



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 nex-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

# Interactive entertainment market shows early onset for positive change

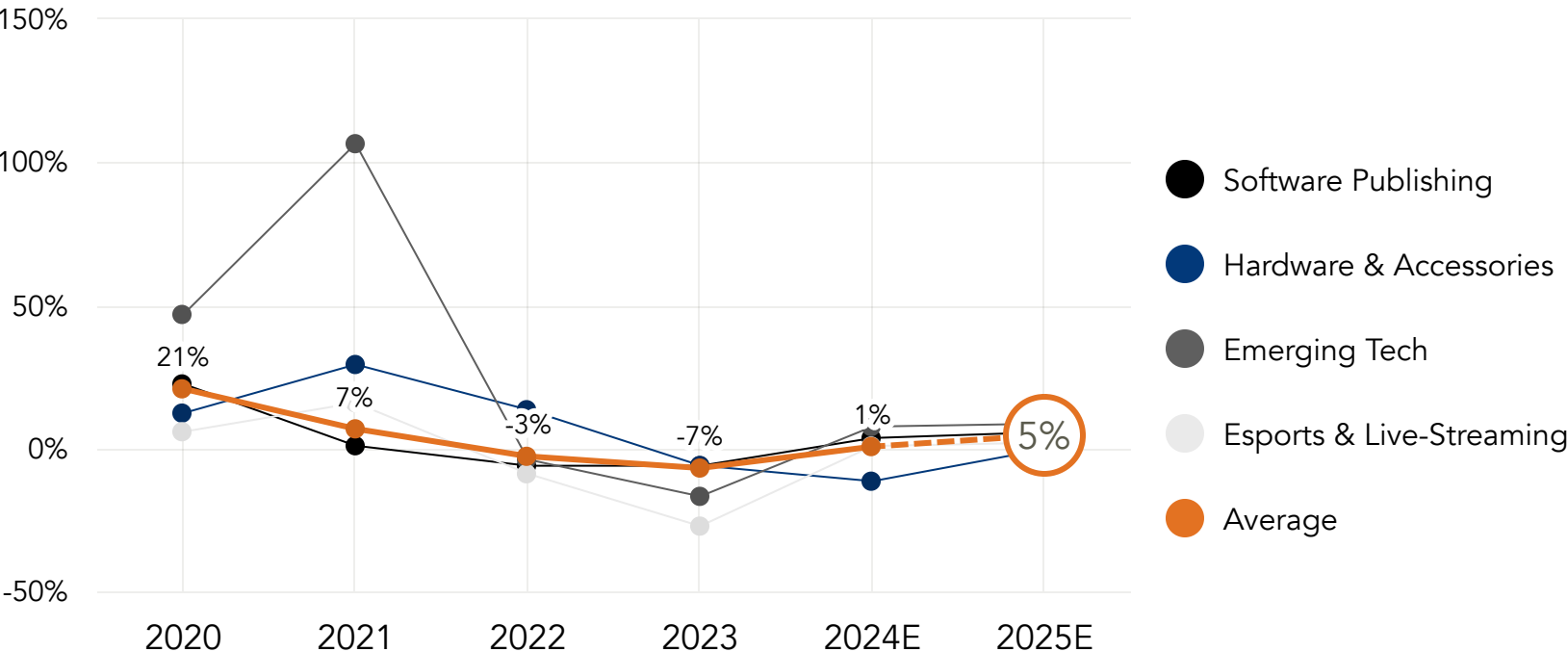
**\$250.2B**

COMBINED CONSUMER  
SPENDING ON TRACK FOR  
2025E

**4.61%**

FORECASTED GROWTH FOR  
2025E ACROSS ALL SEGMENTS

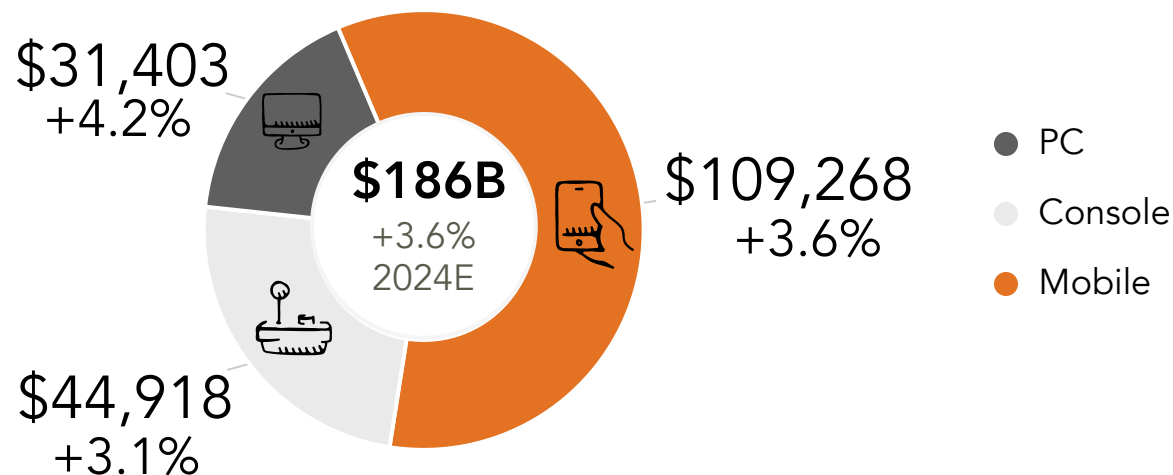
Year-over-year growth (%) for major categories from 2020 through 2025E



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

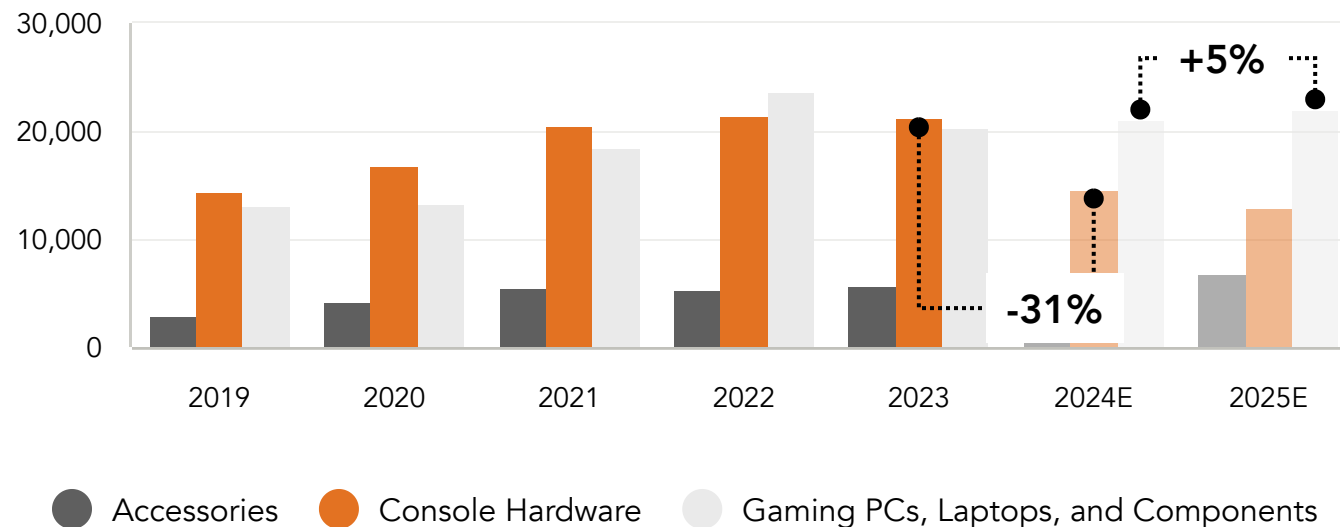
- Mobile gaming is the largest category at \$109.3B, growing 3.6% y/y, despite market saturation and rising user acquisition costs
- Projected consumer spending on console software to reach \$44.9B in 2024 (3.1%), in anticipation of market boost from next-gen hardware releases
- PC gaming shows strongest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



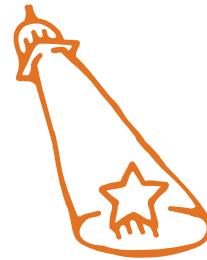
3

**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

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## 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

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

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](http://www.ALDORA.io)**

