make this adjustment: https://www.bankofcanada.ca/rates/related/inflation-calculator/

APPENDIX A: DEFINITION OF KEY TERMS

It is an important consideration for this type of undertaking to ensure that all parties, including the research team, interview participants, and readers alike, have a shared understanding of the key terms used to address inclusivity. As such, early in the research process, the research team sought to define and operationalize the following key terms.

Accessibility: Accessibility can be defined as the removal of barriers that limit equitable access to participation in society for people with disabilities. While many of these barriers are physical, they can also be emotional, intellectual, or attitudinal. In most cases, barriers are either systemic or reflective of a systemic issue, rather than incidental. In regard to video games specifically, accessibility may be harder to define, but broadly involves ensuring that as large a percentage of the population as possible can play games, regardless of physical, psychological or cognitive ability.

Diversity: Diversity encompasses differences in identity across a whole range of characteristics, including race, ethnicity, gender identity, sexual orientation, and ability. It can also account for socio-economic status, experiences, religious and political beliefs, veteran status, talent, and other factors that make up human, cultural and societal differences[63]. As such, diversity refers to the differences in lived experience, expression, and identity that constitute the composition of general society.

Equity: Equity is tied to concepts of justice and fairness. In contrast to equality, equity understands that individuals have different and diverse needs, which cannot be adequately addressed by "leveling the playing field"[64]. As such, equity refers to ensuring fair treatment, access, opportunities for all people while proactively identifying and combatting discriminatory ideas, behaviours, systems, policies, and practices that have prevented the full participation of marginalized groups.

Inclusion: Inclusion is a term used to talk about a collective sense of participation, engagement, representation, and empowerment across diverse social identities. Institutionally, inclusion is intricately linked to dynamics of power and privilege, which highlights who gets a seat and voice at the decision-making table, and who is empowered by institutional processes, policies, systems, and structures[65]. Politically, inclusion is about designing practices and policies that provide equal access to opportunities and resources for individuals who might otherwise be excluded or marginalized based on their ability, identity, or group belonging[66]. Culturally, inclusion underlines the creation of a culture that strives for equity in a way that embraces, respects, accepts, and values difference[67].

While all of the elements above were considered and applied as part of the research process, for the purposes of this report, inclusion (or "inclusive practices") refers to actions and initiatives which meaningfully empower and welcome members of marginalized groups to participate equitably in society (i.e., in activities, communities, workplaces, etc.).

Marginalized groups/communities: "Marginalized" refers to any demographic of the population which has historically and/or currently been treated in a systemically disadvantageous way within

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[63] Kohl, 2022, p. 1

[64] FHSS, p. 6

[65] Federation of Humanities and Social Sciences, 2021; p. 6, https://www.mystfx.ca/sites/academic-vp/files/igniting-change-final-report-and-recommendations-en.pdf

[66] Kohl, 2022; p.1 (Book, *Driving Justice, Equity, Diversity, and Inclusion*)

[67] Canadian Center for Diversity and Inclusion (EDI Toolkit) p. 6

society. For the scope of this report, the marginalized groups captured in this term include: women, those from the 2SLGBTQ+ community, racialized people, and those with disabilities (including the Deaf community).

Racialized: The word "racialized" in used in this report in accordance with guidance from the Ontario Human Rights Commission which advises it as the preferable alternative to "BIPOC" or "POC/people of colour." The latter terms are used in cases where source material is being quoted, or if people have chosen to use those words as self-identification.

Representation: Representation, in relation to media, is a term that refers to how the media portrays and depicts groups and individuals to audiences. However, accounting for the reception of these portrayals by active audiences and communities, representation refers to portrayals that individuals can identify with and that grants visibility to specific groups.

APPENDIX B. LIST OF INTERVIEWEES

Nordicity would like to thank the following individuals and organizations for providing their time and contributions to the findings detailed in this report:

AquaBlu

Alex Hayter, **Torn Banner**

Annabel Ashalley-Anthony, **Melanin Gamers**

Béatrice Desjardins-Gagnon, **La Guilde du jeu vidéo du Québec**

Dr. Bibiana Pulido, **Université Laval**

Dr. Carl Therrien, **Université de Montréal**

Cristina Amaya, **Latinx in Gaming**

Daniel Carmichael, **Fika Games**

Deidre Ayre, **Other Ocean**

Dom Shaw, **UKIE**

Eileen Holowka, **Weird Ghosts**

Eliane Gomez-Sanchez, **Latinx in Gaming**

Erin Roach, **Ubisoft Canada**

Falisha Ali, **Hinterland Games**

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Joel Burgess, **Capybara Games**

Josh Nilson, formerly **East Side Games**

Juan Escobar-Lamanna, PhD Candidate at **Western University**

Jennie Faber, **Weird Ghosts**

Kim Gibson, **Ontario Creates**

Meagen Byrne, **Achimostawinan Games**

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Sagan Yee, Former ED of **Hand Eye Society**

Sasha Boersma, **Sticky Brain Studios**

Suzanne Freyjadis, **International Game Developers Association (IGDA)**

Soft Leaf Studios

Tanya X. Short, **Kitfox Games**