



UK VIDEO GAMES FACT SHEET

Introduction

The figures and stats mentioned hereafter come from a variety of sources: market research companies, trade press, trade associations and academic research papers. This variety of sources means that you are likely to find different figures for the same topic, due to differences in methodology, sampling, or time spans looked at. We have decided to mention multiple sources and let you decide which you want to quote.

The sources are mostly ranked by date of publication, from most recent to oldest.

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GLOBAL VIDEO GAMES MARKET

Relevance

- The global games market will be worth \$99.6bn in 2016, an increase of 8.5% from 2015, with mobile (\$36.9bn) now taking a larger share than PC. (Newzoo, Apr 2016, [LINK](#))
- With an annual growth of 6.6%, the global games market will reach \$118.6bn by 2019. (Newzoo, Apr 2016, [LINK](#))
- 2016's \$99.6bn gaming market is roughly divide into thirds by the PC, console and mobile markets, with a small lead for mobile at 37% (\$36.9bn). PC (\$31.9bn) leads console slightly (\$30.8bn). (Newzoo, June 2016, [LINK](#))
- Of these three market segments, mobile is growing far faster (+21.3% yoy) than either the PC or console markets (+2.1% yoy and +2.2% yoy , respectively). (Newzoo, June 2016, [LINK](#))
- According to Newzoo's estimation, China has overtaken the US as the world's largest gaming market at \$24.4bn, vs the US's \$23.6bn. With a larger population and gaming yet to reach a mature penetration, we can expect China's lead to grow over time. (Newzoo, June 2016, [LINK](#))
- The Asia-Pacific region dominates the global revenues with 47% share (\$46.6bn), North America and the EMEA make up approximately a quarter each (25%, \$25.4bn and 24%, \$23.5bn). Latin

America is the smallest region, but also the fastest growing, up 20.1% yoy to \$4.1bn (4%).
(Newzoo, June 2016, [LINK](#))

- Of all console gamers, 87% also plays games on a PC. (Newzoo, June 2016, [LINK](#))
- In 2014 the two largest markets (US and China) accounted for a 47% market share of global revenues (combined \$39.3bn), this concentration is forecasted to grow by 2018, with these 2 nations accounting for 50% of the global revenues (combined \$56.8bn). (Newzoo, Sept 2015, [LINK](#))
- The compound annual growth rate for the period 2014-2018 is +3.1% for the US and +16.1% for China. (Newzoo, Sept 2015, [LINK](#))
- The 2 leading markets are quite different in their revenue streams. In 2014, while the largest market segment in the US is revenue from consoles and VR (45%, \$9.9bn), in China it's the PC, MMO and casual webgames, all played on PC, that are king covering 68% of the Chinese market (\$15.2bn). Consoles and VR only account for 2% of the Chinese market. (Newzoo, Sept 2015, [LINK](#))
- The market is forecasted to jump to \$91.5bn in 2015 (+9.4% year-on-year from \$83.6bn in 2014). This growth is driven by China, which with a +23% growth could become the Nbr1 market in 2015, overtaking the US with \$22.2bn vs \$22bn. Newzoo forecast that in 2017, global revenues will reach \$107bn. (Newzoo, April 2015, [LINK](#))
- The largest share of the market is covered by games played on PC (webgames, PC games and MMO) at a total \$33.7bn, or 37% of the market. Consoles and VR are second, with \$25.1bn, or 27%, then mobile and smartwatches are third (\$20.6bn, 23%) and tablet or handheld devices fourth (\$12.1bn, 13%). The segment that enjoyed the fastest growth were tablet games (+27%).(Newzoo, April 2015, [LINK](#))
- Looking at regions, Asia-Pacific is the top region, worth \$43.1bn, or 47% of the market. China is its largest market, with the estimated \$22.2bn. Asia-Pacific revenues are worth close to the combined revenues of North America and EMEA (\$23.8bn and \$20.5bn respectively). Latin America is the fastest growing region in 2015 with +18% year-on-year, although with its \$4bn revenue it still is the smallest regional market. (Newzoo, April 2015, [LINK](#))
- Chinese company Tencent was 2014's top-grossing games company, with a revenue of \$7.2bn, +37% vs 2013 (\$5.3bn). It is followed by Sony (\$6bn, +27%) who took second spot from Microsoft (\$5bn, +3%). Google, ranked 7th with \$2.6bn, has grown the fastest at +89% Year-on-Year and progressed by 6 ranks. Tencent owns Riot Games (League of Legends MOBA). (Newzoo, Apr 2015, [LINK](#))
- Revenues for H1 2014: Top 25 games companies revenue was \$25bn, a +17% growth (+\$3bn) versus H1 2013. (Newzoo, Sept 2014, [LINK](#))
 - Tencent was still number 1 in H1 2014, growing by an impressive +40% versus H1 2013. It has leveraged its strong position in online F2P into the mobile games segment and integrated its WeChat/Weixin (mobile text and voice messaging) services. EA is second, thanks to the performance of titles such as FIFA 14 and Titanfall and mobile titles like the Sims Freeplay or Simpsons: Tapped out. (Newzoo, Sept 2014, [LINK](#))
 - Surprising rise of Apple and Google, through the development of the mobile games segment of the industry. Google rose by 5 places, to take the 7th rank in the Top 25. Newzoo thinks that both could be real contenders for a top 5 rank with 2014 full-year results. (Newzoo, Sept 2014, [LINK](#))
- Console sales: since launch and in 2014, PS4 has sold the most units: 13.5m worldwide, followed by Xbox One at 10m and Wii U at 7.3m. (Superdata, Sept 2014, [LINK](#))
- After 1 year since launch, there are over 3 times as many active players on PS4 as on Xbox One and Wii U, but gamers spend more time on Xbox One (6.3 hours rather than 5.4 hours for PS4 and 3.2 hours for Wii U). (GameVision, [LINK](#))

- Global games market revenue reached a more than anticipated \$75.5bn in 2013, it is forecasted to reach \$102.9bn in 2017, which represents a compound annual growth rate of 8%. (Newzoo, May 2014, [LINK](#))
- There were 1.6bn players worldwide in 2013. (Newzoo, May 2014, [LINK](#))
- Drivers for global market higher revenues than anticipated in 2013 were: higher growth in the Chinese market (+35%, reaching \$13.7bn), higher app store revenues in games category (80% in 2013 versus 65% in 2012) and higher Japanese mobile game revenues than expected. (Newzoo, May 2014, [LINK](#))
- In 2013 the top ten public companies in game revenues covered 44% of global revenues. (Newzoo, May 2014, [LINK](#))
- Tencent was the number one, with an annual revenue of \$5.3bn, followed by Microsoft at \$4.7bn (estimated) and EA at \$3.7bn. (Newzoo, May 2014, [LINK](#))
- The Asia-Pacific region in 2013 had a games market of £31.9bn, representing 42% of the global market, while the whole rest of the world was worth \$43.5bn. (Newzoo, May 2014, [LINK](#))
- The player population in 2013 was found in majority in the Asia-Pacific region (740m, 46%) followed by the EMEA region (520m, 32%). North America and Latin America follow (190m, 12% and 170m, 10% respectively). (Newzoo, May 2014, [LINK](#))
- In 2013 the computer screen still covered most of the market value at \$30bn (40%), with 1.45bn players worldwide playing on a computer screen. The largest sub-category of computer players being MMO players, for a market of \$15.4bn, 800m players. (Newzoo, May 2014, [LINK](#))

Digital market

- The global digital games market has reached \$5.5bn, a +7% year-on-year increase. All segments except P2P MMO have grown. Digital PC revenues rose to \$622m (+6%), driven by Asia spending, while digital console revenues rose to \$375m (+14%). (Superdata, Oct 2015, [LINK](#))
- In terms of monthly active users, this was up +13% totalling 2.3bn in October, the average spending is slowing, which shows in the revenue growing by +7% to \$2.1bn. (Superdata, Oct 2015, [LINK](#))
- The most common global digital payment methods are eWallet (32%), credit/debit cards (25%) and mobile (14%), although this varies by region – eWallets are more popular in the Asia/Pacific region and credit/debit cards more popular in North America, for instance. (Superdata, Apr 2016, [LINK](#))
- There are currently more than 700 games that entered Early Access since 2013, and 150 (21%) of them got released since. On average, games that use the Early Access spend 14 months in it. (Steam Spy, Oct 2015, [LINK](#))
- The average game will sell 8,000 copies during Early Access stage if it manages to stay around until release, and another 3,600 in the first month after launch. (Steam Spy, Oct 2015, [LINK](#))
- 15m Steam players (11% of all Steam players) own at least one paid Early Access game, and people from Germany and France are more likely to own Early Access games, while less so in Poland. (Steam Spy, Oct 2015, [LINK](#))
- 1% of Steam gamers own 33% of all copies of games on Steam. 20% of Steam gamers own 88%. To be in the 1% group you need to own 107 games or more. To be in the 20% you need to own 4 games or more. (Steam Spy, August 2015, [LINK](#))
- Valve is estimated to have had over \$730m revenues in 2014. Their own titles like DOTA 2, Team Fortress 2 and CS:GO accounted for \$400m, the remaining \$330m coming from royalties from third-party titles. Valve has not released its own figures. (Superdata, July 2015, [LINK](#))
- Most popular games on Steam: in 2014 the Nbr 1 title was Unturned, with 12.2m owners and “only” 9.1m players. Average daily sales on Steam: Unturned, is also Nbr1 with 52.5 daily sales,

followed by Dead Island: Epidemic (40.2 daily sales) and Robocraft (23 daily sales). In terms of hours played, Football Manager 2015 has reached highest number of mean hours per owner, with an impressive 152.6. It's followed by Dark Souls II (73.1) and Panzer Corps (71.7). (Ars Technica wasn't able to retrieve data for DOTA 2 or Team Fortress 2, which are in the Top3 most played games on Steam). (Ars Technica, Mar 2015, [LINK](#))

- In the last 18 months, Steam has seen as many new games added as its first 10 years combined. (Ars Technica, Mar 2015, [LINK](#))
- Steam has exceeded 9m concurrent users in March 2015, and there are currently 125m accounts on the platform, more than Mexico's whole population, close to Japan's. (TechnoBuffalo, Mar 2015, [LINK](#))
- Digital console sales: the Top10 US titles by worldwide revenues in Jan 2015 have been published. GTA V is king at \$31.8m, followed by CoD: Advanced Warfare (\$23.5m) and Destiny at \$14.2m. Dying Light ranked a surprise 4th place at ~12m. In terms of console revenue shares between Playstation and Xbox (Gen7 and Gen8 combined), PS leads at 63%. Gen8 consoles grossed 70% more revenues than Gen7. (Superdata, Feb 2015, [LINK](#))
- The total for worldwide digital console for 2014 was \$2.98bn. The best-selling month since February 2013 was December 2014, at \$363m. (Superdata, Feb 2015, [LINK](#))
- The worldwide digital console games market was worth \$233m in February 2015, slightly down compared to February 2014 (-3.7%). (Superdata, Feb 2015, [LINK](#))
- Valve shared that it paid content creators who crafted in-game items for Team Fortress 2, Dota 2 and CG:GO \$57m in 2014. This amount was shared by 1,500 contributors from 75 countries. Valve has now expanded the Workshop service to non-Valve games like Dungeon Defenders: Eternity and Chivalry: Medieval Warfare. (IGN, Jan 2015, [LINK](#))
- Console players could spend more than PC players in free-to-play games: the MMO DC Universe PS4 version has been making more than 3 times what the PC version has as of Jan 2015. (MCV, Jan 2015, [LINK](#))
- In 2014 the global digital market was worth \$49bn, with high growth in percentage terms in the Latin America region (+13%) and Digital Consoles (+24%). (Superdata, Dec 2014, [LINK](#))
- The Top 5 MMOs of 2014 were League of Legends, Crossfire, Dungeon Fighter Online, World of Warcraft and World of Tanks. (Superdata, Dec 2014, [LINK](#))
- An interesting difference in revenue generation in 2014 can be seen between Digital PC and Digital Console: whilst PC generated \$4.4bn in digital revenue for full games and \$2bn for additional content, for consoles it was the other way around with \$0.8bn for full games and \$1.6bn for additional content. (Superdata, Dec 2014, [LINK](#))
- Combined PC/MMO market in 2014: while it was worth \$24.4bn this year worldwide, it will be worth \$30.7bn in 2017, with a 8% compound annual growth rate from 2013-2017. While the pay-to-play component will decrease at a -1% CAGR rate, the free-to-play one will grow by a 12% CAGR. (Newzoo and Ad2Games, Nov 2014, [LINK](#))

Mobile market

- In Q1 2016, 6.65 billion games were downloaded from iOS and Google Play (1.95bn and 4.7bn respectively). The most downloaded game worldwide was 'Piano Tiles 2' (Clean Master Games) and 'Clash Royale' (Supercell) made the worldwide top 10 for downloads despite launching two months into the quarter, as well as being the fastest game ever to No. 1 in revenue. (SensorTower, Apr 2016, [LINK](#))
- The most installed iOS app in the US for Q1 2016 was 'Color Switch', an indie game by Marc Lejeune, made in just two weeks. (SensorTower, Apr 2016, [LINK](#))
- Difference between iOS and Google Play: the first leads in revenue (+80% vs Google Play in Q3) thanks to continued strength in China while the second leads in downloads (+90% vs iOS in Q3)

thanks to first-time smartphone users in emerging markets like India and Southeast Asia. (App Annie, Dec 2015, [LINK](#))

- China's iOS growth was driven by social video apps and games. In games, Tencent saw great revenue growth thanks to two new IP-based releases: The legend of Mir 2 and The King of Fighters'98 Ultimate Match. (App Annie, Dec 2015, [LINK](#))
- Google Play is being helped by its performance in India, with distribution bottleneck for Android OEMs having been removed. The download rates in India drove Google Play's global performance. (App Annie, Dec 2015, [LINK](#))
- While 70% of app store revenue for Apple and Google originates from games, 95% of revenues from mobile games come from the freemium model. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- 21m people who downloaded a free or freemium game in Mar-May 2015, while 3m downloaded a paid game. 42% of free/freemium players downloaded 2 to 3 games, while 55% of those who downloaded a paid/paidmium game acquired only 1. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- 50% of players only played titles that were not on the list of top grossing and most popular games. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- 78% of freemium players didn't make any in-app purchase, so 22% did. This share of paying customers varies from company to company, for example 4% of King's monthly unique users made in-app purchases. The average expenditure of paying users reached £3/month, and spend is concentrated with nearly half made it in a single game. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- European developers generate more than two thirds of their revenues (35%) outside of the EU-28, in markets such as the USA, China and Japan. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- 6 out of 10 apps in the iOS and Google Play stores were made by companies headquartered in Europe. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- The UK is the EU country with the highest mobile games jobs in the EU-28, with 5,000 full-time employees. (*Deloitte and ISFE Mobile Games in Europe*, September 2015)
- On mobile, while the non-monetizers represented 97.91% of the sample, monetizers can be split into 3 types: minnows (lowcore, 1.03% of the sample, spending less than \$1 in 3 months), dolphins (midcore, 0.86% of sample, spending \$1-\$32) and whales (hardcore, 0.20% of sample, spending more than \$32). (GameAnalytics, September 2015, [LINK](#))
- Non-monetizers play more games and also more often over the given period of time (up to 8 sessions per week vs up to 4 for whales). (GameAnalytics, September 2015, [LINK](#))
- Monetizers tended to be loyal to one game (especially whales), and while they are the most engaged of monetizers they also take longer to convert (18 days on average before they start spending, twice the time needed for minnows who take on average 8). (GameAnalytics, September 2015, [LINK](#))
- Comparing operating systems and looking at paying users, iOS has a bigger proportion of whales and dolphins compared to Android. iOS monetizers also make their first purchase in considerably less time than Android ones, especially for lowcore monetizers (minnows) where it takes them 9 times longer on Android. (GameAnalytics, September 2015, [LINK](#))
- The monetizers distribution is quite different when comparing China and the US for example. While there's more midcore monetizers in the US than China (64% vs 48%), there's over twice the percentage of whales in China (37.37% in China vs 14.42% in US) who also spend more: an average of \$347 for China vs \$283 and a median of \$120 vs \$67. (GameAnalytics, September 2015, [LINK](#))
- App Annie and IDC estimate there were in Q1 2015 roughly 1.1bn mobile and tablet, 650m PC and 200 console players worldwide. Android is king in install base with 75% of devices, followed

by Apple with close to 20% and Windows, Blackberry and Symbian trailing at a combined 5%. (App Annie and IDC, June 2015, [LINK](#))

- Games represented 30% of downloads on iOS and 40% on Google Play. While the share of spending consumers grew on Google Play it stayed stable on iOS. Consumer spending on games increased notably in one year, with iOS App Store spending growing by +30% and Google Play growing by +50%. (App Annie and IDC, June 2015, [LINK](#))
- Among the Top50 mobile games multiplayer games accounted for 60% of consumer spending although they only contributed to 30% of game downloads in Q1 2015. (App Annie and IDC, June 2015, [LINK](#))
- Looking at differences by region, iOS games gained a +7.4% spending share in Asia-Pacific, while Google Play gained +1.2% in North America (Q1 2015 vs Q1 2014). (App Annie and IDC, June 2015, [LINK](#))
- Global revenue of mobile (smartphone + tablet) were \$24.5bn in 2014, and are forecasted to grow to \$30.1bn in 2015 (accounting for one third of the total games industry revenues), \$35bn in 2016 and to reach \$40.4bn in 2017, an impressive compound annual growth rate of +18%. (GMGC, Apr 2015, [LINK](#))
- Asia-Pacific region accounts for 56% (\$13.6bn) of the global mobile revenues in 2014. This is close to 3 times the revenues of the EMEA region. It also has half of the global players: 760m (51% of the total 1.5bn mobile players). (GMGC, Apr 2015, [LINK](#))
- In 2014 Google Play strengthened its lead in worldwide downloads over iOS (it has 60% more worldwide app downloads), but it is the reverse with earnings, iOS being 70% higher than Google Play in revenues. (App Annie, Jan 2015, [LINK](#))
- The 3 app store superpowers of 2014 were Japan, South Korea and the USA, collectively generating more than the combined rest of the world. (App Annie, Jan 2015, [LINK](#))
- The BRIC (Brazil, Russia, India and China) countries have more than doubled their revenue and grown their downloads by 40% in 2014.
- Games as an app category reigns supreme, it's the Nbr 1 category of 2014 for both downloads and revenue (for both Google Play and iOS). (App Annie, Jan 2015, [LINK](#))
- The UK ranks 4th worldwide in downloads and revenue for iOS, and 6th in revenue for Google Play. (App Annie, Jan 2015, [LINK](#))
- Top 3 IP crossover games worldwide of 2014 were Despicable Me, Frozen Free Fall and The Simpsons: Tapped Out. (App Annie, Jan 2015, [LINK](#))
- 2014 saw the rise of “super casual” gaming, defined by App Annie as single-tap games with short sessions. 1 or more super casual games finished in the Top10 ranking by monthly downloads for 10 out of 12 months of 2014. (App Annie, Jan 2015, [LINK](#))
- Top 3 Mobile games in 2014 were Clash of Clans (\$1.8bn), Puzzle and Dragons (\$1.5bn) and Candy Crush Saga (\$1bn). (Superdata, Dec 2014, [LINK](#))
- In 2014 1.5bn people played a game on mobile and tablet, and a third (32%, 485m) spent money in them (in Western Europe and the US only, 46% of gamers spent money. (Newzoo, Dec 2014, [LINK](#))
- In 2014, the global monthly average spend was \$4.30, for a total of \$25bn in yearly revenue. (Newzoo, Dec 2014, [LINK](#))
- While the mobile games market represented 29% of the global games market in 2014, it's anticipated to grow to a 37% share by 2017. (Newzoo, Dec 2014, [LINK](#))
- An increase in paying mobile gamers was a key driver of revenue growth in mature markets in 2014: 58% of the year-on-year growth of mobile revenues (+7.4bn) was generated by mature markets like the US, Japan and Korea. (Newzoo, Dec 2014, [LINK](#))
- Most mobile gamers are situated in the APAC region in 2014, with a revenue of \$13.5bn (more than half of the global revenue) and 740m players. (Newzoo, Dec 2014, [LINK](#))

- When looking at payers in 2014, while there is focus on iOS and Google Play, it seems Amazon is the platform that reaches the most of them (64% of customers spend, and of these 8% are big spenders). While mobile games attract both women and men, more men spend money (between 61%-65% of paying gamers on various app stores are male). Big spenders want to feel special and want a competitive advantage as reasons to start spending, and are on the lookout for new games because they have completed the current one they play. (Newzoo, Dec 2014, [LINK](#))
- The mobile market (smartphones and tablets) is forecasted to more than double over 2013-2017, going from a \$17.6bn in 2013 to \$35.4bn in 2017, a compound annual growth rate of 19%. (Newzoo, May 2014, [LINK](#))

Success stories

- Top20 of game franchises on YouTube in Feb 2015: Minecraft had 4.3bn monthly views, 40% of the the Top20 views by itself. Followed by GTA videos (1.1bn, 10% of total views) and Five Nights at Freddy's (1bn, 9% total views). The total views for Top20 was 10.8bn. Content is mostly fan-made: from 75% of all content for clash of clans to 100% for Garry's Mod. Mobile games seem to garner less % of fan-made videos than PC/console ones. (Octoly/Newzoo, Mar 2015, [LINK](#))
- YouTube: PewDiePie videos were watched 4.1bn times, he has 33.5m subscribers. This is the same number as the number of video games players in the UK in 2014 as per IAB's research, or more than 3 times the population of his home country Sweden. (MCV, Jan 2015, [LINK](#))
- Guinness Book of Records 2015: Gamer's Edition states Minecraft currently holds 4 records (not limited to Minecraft itself otherwise the number goes to 12): best-selling indie game with 18m units for PC and Mac; most popular game beta with 10m people playing; most-viewed fan film based on video game (140m views); most played Xbox Live game (as of May 2014, 1.75bn hours). (MCV, Jan 2015, [LINK](#))
- "minecraft" was the second most searched topic on Google in the US in 2014, after "music". It was the 4th in the UK (after "trailer", "songs" and "music"). (Google, Dec 2014, [LINK](#))
- 3.2m people are playing Destiny every day in 2014. This is roughly the same size as the combined populations of Greater Manchester and Liverpool. The average player plays for 3 hours, which indicates there are close to 10m hours of Destiny play per day. (Polygon, Oct 2014, [LINK](#))

Diversity

- In a survey of Americans aged 50-plus, close to four in ten (38%) are play video games. (AARP, June 2016, [LINK](#))
 - 40% of 50-plus women are gamers (vs. 35% of men) and are more likely to play daily than male gamers (45% vs. 35%).
 - This increase in female gamers trend looks like it will continue, as women (57%) are significantly more likely than men (43%) to say they play more today than they did five years ago.
 - 75% of 50-plus gamers play video games weekly, with 40% playing every day. A greater proportion of older gamers compared to younger gamers report playing video games weekly or more often (37% of 50-59 year olds compared to 43% of 60-plus say they play every day).
 - 59% play games on computers/laptops compared to 57% on phones/other mobile devices. 59% play games online.
 - The most played game types are card/tile games (48%) and puzzle/logic games (47%).

- Disney Infinity, the toys-to-life game, has achieved a more diverse audience than they initially expected, with roughly 50% male and 50% female players. John Vignocchi states that they had initially expected more male players than female (70% vs 30%), however the games diverse character set of Disney characters has seen a more equal split. He adds that this also extends the age of players, with as many non-parent and parent adults playing as 6-12 year olds and teens. This has led to a shift in marketing spotlighting both male and female characters. (MCV, September 2015, [LINK](#))
- Players diversity: while two thirds of surveyed boys identify as gamers and the opposite is true for girls, it can be a pleasant surprise to note the openness of the male demographic to female protagonists and female players. (Polygon, Mar 2015, [LINK](#))
- Looking at high school results specifically, boys are less likely to prefer to play as male characters (39%) compared to girls preferring to play as female characters (60%), they are also less likely to play a game based on the protagonist's gender than girls (20% versus 28%). (Polygon, Mar 2015, [LINK](#))
- High school boys also want to see more girls playing (87% said they'd like that) and 61% agree or strongly agree that females are too often treated as sex objects (25% remained neutral), while 83% of girls agreed or strongly agreed that this happens too often. (Polygon, Mar 2015, [LINK](#))
- Internationally, 22% of workforce in development is female. (IGDA Infographic, June 2014, [LINK](#))

Major acquisitions

- The Chinese gaming giant Tencent has bought the majority (84.3%) share of Finland's 'Clash of the Clans' / 'Clash Royale' developer Supercell for \$8.6bn. Tencent also own 'League of Legends' developer Riot Games as well as a range of investments in other well-known companies. (MCV, June 2016, [LINK](#))
- GAME has acquired UK eSports specialist Multiplay in 2015. This is in line with one of the retailers' key objectives which is to build the most valuable community of gamers. Multiplay will gain access to the 17m Reward Card holders and the 330 shops the retailer owns to hold eSports events, while GAME will benefit from Multiplay's expertise within the digital PC player market and eSports. (MCV, Mar 2015, [LINK](#))
- Microsoft bought Mojang for \$2.5bn in 2014, seemingly mainly to get access to its large fanbase of 22m cumulative total install base (Superdata, Sept 2014, [LINK](#))
- Amazon bought video game streaming service Twitch for \$970m (£585m) in 2014. The service has 55m unique monthly viewers, and brings committed players to Amazon's potential audience. (BBC, August 2014, [LINK](#))
- Facebook bought Oculus Rift for \$2bn in 2014. Facebook envisions the virtual reality device could be used more than just for games, for example for social networking. (The Guardian, July 2014, [LINK](#))

eSports

- Total global eSport revenue will reach \$892.8m in 2016, up to \$1.1bn in 2018. (Superdata, May 2016, [LINK](#))
- Although Asia still leads at \$328m (37%), North America and Europe are up to \$275 (31%) and \$269m (30%) respectively. (Superdata, May 2016, [LINK](#))
- Viewership for eSports has grown to 188m in 2015, with more than a third of American eSports fans choosing tournaments to watch based on their favorite teams and players. (Superdata, Jan 2016, [LINK](#))
- The \$748m of global revenues were broken down into 77% (\$578.6m) from indirect sources like sponsorship and advertising and 23% (\$168.9m) from direct sources, such as eSports betting

- and fantasy sites (7%, \$55.8m), prize pools (7%, \$53.8m), amateur and micro tournaments (4%, \$27.7m), merchandise (2%, \$17m) and ticket sales (2%, \$15.9m). (Superdata, Jan 2016, [LINK](#))
- 2015 also saw the expansion of eSports into the mobile platform. For instance Hearthstone's revenues and monthly active users have really grown since its launch on smartphones in April 2015: the monthly active users grew by +140% then. Another example is the mobile-only MOBA Vainglory, which was specifically created to be an eSports. (Superdata, Jan 2016, [LINK](#))
 - According to Newzoo's quarterly Global eSports Market Awareness report, eSports awareness will reach 1bn consumers in 2016, up 36% compared to 2015. From the 16 countries studied, the average awareness of eSports among gamers increased from 53.7% in 2015 to 65.7% in 2016. (Newzoo, May 2016, [LINK](#))
 - The global eSports audience will grow to 292 million people in 2016, 148m of which are "enthusiasts", playing or viewing more than once a month. In 2015, eSports "enthusiasts" were split 69% male and 54% aged 21-35yo. (Newzoo, May 2016, [LINK](#))
 - eSports revenues (from media rights, merchandise & tickets, online advertising, brand partnerships and additional game publisher investment) are set to grow to \$463m in 2016, a 43% increase from 2015, and eclipse \$1bn by 2019, a 40.7% CAGR from 2014's \$194m. (Newzoo, Mar 2016, [LINK](#))
 - eSports fans are an attractive audience for marketers, with an average income of \$69k and over half comprised of Millennials (51%). (Nielsen, Apr 2016, [LINK](#))
 - 21.3% of all hours watched on Twitch from July to December 2015 was eSports content, totalling 475.5 million hours of eSports watched across all eSports franchises. MOBAs account for 58% of the eSports viewing and a further 27% for shooters. (Newzoo, Apr 2016, [LINK](#))
 - The prize pools for 2015 should be worth \$42m, and it appears that the growing prize pools attract more viewers. (Superdata, May 2015, [LINK](#))
 - Looking at eSports audience gender: 87% is male, 13% female (could be linked to the fact only 2 of the Top 200 eSports players are female). (Superdata, May 2015, [LINK](#))
 - The average size of a transaction on eSports merchandise (apparel, headphones, mice and mousepads) is \$42.30 in key western markets. (Superdata, May 2015, [LINK](#))
 - US viewers buy 3 full games per month, and have an average \$200 monthly budget for games (44% spent on full game, 24% on in-game purchases and 32% on peripheral devices).
 - There were 89m eSports enthusiasts worldwide in 2014. 64% were regular viewers, 22% occasional participants and 15% regular participants. (Newzoo, Feb 2015, [LINK](#))
 - The global eSports enthusiasts will reach 145m in 2017, roughly equivalent to today's combined populations of France, the UK and the Netherlands. (Newzoo, Feb 2015, [LINK](#))
 - Comparing with traditional sports: there are 1.6bn people active in sports and 1.7bn players of video games. The 2014 eSports enthusiasts 89m figure compares well with the following of ice hockey (94m) and is forecasted to compare with the following of American football by 2017. (Newzoo, Feb 2015, [LINK](#))
 - 78% of hours watched on Twitch are spent watching PC games. This could change with PS4 and Xbox One having Witch integrated into systems framework and streaming much simplified. (Gamesindustry.biz and Gameloco, [LINK](#))
 - eSports are growing strong, for example with viewership (from 72m in 2013 to 101m in 2014, a 40% increase). (Superdata, Dec 2014, [LINK](#))
 - Audience: in 2014 half of all eSports viewers do not play the well-known eSports franchises such as DOTA 2, LoL, StarCraft, World of Tanks or Call of Duty. The ones who don't play prefer smaller titles, or have families and less time to play but still enjoy the suspense provided by eSports viewing: the majority of the audience is young males. This attitude is not so different to the one of people who used to play sports more and now tune in to follow them on TV or the net. Speaking of links with TV (US channels): 23% of all CNN viewers (5.5m people) also watch or participate in eSports. For MTV it's 21% and Cartoon Network 17%, as ESPN itself (also 17%). (Newzoo, Sept 2014, [LINK](#))

- In 2014, eSports audience is more likely to have paid subscriptions to Spotify, Netflix and HBO: for example eSports audience is twice as likely to have a paid subscription to Spotify than the whole player population, and close to half (46%) of the eSports audience has a Netflix subscription. (Newzoo, Sept 2014, [LINK](#))
- Dota 2 tournament The International 2014 reached an impressive prize pool of \$10.9m, more than 3 times the 2013 prize pool. This was achieved mainly thanks to money raised by the community (\$9.3m). (Ukie, July 2014)
- The Chinese eSports five-man team that won The International 2014 brought home over \$5m. (MCV, July 2014, [LINK](#))

Gaming video content

- YouTube Gaming, with both a dedicated site and apps across iOS and Android, has been launched. YouTube already dominates in terms of games focused video-on-demand with more people watching games content on YouTube than Twitch so the potential is there for serious competition, but Twitch has brushed off the threat stating that competition is good and validates gaming video as a huge market. (MCV, September 2015, [LINK](#))
- The global games video content market is worth \$3.8bn in 2015. The majority of the revenue is located in North America (39%, \$1.49bn) and Europe (30%, \$1.14bn). (Superdata, July 2015, [LINK](#))
- The \$3.8bn revenue comes mostly from indirect sources like advertising revenue and sponsorship (77%, \$2.9bn) and from direct sources like paid subscriptions (7%, \$252m) and donations (16%, \$638m). (Superdata, July 2015, [LINK](#))
- 468m people tune in to watch walkthroughs, trailers and live streams. (Superdata, July 2015, [LINK](#))
- Games video content has also become popular in Asia but piracy and TV competition inhibited revenue growth. (Superdata, July 2015, [LINK](#))
- Top content creators can earn high amounts, PewDiePie for example earned \$7.4m in 2014. (Superdata, July 2015, [LINK](#))
- The Top 10 franchises on YouTube earned a combined \$4.7bn digital annual revenue in 2014. The 3 franchises with most views were Minecraft (30.8bn views), Grand Theft Auto (11.9bn) and Call of Duty (10.1bn). The 3 franchises that earned most digital revenue in 2014 were League of Legends (\$1.3bn), World of Warcraft (\$1.2bn) and Call of Duty (\$789m). (Superdata, July 2015, [LINK](#))
- In the US in 2014, viewers donate an average \$4.6 a month to content creators. 44% of live stream viewers pay for subscriptions, spending \$21 each month on paid content. They also spend \$128 per month on games and hardware. (Superdata, July 2015, [LINK](#))
- In terms of video game content 73% of gamers watch online videos and 54% watch live video stream. A quarter (25%) of those who watch live streams do so on their mobile and 18% use their tablets. (Newzoo, July 2015, [LINK](#))
- Twitch is the current leader in live streaming gameplay and eSports (has 43m monthly views on its website), but is behind YouTube in number of creators, array of content and audience size. YouTube with its network of fans and influencers can shape and change opinions on games, and YouTube gaming will be a direct competitor to Twitch. Other competitors have appeared, like Azubu, Hitbox.tv or even Steam with Steam Broadcasting. (Newzoo, July 2015, [LINK](#))
- On Twitch, the Top 5 games by hours watched are League of Legends (81m hours watched, 1420 channels streaming the game), Counter Strike (45.4m hours watched, 839 channels), DOTA 2 (41m hours, 331 channels), Hearthstone (33m, 233 channels) and Minecraft (9.8m hours, 581 channels). (Newzoo, July 2015, [LINK](#))

Virtual reality

- Worldwide shipments of Virtual Reality hardware will reach **9.6 million units in 2016**, generating revenues of approximately **\$2.3 billion**. (IDC, Apr 2016, [LINK](#))
- Growing at a cumulative annual rate of 184%, VR shipments will reach 64.8 million units by 2020. Combined with Augmented Reality hardware, shipments will reach 110 million units by 2020. (IDC, Apr 2016, [LINK](#))

- \$2.8B has been invested in VR this year, bringing the total since 2012 up to \$8.8B (Superdata, Apr 2016, [LINK](#))
- As of April 2016, the market data company Superdata have revised their 2016 global VR hardware and software forecast down to \$2.9 billion, a 43% drop from their [\\$5.1 billion](#) projection at the beginning of the year. (Superdata, Apr 2016, [LINK](#))
- Across key countries in North America and Europe, an average of 11% of the online population between 10 and 65 state that they are planning to buy VR products in the next six months. (Newzoo, Apr 2016, [LINK](#))
- On average, men comprise 68% of those who intend to buy VR. (Newzoo, Apr 2016, [LINK](#))
- 12% of the online US population is planning to buy VR products in the next 6 months. (Newzoo, Apr 2016, [LINK](#))
- 10% of online brits intend to purchase VR within the next 6 months, with a further 26% who were undecided. (Newzoo, Apr 2016, [LINK](#))
- For US eSport enthusiasts, 56% intend to buy in the next 6 months, making up 45% of the group that intends to buy VR in that period. Occasional eSport viewers are also keen, with 24% intending to buy in the next 6 months. (Newzoo, Apr 2016, [LINK](#))
- Current VR hype is different from past attempts, in that systems will exceed the hype this time, as opposed to systems that can't live up to the hype. In past VR were more gimmicks than launchable platforms, finally it's really here. It's now realistic to do VR at consumer pricing, whereas before it was too expensive. (VR Intelligence, August 2015, [LINK](#))
- The impact of having many companies involved in VR is that they are releasing products around the same time, so we'll see a whole industry that wasn't there before. VR and AR are going to be powerful drivers in PC growth, as you need better hardware to run the new experiences. It will push the ecosystem of PCs and transform the technology landscape. Having major players involved will accelerate things, but considering a 10-year span before the technology is widely available is reasonable, as PCs will be gradually upgraded with powerful hardware. (VR Intelligence, August 2015, [LINK](#))
- The challenges developers face to develop for VR are the misunderstanding of the medium (need for managing motion sickness, mixing gameplay styles to accommodate...) and the natural behaviour of recreating genres that already exist. Sometimes inspiration can be found in sci-fi books rather than in the current market. (VR Intelligence, August 2015, [LINK](#))
- Sense of presence will be greatly improved in VR, with ability to manipulate objects directly with our hands. (VR Intelligence, August 2015, [LINK](#))
- Digi-Capital has forecasted that augmented and virtual reality will be worth \$150bn by 2020. Interestingly AR is forecasted to reach 4 times what VR will (\$120bn vs \$30bn). Digi-capital analysts state that while VR is great for games and 3D films, due to its need for full immersion you won't be able to play anywhere. AR on the other hand will be easier to play on the tube, and there's more potential market for the technology beyond games. (Gamesindustry.biz, Apr 2015, [LINK](#))
- Investments in virtual and augmented reality reached \$2.6bn and 1.3m head-mounted displays sold in 2014. Superdata estimates VR will reach 10.8m users by end 2016, of which 46% will be on PC, 28% on console and 26% on mobile. (Superdata, Feb 2015, [LINK](#))
- There are currently (Mar 2015) 200 developers working on VR projects and 15 different head-mounted displays which can be classified in 2 broad categories: PC or console devices that have highest capabilities and track head and body movement (Oculus Rift, Sony Morpheus) and mobile devices like the Google Cardboard or the Samsung Gear (the latter offering advanced features like positional tracking). (Superdata, Feb 2015, [LINK](#))
- Games make up 76% of all VR content (37% are for PC, 32% for console and 7% for mobile). (Superdata, Feb 2015, [LINK](#))
- In 2014, males are 3 times more interested in purchasing a VR device than females, and the Oculus Rift is the one that players are most aware of and most interested in purchasing. Players

looking for action and violence in games are the most interested group. The awareness of these devices is higher in the UK than amongst other EU gamers. (GameVision, Dec 2014, [LINK](#))

Crowdfunding

- When looking at the 10 most successful Kickstarter campaigns of all time by funds pledged, 2 are for video games (Torment: Tides of Numenera at \$4.2m; Project Eternity (Pillars of Eternity) at \$4m) by US companies inXile Entertainment and Obsidian Entertainment. They are in the same genre: roleplaying games, and represent 10% of total amount raised in the Top 10 and 18% of total backers. On average, each backer donated \$55. Additionally, a 4th item in the Top10 linked to video games is the video game console Ouya, which raised \$8.6m and was supported by 63k backers. (Kickstarter, Apr 2015, [LINK](#))
- When looking at the 82 crowdfunding projects which raised above \$1m, across multiple crowdfunding platforms (Kickstarter, Indiegogo, Bitcoin, Companisto, FundAnything, World of Mass Development, own independent funding), video games is the largest category with 20 projects (24% of total), followed by Movies (8) and Technology (4). The total amount raised for video games was \$127.9m (amongst these 82 projects above \$1m): interestingly the total target for these video games campaigns was \$19.1m, so the campaigns raised more than six times the money asked for initially. The average amount raised by a video game crowdfunding campaign was \$6.4m. (Wikipedia, Apr 2015, [LINK](#))
- In 2014, 80% of players that backed a crowdfunding campaign were male. They buy more games, spend more time gaming and are active on twice as many consoles as the average gamer. (GameVision, Dec 2014, [LINK](#))

UK VIDEO GAMES MARKET

Relevance

- The UK is estimated to be the sixth largest video game market in 2015 in terms of consumer revenues, after the China, the US, Japan, South Korean and Germany. The UK market is estimated to be worth \$3.5bn. This figure excludes hardware sales and tax (Newzoo, April 2016, [LINK](#))
- The UK will retain its position as the sixth market worldwide for video games consumption by 2018. The UK market is forecasted to grow to reach \$3.7bn. (Newzoo, Sept 2015, [LINK](#))
- The UK games industry grew by 5% to £4.19bn in 2015, up from £3.94bn in 2014. Growth has slowed slightly from 2013-2014, when it was up 13% from £3.48bn (MCV and Ukie, Feb 2016, [LINKS for 2015, 2014](#))
- This makes 2014 the second most successful year for videogames in consumer spend after 2008. (MCV and Ukie, [LINK for 2014](#) and [LINK for 2013](#))
- The industry's biggest consumer market revenue streams in 2014 were Digital Console and PC (£1,048m, +18%, split between £573m for consoles and £475m for PC), Boxed Software (£935m, -6%), Consoles hardware (£915m, +46%, thanks to strong PS4 and Xbox One sales) and Mobile gaming (£548m, +21%). (MCV and Ukie, [LINK for 2014](#) and [LINK for 2013](#))
- In the 6 months prior to 10th April 2016, people who bought Toys to Life spent an average of £59.77 on figures. 61% of people who bought a starter pack in the last 6 months also bought at least one additional figure. TTL shoppers also spent £36.99 on average on other new boxed games. (Kantar, May 2015)
- Books based on video games were worth £14.5m in 2014, a rise of almost £10m from 2013, driven by the success of Minecraft books which totalled almost 2m units sold. (MCV and Ukie, [LINK for 2014](#) and [LINK for 2013](#))
- Biggest videogame based DVD in 2014 was Need for Speed (£3.4m), biggest game soundtrack was from GTA V (£23k). (MCV and Ukie, [LINK for 2014](#) and [LINK for 2013](#))
- Minecraft books by themselves were worth more than £2.5m in 2013. (MCV and Ukie, [LINK for 2014](#) and [LINK for 2013](#))
- Games industry spent £107m in marketing during Christmas 2014, mostly through TV ads (up 50% year-on-year) and digital ads, for example in Twitch. It's a drop from 2013 (£128m) but that figure was due to the launch of games consoles. In 2012, more comparable, there was a \$99m marketing spend. (MCV, Nov 2014, [LINK](#))
- Games sold more than video or music in 2015. The games market grew by +10% to reach £2.8bn, while video grew by +1.5% to reach £2.2bn and music by +3.5% to reach £1bn. (ERA, Jan 2016, [LINK](#))
- While physical boxed software sales decreased by -2.2% (to reach £928m), the digital sales grew by +17.1% (to reach £1,899m). (ERA, Jan 2016, [LINK](#))
- Games represented 46% of the combined games, video and music entertainment market in 2015. (ERA, Jan 2016, [LINK](#))
- UK is the Nbr1 territory for pre-orders across EU (23% of UK players stated they pre-ordered a title in the last year). (MCV and Ipsos MediaCT, Apr 2015, [LINK](#))
- Consoles popularity: UK is number 2 in the world just after France in console popularity with 71% of all players (24.5m) playing also on console in 2013. (Newzoo, Dec 2013, [LINK](#))
- From 2008 to 2014, in 6 years, the total number of games stores has decreased by a quarter (-26%, from 7,609 to 5,665). However the decline has halted in 2014, with 5,665 stores selling games in 2014, compared to 5,590 in 2013. (ERA Yearbook 2014, Feb 2015)
- Supermarkets represent half (49%) of all game-selling physical stores, followed by general multiples (24%) and game and software specialist stores (11%). The supermarkets are the only type of stores that has grown (by +36% in 6 years), while for example game and software

specialists stores have decreased by -43% (from 1,042 to 599). (ERA Yearbook 2014, Feb 2015)

- There are now 22 digital games services (including mobile, social and cloud) in the UK. (ERA Yearbook 2014, Feb 2015)

Geography of the UK industry

- There are 1,902 video game companies in the UK in 2014. (Nesta, Sept 2014, [LINK](#))
- Between 2011 and 2013, the number of games companies grew yearly by 22%. (Nesta, Sept 2014, [LINK](#))
- 95% of UK video games companies are micro or small businesses in 2014 (Gov.uk, Mar 2014, [LINK](#)).
- Nesta states that the vast majority of firms in their dataset are micro and small businesses in 2014. (Nesta, Sept 2014, [LINK](#))
- For companies that report employee data (6% of Nesta dataset), the mean number of employees is 120 and the median 49 in 2014. (Nesta, Sept 2014, [LINK](#))
- The industry is mostly concentrated in London and the south of England (54.6% of all companies). However the Midlands and the North of England (with respectively 20.1% and 17% of all companies) have a higher presence of video games companies than other creative industries in 2014. (Nesta, Sept 2014, [LINK](#))
- Amongst 18 travel to work area (TTWA) identified as having a critical mass of more than 20 games companies, 12 have been identified as having high levels of games concentration (in employment or company number) in 2014: Brighton, Cambridge, Cardiff, Guildford and Aldershot, Edinburgh, Dundee, Liverpool, London, Manchester, Oxford, Sheffield and Rotherham, and Warwick and Stratford-upon-Avon. (Nesta, Sept 2014, [LINK](#))

UK Crowdfunding

- Looking at UK Kickstarter video games projects, between Sept 2011 and Jan 2015, 119 (18% of total) projects were successful in reaching funding target, raising £5.5m. (Nesta, Feb 2015, [LINK](#))
- 5 projects raised 60% of the total funds. They were (Nesta, Feb 2015, [LINK](#)):
 - Elite: Dangerous (£1.6m)
 - Project GODUS (£527k)
 - Broken Sword – the Serpent’s Curse Adventure (£479k)
 - Carmageddon: Reincarnation (£402k)
 - War for the Overlord (£211k)
- The top 25% of projects raised 91% of the funds, similar to other creative markets usually dominated by a few blockbusters followed by projects with smaller budgets. While shooters, sports games and adventure arcade games dominate the consumer charts, it’s strategy, adventure, “other” and multigenre that lead on Kickstarter, which hints at platform’s potential for niche games. (Nesta, Feb 2015, [LINK](#))

UK Digital market

- The PC digital market in 2014 was worth £741m (this includes DLC, MMO and social games revenue), the console digital market £118m and mobile £548m. (Superdata, MCV Issue 829, Apr 2015)

- Digital segments' audience that grew most over the past 4 years (until 2014) have been the social segment (from 13m monthly active users to 31m users, and free-to-play MMO going from 8m to 13m users). (Superdata, MCV Issue 829, Apr 2015)
- 81% of Total War: Attila units sold in its 1st week were digital copies. (MCV, Mar 2015, [LINK](#))
- Digital and online game sales were up from £891m to £1,048m in 2014, an 18% increase. (MCV and Ukie, Feb 2015, [LINK for 2014](#) and [LINK for 2013](#))
- Digital points cards were worth £158m in 2014, of which £26m were generated by points cards for specific individual titles. (MCV and Ukie, Feb 2015, [LINK for 2014](#) and [LINK for 2013](#))
- The digital sales of games (£1.9bn) are bigger than the combined digital sales of video and music (£1.3bn). (ERA, Jan 2016, [LINK](#))

UK Mobile market

- The UK is the EU country with the highest mobile games jobs in the EU-28, with 5,000 full-time employees. (Deloitte and ISFE *Mobile Games in Europe*, September 2015)
- Household device ownership in Q1 2015: 44% households own an iPhone, 46% and Android phone and 12% a Windows phone (GameTrack (ISFE/Ipsos MediaCT) – Quarter 1 2015)
- Mobile gaming revenue stream (download-to-own apps and in-app purchases) grew by 21.2% to £664m in 2015, up from £548m in 2014. Similar growth was seen 2013-2014, up 21% from £452m (MCV and Ukie, Feb 2016, [LINKS for 2015, 2014](#))
- In the UK in 2014, 41% of players pay when playing mobile games. 5% of these payers are big spenders, lower than the 6% average for the 10 countries displayed in the report. It's apparently opinion that gets people playing a game: 36% of UK players start a game because a friend or relative recommended it, and 35% because it had good reviews. Interestingly the UK is the country amongst the 4 measured on this where audience rely the most on good reviews to play. (Newzoo, Dec 2014, [LINK](#))
- Looking at smartphones sales in the UK, for August-October 2014, the sales share was 52.3% for Android, 39.5% for iOS (iPhone 6 launch boosted sales), 7.7% for Windows phone and 0.3% for BlackBerry and Others. (Kantar Worldpanel, Dec 2014, [LINK](#))
- 30% of the total UK game revenue is generated via apps games in Q3 2015. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- 10.2m (21%) of 6-64 year old play on smartphones and 8.4m (18%) on tablets in Q3 2015. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- 64% of all the UK video game companies focus on iOS for iPhones and iPads in 2014. ¾ of companies formed in the 2010s focus on these platforms. (Nesta, Sept 2014, [LINK](#))
- Growth in women playing games (now 52% of all players in 2014) has been driven by free games, primarily mobile apps. 6 in 10 (61%) games acquired in the last 6 months were free, and apps are now the most popular video game format played by 55% of the online population, followed by online games (48%) and disc-based games (40%). (IAB, Sept 2014, [LINK](#))
- Smartphones are the most popular device for playing games in 2014 (54% people aged 8-74 play on it), followed by computer (51%), consoles (45%) and tablets (44%). (IAB, Sept 2014, [LINK](#))
- The free apps with in-app purchase model is king, representing 76% of the revenue share of the UK for apps in 2014. (Distimo, Feb 2014, [LINK](#))
- In terms of revenue per download, the UK is best positioned in western Europe with a potential profit of \$0.47 per download. The UK is more profitable than Germany, United States and China in 2014. (Distimo, Feb 2014, [LINK](#))
- The UK is increasingly successful at producing games for social and mobile platforms. Key examples include Monument Valley by ustwo, the winner of 14 awards; The Room, produced by Fireproof Studios, which was awarded the App Store's iPad Game of the Year in Apple's 'Best of 2012' line-up; Candy Crush Saga, by King, which in November 2013 reached 500m installations on mobile and Facebook. (Ukie)

- Over nine-tenths of new UK games companies are working exclusively or in part on network gaming in 2013, such as mobile, massively multiplayer and social gaming. 37 per cent of all UK studios are now primarily focused on mobile – up from 19 per cent in 2010. For studios founded between 2011 and 2012, this figure rises to 53 per cent. (TIGA, 2013, [LINK](#))

Exports and Imports

- The UK games sector generates £2bn in global sales each year in 2010 (32) and contributes more than £1bn to national GDP in 2013. (TIGA, June 2014, [LINK](#))
- 95% of UK games businesses export at least some of their products/services to overseas markets in 2012. (TIGA, 2012, [LINK](#))
- UK game developers export their products all over the world. The USA, China and Japan are the top three target markets for UK developers wanting to expand their business in 2010. (Nesta, Feb 2011, [LINK](#))
- The UK is a leading investment destination for overseas games companies. Recent examples of overseas investment include Warner Bros' acquisition of Traveller's Tales, makers of such titles as LEGO Batman, LEGO Star Wars and LEGO Harry Potter. (Ukie)

STRENGTHS OF THE UK MARKET

Job market and economic contribution

- In 2013, the core UK video games sector (video games made wholly or partially in the UK) supported 12,100 FTEs of direct employment. This is split into 9,400 FTEs in development, 900 in publishing and 1,800 in retail. (BFI, Feb 2015, [LINK](#))
- In 2013, the core UK video games sector (video games made wholly or partially in the UK) contributed £755m in direct GVA. This is split into £639.1m in development, £63.3m in publishing and £53m in retail. (BFI, Feb 2015, [LINK](#))
- In 2013, taking into account the total economic contribution (including multiplier and spillover effects) the core UK video games sector (video games made wholly or partially in the UK) supported 23,900 FTEs of employment, generated £1.4bn in GVA and contributed £429m to the Exchequer. (BFI, Feb 2015, [LINK](#))
- When looking at regional distribution of employment in 2013: for development most FTEs are in London (27%), the South East (21%), the East of England (10%) and West Midlands (10%). For publishing most FTEs are in the South East (32%), London (31%), the East of England (18%) and West Midlands (7%). (BFI, Feb 2015, [LINK](#))
- There are 1,902 video game companies in the UK in 2014 (Nesta, Sept 2014, [LINK](#))
- In 2013 the UK video game development sector was back on track with levels last seen in 2008, with a 7% rise representing a five-year high. This was driven by 3 factors: explosion of mobile and tablet devices created a significant market for games and hence jobs created; surge of small start-up companies following the closure of big console focused studios; Games Tax Relief already stimulating growth by reducing the cost of making games and incentivising investment and job creation. (TIGA, June 2014, [LINK](#))
- The Tax Relief introduced in 2014 will reduce the cost of development activity in the UK by up to 25% and is expected to be worth £25 million per year for the industry. (TIGA, June 2014, [LINK](#))
- The UK flourishes as a start-up scene for games developers. Over half of the studios in the UK started up in the last four years, with 338 studios starting up between 2008 and 2012. 83 per cent of all studios that started up in 2011 and 2012 are independent (as opposed to publisher owned). (TIGA, 2013, [LINK](#))
- Over two-thirds of UK games developers are self-publishing in 2013. (TIGA, 2010, [LINK](#))

Qualified workforce

- The UK games industry workforce was 10,300 in 2015, with freelancers represent 16% of the 2015 workforce. Freelancers tend to feature more in technical roles, such as audio, sound and music (49%), animators (39%) and production (30%). (Creative Skillset, Apr 2016, [LINK](#))
- In 2014, 86% of the workforce is permanent staff, and 14% freelance. This 14% is amongst the lowest of the creative media sectors. (Creative Skillset, May 2015, [LINK](#))
- The average annual income in the games workforce is £34,200, a +11% increase since 2010 and £300 higher than the creative media industry (£33,900). (Creative Skillset, May 2015, [LINK](#))
- The games workforce has the youngest profile in the creative media industry: 68% are below 35 years old, compared to 48% in the overall creative media industry or 35% of the UK working population. Age profile of women working in games is even younger, with 79% being under 35 years old. (Creative Skillset, May 2015, [LINK](#))
- UK higher education is a strong supporter of the games industry. 60 universities/colleges provide 215 undergraduate and 40 master video game courses throughout the UK in 2014. 23% of the courses are in London, 18% in the West Midlands and 16% in Yorkshire and the Humber: these 3 regions cover 57% of all courses provided. The top 3 universities in number of courses

provided are: Staffordshire University (29 courses), University of East London (17 courses) and Sheffield Hallam University (16 courses). (Creative Skillset, Jan 2015) Providers include the University of Abertay in Dundee, widely regarded as a centre of excellence for the games industry. (Ukie)

- In 2012/2013 there were 3,125 students taking games as a subject of study (and potentially more enrolled in other subjects doing courses related to games). (HESA, Students by subject 2012/2013, [LINK](#))
- The computer games workforce is highly qualified, with 63% having a degree compared to 57% of the wider Creative Media workforce and 37% of the wider UK economy in 2011. (Creative Skillset, 2011, [LINK](#))
- The UK games industry actively nurtures innovative new talent. Examples include annual talent competition Dare to Be Digital, whose outcomes feature at major international awards ceremonies around the world. (Ukie)

Diversity

- 19% of the industry workforce is female, compared to the UK average of 45%
 - Women tend to be under-represented in more technical roles, such as technical development (9%), in audio, sound and music (7%) and in creative development (5%).
 - Women tend to be better represented in more business-oriented roles, such as legal (56%), business management (36%) and distribution, sales and marketing (31%).
 - In the strategic management roles, women are represented more (27%) than the industry average but still less than the average across the UK workforce. (Creative Skillset, Apr 2016, [LINK](#))
- Only 4% of the industry workforce is from BAME groups, lower than the UK average (10%) and much lower than the London average (35%). Considering the industry's concentration in London (37%), this highlights the underrepresentation of these groups.
 - Representation for BAME groups is low in art and design (2%), animation (2%) technical development (2%) and production (2%) and is reported at 0% for content development roles.
 - BAME groups tend to be represented better in legal roles (11%) and in strategic management positions (13%), both above the UK average but still below the London average for these groups. (Creative Skillset, Apr 2016, [LINK](#))
- 45% of women in the industry feel that their gender is a limiting factor in their career progression. (Next Gen Skills Academy, Jan 2015, [LINK](#))
- 33% of women experienced direct harassment or bullying because of their gender. (Next Gen Skills Academy, Jan 2015, [LINK](#))
- 84% women believe good practices are in place to ensure equal treatment of men and women. (Next Gen Skills Academy, Jan 2015, [LINK](#))
- 94% women feel more is needed to help women establish their personal brands and find their voice in industry. (Next Gen Skills Academy, Jan 2015, [LINK](#))
- Diversity: 14% of games sector employees are women, 5% are of BAME ethnicity and 7% are disabled in 2014. (Creative Skillset, Introducing Creative Skillset presentation, Oct 2014)
- Diversity of higher education students: 29% of games courses students are female, 22% of BAME ethnicity according to HESA student record 2011/2012. (Creative Skillset, Mar 2014, [LINK](#))
- 33% of CEOs in the games industry are women in 2014. (Creative Skillset, Mar 2014, [LINK](#))
- 62% of companies have a policy for diversity in 2014. (Creative Skillset, Mar 2014, [LINK](#))
- 49% believe that having a diverse workforce is important or very important in 2014. (Creative Skillset, Mar 2014, [LINK](#))

Success stories

- In 2014, GTA V became the number 1 title of all time in the UK, both in terms of units sold (5m) and revenues (£208m). (GfK Chart-Track, All time Top 10 Individual Format Games, Q4 2014)
- When looking at the Top 20 Entertainment Products of 2013 in the UK, Grand Theft Auto V was the leader with 3.67m units sold, ahead of Skyfall (2.96m units on DVD and Blu-ray). The third product in units sold was FIFA 14 (2.66m units sold) ahead of The Hobbit DVD and Blu-ray (2.07m units) (MCV, Jan 2014, [LINK](#))
- The success of GTA V is also impressive when compared to box office ticket sales: if we look at sales for GTA V in 2013, boxed sales for XB360 and PS3 only, it reached £137.8m in 2013 (GfK Chart-Track as source). Now, this is higher than the 3 biggest box office movies of 2013 (Despicable Me 2, The Hobbit: The Desolation of Smaug and Les Misérables). These 3 movies totalled a £129.9m (BFI as source). (Ukie, 2014)
- GTA V made \$1bn worldwide in 3 days in 2013, faster than any other entertainment product including movies (MCV, Sept 2013, [LINK](#))
- Leading video games such as Elite, Tomb Raider, Grand Theft Auto, RuneScape, LittleBigPlanet, Moshi Monsters, Tearaway, Batman Arkham trilogy, Thomas was Alone, Worms, Until Dawn, Fable, Populous and Goldeneye are the brainchildren of UK developers. (Ukie)
- The UK hosts the European headquarters for a large number of overseas games companies, including Microsoft, Sony, Konami, Take-Two, to name just a few. (Ukie)
- UK games designers have created new genres, from massively multiplayer online games to god simulations, inspiring new industries and the next generation of developers. They also lead in the development of other genres, including real-time strategy, racing and role-playing games. Examples include Jagex, developer of RuneScape, the most popular free-to-play multiplayer game in the world. (Nesta, Feb 2011, [LINK](#))
- The UK has a world-class reputation for its robust and advanced middleware. In addition to the talent brought to the industry by an international workforce, UK games companies boast internal research and development programmes that ensure technological excellence. (TIGA, Games Britain, 2011, [LINK](#))

UK PLAYERS DEMOGRAPHICS

Players

- GameTrack estimate is that there are 20m people of the 6-64 old population playing games in the UK in Q3 2015, or 42%. The age bracket with most players is the 6-10 year old group, where 74% play games (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- The 6-64 year old player population is subdivided thus: 58% Male and 42% Female. 26% of all players are 15-34 year old males. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- Demographic detailed breakdown: Males: 7% are 6-10 year olds; 6% 11-14 year olds; 13% 15-24 year olds, 13% 25-34 year olds; 9% 35-44 year olds; 10% 45-64 year olds. Females: 6% are 6-10 year olds; 4% 11-14 year olds; 10% 15-24 year olds; 7% 25-34 year olds; 6% 35-44 year olds; 9% 45-64 year olds. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- On average, the 11-64 old player spends 8.8 hours per week on games in Q3 2015. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- Formats (for all 6-64 year olds): 24% (11.7m) play packaged games, 22% app games (10.4m) and 23% (10.7m) online games in Q3 2015. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- Devices (for all 6-64 year olds): 26% (12.3m) play on consoles, 24% (11.6m) on computers, 21% (10.2m) on smartphones, 18% (8.4m) on tablets and 10% on handhelds (4.8m) in Q3 2015. (GameTrack (ISFE/Ipsos MediaCT) – Quarter 3 2015)
- There are 36.4m players in the UK. 61% of them spend money, an average annual spend per player of \$160. (Newzoo, July 2015, [LINK](#))
- 33.5m (69%) of the 8-74 year old population plays games in 2014. (IAB, Sept 2014, [LINK](#))
- 5.9m (99%) of the 8-15 year olds play in 2014, we have more young people playing games in the UK than Denmark's entire population. (IAB, Sept 2014, [LINK](#) and Ukie)
- 52% of players are female in 2014, compared to 49% 3 years ago. This is driven by free games, primarily mobile apps. (IAB, Sept 2014, [LINK](#))
- On average players spend 14 hours a week playing games in 2014. Kids aged 8-15 spend most time playing at 20 hours per week on average. (IAB, Sept 2014, [LINK](#))
- The average Briton spends 6 hours per week playing games in 2014, just over 11% of the 52 hours of media consumption a week. The same share as social media, slightly less than listening to music (14%). (IAB, Sept 2014, [LINK](#))
- Genres: In 2014 1/3 of survey respondents overall cited trivia/word/puzzles as their favourite game genre, compared to over half (56%) of women at least 45 years old and half of women aged 25-44. Action/adventure/shooter games are the next favourite, cited by 18% of all respondents, rising to 45% of 16-24 year old males and 26% of men 25-44. (IAB, Sept 2014, [LINK](#))
- Players aged 11-64 years (17.4m people) spend over 153m hours each week playing games, or 8.1bn hours per year. (Extrapolated from GameTrack Q3 2015 data)
- There are 34.7m players in the UK in 2013. 8.2m play on 4 screens – computer, personal phone, entertainment (TV, console) and floating (handheld, tablet). (Newzoo, Dec 2013, [LINK](#))
- Newzoo's estimate of 34.7m players (28) means 55% of the UK population plays games in 2013. (Ukie, Dec 2013)
- British consumers average 43 hours a month online – one in every 12 waking minutes. (IAB and PwC, Oct 2013, [LINK](#))

Purchasing behaviour

- By mid-November 2014, the majority of spend on boxed games comes from games bought to give to others, and in December 2014 alone gifted games were worth £128m. (Kantar Worldpanel, Dec 2015)
- The pre-owned games market is worth £126.3m in the latest year (52w/e 2nd August 2015), growing by 25%. There are 3.2m pre-owned games buyers. Pre-owned games buyers are increasing their spend on this format - they have on average spent an extra £10 each, with the average spend per buyer on preowned up to £40 from £30 last year. They are important across video games markets, with nearly ¾ (72%) of pre-owned video games shoppers having also bought mint physical games in the last year. (Kantar Worldpanel, Oct 2015, data looking at 52 w/e 2nd August 2015)
- Pre-ordering plays a significant part in today's game market, with 1 in 4 gamers opting to pre-order a game over the last year. The level of interest found in gaming, which equates to £145m in annual sales, is vastly higher to that of other home entertainment markets; pre-ordering levels in games are 5 times bigger than in both music and film markets. Online is the key channel for pre-orders, accounting for 65% of orders versus its usual market share of 32%. Customers that pre-order are incredibly valuable to the market, spending £235 on games in the last year (more than double that of the average games consumer). (Kantar Worldpanel, Oct 2015, data looking at 52 w/e 2nd August 2015)
- If you look at the entire games market, across physical and digital, mint and pre-owned, women account for 40% of all shoppers, which is the equivalent of 4.3 million shoppers. (Kantar Worldpanel, June 2015, data looking at 52 w/e 12th April 2015)
- On average they spend less in total than their male counterparts, £78 a year on average vs. £119 for men. The stark contrast in spend is in turn driven by simply buying fewer titles, around 4 a year for women and 7 for men. (Kantar Worldpanel, June 2015, data looking at 52 w/e 12th April 2015)
- Women are generally less likely to personally use Generation 8 consoles (Xbox One and PS4): 2% vs. 12% for men, but are more likely to use handheld devices (11% vs. 9% for men). However, 12% of women have a Generation 8 console in their household available to them, 27% for handheld. (Kantar Worldpanel, June 2015, data looking at 52 w/e 12th April 2015)
- 55% of female game buyers are only ever buying games for other people. (Kantar Worldpanel, June 2015, data looking at 52 w/e 12th April 2015)
- During the last year before August 2014, more than a quarter (26%) of all physical games spend was for teens (13-19 year old), either via their own purchase or purchase made by others (mainly parents). This is more than the spending for DVDs and physical music combined (13% and 12% respectively spent for teens). (Kantar Worldpanel, Aug 2014)
- During the last 52 weeks prior to the 28th of September 2014, 18.2% of the population has bought at least one game. (Kantar Worldpanel)
- During the last 52 weeks prior to the 28th of September 2014, the average games shopper has bought 3.2 games, and spent over £89 on mint games. (Kantar Worldpanel)
- During the last 52 weeks prior to the 28th of September 2014, the 25-29 year olds spent most on games, with an average spend of £112. (Kantar Worldpanel)
- During Q4 2013, gifting accounted for 46% of total spend of Mint Games with the average gifter spending £52.21 during this period. (Kantar Worldpanel, Dec 2014)
- Over 3,438,000 of us bought a Mint Game as a gift during Q4 2013. (Kantar Worldpanel, Dec 2014)
- 35% of all games buyers bought a pre-owned title in 2014 – on average buying 3 pre-owned games throughout the year. Those who did purchase a pre-owned title spent on average £32.50 and 41% of the pre-owned purchases last year were planned purchases. (Kantar Worldpanel, Feb 2015)

Education and serious games

- Parents and games in 2012: (ISFE, Nov 2012, [LINK](#))
 - 61% of parents have children who play games.
 - 43% of parents play games with their children.
 - 5 main reasons why parents play games with their children: 42% play to spend time with them, 41% play because their children ask them to, 39% play because it's a fun activity for all the family, 36% play because they enjoy playing with them and 20% play because it has health and fitness benefits.
 - 70% believe that their children have more fun by playing games.
 - 62% believe that their children are more competitive by playing games.
 - 55% believe that their children develop more skills by playing games.
 - 46% believe that their children spend more time alone by playing games
 - 39% believe that their children are more creative by playing games.
- The UK games industry is one of the leading players in the use of gaming technologies in education. Its interactive learning software is distributed around the world, and the UK showcase event, Bett, is the one-stop shop for both curriculum-based and lifelong learning content. (Ukie)
- The UK is a world leader in creating games that both entertain and educate children. Key examples include Moshi Monsters, a globally successful online game made by British entertainment company Mind Candy, and games made by Yellow House English, which help teach English as a foreign language to very young children. (Ukie)
- The UK hosts the best-established serious games scene in the world. A fifth of UK games developers produce serious or educational games, including Caspian Learning, Digital 2.0, PIXELearning and PlayGen (TIGA, 2010, [LINK](#)). The Serious Games Institute at Coventry University aims to develop and distribute games for learning throughout the world and studies the crossing of games into learning experiences for other industries, while organisations such as Learning Without Frontiers are committed to bringing developers and educators together, as well as highlighting the role of video games in learning. (Ukie)
- The UK games industry engages with social issues, working with charitable organisations, leading academics and government bodies to produce widely distributed research. It also contributes to the voluntary Pan-European Game Information (PEGI) ratings system. (Ukie)

PEGI Awareness

- In 2014, a total 1,685 games received a PEGI rating (1,542 in 2013). There were 254 games rated 16+ and 188 rated 18+, respectively 15% and 11.1%. This means close to three quarters of new games released: 1,243 (73.9%) were rated fit for a 12+ or younger audience. (ISFE, PEGI Annual Report 2014)
- In terms of PEGI game content descriptors, the 5 that appeared most in games in 2014 were "Violence" (64.9% of games released in 2014), "Online" (29.3%), "Bad Language" (21.5%), "Fear" (10.9%) and "Sex" (3.8%). (ISFE, PEGI Annual Report 2014).
- In 2012, 67% of survey respondents are aware of ANY age rating system for videogames (ISFE, Nov 2012, [LINK](#))
- In 2012, 20% are aware of PEGI age rating system for videogames. So it can be said that while 2/3 respondents are aware of an age rating system for games, only 1 in 5 are aware of PEGI ratings. (ISFE, Nov 2012, [LINK](#))
- However awareness of the PEGI age ratings increases to 50% after prompting with images. When prompted:

- In 2012, 50% are aware of PEGI age rating symbols (ISFE, Nov 2012, [LINK](#))
- In 2012, 22% are aware of PEGI content symbols (ISFE, Nov 2012, [LINK](#))
- In 2012, Vast majority of respondents agree that both sets of symbols are CLEAR and USEFUL (ISFE, Nov 2012, [LINK](#))
- In 2012, 71% agree PEGI ratings should apply to app games and games on social network sites (ISFE, Nov 2012, [LINK](#))
- In 2012, 1 in 5 believe that the age rating system for games should be stricter than movies, although the majority (55%) believe the same level of strictness should be applied to both. (ISFE, Nov 2012, [LINK](#))

OFCOM COMMUNICATIONS REPORT

- 82% of UK adults have now access to the internet in 2014. (Ofcom, Aug 2014, [LINK](#))
- Households with broadband were 16% in 2004 compared to 77% in 2014, and there are 6.1 superfast broadband connections in the UK (26.7% of all connections). (Ofcom, Aug 2014, [LINK](#))
- 4G in 2014 is available on all four mobile network operators and has 6m subscriptions. (Ofcom, Aug 2014, [LINK](#))
- Device-wise in 2014, tablet computers are growing fast: take-up has almost doubled over the past year, from 24% to 44% households and 60% of children 6-11 years old use them each week. (Ofcom, Aug 2014, [LINK](#))
- In 2014, while there doesn't seem to be a difference in the take-up of various communication platforms there is one in their use, as 60% of the 16-24s use internet for news, while only 21% of the 55+ do so. Also, they spend longer on social media: 1h24mn compared to 51mn for all adults. (Ofcom, Aug 2014, [LINK](#))

OTHER INTERNATIONAL MARKETS

North America

- North America is the second largest region with estimated revenues of \$25.4 billion in 2016, a YoY growth rate of 4.1%. (Newzoo, May 2016, [LINK](#))
- In 2015, Paypal (32%) and Visa (21%) dominate the popular payment brands in the US for digital games. Mastercard comes a distant third at 8.2%. (Superdata, Apr 2016, [LINK](#))
- Mobile gaming market continues to grow with 141.9m gamers (+27% from 2013) who spent an average \$32.65 in 2014, for a total \$4.6bn revenue. Gamers that play both on smartphone and tablet drive majority of revenues, as they have a higher average yearly spend (\$48.45). The majority of revenue is indeed still generated by 6% of spenders (8m, spending an average of \$293.70 per month), who generate half (51%) of mobile gaming revenue. Close to half (45.7%) of players don't pay to play. (EEDAR, June 2015, [LINK](#))
- In the US audiences for iOS, Android and PC/Mac, for the period Q3 2015 there was an almost exactly evenly-split between male and female players. PC/Mac players were statistically older, with 59% aged 45+. (App Annie / IDC, Mar 2016, [LINK](#)).
- In North America, more than half of mobile and tablet players are female (56%). The average age of player is 27.7 years old, a decrease from the previous data, which is attributed to more affordable smartphone devices on the market becoming available to younger consumers. (EEDAR, June 2015, [LINK](#))
- Casual mobile gamers tend to be younger (26 years old) and more likely to be female (70%) while core gamers tend to be older (30 years old) males (58%). These core gamers tend to be the biggest evangelists for mobile games (75% are also active sharers compared to 23% of casual mobile gamers). (EEDAR, June 2015, [LINK](#))

Latin America

- Latin America will reach \$4.1 billion in 2016, an impressive 20.1% YoY increase. Mobile games will generate \$1.4 billion, up significantly from \$900 million last year. (Newzoo, May 2016, [LINK](#))
- Digital games market in Latin America was worth \$3.6bn in 2013 and is estimated to be worth \$4.5bn in 2014 and \$5.3bn in 2015. The \$4.5bn in 2014 represents 10% of the worldwide digital games market and is forecasted to grow to become 16% in 2015 (Superdata, Oct 2014, [LINK](#))

- In 2014, Mobile gaming is the largest segment in digital, at 43%, followed by social (Facebook for example) gaming at 27%. (Superdata, Oct 2014, [LINK](#))
- In 2014, the digital spender in Latin America pays an average of \$88 during time spent on a game, which lasts 5.5 months on average. Bank transfer payments are the most popular payment method (24%), closely followed by mobile payment (21%) whose popularity is rising, and credit cards (20%). (Superdata, Oct 2014, [LINK](#))
- In 2014, Brazil has a market share of 35%, followed by Mexico at 22% and Argentina at 15%. (Superdata, Oct 2014, [LINK](#))
- In 2014, Brazil has seen amazing growth in social (+35%) and mobile (+25%) digital gaming in 2014, and pay-to-play MMO is losing players to free-to-play titles such as Planetside 2. In this specific F2P segment, MOBAs have grown their market share the most, from 12% in 2013 to 23% in 2014. (Superdata, Oct 2014, [LINK](#)).
- In 2014, Brazil dominance in market share is slightly decreasing due to higher than average spending in other Latin America countries and a boom in broadband and smartphone penetration which allow them to grow their market share. (Superdata, Oct 2014, [LINK](#))
- In 2014, in the region high import taxes on consoles and PC games inflate prices, which are 60%-150% higher than in the US. (Superdata, Oct 2014, [LINK](#))

Eastern Europe

- The Digital market is worth \$2.2bn in 2014. Interestingly the 3 key countries cover a 84% share at \$1.9bn. Russia is a clear leader, with a 50% share (\$1.1bn). (Superdata, Dec 2014, [LINK](#))
- The digital market saw a +7% growth in 2014 vs 2013, with free-to-play MMOs (\$794m, +6%) and social games (\$451m, +16%) having the largest market share. Social games also grew strongly - localization seems to be key. Pay-to-play MMO decreased by -6%, but shows a slower decline than in other regions. Digital PC (\$267m, +9%) grew thanks to full game conversion and average revenue per paying user - there's wariness toward regular in-game payment and full game spending is preferred. (Superdata, Dec 2014, [LINK](#))
- In 2014, Digital Console, smallest market share in region, still grew the most in percentage terms (+23%). (Superdata, Dec 2014, [LINK](#))
- In 2014, Mobile, a hype segment in Asia (+30% there) and the third largest in Eastern Europe (mostly Android), still has potential for growth in Eastern Europe, which faced small mobile penetration and doubts about payment security so far. (Superdata, Dec 2014, [LINK](#))

Asia digital market

- Asia's digital games market is expected for 2015 to be worth \$19.6bn (+5% from 2014, expected to grow by +8% in 2016) and is dominated by Japan (45% market share, driven by high spending on mobile), followed by China (38%) and South Korea (11%). (Superdata, Apr 2015, [LINK](#))
- These 3 countries represent the vast majority of revenues for the region (94%). Mobile (especially in Japan) is the highest revenue generator (59%) followed by F2P MMO (17%, 4 times its P2P counterpart) and Social (Online, browser-based games played on social platform) (11%). (Superdata, Apr 2015, [LINK](#))
- eWallet is the preferred payment method in Asia (a third of players, 32%, use it) with brands like Alibaba's Alipay or Tencent's Tenpay, followed by credit and debit Card (21%) and mobile (16%). (Superdata, Apr 2015, [LINK](#))
- Looking at the average mobile revenue per spender in Asia, it's estimated to be \$32.4 in 2015, which is almost 30% higher than the global average, but the conversion rate is one of the lowest globally – it's high spenders in Japan that drive the ARPPU up. (Superdata, Apr 2015, [LINK](#))

Southeast Asia

- “Big 6” countries in region: Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. These 6 cover 88% of the region’s population. (Newzoo, Feb 2015, [LINK](#))
- Region’s total games revenues reached \$1bn in 2014, Newzoo expects it to reach \$2.2b, more than double, in the 3 years leading to 2017 (an impressive 2013-2017 CAGR of +29%). (Newzoo, Feb 2015, [LINK](#))
- In terms of market share: while Thailand will remain first by still growing its market (from 21% in 2013 to 22% market share in 2017), Singapore will lose (from 19% to 12% mkt share) to faster growing countries like Indonesia (from 16% to 21% mkt share) and the Philippines (from 9% to 11% mkt share). (Newzoo, Feb 2015, [LINK](#))
- Malaysia: SEA country where playing on multiple screens is the most popular: 26.5% players do so. (Newzoo, Feb 2015, [LINK](#))
- Philippines: between 2004 And 2014 internet access grew by more than 800%, the fastest rate in SEA, meaning that in 2014 their online population was 42 million. (Newzoo, Feb 2015, [LINK](#))
- Singapore: unique in that it has more players aged 36 to 50 than 10 to 20. (Newzoo, Feb 2015, [LINK](#))
- Thailand’s games market is expected to more than double in 3 years, from \$230m in 2014 to \$491m in 2017, for a +31% CAGR. (Newzoo, Feb 2015, [LINK](#))

Sweden

- Swedish game development looks in good shape: in 2014 its turnover increased by +35%, to reach €930m. The compound annual growth rate for the 2006-2014 period is an impressive +39%. The majority of companies were profitable, and the combined profits were also the largest so far, with a record €353m (+35% vs 2013). (Dataspelsbranschen, Game Developer Index Sept 2015, [LINK](#))
- Employment increased by +23%, an additional 583 full-time positions, of which 17% (roughly 100) were hired by newly established companies. This brings the total of employees to 3,117, of which over three quarters (78%) are located in 2 cities: Stockholm and Malmö. (Dataspelsbranschen, Game Developer Index Sept 2015, [LINK](#))
- In terms of diversity the number of women has grown by +39%, compared to a +17% for men, and since 2010 the number of women working in games development has increased by nearly 5 times in 5 years. They are mainly found in mid- to large-sized companies. The largest companies are multicultural and have employees representing over 30 different nationalities. (Dataspelsbranschen, Game Developer Index Sept 2015, [LINK](#))
- The 5 biggest companies in number of employees represented 52% of all employment and the 5 biggest in turnover accounted for 77% of the whole turnover. (Dataspelsbranschen, Game Developer Index Sept 2015, [LINK](#))
- The total value of Swedish game developers was estimated to be over €2.75bn in 2014 (this includes the value of acquisitions). (Dataspelsbranschen, Game Developer Index Sept 2015, [LINK](#))

China

- According to Newzoo’s estimation, China has overtaken the US as the world’s largest gaming market at \$24.4bn, vs the US’s \$23.6bn. With a larger population and gaming yet to reach a mature penetration, we can expect China’s lead to grow over time. (Newzoo, June 2016, [LINK](#))
- The Chinese mobile eSports market is dominated by Tencent, one of the largest gaming companies in the world. They currently control 63% of the iOS market and 50% for Android.

Their nearest competitor, NetEase controls 5% of iOS and 8% for Android. (Newzoo, June 2016, [LINK](#))

- APAC territories will generate \$46.6 billion in 2016, or 47% of total global game revenues. This growth represents a 10.7% YoY increase. China alone accounts for half of APAC's revenues, reaching \$24.4 billion. (Newzoo, May 2016, [LINK](#))
- The mobile segment in China is growing even faster than estimated and will reach \$10.0 billion this year, up 41% from \$7.1 billion in 2015. (Newzoo, May 2016, [LINK](#))
- China will remain the largest games market for the foreseeable future, growing to \$28.9 billion by 2019. (Newzoo, May 2016, [LINK](#))
- In 2014, Microsoft reported Xbox One sales of 100k units in China in its first week and aims to sell 1m in its first year. (MCV, Oct 2014, [LINK](#))
- In 2014, Sony is also expanding in China, aiming to sell 200k machines annually and will start selling Dec 2014. Sony has 2 joint ventures in China's free trade zone for hardware and software. (MCV, Oct 2014, [LINK](#))
- In 2014, After 14 years of console ban in China, Xbox One launched there for about \$600, without Kinect included. All games on platform need to be approved by Chinese government prior to launch. (GamePolitics.com, Sept 2014, [LINK](#))
- In 2014, China's mobile market has exploded and is expected to grow by 93% in 2014 to reach \$2.9bn. The strong expansion is forecast to continue with a 2013-2018 impressive 37.6% compound annual growth rate. (Venturebeat, Aug 2014, [LINK](#))

South Korea

- Mobile sector has grown to become core of the games market (£1.4bn in 2014). (KOCCA, July 2015)
- Trend-oriented game market: some particular genres, especially RPGs, show consistent popularity. Teens, 20s, 30s are main trend setters. (KOCCA, July 2015)
- Main business model is the Free-To-Play model with in-app purchases. Main source of revenue for games is via payments made to access additional content. (KOCCA, July 2015)
- 3rd biggest android game market worldwide. (KOCCA, July 2015)
- Transparent market with verified marketing effect: marketing and promotion are an important factor in forming game trends. (KOCCA, July 2015)
- Influence on other countries: China and South-East Asian countries. (KOCCA, July 2015)
- Essential strategies to enter the Korean market: Marketing, as this is a key factor to get game known, influence trend setters and succeed. The free-to-play model with in-app purchases is king. Localisation is important, in language but also user interface for example. Transform games titles into a brand. (KOCCA, July 2015)
- In 2014, social casual gaming is really strong in South Korea, four of the country's most influential developers (Com2uS, NCSoft, Nexon, Smilegate) are valued at more than \$1bn each by investors. Mobile game distribution platforms like Kakao and Line are valued at over \$9bn. (Pocketgamer.biz, Oct 2014, [LINK](#))

Japan

- The PS Vita has met success in Japan, selling over 4m units in the country, way more than it has in North America. While Nintendo's 3DS is the handheld leader, the Vita is not far away. This could be in part due to the success of the PS4, expected to surpass the sales of the best-selling Sony console in history, the PS2. Sony has developed a feature called "Remote Play", which allows users to stream PS4 games on the Vita. Other reasons to explain success re the work culture of the country, where people don't get to spend much time at home. Vita may be Sony's last handheld console, meaning that Nintendo could have a monopoly in the future – unless the Vita sales in Japan continue to grow. (InsideGamesAsia.biz, August 2015, [LINK](#))

- In 2014 Japan's games revenue hit its highest level, at \$9.6bn. 60% is made of mobile games businesses, getting a revenue \$5.8 (+18% Year-on-Year). When looking at the “online games” component defined as smart and feature phones, tablets and PC, it was worth \$6.4bn (+13% Year-on-Year). (Insidegamesasia.biz and Famitsu, June 2015, [LINK](#))