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2024

Global Games Market Report

Released August 2024

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Foreword

Foreword

We are excited to welcome you to this year's free edition of the Global Games Market Report, Newzoo's premier publication and guide to our Platform's Games Market Reports & Forecasts tool. Let's get started.

The ascent of gaming into the cultural mainstream continues in a big way. Each new generation embraces gaming, while generations past keep on playing, spending, and engaging in more ways than ever before. Player counts grow consistently as the gaming population matures and new enthusiasts join our worldwide community of gamers.

Our first Global Games Market Report defined gaming as a cornerstone of media and entertainment. This remains true to this day. Gaming's influence extends beyond the anticipated 3.4 billion enthusiasts it will captivate this year. After last year's cautious return to growth, this year's total market will grow by +2.1% year on year to reach $187.7 billion – talk about economic power and influence.

This year's report catches the global market at a major inflection point. Earlier in the year, we reported that average global playtime had declined substantially since the first quarter of 2021, and playtime hasn't grown since. A smaller number of big studios and games account for an increasing share of playtime hours and revenues. This confirms the ongoing consolidation and the difficulty of launching a successful game in this market.

However, the market is growing and there are opportunities out there for intrepid studios of every scale. This report explores important trends and market movements in considerable depth to unearth challenges and highlight opportunities.

While overall player growth is steady, PC player growth outperforms both mobile and console. Players more attuned to consoles are eagerly awaiting new Nintendo hardware and *Grand Theft Auto VI* in 2025, both of which will change the competitive landscape.

The PC segment will also be a major growth driver in 2024, and the principal recipient of cross-platform releases. Community management tactics like Steam's Early Access development model are becoming a proven success factor after many breakout titles leveraged the strategy in the past couple of years.

Mobile revenue growth will remain lower than before the pandemic, but major platforms are now opening up to alternative app marketplaces and payment methods, changing the landscape of mobile gaming. Epic Games revealed plans to launch the Epic Games Store Mobile on iOS and Android in 2024, meaning *Fortnite* (the biggest game in the world) will be available on mobile in specific regions.

Overarchingly, the epic test for all studios this year will be to control costs in an overcrowded market. Developers and publishers feel squeezed, and are likely united in similar uncertainties:

✓ Will it be smarter to invest in more compact gaming experiences instead of putting all your eggs in a long game basket that few players actually complete?

✓ Will generative AI tools finally revolutionize development, marketing, and operations at scale?

✓ What is the right balance between sticking with an established IP and taking the innovative path forward with something completely new?

✓ Is the answer simply to figure out the best discounting strategy for your game or franchise?

These pages provide a comprehensive glimpse into what we cover in the premium version of this report, giving you a peek into how Newzoo can help you to face the challenges ahead and lead the way forward.

Our analysis also unveils the expansiveness of the data available in our Platform's Report Data Tools. Subscribers to our Platform can download the complete data set (find out how to become a subscriber).

Thank you for reading this report. May the forecasts and trends act as a guide toward success in this dynamic market.

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What's in this report

The free Global Games Market Report 2024 is a preview of Newzoo's Games Market Reports and Forecasts subscription. In these pages, you'll find:

✓ Our global player and game revenue forecasts from 2022 to 2027.

✓ Eight abridged trend analyses, including key takeaways.

✓ Three condensed special focus topics on the state of virtual reality, Steam discounting strategies, and IP and transmedia.

✓ The top game genres by revenue across PC and console in 2024.

✓ In-depth explanations of our methodology, terminology, and data coverage.

The free edition will be updated every quarter, so be sure to check back for new key estimates and forecasts.

Subscribe to the Games Market Reports and Forecasts for the complete picture

This free edition is a condensed version of our annual flagship market report, available in the Newzoo Platform as part of the Games Market Reports and Forecasts subscription, which also contains all the data and a powerful toolkit for visualizing and analyzing it.

Newzoo's complete Games Market Reports and Forecasts includes:

✓ The full 177-page edition of the Global Games Market Report 2024 and three quarterly updates with up-to-date market estimates and forecasts.

✓ The complete dataset available as an Excel file, updated quarterly.

✓ Key statistics on seven game ecosystems: Epic Games Store, Steam, iOS, Android, PlayStation, Nintendo, and Xbox.

✓ Regional and country overviews, including revenues and payers, big spenders, and highly engaged players per segment.

✓ Data-driven insights into the essential market trends and more in-depth topics shaping the future of our global ecosystem, updated quarterly.

✓ Report Data Tools for analyzing the dataset across more than 50 metrics.

✓ Dedicated client support and market analysts to help you navigate the insights.

Get the complete games market picture with Newzoo's Games Market Reports and Forecasts subscription. Find out more

Games Market Reports and Forecasts subscription

Release timeline 2024-2025

July 2024

Global Games Market Report and annual data wave

- ✓ Key player and payer metrics
- ✓ Key game revenue metrics
- ✓ Global trends with quantitative and qualitative market analysis
- ✓ In-depth special focus topics on the most pressing challenges and opportunities in gaming

October 2024

Quarterly update

- ✓ Mid-year revenue forecast for 2024
- ✓ Revenue forecast revision for 2025-2027
- ✓ Full revenue breakdown revision
- ✓ New trends and special focus topics

January 2025

Quarterly update

- ✓ Audience metrics update (players, payers, ecosystem players)
- ✓ Cloud gaming market update & forecast review
- ✓ Console deep dive
- ✓ New trends and special focus topics

April 2025

Quarterly update

- ✓ Full-year revenue update for 2024
- ✓ Forecast revision for 2025-2027
- ✓ Deep dive into playtime trends
- ✓ VR install base and revenue revision
- ✓ Player, payer, and genre revenue updates
- ✓ New trends and special focus topics

02

Methodology
& terminology

Methodology

Sizing the market with a variety of data

Newzoo aims to provide clients with the best possible assessment of the size of the overall games market, broken down into segments and regions. By developing many data points, we ensure that our numbers make sense on a segment, regional, and individual country/market level. Below, we describe our approach in more detail to help clients understand what underpins our forecasts, facilitating comparisons with other data sources.

At the highest level, Newzoo focuses on three key metrics for every market: players, payers, and revenues. We define a market as a country or geographic region in combination with one or more game segment(s).

The data on players and payers is mainly based on our primary consumer research, the Global Gamer Study, which continues to form the basis of our detailed understanding of consumers and games. More than 73,000 respondents across 36 key countries/markets were invited to be interviewed. The age range covered is 10 to 65 for all markets except Chile, China, Colombia, Egypt, India, Indonesia, Malaysia, the Philippines, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand, Türkiye, the United Arab Emirates, and Vietnam, for which the focus age range is 10 to 50.

Results are nationally representative in developed markets with high internet penetration. Meanwhile, in Latin America, India, emerging Southern and Eastern Asian markets (not Singapore and Taiwan), and the Middle Eastern and African markets, the results are representative of active internet users living in residential developed areas. Furthermore, in China, the data is representative of active internet users living in developed residential areas of cities defined as Tiers 1-2.

The player and payer ratios from the Global Gamer Study are projected against the online population, using the UN population and ITU internet penetration metrics. The logic behind the model is that the online population is an important driver of the number of potential gamers and an indicator of how much more structural growth a country/market can expect in its potential gamer population.

The differences between the player and payer numbers in the Games Market Reports and Forecasts and the Global Gamer Study stem from age boundaries and the use of the residential developed (i.e., focusing on the residential developed areas) approach for certain markets. In the Games Market Reports and Forecasts, the total population is considered, while in the study, we focus on those between the ages of 10 and 50 or 65, depending on the market.

The revenue data comes from our predictive games market model, which uses a top-down approach to market sizing. We incorporate macroeconomic and census data from the IMF and UN, such as household income and GDP per capita, transactional and app store revenue data from our data partner AppTweak, our primary consumer research, primary engagement and revenue data, partner data, detailed financial information reported by more than 140 public companies, and third-party research. We also receive valuable input from clients, often leading international game companies.

Market size estimates and growth forecasts for individual segments, countries, and, on aggregate, for the total industry are validated against our analysis of various contextual metrics. For instance, our market model calculates the average annual spend per paying gamer, which is then compared with historic numbers, other regions, household income, and GDP per capita. In the years up to 2022, our historical revenues and growth rates reflect the year-end US$ exchange rate. From 2022 onward, to better represent consumer spending per market, we used the US$ exchange rate at the end of each quarter, as it was more representative of revenues (in $ value) earned by game companies operating in the global market. Our projected growth rates assume steady exchange rates going forward. Still, we consider historical growth rates in the local currency rather than US$, as this gives a better picture of underlying growth.

We define revenues as the amount the industry generates in consumer spending on games: physical and digital full-game copies, in-game spending, and subscription services like PlayStation Plus and Xbox Game Pass. Mobile revenues include paid downloads and in-game spending on all stores, including third-party stores, and direct downloads. Genre definitions are aligned with the definitions used in our Newzoo Games Taxonomy.

Our revenue numbers exclude taxes, consumer-to-consumer second-hand trade, advertising revenues earned in and around games, (peripheral) hardware, business-to-business services, and the traditionally regulated online gambling and betting industry (e.g., BWIN and William Hill).

Regarding countries and regions, we define the market size as the amount companies generate from consumers in that specific territory, as opposed to the amount companies based in a particular territory generate worldwide.

The broader conceptual framework supporting our forecasts consists of the expected growth of the online population plus the expected development of the Key Market Indicators per region, as illustrated below. Overall, our forecasts are always the outcome of an iterative process, reviewing the implications of our assumptions on a very granular level. During this process, we rely on quantifiable metrics, such as historical growth rates, and include hard-to-quantify metrics, such as (gaming) culture, spending behavior, and other societal factors. At the minimum, player and payer forecasts are reviewed twice per year, the results of which are shared in our Q1 Quarterly Update and the Annual Report. Revenue forecasts are reviewed after each quarter, the results of which are shared in our periodic updates.

Global games market report methodology

Global financial company analysis
Game revenues of public and non-public companies

Game performance data
Engagement and revenue data for key markets

Primary consumer research in key countries
Understanding playing and spending behavior

Population & economic census data
Projecting organic growth on a local and global scale

Partner data
Actual download, revenue, and play time data

Third-party research
Reported on a local and global scale

Global games market model

Share of paying players (%)

Players (#)

Payers (#)

Money ($)

Avg. spend/paying player ($)

Terminology

These terms appear throughout our analysis in the Games Market Reports and Forecasts. Please note that not all terms appear this free report.

Players. All people who play (digital) games on a PC, console, mobile device, or cloud gaming service in the past six months.

Payers. All people who have spent money to play games on a PC, console, mobile device, or cloud gaming service in the past six months.

Game revenues. Consumer revenues generated by companies in the global games market, excluding hardware sales, tax, business-to-business services, and online gambling and betting revenues.

Spend per payer. Annual average revenue generated per payer (Game revenues/Payers).

Active VR hardware install base. Consumer VR headsets capable of 6DoF positional tracking and being used at least once in the past 12 months. We exclude enterprise headsets that can also be used to play VR games and headsets that use only 3DoF tracking; for example, all smartphone-based VR headsets such as Samsung Gear VR and entry-level standalone headsets such as Oculus Go.

Android players. Those who played mobile games at least once in the past six months on an Android device.

Augmented reality (AR). A technology that supplements real-life views of users with computer-generated sensory input as images or sounds.

Big spenders. Payers that spend an average of $25 per month or more on gaming content per platform on PC, mobile, or console.

Cloud gaming or game streaming. The ability to play a game on any device without owning the physical hardware required to process it or needing a local copy of the game itself. Also called game streaming, the games are processed remotely on cloud or edge servers and streamed directly to a user's device.

Compound annual growth rate (CAGR). The constant growth rate over a period of years. In this report, all CAGRs are based on the years 2022-2027, unless it is specified otherwise.

Console games. Games played on a TV screen directly or through a console, such as Xbox, PlayStation, and Nintendo, or on handheld devices, such as a Nintendo DS or PS Vita. Does not include handheld PC devices.

Degrees of freedom (DoF). The number of directions of users' positional tracking in VR, which relies on built-in or external sensors to capture movement. While 3DoF tracking only measures three types of directional rotation (rolling, pitching, and yawing), 6DoF adds three further directional movements (elevating, strafing, and surging).

DLC revenues. Revenue generated from downloadable content (DLC) consumer spending. Downloadable content is purchased from a digital store directly, not via in-game currency.

Epic Games Store players. We define Epic Games Store players as PC players who have played or downloaded games using the Epic Games launcher at least once during a given year. This excludes potential new players resulting from *Epic Games Store Mobile*.

Free-to-play (F2P) games. Games that are (legally) free to download and play, very often offering in-game spending opportunities.

Full game boxed revenues. Revenues generated by the sales of games or game-related content delivered on physical storage media (i.e., discs or cartridges). Also includes physical copies ordered in online stores. It does not include boxed games that only include download codes. Also referred to as premium boxed revenues.

Full game digital revenues. Revenues generated by the sales of games or game-related content purchased directly from an online store and delivered through a digital download, e.g., the PlayStation Store, Microsoft Store, Nintendo eShop, Steam, and Tencent WeGame. Also referred to as premium digital revenues.

Game genres. A genre is a classification assigned to a game, based on its gameplay interaction rather than visual or narrative differences. A genre is a group of games with highly similar gameplay and interaction patterns for the player. For an overview of categories and descriptions of all genres in the Newzoo Games Taxonomy, visit our Help Center.

Game video content. Refers to all video content based on game content, including live-streamed esports and non-esports content, video-on-demand, and short-form video.

Games as a service (GaaS). Games as a service provides game content or access to games on a continuous revenue model, e.g., via a game subscription service or a season/battle pass. Often referred to as live-service games.

Highly engaged players. Players that indicate they spent a minimum of 10 hours per week playing on a PC, mobile, or console.

In-game revenues. Revenues generated through the sales of in-game items, including expansion or content packs, cosmetics/skins, power-ups, time savers, loot boxes, playable characters, content passes for a one-off fee (battle/season pass), in-game currencies, content passes for a recurring fee, and reward passes. In-game revenues are the sum of DLC, microtransaction, and in-game subscription revenues.

In-game subscription revenues. Revenue generated from periodic subscription-based consumer spending for a single game, such as a subscription to an MMO or a membership that provides in-game perks. Does not include battle or season passes.

iOS players. Those who played mobile games at least once in the past six months on an iOS or iPadOS device.

Live-service games. Games that provide game content or access to games on a continuous revenue model, e.g., via a game subscription service or a season/battle pass. Also referred to as Games as a Service (GaaS).

Microtransaction revenues. Revenue generated from microtransaction consumer spending, including but not limited to virtual currency, cosmetics, and battle passes.

Mobile games. Games played on tablets or smartphones.

Monthly Active Users (MAU). Represents the number of users who launched a title at least once in a given month.

Multi-game subscriptions or multi-game subscription revenues. Revenues generated by periodical fees paid for subscriptions to libraries offering multiple games. A service a user can access by paying for a pre-determined time period. In this report, the term multi-game subscription is used in the context of a game subscription service, which is a service that offers access to software content without providing the platform/hardware access that a cloud gaming service provides.

Nintendo players. Those who played games, at least once in the past six months, on a Nintendo Switch, 3DS, or Nintendo's old-gen (handheld) console such as Wii U, Wii, and DS.

Online population. All people within a country/market or region who have access to the Internet, via a computer or mobile device.

Pay-to-play (P2P) games. Games that must be paid for upfront or are paid subscription-based games. Also referred to as premium games.

PC games. PC games downloaded from websites or services (i.e., Steam or Epic Games Store) or purchased as a boxed product (CD/DVD), including client MMO and MOBA games and games played on casual game websites or social networks.

Peripherals. Gaming-related hardware products used for gaming, such as gaming mice, keyboards, headsets, controllers, or monitors.

PlayStation players. Those who played games, at least once in the past six months, on a PlayStation (PS) 5, PS4, PC via PS Plus cloud streaming (formerly PSNow), or previous-generation (handheld) console such as PS3, PS Vita, and PSPortable.

Premium games. Games that must be paid for upfront or are paid subscription-based games. Also referred to as pay-to-play games.

Steam players. Those who played games using the Steam launcher at least once in the past six months, including players using the Steam Deck.

Subscription revenues. Revenues generated by periodical fees paid for subscriptions to gaming content. A service a user can access by paying for a pre-determined time period. In this report, the term is used in the context of a game subscription service, which is a service that offers access to software content without providing the platform/hardware access that a cloud gaming service provides.

Virtual reality (VR). The computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment, such as a headset with a screen inside or gloves fitted with sensors.

VR game revenues. VR game revenues generated through the consumer VR headsets capable of 6DoF positional tracking.

Xbox players. Those who played games on an Xbox 360, Xbox One, Xbox Series X|S, PC via Game Pass, or Mobile via Game Pass in the past six months.

03

The global games
market in 2024

The global games market

An overview per region and segment

Key takeaways

What's the state of the global games market in 2024, and where is it headed in the years to come? Despite global average playtime dropping since the first quarter of 2021 and increasing industry consolidation, growth is still returning to the global games market, albeit slowly. This section provides broad player and revenue numbers, an overview of our player and payer numbers, and details on how we split revenues per segment and region.

✓ In 2024, the global games market will generate $187.7 billion, representing +2.1% year-on-year growth.

✓ Global paying gamers will rise by +5.0% to 1.50 billion in 2024 and reach 1.67 billion by 2027. More players are spending on gaming software every year.

✓ The number of players globally will reach 3.42 billion in 2024, a +4.5% year-on-year increase. PC player growth will drive this increase substantially.

✓ PC revenues, up +4.0% year on year to $43.2 billion, will outgrow mobile and console revenues this year before the roles reverse again from 2025 onward. Cross-platform releases, evergreen titles, and a lack of console content will drive growth.

✓ The console gaming market will be relatively dormant this year. It's expected to decline by -1.0% year on year. After two slower years for console, growth is expected to return with a bang in 2025.

✓ By growing +3.0% year on year to $92.6 billion, mobile gaming is responsible for 48% of this year's global revenues. Revenue growth is driven by improving economic conditions, the continuous performance of existing games, and a few recent heavy hitters.

✓ The total market will grow with a CAGR (2022-2027) of +3.1% and is expected to reach $213.3 billion in 2027.

The premium edition of this report, available as part of a Games Market Reports and Forecasts subscription, goes further into detail on these figures, while also providing the latest estimates and forecasts for the mobile market, cloud gaming, and virtual reality (VR).
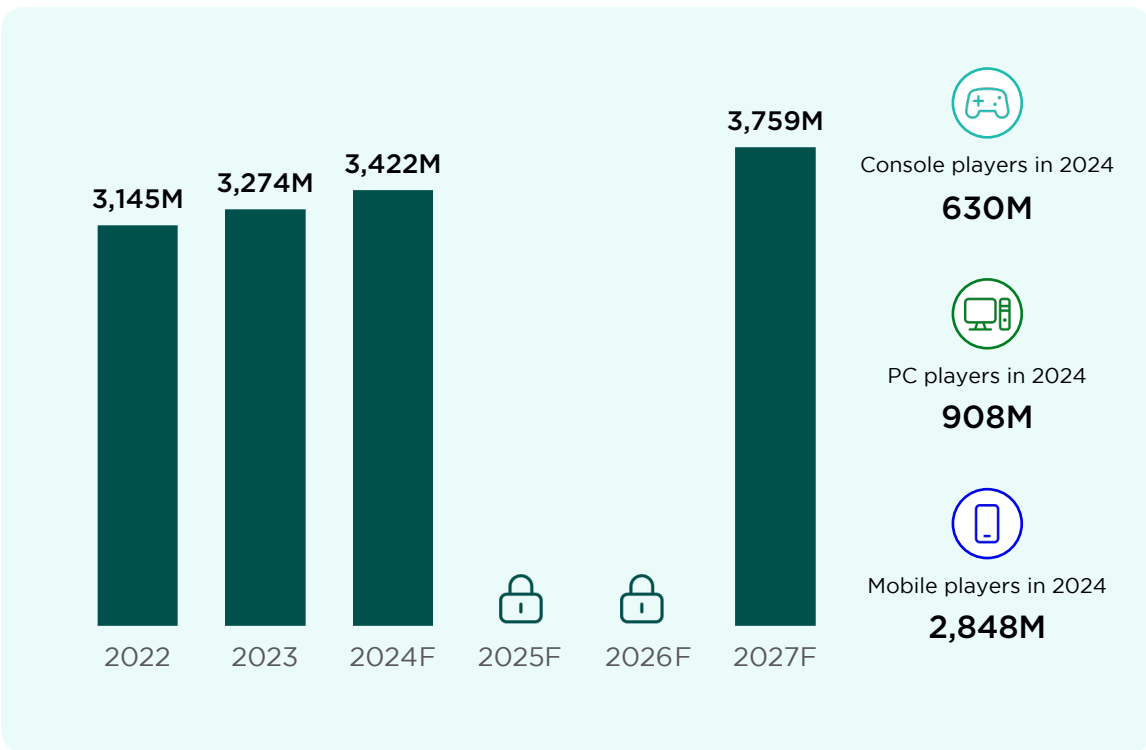
Players and payers

The number of global players will reach 3.42 billion in 2024, a +4.5% year-on-year increase enabled significantly by PC player growth. Driven by a strong 2023 release slate, including many successful cross-platform titles, PC players will continue to grow at +3.9% year on year and exceed 900 million in 2024. Console player growth slowed to +2.3% compared to last year, where the relatively thin content pipeline for 2024 isn't enticing to many console players.

Mobile player growth is slightly lower at +3.5% year on year and will reach 2.85 billion by 2024. A big portion of this growth is attributed to emerging markets, which have benefited from the ongoing expansion of smartphone accessibility and mobile networks in these regions.

In our annual report on the state of PC and console gaming, released this April, we reported that average global playtime has declined since the peak of the pandemic. Players do still play games, but fewer hours than before (although revenue per playtime hour has actually increased). However, player numbers will continue to grow to reach 3.76 billion in 2027. Each segment's player growth between 2024 and 2027 will range from +2% to +4% annually, showing the importance of effective payer conversion and an increased focus on retention.
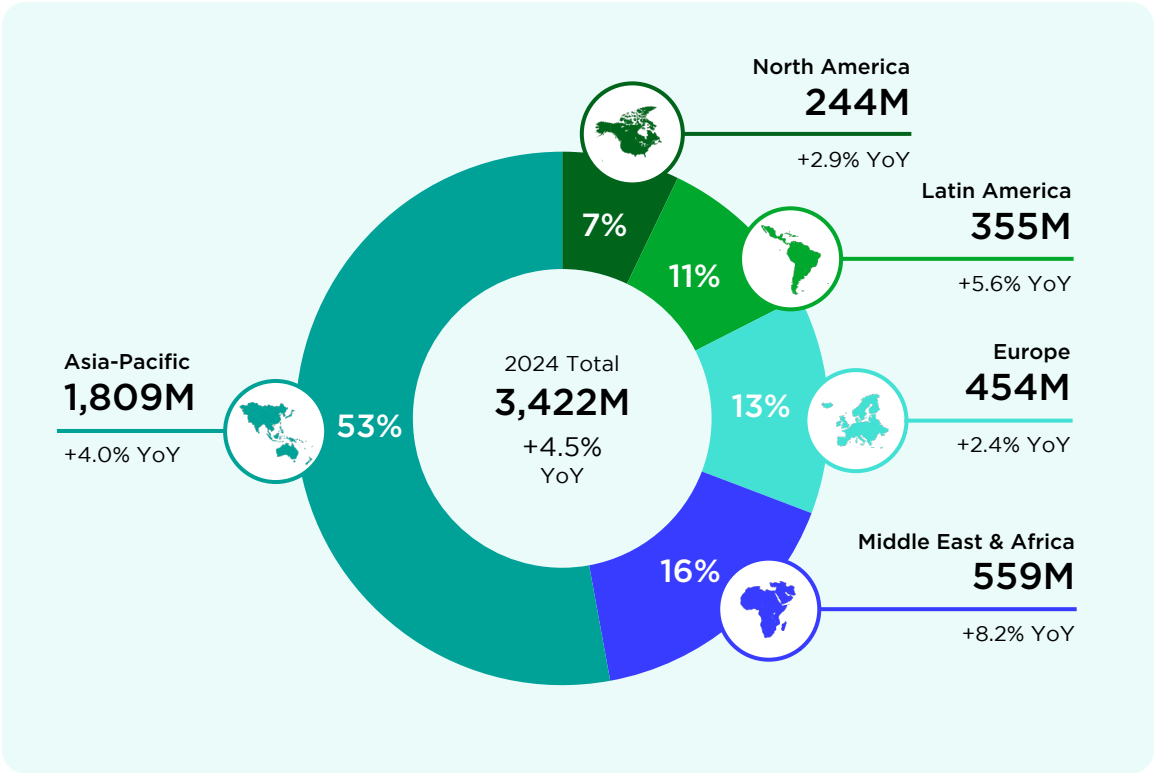
Global player forecast
2022 - 2027

2022	2023	2024F	2025F	2026F	2027F
3,145M	3,274M	3,422M	🔒	🔒	3,759M

Console players in 2024
630M

PC players in 2024
908M

Mobile players in 2024
2,848M

Get the full six-year forecast for PC, console, and mobile gaming with Newzoo's Games Market Reports and Forecasts subscription. Take the product tour

2024 Global players
Per region

North America
244M
+2.9% YoY

Latin America
355M
+5.6% YoY

Europe
454M
+2.4% YoY

Middle East & Africa
559M
+8.2% YoY

Asia-Pacific
1,809M
+4.0% YoY

2024 Total
3,422M
+4.5% YoY

7%
11%
13%
16%
53%

Total players in all markets will grow. Asia-Pacific, home to 53% of the global players, will see its player base grow by +4.0% year on year to 1.8 billion players in 2024. Most of this growth is driven by player growth in Central and Southeast Asian markets. Mobile-first Middle East & Africa and Latin America, which house 16% and 10% of the world's players, respectively, will continue to outgrow the other regions. North American and European player growth will amount to +2.9% and +2.4% year on year, respectively.

Explore the global payer forecast from 2022 to 2027 in more detail with Newzoo's Games Market Reports and Forecasts subscription. Find out more
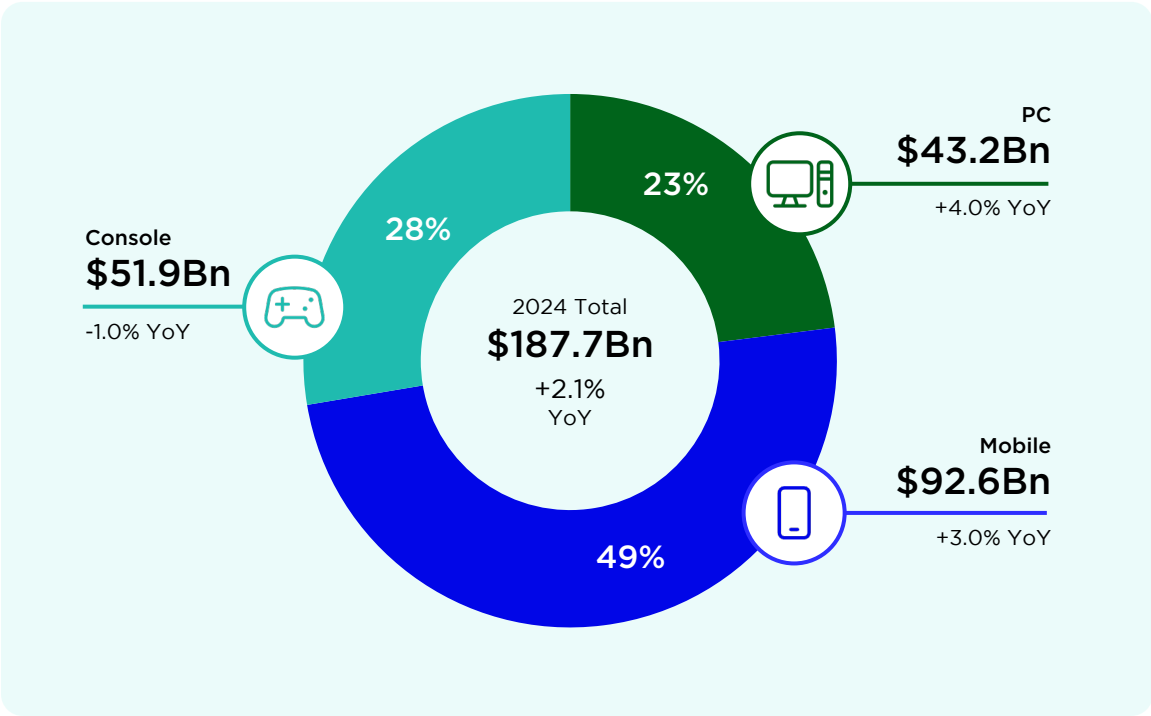
2024 Game revenues

In 2024, the global games market will generate revenues of $187.7 billion, representing +2.1% growth year on year. PC revenues, the smallest segment, will outgrow mobile and console revenues this year before the roles reverse again from 2025 onward. The PC segment will increase by +4.0% year on year to $43.2 billion. As previously reported, 2023 was a strong year with revenue growth for both public and private companies.

Mobile gaming still needs time to adapt to changes in the mobile market, including continuous adaptation to privacy-related monetization and user-acquisition challenges and a more open ecosystem overall.

Popular live-service titles like *League of Legends*, *Fortnite*, and *Counter-Strike*, which keep players engaged essentially forever, are still immensely popular and attract a growing share of total playtime and subsequent spending. Moreover, games-as-a-platform titles, such as *Roblox* and *Fortnite*, are evolving and reinventing themselves, and attracting a growing Gen Z and Alpha audiences.

2024 Game revenues

Per segment

PC
$43.2Bn
+4.0% YoY

23%

Console
$51.9Bn
-1.0% YoY

28%

2024 Total
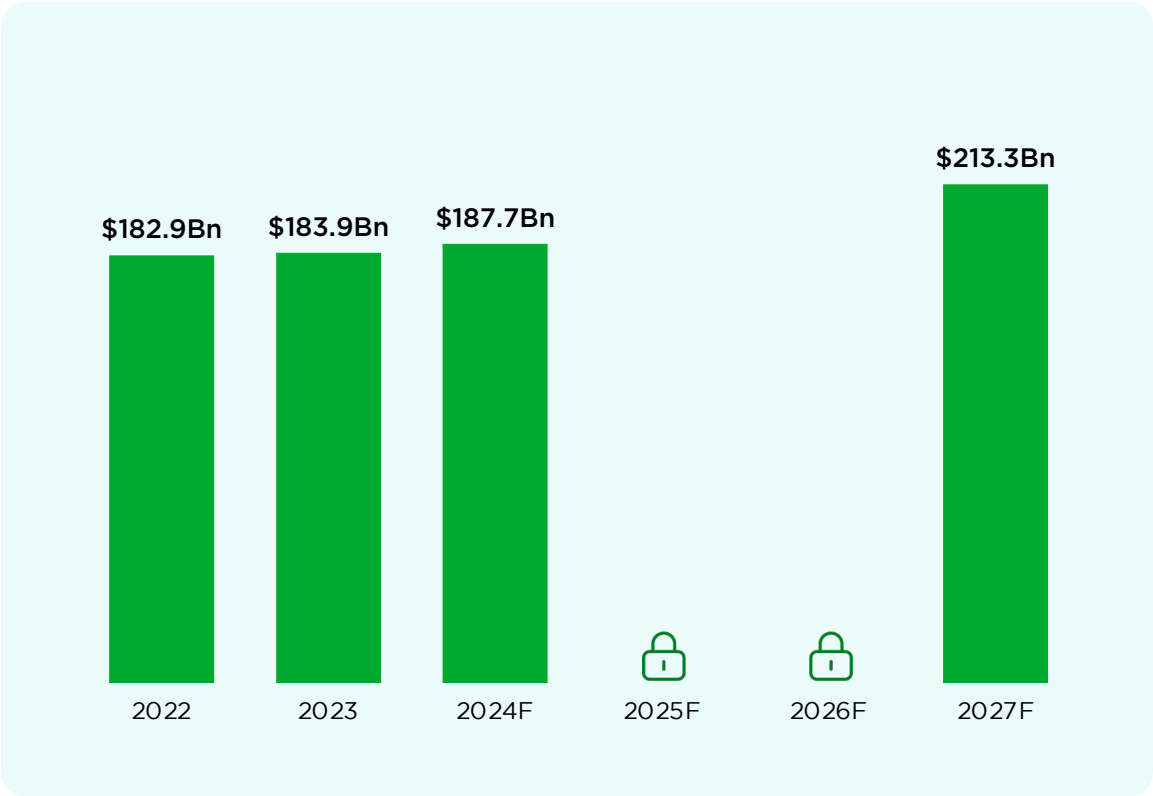**$187.7Bn**
+2.1%
YoY

Mobile
$92.6Bn
+3.0% YoY

49%

Revenue forecasts 2022-2027

The total market will grow with a CAGR (2022-2027) of +3.1% and is expected to reach $213.3 billion in 2027. The PC market will grow steadily after 2025 and will be responsible for 22% of the total market by then. As console revenue growth picks up, overtaking PC growth again, it will be responsible for 30%. In contrast, the revenue share of the mobile market has declined since the end of the pandemic and will continue to do so.

Global game revenues per segment
2022-2027

See our revenue forecasts in more detail and with further analysis with Newzoo's Games Market Reports and Forecasts. Take the product tour

04

Key global trends

Preview the key trends shaping the market

Each new edition of the Global Games Market Report contains analysis on key market trends. In this section, you'll find the topics we cover and insightful excerpts. The complete versions of the trends are available to Games Market Reports and Forecast subscribers, along with all the market data informing this analysis.

The eight trends in this report are:

✓ Cross-platform releases benefit PC the most

✓ Right-sizing single-player games for today's market

✓ Mobile app ecosystems are opening up

✓ The anatomy of community management and early access

✓ The future of free-to-play (F2P) games on PC and console

✓ The state of indie and AA games

✓ Generative AI in games revisited

✓ UGC and the impact of new gaming generations

Each trend draws from distinct data in our Games Market Reports and Forecasts, as well as other tools within the Newzoo Platform. Our analysts identify these trends as essential for understanding the gaming landscape today and what it takes to create, market, launch, and scale winning games and gaming strategies.

Unlock more expansive insight into every major gaming trend with Newzoo's Games Market Reports and Forecasts subscription.
Find out more

Cross-platform releases benefit PC the most

While cross-platform has been a standard for most publishers and developers, first-party IP such as Mario or God of War, and third-party IP such as Final Fantasy have consistently remained ecosystem incentives for players. For Sony and Microsoft, economic pressures are beginning to shift away from exclusivity and toward broader cross-platform approaches. The opportunity costs of reaching a larger audience seem to be worth forgoing hardware sales, and current development costs make it increasingly difficult to break even on a single platform.

Having passed the midway point of the Xbox Series X and PlayStation (PS) 5 lifecycles, we are gaining more clarity around current and future cross-platform strategies of Microsoft and Sony. The Switch is approaching the end of its lifecycle, with Nintendo staying the course in its niche with the consistent protection of its first-party IPs and innovation.

Sony, looking to retain its current install base and expand its reach to the PC audience, is handling their tentpole franchises in a similar manner. Live-service titles will be cross-platform on launch, with tentpole franchises being subject to timed exclusivity and in some cases, the sequels remaining PlayStation exclusives.

Trend #1 explores the current cross-platform game diversity and highlights how PC stands to benefit from this shift. It also digs into how a more gradual hardware curve, deeper non-gaming functionality, the growth of early access, and more community engagement positively impact PC's standing.

The complete trend also covers:

✓ A year-to-date snapshot of the top 200 titles by platform to better understand the current status quo.

✓ How PC gaming is the prime beneficiary of cross-platform strategies.

✓ The business case for PC players to purchase (or not purchase) a console.

✓ Cross-platform PC releases can expand geographic reach, with a detailed look into how former PlayStation exclusives perform on PC by MAU (monthly average user).

Right-sizing single-player games for today's market

Game development has always been a costly endeavor, but today's development costs are moving past what many studios can handle. The global games market is no longer growing fast enough to provide sufficient returns on many developers' investments, so developers must adapt to the current environment.

Over the last three decades, games have grown longer and longer to meet player demand. Since The _Elder Scrolls 2: Daggerfall_ hit the market in 1996—we can also point to 1994's _The Elder Scrolls: Arena_ and its massive map—which demonstrated to players how truly massive single-player games can become, content duration has become a key conversion factor for consumers, with game length being one of the first things mentioned in any game review.

However, current market conditions are making the business case for longer games less and less viable. One potential strategy for these bigger studios may be to simply develop and launch more compact games and place them optimally in the release slate to maximize returns and create runway for more extensive projects.

Trend #2 examines how game length has impacted sales performance over the past two decades and provides several best practices for studios based on current trends. This section attempts to define whether there is a sweet spot for game length, and what occurs when studios are off the mark.

The complete trend also covers:

✓ A short history of how game lengths have doubled since 2010.

✓ A comparison of average lifetime playtime versus core content length (in hours) for 10+ big titles like _Marvel's Spider-Man_ and _Star Wars Jedi: Survivor_.

✓ How producing shorter games means lower costs and more room for innovation.

✓ Whether studios can achieve the "just right" game length and price.

Mobile app ecosystems are opening up

Mobile app ecosystems are evolving thanks to regulatory bodies worldwide passing groundbreaking legislation. Companies like Apple and Google have been forced to dismantle the barriers of their previously exclusive environments to allow alternative app marketplaces and payment methods within their ecosystems.

Perhaps the most notable regulation is the European Union's Digital Markets Act (DMA), which has compelled major mobile platforms to open their storefronts as of March this year. Epic Games and Microsoft, among other companies of varying statures, are already planning strategic expansions into mobile gaming.

This paradigm shift brings up key questions:

✓ What implications does this have for mobile game developers and consumers?

✓ Who stands to gain the most from a more open mobile ecosystem?

✓ What will be the broader impact on the mobile gaming market?

Trend #3 explores the implications of this transformative change for the mobile gaming ecosystem.

The complete trend also covers:

✓ How key market players have reacted to the latest app store developments.

✓ What a more open ecosystem means for mobile game developers, mobile gamers, and for the global games market in general.

✓ More insights into how these changes are reshaping the mobile gaming landscape.

The anatomy of community management and early access

Our 2024 PC & Console Gaming Report identified community management as a key success factor for many of the breakout titles released in the last year and a half. Traditional games journalism is becoming increasingly complemented by influencers and social media, giving unprecedented levels of power to the gaming community, notably in early access where new builds and changes act as marketing beats.

Early access has been a mainstream term in gaming for many years, but what exactly does it mean at present? It can be defined as a commitment of support from the developer to the consumer for an indeterminate amount of time or with a clearly defined release date.

Studios that invite players to engage with an early access title are afforded an earlier understanding of whether their game has a market fit, can bring in revenues pre-launch, and refine and expand content and systems alongside its community.

Trend #4 analyzes how early access is arguably the ultimate form of community management, directly including a game's community in the later development and tuning phases before full launch.

The complete trend also covers:

✓ The five distinct categories used to define early access as a community management tool in 2024.

✓ A snapshot of Steam Early Access and the state of community engagement on the platform.

✓ Early access games that stood out in the past year and what their success means for early access strategies.

✓ Titles to keep track of to inform early access strategies in the future.

The future of free-to-play (F2P) games on PC and console

Free-to-play (F2P) games were the breakout model of the 2010s as UGC, new genres, and new monetization strategies changed the gaming landscape. Emergent titles such as *Fortnite*, *Roblox*, and *League of Legends* continue to dominate engagement to this day.

Our playtime analysis in the recently released PC & Console Gaming Report 2024 suggests that these massive titles continue to corner the market in terms of playtime. In fact, their share of playtime is increasing to this day on both PC and console.

While important for pay-to-play (P2P) titles, capturing playtime is essential for the survivability of free-to-play games. Therefore, it is damning that for 2023 releases, in their months of release, only five PC and console titles garnered a playtime share of over 0.1%, and none garnered a meaningful revenue share.

In last year's Global Games Market Report, we compared the state of the live-service market to a gold rush, writing that "some prospectors will return home empty-handed." After just a year, "some" looks to be more realistically adjusted to "most." Playtime has consolidated further, user acquisition costs are high, and conversion rates for new titles are low. Trend #5 dives deep into the outlook of F2P games and what upcoming titles should do to challenge the status quo.

The complete trend also covers:

✓ An investigation of F2P playtime shares using our Game Performance Monitor (37 markets, excluding China and India).

✓ How the percentage of F2P playtime hours has consolidated over the past several years.

✓ How F2P conversion is changing in 2024.

✓ A look at F2P's contested space and where upcoming releases fit into the market.

The state of indie and AA games

While the industry faced its share of challenges in 2023, it's fair to say that it was still one of the greatest years for new AAA game releases. Many of gaming's most well-established IPs received new installments like *The Legend of Zelda: Tears of the Kingdom* and *Diablo IV*. Remakes such as *Resident Evil 4* and *Super Mario RPG* generated significant hype and success, and transmedia cemented itself further as a viable strategy with *Hogwarts Legacy*. Then there was Larian's runaway hit *Baldur's Gate III*.

This year, however, the AAA sector has been struggling to achieve the same record-breaking numbers from 2023, with few notable successes, including *Like a Dragon: Infinite Wealth* (the new entry in the Yakuza franchise). Many live-service titles, including massive franchise releases, have struggled to retain players.

AAA studios are in a difficult position, having to adapt to declining playtime, a diminished, more entrenched player base, a saturated live-service games market, and the unbelievable cost of producing games of this scale.

Trend #6 explores this overall downturn and how it's created gaps in the market for indie and AA game makers to release engaging innovative games.

The complete trend also covers:

✓ How financial pressures in the AAA world may be creating opportunities for indie and AA developers and publishers.

✓ A look into how the number of top-selling indie games has increased in the past several years, including the top 10 releases from 2024 by revenue and the revenue of the top 25 games by studio scale.

✓ Insight into the creative forge of indie and AA games.

Generative AI in games revisited

At the end of 2022, OpenAI released ChatGPT to the public. Generative AI tools rapidly provoked considerable excitement and anxiety on a global scale, with the gaming industry welcoming the technology (with some reservations).

Last year's Global Games Market Report covered how the gaming industry reacted to the sudden boom in generative AI, as well as use cases in game development and the technology's positive and negative impacts. While generative AI had begun to accelerate content creation and streamline development, job displacement, IP infringement, and content quality were at the forefront of developer and fan discussions.

Since then, generative AI technology has continued to evolve at unprecedented speed, forcing gaming and virtually every industry to tackle hard questions about the future of work and creativity. We believe generative AI's current impact is incremental, as it serves as an accelerator for human creativity and development acumen rather than a full-blown replacement.

Trend #7 revisits last year's insights and explores new opportunities for game developers. We also dig into the technology's risks and limitations and what impact to expect in the coming years.

The complete trend also covers:

✓ The major (and minor) generative AI opportunities for game developers in 2024, including in-depth analysis of on-device processing.

✓ Use cases of generative AI for AAA developers and indie studios, and what these reveal about the inner workings of game makers of varying scales.

✓ The limitations and risks of implementing generative AI tools in game development.

User-generated content (UGC) and the impact of new gaming generations

Many older games face a common challenge: players age up, meaning that games have to retain players as their preferences change, while drawing in younger gamers. At the same time, new games compete with an unprecedented number of established titles, including platform-style games like *Fortnite* and *Roblox*. Games that want to compete in the current market conditions should strive for cross-generational relevance.

Captivating younger generations of gamers is a step in the right direction. According to our Global Gamer Study's most recent consumer research, Gen Alpha and Gen Z tend to have a larger share of players among the total online population compared to the average. Eighty percent of online consumers play games—that share is 94% for Gen Alpha and 86% for Gen Z. Younger generations also engage with games in more diverse ways, including viewing and creating game-related content.

Trend #8 examines the playing behaviors of different age groups to explore what it means to balance generational behaviors for the widest and most scalable possible player base. This trend also focuses on the market conditions surrounding user-generated content (UGC).

The complete trend also covers:

✓ A look into which generations spend the most hours gaming on average.

✓ The top franchises by generation, and what that means for studios looking to refine their audience segmentation.

✓ The state of UGC in games today, including how UGC is generating revenue for games and creators.

✓ The outlook for UGC in the context of the global games market.

05

Special focus topics

Explore our analytical depth with special focus topics

Every year, our market analysts and consultants choose several topics to explore in considerable detail. These special focus topics revolve around bigger questions in gaming and strategic challenges facing the entire industry, providing studios with in-depth, actionable analysis based on a deep understanding of the market coupled with Newzoo data.

In 2024, the special focus topics we delve into are:

✓ The state of virtual reality (VR) in 2024

✓ How Steam discounts fit in portfolio management

✓ The power of IP in the games market

The first topic is a primer on the VR market as it stands today and what developers, publishers, and hardware creators need to do to make VR gaming a more competitive force in the global market. The second topic contrasts the effectiveness of varying promotional strategies in Steam, using data from Newzoo's new data partner, Steam Data Suite. Following these topics, we explore how gaming audiences perceive franchises and transmedia, and how established and new IP strategies fit in today's market conditions.

This section breaks down what we cover in special focus topics and excerpts. The full special focus topics and all the data informing this analysis are available with a subscription to the Games Market Reports and Forecasts.

Curious to explore our special focus topics in far more depth to understand the market on a whole new level?

Get industry-leading quantitative and qualitative analysis with Newzoo's Games Market Reports and Forecasts subscription.
Take the product tour

The state of virtual reality in 2024

Over the past several years, the popularity of virtual reality (VR) gaming has mirrored the general games market. Consumers have allocated their time and entertainment budgets away from homebound activities, leaving less time and money to dedicate to gaming.

While VR is a growth market, it faces multiple challenges, specifically in retaining newly acquired users and keeping them active. The increased inflationary pressures continue to tighten consumer budgets, making investing in new hardware untenable. VR also lacks a wealth of exclusive content, leading to another barrier to more widespread adoption.

On the other hand, Apple and Meta reignited enterprise and consumer interest in VR when they released the Vision Pro and Quest 3 against a backdrop of other tech giants investing more in the technology.

Special focus topic #1 provides our latest VR numbers, delves into the strategies of VR's key players, and spotlights what's next for VR, augmented reality (AR), and the crucial meeting point between the two: mixed reality (MR). These combined markets are referred to as extended reality (XR).

The complete special focus topic also covers:

✓ Newzoo's VR market sizing scope.

✓ VR hardware install base estimates from 2021-2023 and forecasts from 2024-2025.

✓ How Meta, Apple, and other big firms are impacting the VR gaming ecosystem now and how major players will continue to alter the landscape.

✓ VR game revenue estimates from 2021-2023 and forecasts from 2024-2025.

✓ How VR gaming could potentially break through its current growth trajectory.

How Steam discounts fit in portfolio management

Discounting your game is a vital aspect of portfolio management, and many discounting philosophies exist today. The industry's revenue growth slowed due to reduced playtime and slower player growth. So, understanding the underlying trends behind effective discounting across an entire portfolio is key to revenue and IP growth.

Consumer research from this year's Global Gamer Study shows that 58% of PC players buy games on sale or when they perceive a good deal, making it the second-biggest purchasing motivator after "Unlock extra/exclusive content" at 65%. Studios should prioritize regularly discounting games to extend a title's lifecycle and maximize its lifetime revenue potential.

Discounting strategies can vary and depend on a game's initial success. Some studios will discount their titles frequently and quickly to maximize unit sales. Others, like FromSoftware and Bandai Namco, have an *Elden Ring* or similarly well-performing titles and feel less compelled to discount more than the occasional 10%. Nintendo owns strong IP serving as its unique (hardware) selling point and rarely discounts its games, if ever. There is no single strategy that works for every game. It's advantageous for studios to create bespoke strategies based on their own internal goals and expectations, aligned with the needs and win conditions for a specific title.

Special focus topic #2 explores how various Steam promotions affect sales and what discounting strategies act more effectively. The insights are most applicable to Steam and PC.

The complete special focus topic also covers:

✓ How we used our newly acquired Steam Data Suite tool to inform our analysis of Steam discounting strategies.

✓ Analysis of how Steam promotions have become over time (2018 to 2024).

✓ The relationship between discount depth and sales performance.

✓ The effects of dynamic pricing and currency exchanges.

✓ An in-depth look at the effectiveness of different types of promotions on Steam.

✓ How promotions impact Steam Wishlist conversions.

The power of intellectual property (IP) in the games market

With the recent industry slowdown, many studios have announced plans to make fewer, higher-quality titles. While new projects won't launch for another few years, we are already seeing the effects play out in the number of canceled projects and games unable to achieve the success they initially targeted.

In the first half of 2024, there have been very few AAA releases, and most have been from existing franchises (*Final Fantasy VII Rebirth*, *Dragon's Dogma II*), ports (*Horizon Forbidden West*, *Ghost of Tsushima*), or remasters (*The Last of Us Part II*, *Persona 3 Reload*). Only four new AAA IPs have entered the market this year, and summer showcase announcements suggest that this trend of fewer new AAA IPs is expected to continue.

New IP creation is becoming a rarer phenomenon among AAA studios, with AA companies following suit at an increasing pace, as any new property runs the significant risk of generating limited player engagement, especially when it's up against tried-and-true IPs and franchises.

This being the case, many studios are turning to existing franchises and IPs with successful track records and widely-understood pull in the market. In 2023, *Fortnite*, which combines its wildly effective monetization model with sweeping brand partnerships, took an immense share of the world's total playtime, while yearly franchise releases (especially in the sports genre) also accounted for an outsized share of engagement and revenues. Transmedia also proved immensely effective for several game, TV, and film studios. Drawing from established franchises and IPs is tantalizing when the act of creating and marketing a new IP is so expensive and risky.

Special focus topic #3 investigates how audiences perceive franchises and transmedia, analyzing successes and failures. It explores how new IPs carry risks but also have the potential for huge success in a market tired of repeated franchises.

The complete special focus topic also covers:

✓ The benefits of drawbacks of game franchises versus completely new IPs.

✓ The power of cross-media and transmedia expansion strategies.

✓ A cross-section of how *Dead by Daylight* makes a strong case for developing (and scaling) new IPs.

✓ Whether movie/TV adaptations of video games that fail critically and/or financially impact the games they're based on, and a look at how box office revenues and game engagement across global markets correlate.

✓ Best practices for developing new IPs, licensing lesser-known properties, tackling the potential overreliance on existing characters and stories, and building more future-proof IP strategies.
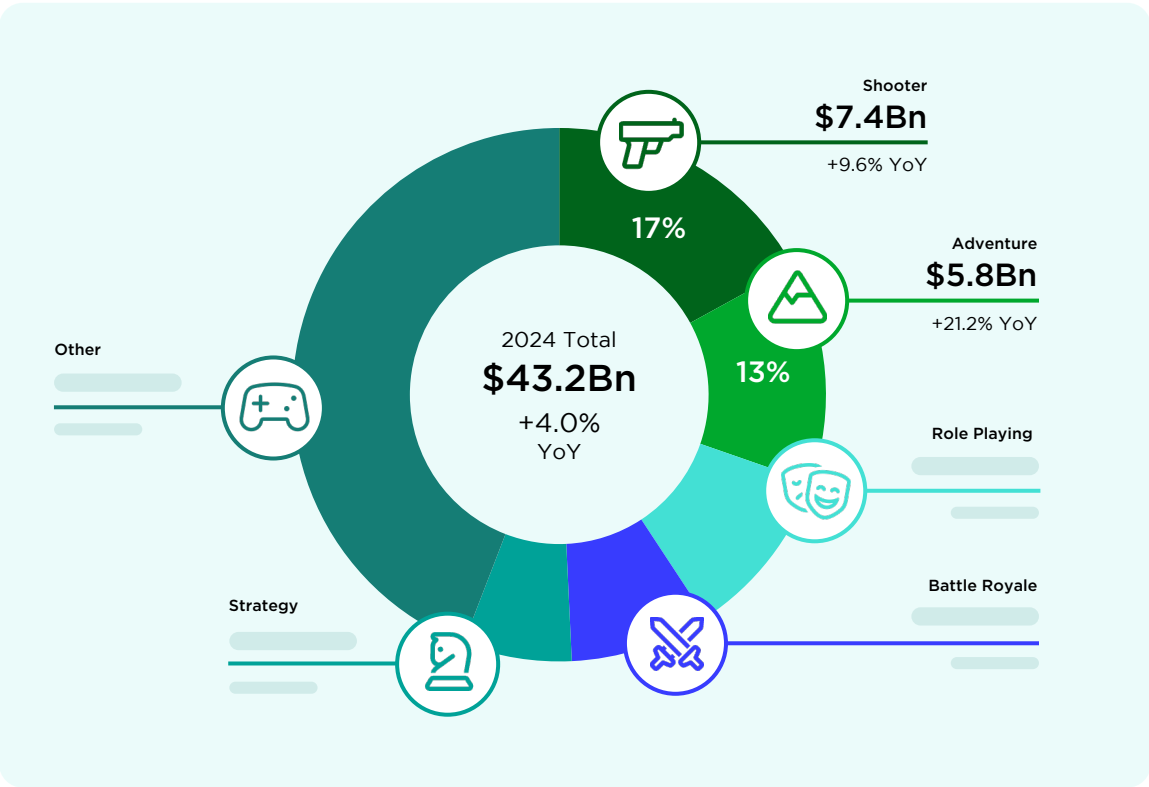
06

Game genres in 2024

Game genre revenues

In this section, we examine how genre revenues in the global games market are evolving in 2024. We compare revenue shares and dollar amounts (in USD) with 2023, focusing on the main gaming segments: console, PC, and mobile. Notably, popular titles released recently on console and PC are driving anticipated growth, while changes in mobile's privacy policies have presented obstacles for genres normally dependent on advertising for acquiring users. The resurgence of the Battle Royale genre across all three platforms is a recurring trend in 2024.

PC genre revenues

Shooter will be the top PC genre, accounting for 17.0% of PC revenues. Despite its high revenue share, shooters will still grow by +9.6% year on year.
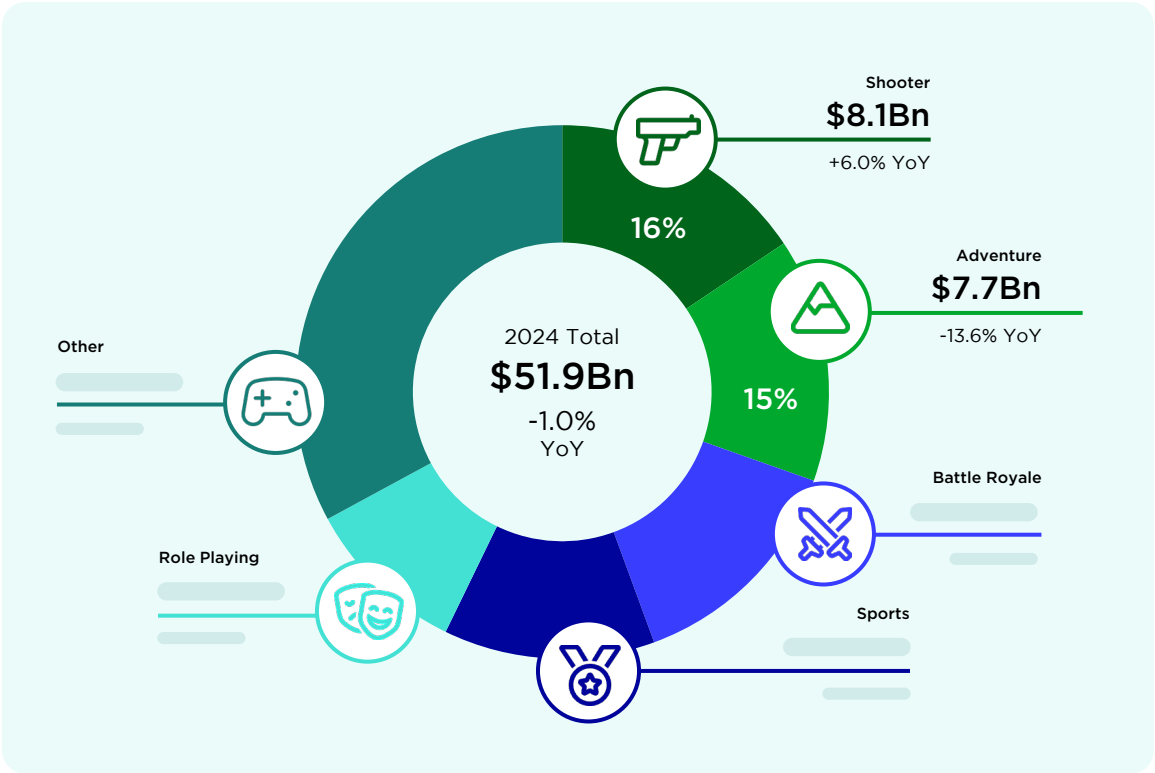
Top 5 PC genres by global revenue
2024

Shooter
$7.4Bn
+9.6% YoY

17%

Adventure
$5.8Bn
+21.2% YoY

13%

Role Playing

Battle Royale

Other

Strategy

2024 Total
$43.2Bn
+4.0%
YoY

Get even more up-to-date revenue and growth figures per genre across PC with Newzoo's Games Market Reports and Forecasts subscription.
Find out more

newzoo

Top 5 console genres by global revenue
2024

Shooter
$8.1Bn
+6.0% YoY

16%

Adventure
$7.7Bn
-13.6% YoY

15%

Other

2024 Total
$51.9Bn
-1.0%
YoY

Battle Royale

Sports

Role Playing

Console genre revenues

Shooters will be console's top genre in 2024, representing 16% of all console revenues. Similar to PC, _Helldivers 2_, a new entrant, has significantly impacted this genre. Regular hits like _VALORANT_, _Counter-Strike: Global Offensive_, _Call of Duty_, and _Tom Clancy's Rainbow Six: Siege_ will continue to contribute to the genre's performance. Other new PC Shooter releases like _THE FINALS_ and _XDefiant_ will also continue influencing this growth.

Get even more up-to-date revenue and growth figures per genre across console with Newzoo's Games Market Reports and Forecasts subscription. Take the product tour

07

The games market
per region & country

Explore five regions and 35 countries/markets

The Games Market Reports and Forecasts covers the entire games market across five regions (North America, Latin America, Europe, the Middle East & Africa, and Asia-Pacific) and 35 individual markets. Subscribers get access to regional summaries that include key facts like revenues, player numbers, the average spend per paying gamer across all segments, and revenue forecasts per segment toward 2027.

This year, we also expanded this section with data from the Global Gamer Study, Newzoo's gamer research product that surveys over 73,000 respondents from 10 to 65 years old across 36 key countries and markets. The study augments our detailed understanding of how consumers play and spend in the games market, as well as what motivates them.

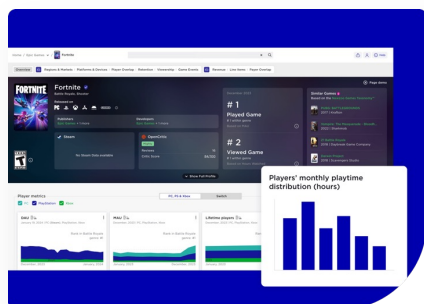| North America	Latin America	Europe	Middle East & Africa	Asia-Pacific
Canada	Argentina	Belgium	Egypt	Australia
United States	Brazil	Finland	Saudi Arabia	China
	Chile	France	South Africa	India
	Columbia	Germany	Türkiye	Indonesia
	Mexico	Italy	United Arab Emirates	Japan
		Netherlands		Malaysia
		Poland		New Zealand
		Spain		Philippines
		Sweden		Singapore
		United Kingdom		South Korea
				Taiwan
				Thailand
				Vietnam

08

Work with Newzoo

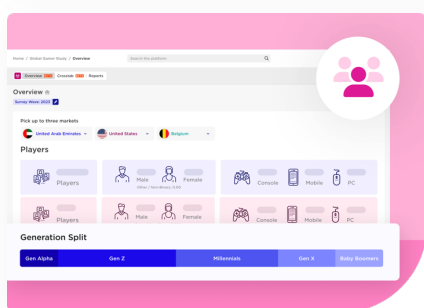# Access the data and insights powering this report

We use data from our product portfolio and proprietary sources to inform our market analysis and industry expertise.

Game Performance Monitor

Unlock title-level engagement and revenue data for thousands of PC and console games.
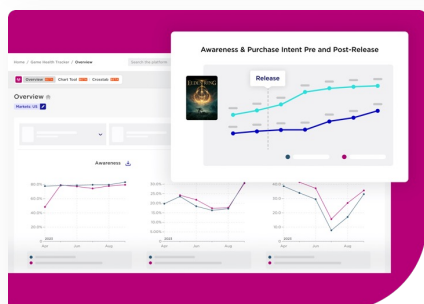
[View product](#)

Global Gamer Study

Explore the global gamer audiences across all dimensions with the largest gamer research study.
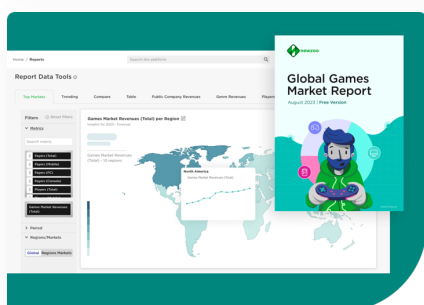
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Game Health Tracker

Track brand health and purchase funnel data over time for hundreds of games.

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Games Market Reports & Forecasts

Discover games market sizing, forecasts, and trends on a global and local level, and get access to the full Global Games Market Report 2024.

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Validate your new game concept by sizing the relevant addressable market, modeling risk scenarios, and calculating your game's payback period.

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Enrich your team and leadership's knowledge of the most important trends in the games market.

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