

ALDORA

Interactive Entertainment 2025

GLOBAL MARKET SIZING & FORECAST

\$250.2 billion

Forecasted Consumer Spending on Interactive Entertainment in
2025E

+4.6%

Forecasted Y/Y Growth for
2025E



\$115.7B

Total Mobile Gaming
Revenue, up 5.5% y/y for
2025E

-31%

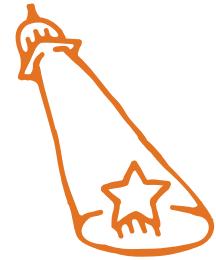
Decline in Console Hardware
Sales as Industry Prepares for
Next Gen Devices in 2024E

+11%

Growth (2025E) in Virtual
Reality as Tech Leaders
Continue to Invest

Executive Summary

Interactive entertainment shows signs of recovery towards 2025, as industry readies itself for transition to next-gen experiences and devices



Software Publishing is up +3.6% y/y, totaling \$186B in 2024E, and expected to grow to \$196B in 2025E

Hardware & Accessories show a steep decline (-12% y/y) in line with cyclical pattern from console

Emerging Tech is growing +8.6% y/y 2025E, fueled by heavy investments from VCs and platform holders

Live-Streaming & Esports is flat y/y 2024E (+0.8%) but expected to benefit from 2025 content push

Overall Market

Interactive entertainment market shows early onset for positive change

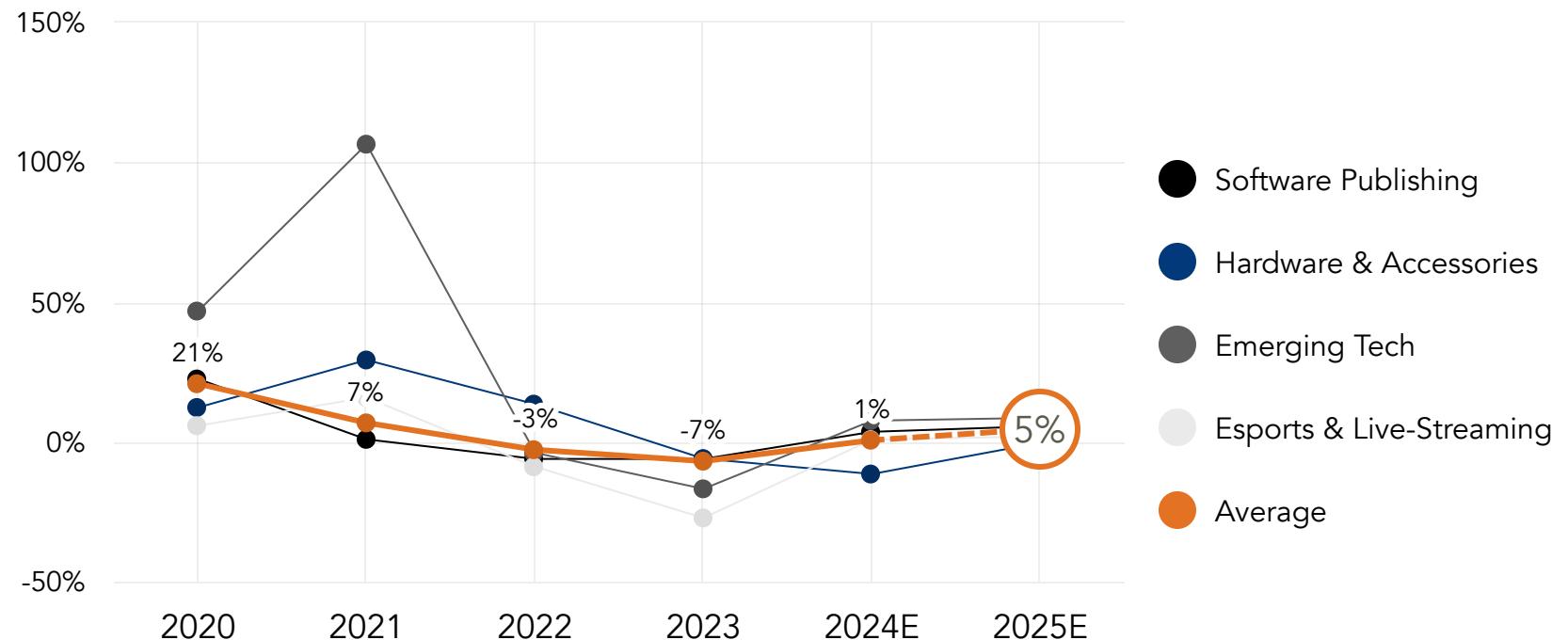
\$250.2B

COMBINED CONSUMER SPENDING ON TRACK FOR 2025E

4.61%

FORECASTED GROWTH FOR 2025E ACROSS ALL SEGMENTS

Year-over-year growth (%) for major categories from 2020 through 2025E

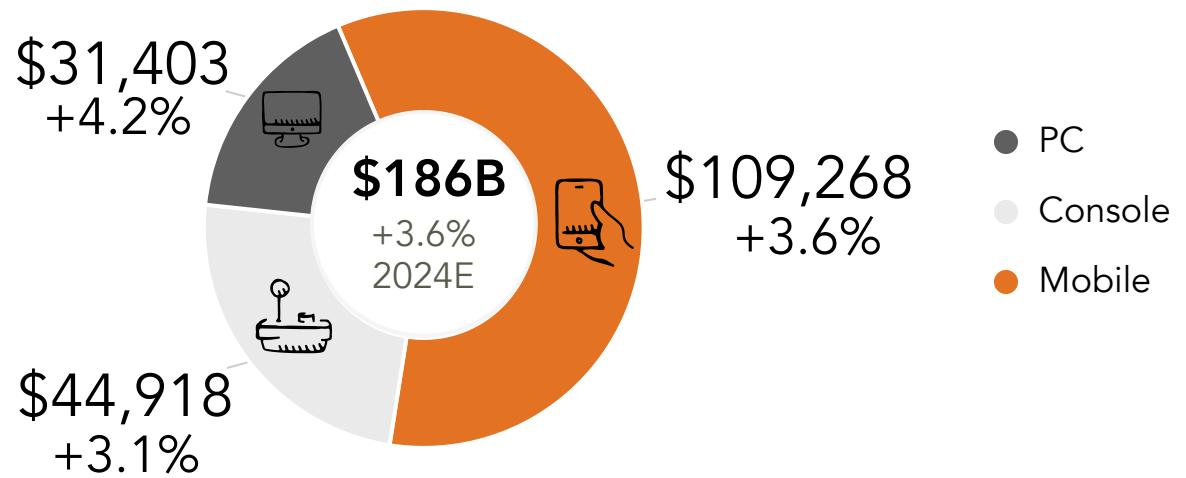


Software Publishing

Consumer spending on games to grow +3.6% y/y 2024E to \$186B due to focus on established IP

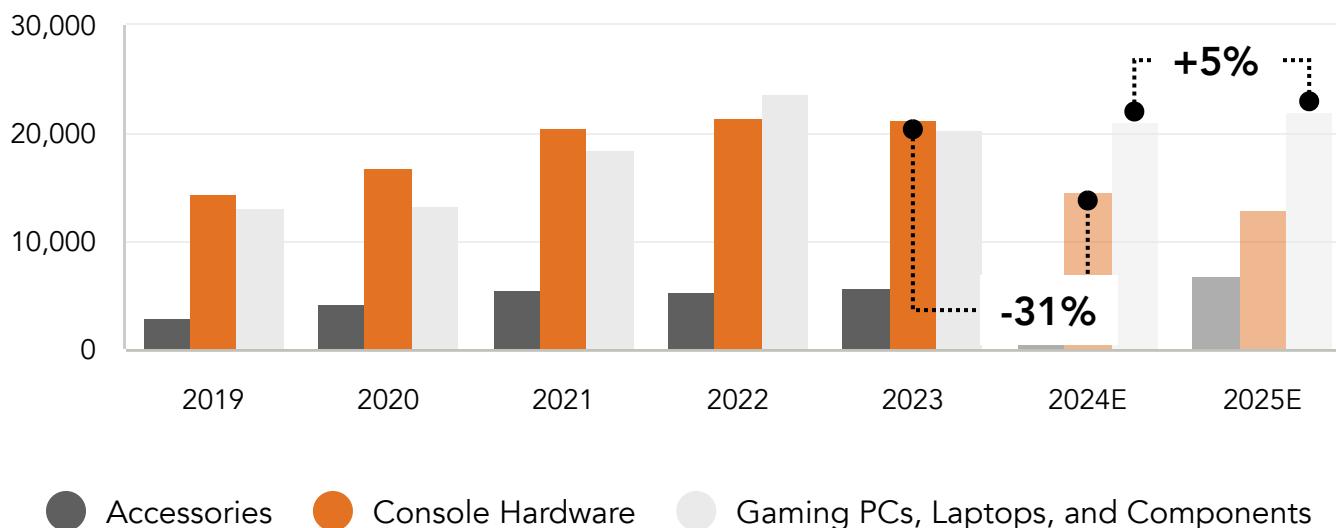
- Mobile gaming is the largest category at \$109.3B, growing 3.6% y/y, despite market saturation and rising user acquisition costs
- Projected consumer spending on console software to reach \$44.9B in 2024 (3.1%), in anticipation of market boost from next-gen hardware releases
- PC gaming shows strongest growth (4.2%), for a forecasted total of \$31.4B in 2024E

Forecasted Global Consumer Spending on Interactive Entertainment, in \$ millions, by Platform



Sharp decline in hardware signals end of current console cycle, as accessory sales sustain

Consumer Spend on Hardware & Accessories, in \$ Billions,
from 2019 to 2025E



- Console hardware revenue, which peaked at \$21.4B in 2022, is projected to decline sharply by 31% in 2024E. Both Sony and Microsoft reduced forecasts, indicating the end of the current cycle
- In contrast, the gaming PC and laptop market show resilience. Post-pandemic the category is now stabilizing, suggesting maturation but continued consumer interest
- Spending on accessories emerges as a bright spot, demonstrating consistent growth. With a projected 5% increase in 2025E, it indicates ongoing consumer interest in enhancing their gaming experiences through peripherals.

Despite aspirations, novel platforms and technologies remain latent disruptors

1 **VIRTUAL REALITY** (\$3.3B, FY24) shows room for growth as leader Reality Labs (Meta) generates \$353M in 24Q2 (+28% y/y). Apple's Vision Pro set to further boost demand. Chance of low single digit growth (+11%) in 2025E.



2 **BLOCKCHAIN GAMING** (\$651M, +21% y/y FY24) shows strong increase due to crypto-currency recovery. Meanwhile major game makers (e.g., Animoca, Sorare) show notable declines in revenue.

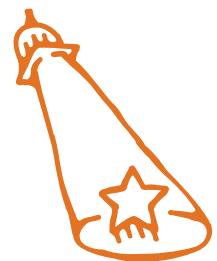


3 **WEB-BASED GAMING** (\$2.7B, +3% y/y FY24) gains traction as non-endemics (e.g., NY Times, LinkedIn) make a push into this nascent category.



Unprofitability continues to haunt streamers, competitive players, and platforms alike

Live-streaming platforms struggle with profitability due to high costs and competition. Despite generating \$1.97 billion in revenue in 2023, Twitch remains unprofitable, highlighting the industry's challenges in monetizing user engagement and adapting to mobile-first consumption.



Live-streaming revenue peaked at \$6.62 billion in 2021, but has since declined to \$4.3B (FY24), showing modest +1.0% year-over-year growth



Esports category continues to struggle. Total revenue on track for \$173M (-3% y/y) in 2024E, and another tough year to follow (-8.3% 2025E).

Outlook

Outlook

Leadership acknowledges economic uncertainty, but remains optimistic about long-term prospects

Universal focus on efficiency, diversification, and upcoming major releases to drive growth

“over \$165 million of annual cost savings from our current and future expenses [...] will enable us to run our business more efficiently and achieve greater operating leverage as our large-scale titles come to market.”

Andrew Wilson, Electronic Arts



“We're highly confident that Rockstar Games will deliver an unparalleled entertainment experience and our expectations for the commercial impact of the title continue to increase.”

Strauss Zelnick, Take-Two



“Despite recent economic uncertainty that is impacting consumers, we remain confident about the long-term opportunities before us.”

Bob Iger, Disney



Major entertainment firms shift strategies to become more all-round media conglomerates



Sony's diverse entertainment portfolio (games, films, music, streaming) is driving profit growth, with **Q2 earnings up 6.5% to \$1.6 billion**. The company leverages **cross-media collaborations** like *Demon Slayer* across platforms, re-positioning Sony as a media firm.



Microsoft is expanding its gaming portfolio post-ATVI acquisition, **forming a new team within Blizzard to develop "AA" games based on franchises** like *Overwatch*, *Warcraft*, and *StarCraft*. It aims to build on its +61% y/y increase in gaming revenue.



Nintendo maintains its full-year forecast based on **its strategy** of promoting multiple Switch units per household, releasing new games to extend the platform's lifecycle, and **leveraging its IP across various media**, following the success of "*The Super Mario Bros. Movie*."

Non-endemic brands push into digital worlds as traditional channels struggle to entertain



Since its activation in September last year, retailer Walmart has seen 21+ million new visits in total to its virtual store front in Roblox. Increasingly, non-endemic consumer brands invest in interactive channels and digital worlds to reach hard-to-reach audiences.



Mattel's priced Barbie brand continues to be a massive success in Roblox. Despite a slight decrease in monthly traffic (-2.8%), it is still the most popular toy franchise among its peers, accounting for 23% of overall traffic in the category with activations in Roblox.

Monthly Traffic for Toy Brand Activations in Roblox

Brand	June	July	M/M %
Barbie	21,875,520	21,259,872	-2.8%
Spider-Man	14,477,764	16,038,528	10.8%
Peppa Pig	8,785,654	13,283,700	51.2%
Marvel	11,982,089	12,336,600	3.0%
Dragon Ball	8,438,774	10,217,644	21.1%
Hello Kitty	8,859,529	6,897,964	-22.1%
My Little Pony	2,741,499	4,576,962	67.0%
Toca Boca	3,041,718	3,637,792	19.6%
One Piece	2,185,682	1,488,793	-31.9%
LEGO	347,503	966,468	178.1%
Hot Wheels	999,491	924,874	-7.5%
Avengers	270,693	250,370	-7.5%
Grand Total	84,005,915	92,877,067	10.6%

Appendix

Appendix

Global consumer spending, in \$ billions, on interactive entertainment by segment

Segment	Sub-Segment	2023	2024E	Y/Y Diff	2025E	Y/Y Diff
Software Publishing	PC	\$30.1	\$31.4	4.2%	\$34	8.1%
	Console	\$43.6	\$44.9	3.1%	\$46.8	4.2%
	Mobile	\$105.8	\$109.6	3.6%	\$115.7	5.51%
Hardware & Accessories	Gaming PCs and Components	\$20.4	\$21.1	3.3%	\$22	4.5%
	Console Hardware	\$21.3	\$14.7	-31.0%	\$13	-11%
	Accessories	\$5.8	\$6.2	8.0%	\$6.8	9.21%
Emerging Tech	Virtual Reality	\$3.1	\$3.4	8.9%	\$3.8	10.9%
	Web-Based / HTML5	\$2.6	\$2.7	3.4%	\$2.9	5.8%
	Blockchain-Based Gaming	\$0.5	\$0.7	21.0%	\$0.7	7.8%
Esports & Live-Streaming	Streaming Platforms	\$4.3	\$4.3	1.0%	\$4.4	2.4%
	Esports	\$0.2	\$0.2	-3.0%	\$0.16	-8.3%
TOTAL		\$237.7	\$239.2	0.6%	\$250.2	4.6%

Source: ALDORA analysis based on company financials and publicly released information. ALDORA leads an industry-first data partner network able to accurately determine consumer spending and behaviors across all platforms and channels. Notes: All figures include platform fees and taxes. Not adjusted for inflation.

About Us

ALDORA is a membership-based data platform tracks the performance for 200+ leading consumer brands and media firms invested in interactive entertainment.

Our data is platform-agnostic and offers detailed insight into how audiences find meaningful connections online across five key behaviors: play, watch, connect, create, and spend.

What's your game plan?

www.ALDORA.io

