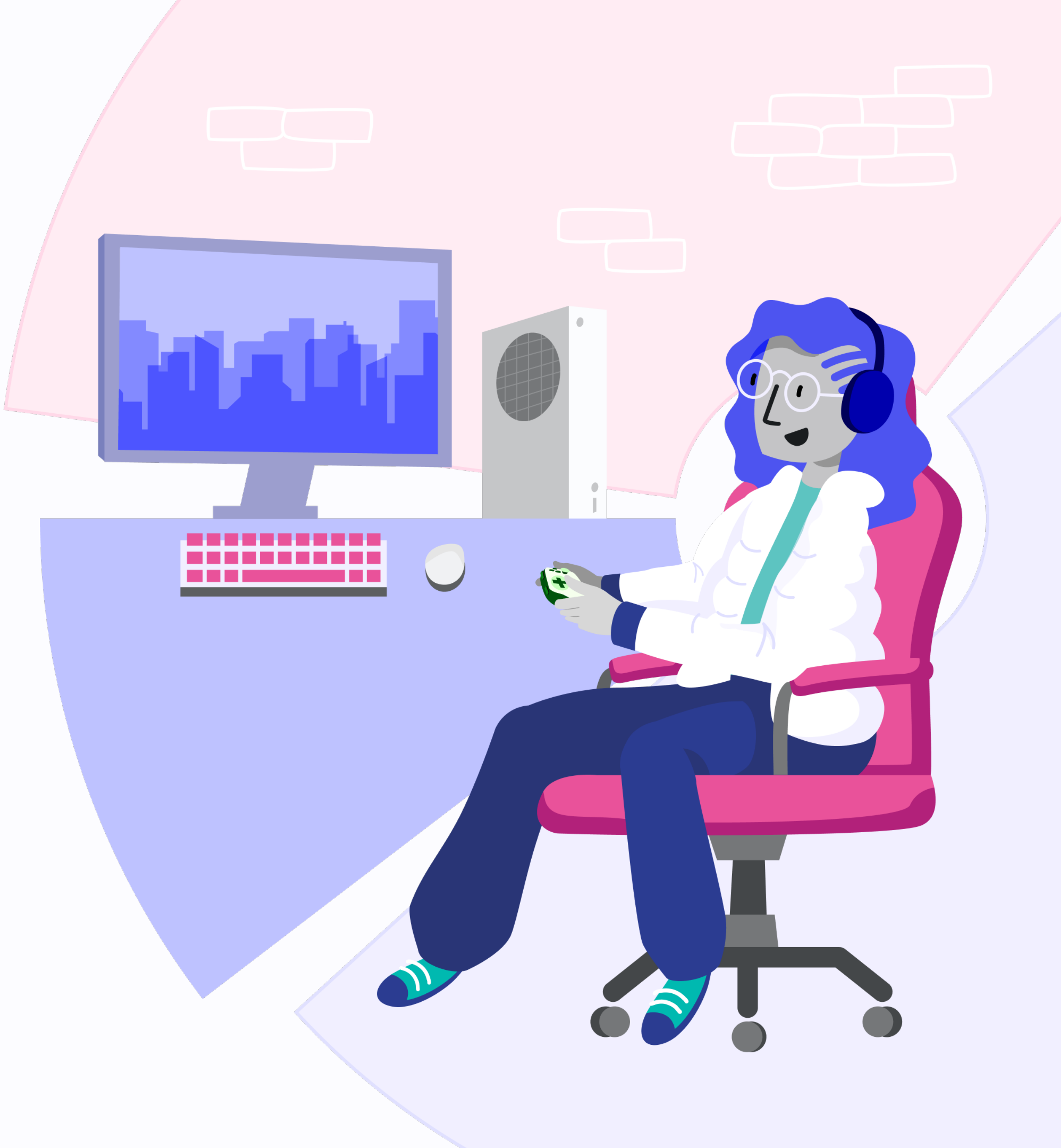
The PC & Console Gaming Report

2024



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The state of PC and console gaming in 2024

Welcome to the second edition of **Newzoo's annual PC and console report**.

Last year saw many highly anticipated and delayed games make landfall while significant layoffs cast a shadow over the industry. The market did recover after a slight dip in 2022, but **truly significant growth is still not on the immediate horizon**. Playtime is on the decline in 2024, and market consolidation is pushing more eyes and cash into the hands of fewer games and studios.

Despite all of this, we remain cautiously optimistic. There are many ways to stay in the game, especially as emerging markets bring new players to the fore and gaming weaves itself more into the mainstream. Breakout hits like *Baldur's Gate 3* show that **well-developed games that understand and respect their player bases while offering depth can still make their mark**.

In this report, we explore the state of the market today, providing insight to help stand out in a tough market. Aside from getting into trends like a downturn in playtime, **this report offers insight into potential opportunities in 2024 and beyond**. We also explore recent hit games to zoom in on shared best practices.

This free resource draws from the Newzoo Platform, focusing on the Game Performance Monitor, with supporting data and insights from all our tools. We also delve into our Games Market Reports and Forecasts for valuable market context.

We hope you enjoy reading it as much as we loved writing it. Thanks for tuning in.

Tom Wijman
Lead Analyst

Executive summary

The market will grow at modest rates

- Last year was massive for new game releases, but the overall market is slowing down.
- New player growth will flatten out in the coming years.
- Console gaming will be the main growth driver.
- Games-as-a-platform's prevalence means every new game will have to contend with *Fortnite* and *Roblox*.

PC and console gaming generated $93.5 billion (USD) in 2023, with +2.6% growth YoY.

Gamers will clock in fewer playtime hours

- Playtime has shrunk since its peak in 2021 and is trending downward.
- Games that have been out for six or more years are capturing over half of playtime, and that share is increasing.
- Fewer publishers are scooping up more player engagement and revenue, though players are still seeking out a diverse array of games.
- The barriers between PC, console, and mobile gaming are coming down.

Average quarterly playtime has decreased by -26% since Q1 2021.

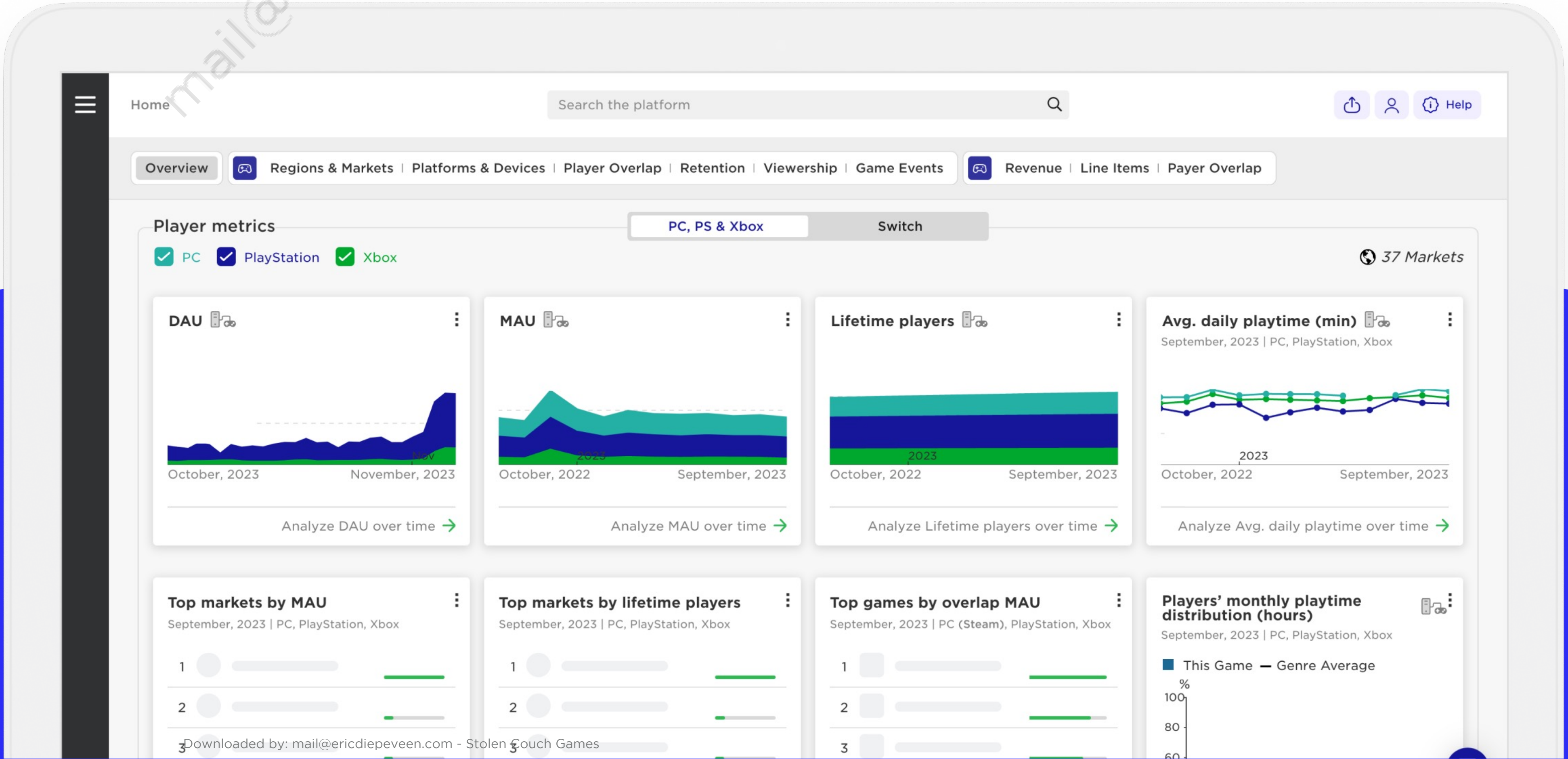
Competition is fierce, but opportunities do exist

- Many breakout titles from the last two years share success factors, giving insight into viable gameplay and storytelling strategies.
- Player growth in emerging markets is more promising than in established ones.
- There are still many trend-chasing gamers out there ready to jump on the "next big thing."

90% of new game revenue in 2023 was captured by just 43 titles.

Written by Newzoo's market analysts
Powered by data from our Platform

This report mainly draws from the **Game Performance Monitor**, our Platform's title-level tracker, with input from the entire product suite, market analysis team, and gamer researchers.



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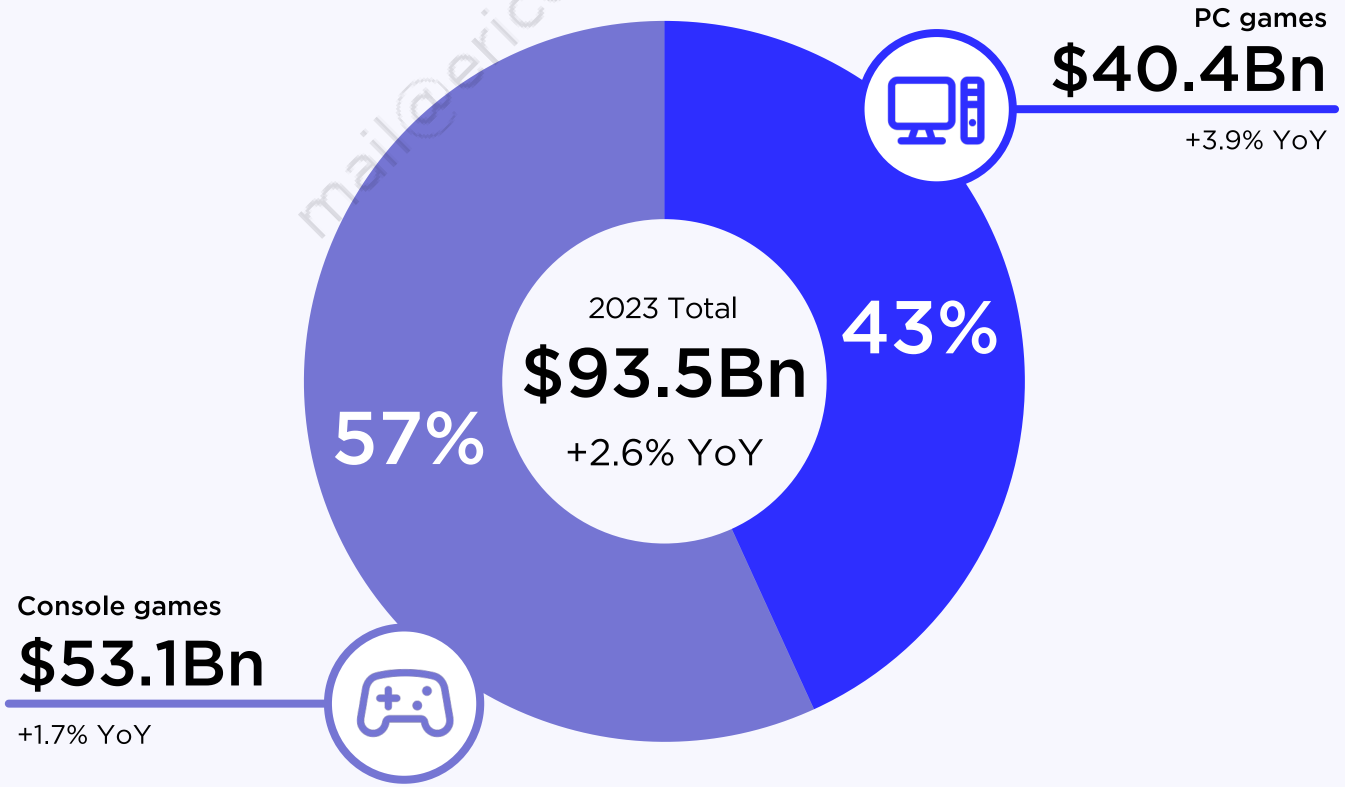
The PC and console market outlook

Growth will remain modest, with console as the main growth pillar moving forward

The PC and console market grew by +2.6% in 2023, with PC games contributing most to this growth



With downloaded/boxed PC growth as a primary contributor, **PC and console game revenues grew by +2.6% last year to reach $93.5 billion last year**.

2023 was a massive year for game launches. Many hotly anticipated, and in some cases, delayed, titles finally made it into gamers' hands, in some ways spoiling them for choice.

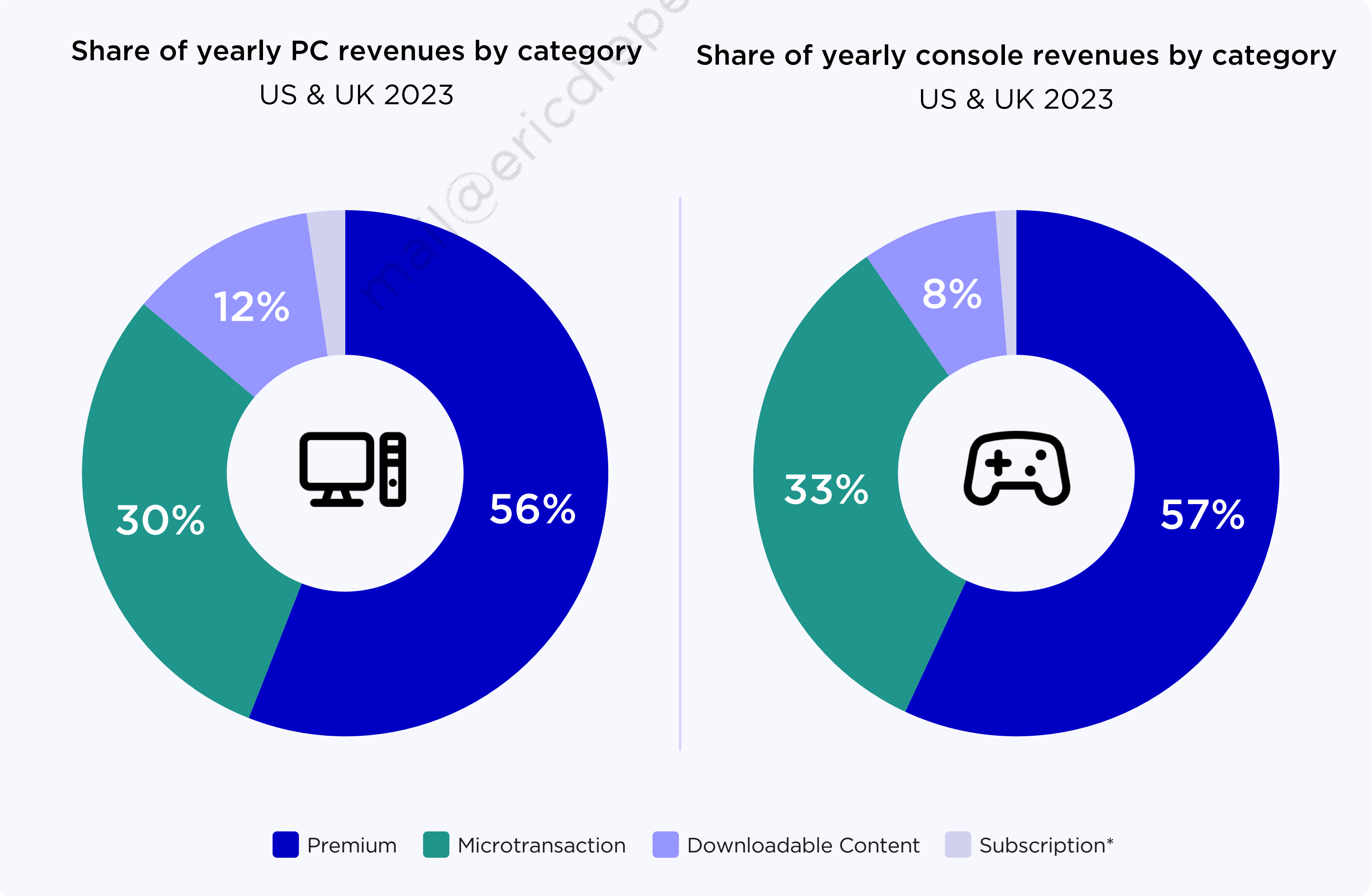
A significant number of the year's most successful games were cross-platform releases, some of which sold very well on PC, driving growth for the segment. However, much of this success didn't supplement live service revenues or back catalog sales.

Premium titles cannibalized time and revenues from the live-service heavy hitters, again highlighting that **live-service monetization tends to be a somewhat zero-sum game**.

Our revenues encompass consumer spending on games: physical and digital full-game copies, in-game spending, and subscription services like Xbox Game Pass. Mobile revenues exclude advertising. Our estimates exclude taxes, secondhand trade or secondary markets, advertising revenues earned in and around games, console and peripheral hardware, B2B services, and the online gambling and betting industry.

Source: Newzoo Games Market Reports and Forecasts | January 2024

Premium transactions accounted for the highest share of PC and console game revenues in 2023



In 2023, revenue from premium transactions accounted for **56% of PC spending and 57% of console spending**.

Premium's revenue share was high on console, partly thanks to the full slate of blockbuster premium launches. The time spent playing those games took some revenue share away from recurring spending.

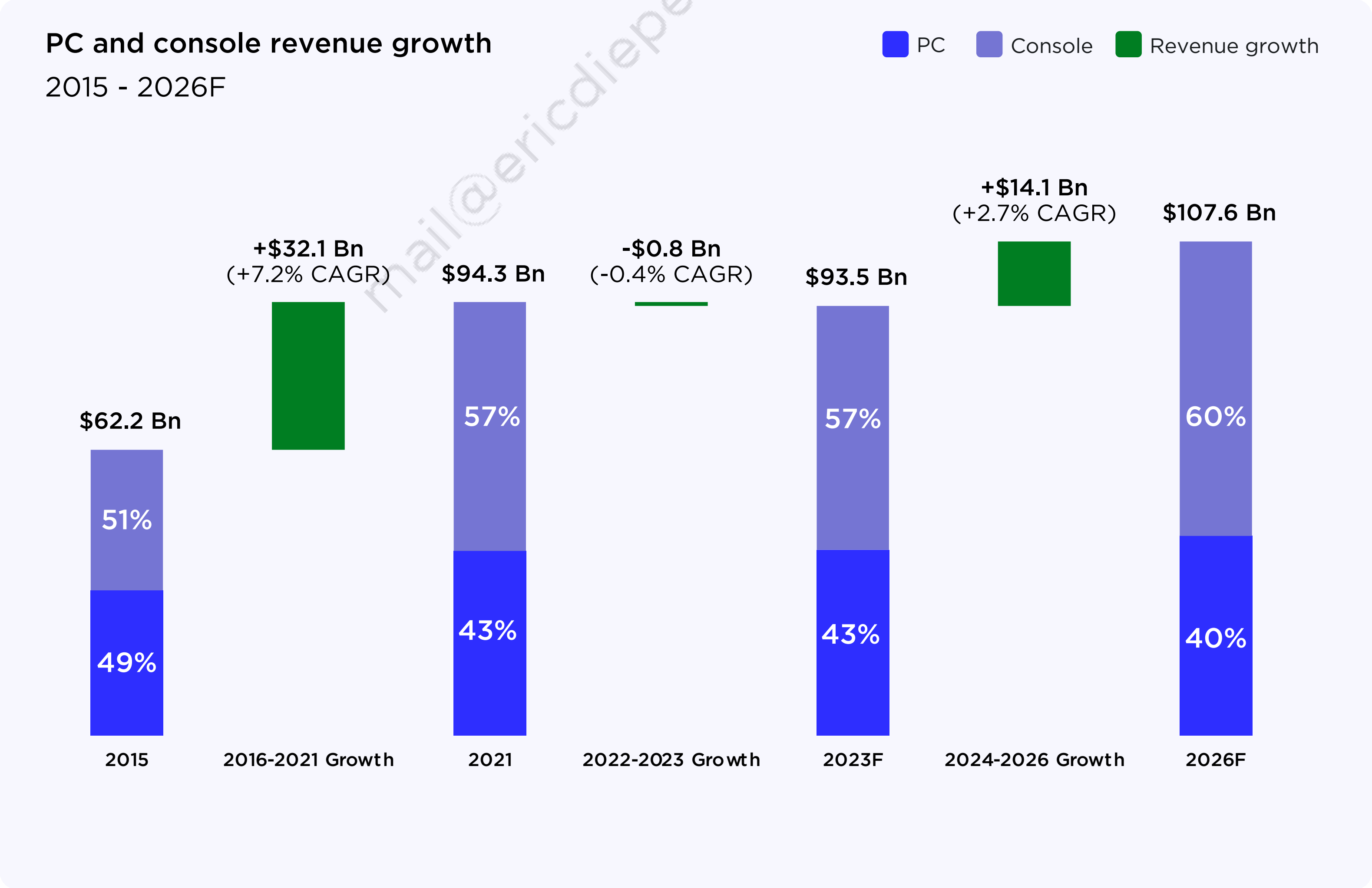
On top of that, successful pay-to-play live service launches that generated almost half of the year's revenue, like *Diablo IV*, still generated more premium than recurring revenues (of course, recurring revenue for those titles should grow as a percent of total revenue over time).

Switching gears from premium revenues, **in-game spending accounted for 43% of PC and console revenues in 2023**. The share of recurring revenues grew on PC despite the success of premium hits like *Hogwarts Legacy* and *Baldur's Gate III*.

*Subscription revenue is based on revenue generated from subscription-based consumer spend per title. It excludes multi-game subscriptions, such as Xbox Game Pass.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS, Switch | 2 Markets (US & UK) | 2023

PC and console revenue growth will stay below pre-pandemic growth levels through 2026



From 2015 to 2021, PC and console revenue grew rapidly, reaching $94.3 billion, with growth exceeding 50%.

The market will grow by a forecasted $14.1 billion from the end of 2023 to 2026, a more conservative growth outlook than before the pandemic. **Most of the growth will come from an expanding console install base and the rumored new Nintendo device.**

Other growth drivers will include the **sizable library of content available on next-gen consoles** and household budgets shifting toward late-cycle software. Developers will have to sharpen their competitive edge in light of this more modest growth. The goal for game makers will be to **capture and hold player interest while also converting players to payers at scale** in this saturated market environment.

Our revenues encompass consumer spending on games: physical and digital full-game copies, in-game spending, and subscription services like Xbox Game Pass. Mobile revenues exclude advertising. Our estimates exclude taxes, secondhand trade or secondary markets, advertising revenues earned in and around games, console and peripheral hardware, B2B services, and the online gambling and betting industry.

Source: Newzoo Games Market Reports and Forecasts | January 2024

New player growth will slow down for the PC and console market in the coming years

Our PC and console forecast for 2023 to 2026 anticipates a **CAGR of 1.6% for PC players and 3% for console players**, reaching 909 million and 683 million, respectively. The flat growth trend from 2021 to 2023F will continue as it has since the pandemic surge dwindled.

Forecasted growth rates from 2023F to 2026F are significantly lower than in the period from 2018 to 2021.

Slower player growth rates will impact the industry's capacity to "expand the pie" via net organic growth.

It will be increasingly challenging to grow a game's player base, particularly in our current landscape, where **evergreen titles and robust content pipelines reign supreme**.

Want a more expansive view of PC and console player growth now and in the future? The Games Market Reports and Forecasts toolkit gives you actionable data, forecasts, and trends to make smarter and bolder strategic decisions.

Source: Newzoo Games Market Reports and Forecasts | January 2024

Games ranking in the top 10 by average MAU are over seven years old on average and generally fall into one of four categories

Top 10 games by average MAU in 2023

Per platform

	PC | 37 Markets | 2023	PlayStation | 37 Markets | 2023	Xbox | 37 Markets | 2023	Switch | US & UK | 2023
1	Fortnite	Fortnite	Fortnite	Fortnite
2	Roblox	Grand Theft Auto V	Call of Duty: Modern Warfare II/III/Warzone 2.0	The Legend of Zelda: Tears of the Kingdom
3	Minecraft	Call of Duty: Modern Warfare II/III/Warzone 2.0	Grand Theft Auto V	Super Mario Bros. Wonder
4	Counter-Strike 2 & GO*	EA Sports FC 24	Minecraft	Mario Kart 8
5	The Sims 4	Roblox	Roblox	Minecraft
6	Call of Duty: Modern Warfare II/III/Warzone 2.0*	Rocket League	Tom Clancy's Rainbow Six: Siege	Pokémon Scarlet/Violet
7	League of Legends	Minecraft	Rocket League	Fall Guys
8	Valorant	Tom Clancy's Rainbow Six: Siege	Starfield	Animal Crossing: New Horizons
9	Grand Theft Auto V	Apex Legends	Apex Legends	Hogwarts Legacy
10	Rocket League	Fall Guys	FIFA 23	Super Smash Bros. Ultimate
Average years on the market	**9.6 years**	**7.4 years**	**7.2 years**	**3.9 years**

* Call of *Duty: Modern Warfare III* and *Counter-Strike 2* share the same executable with their predecessors, and these rankings include the average MAU of those releases plus their predecessors.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS coverage for 37 Markets (excl. China & India) | Switch coverage for US & UK | 2023

What's behind the success of the top 10 PC, Xbox, and PlayStation games by average MAU?

Gaming platforms

Strengths: diversity of experiences on offer; utilizing community to power content creation and brand collaborations.

Competitive multiplayer games

Strengths: competitive nature, culminating in active esports scenes; compelling core gameplay loop.

Annual franchise releases

Strengths: fan loyalty; licensing deals and roster updates (only applies to sports titles).

Sandbox games

Strengths: tools that allow for creativity and expression; strong community; active modding community.

Starfield is the only single-player title to appear in the top 10 games by average MAU in 2023. That also makes it the only new franchise to appear in this top 10 ranking on any platform covered.

Nintendo Switch's ranking differs significantly from the other three. It contains six exclusive titles, all of which are published by Nintendo. This makes it all the more impressive that *Fortnite* managed to top that chart, too.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS coverage for 37 Markets (excl. China & India) | Switch coverage for US & UK | 2023

Every new game release will have to compete with *Fortnite* and *Roblox*

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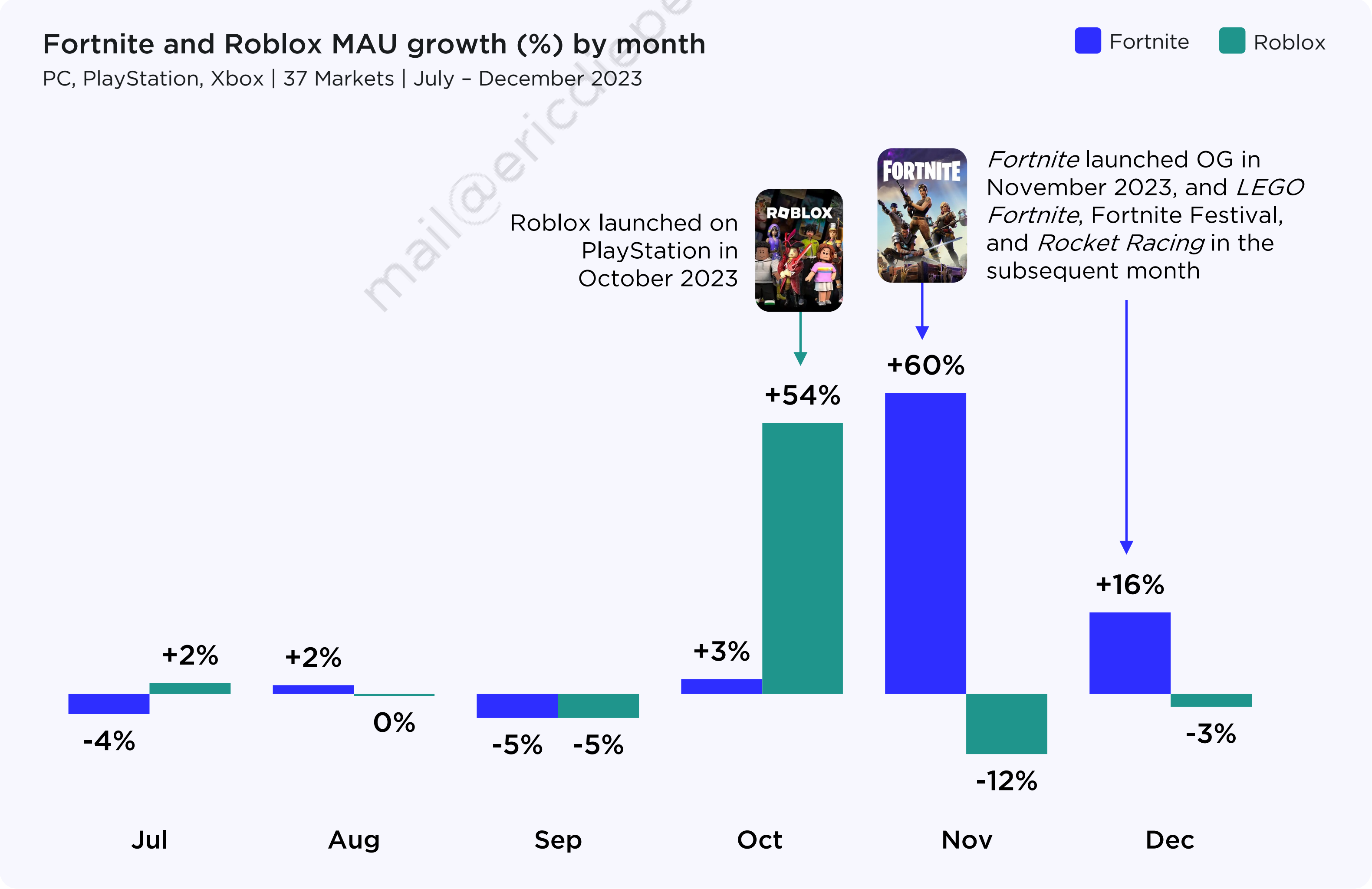

Fortnite and *Roblox* allow creators to build unique content, resulting in players getting new experiences on a consistent basis.

This third-party strategy lets gaming platforms like *Fortnite* and *Roblox* **stay ahead of the content treadmill**.

Live-service games that don't go the games-as-a-platform route, in contrast, rely on internal development teams and **can't release content at the same pace**.

While *Fortnite* and *Roblox* already gobble up a sizable player base, **engagement can balloon when certain content launches**. For instance, the fall 2023 launches of *Fortnite OG* and *LEGO Fortnite*, among other releases, led to significant MAU growth (without taking too many players from the *Roblox* ecosystem).

It's essential for studios to remember that they are **competing with these platform behemoths for a share of limited player hours**. Maintaining a viable player base or gaining new audiences is currently always in competition with *Fortnite* and *Roblox*.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS coverage for 37 Markets (excl. China & India) | 2023

Gamers are clocking in fewer playtime hours

Overall playtime is shrinking, while older games capture most playtime

Average quarterly playtime has decreased by -26% since Q1 2021

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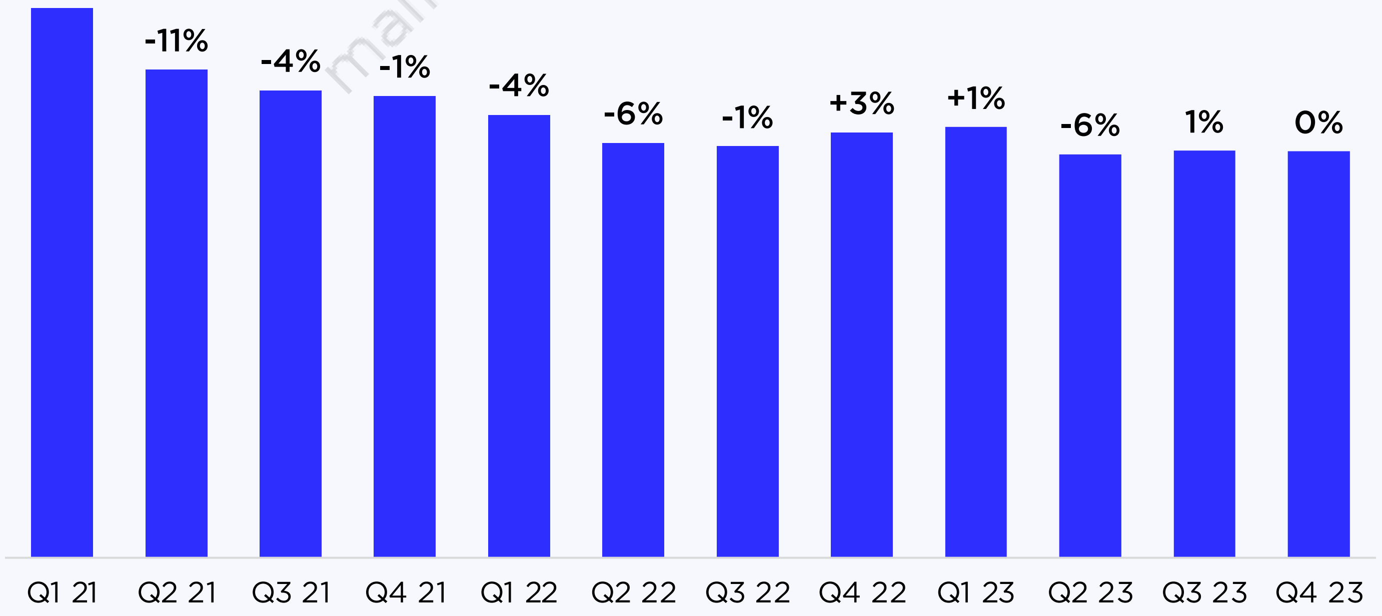
Average hours per quarter played on PC, Xbox, PlayStation

January 2021 - December 2023, with quarter-on-quarter growth rates



As lockdowns ended across the world, players turned to other options for entertainment, stepping away from the screens that had sustained them during the pandemic.

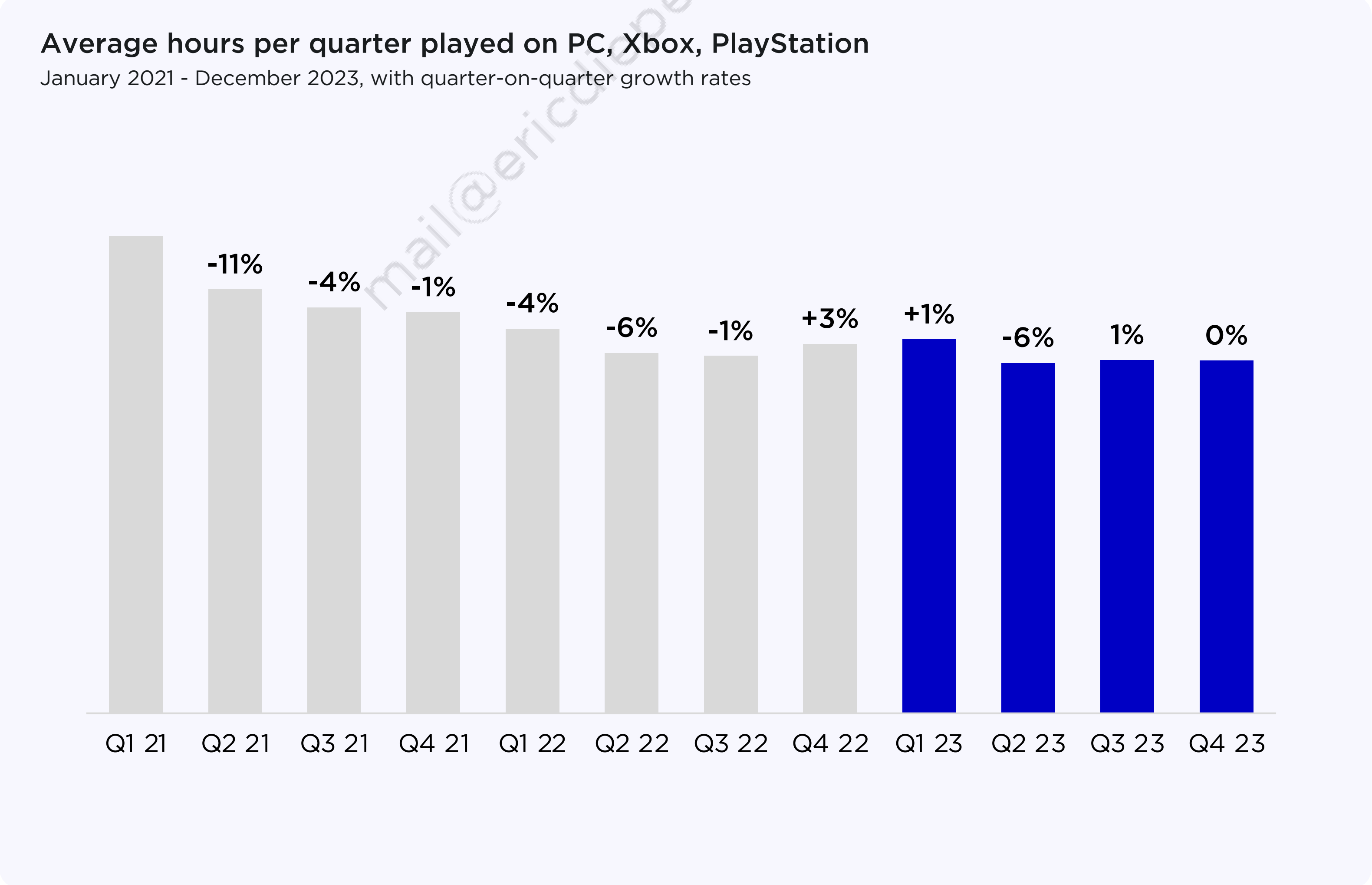
This trend has resulted in a **-26% decrease in average quarterly playtime from Q1 2021 through Q4 2023**.

Typically, **we would expect to see growth in Q4** (as we did in 2022) thanks to holiday releases and more available playtime hours away from work, school, and other commitments. However, this didn't come to pass in Q4 2023.

If you look ahead to this year and the next several, this trend will likely continue, evidenced, as well, by **playtime being down by -10% in January 2024**. Decreasing playtime may also be exacerbated by the relatively light release schedule expected this year.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

Playtime per title is trending down as overall playtime declines

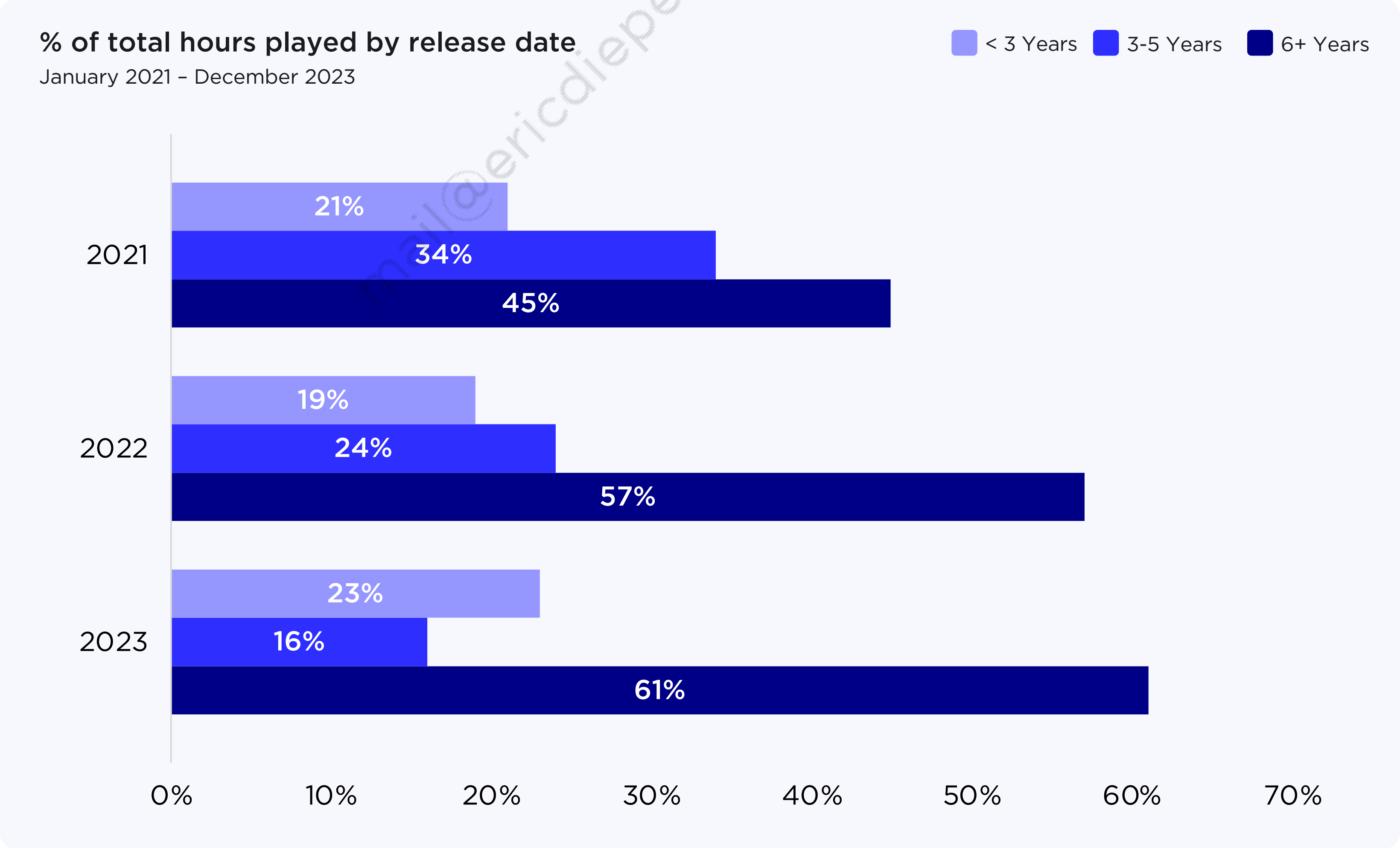


66 titles

accounted for **80% of playtime in 2023**, in line with the trend of the last two years.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

Titles six years old and over accounted for more than 60% of playtime from 2022 through 2023



Players are spending more time on games that came out six or more years ago. The time spent on these accounts for **over 60% of the time spent in games in 2023**.

These **older games are gaining an increasing share of playtime over games between three and five years old**, which dropped in playtime in 2021 and 2022. The drop in playtime in 2022 can be attributed to *Fortnite*'s shift into a 6+-year-old game, but not in 2023.

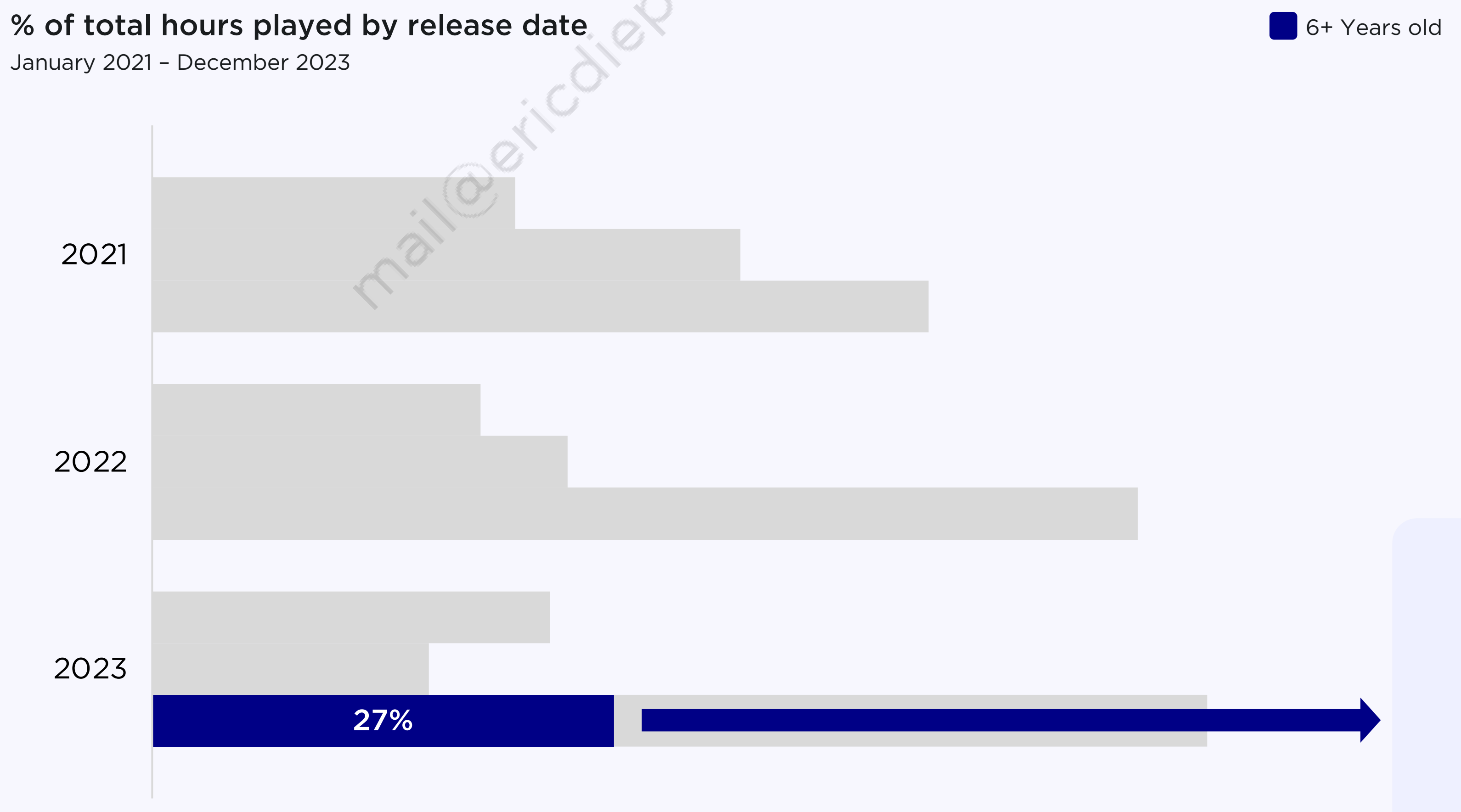
2023 was a solid year for new game releases*, with the **share of new game playtime rising to 23%** (from 19% in 2022).

Both new games and 6+-year-old games took playtime from the category of games between three and five years old. This shows just **how difficult it's become to create a game that keeps players engaged for a long time.**

* New games are defined as games that launched after January 1st, 2022.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

The top five older titles accounted for over 25% of all playtime in 2023, making it tougher for new titles to compete



In 2023, **the top five titles out of all six-year-old games captured 27% of all playtime**.

These titles included the usual suspects: *Fortnite*, *Roblox*, *League of Legends*, *Minecraft*, and *Grand Theft Auto V*.

The longevity of these titles and their supremacy over playtime, combined with the finding that playtime hours are shrinking overall, indicates how entrenched these hours are.

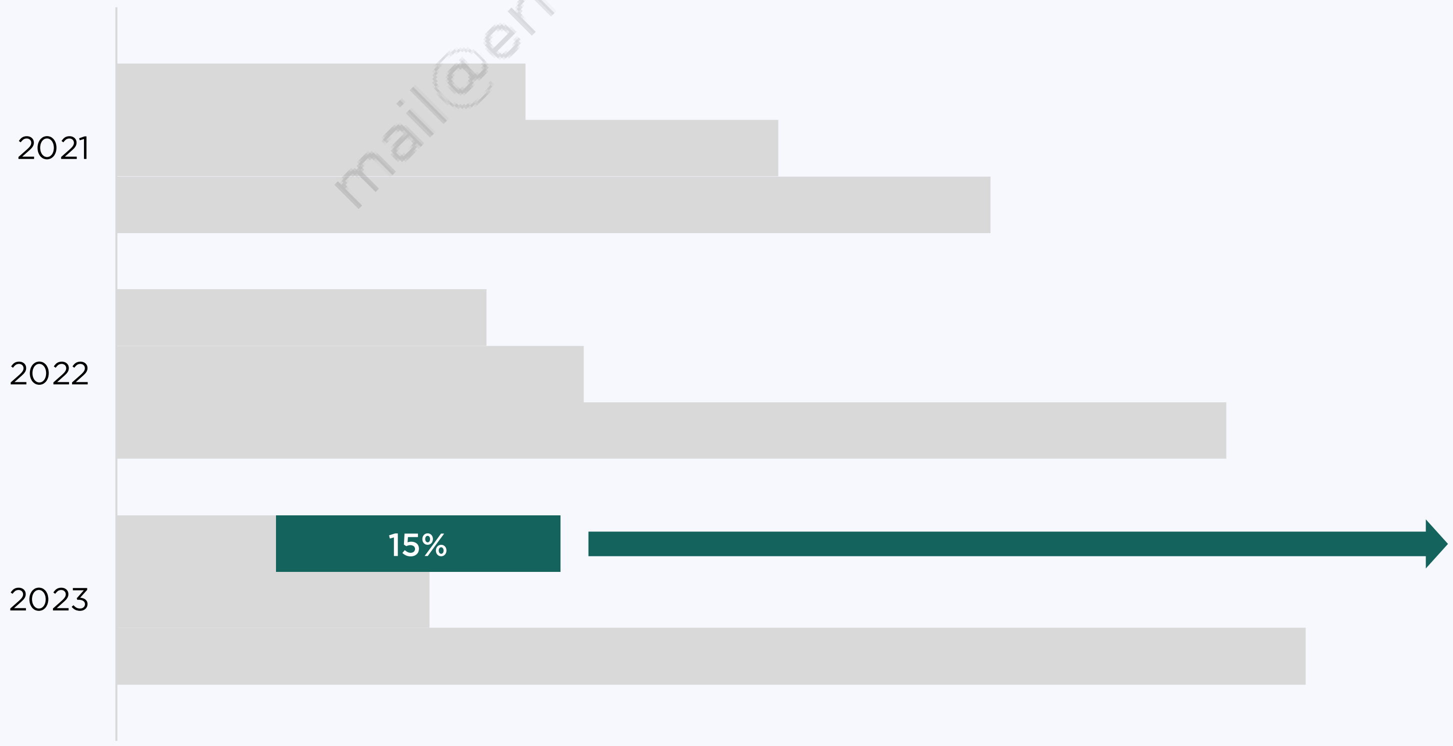
Simply put, **these hours are not part of the addressable market for other games**.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

Over 60% of playtime spent on new titles went to franchises with annual releases

% of total hours played by release date

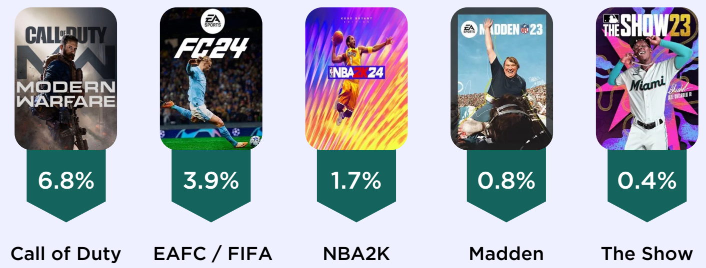
January 2021 – December 2023



Out of that 23% share of total playtime that went to new games (released fewer than two years ago), yearly franchise titles accounted for 60%. That means that **annual releases snagged around 15% of total playtime.**

Annual release titles include *Call of Duty: Modern Warfare*, *EA Sports FC*, *NBA 2K*, *Madden*, and *MLB The Show*.

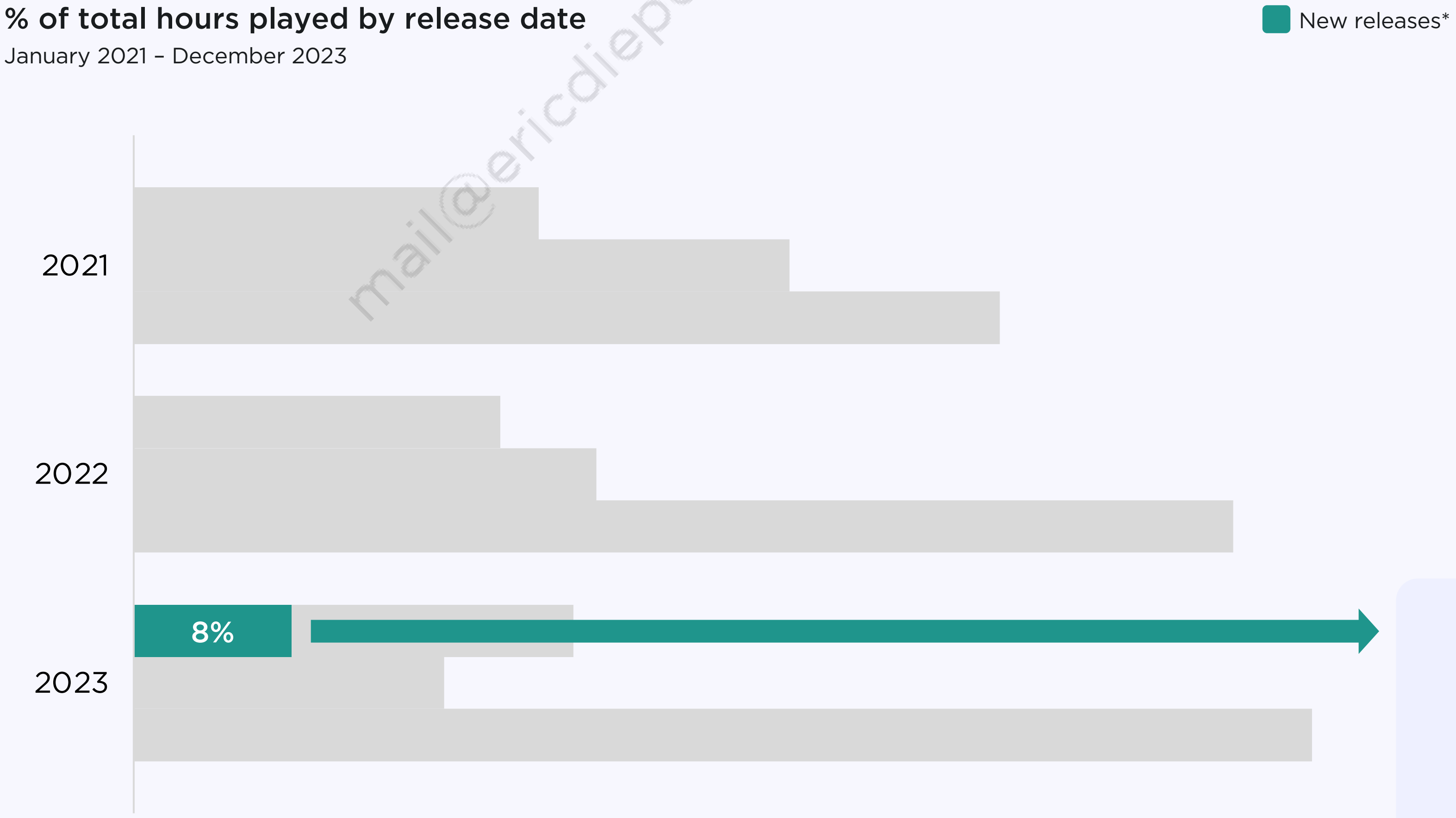
Studios hoping to release a new title will find it challenging to include these playtime hours in their addressable market, as they nearly always go to these games that engage players on a reliable annual basis. In other words, **it's a tall order to steal playtime hours from a *Call of Duty* or big sports title.**



Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

New titles competed for 8% of the total playtime in 2023

% of total hours played by release date
January 2021 – December 2023



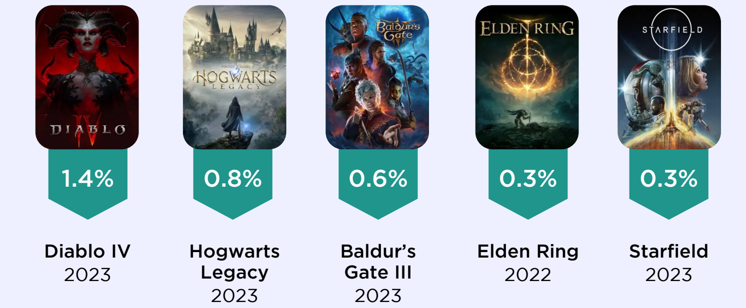
*Excl. Annual Titles (Call of Duty, NBA2K, etc.)

The remaining playtime spent on new titles comprised 8% of the total playtime in 2023.

While that may sound dire, the reality is that it's easily possible to be successful within these constraints.

The top five titles within this smaller portion of new game playtime were *Diablo IV*, *Hogwarts Legacy*, *Baldur's Gate 3*, *Elden Ring*, and *Starfield*. Collectively, **these games accounted for 3.5% of last year's total playtime**.

It's worth noting that **four of these titles are premium games**, while only one of them is a live service.

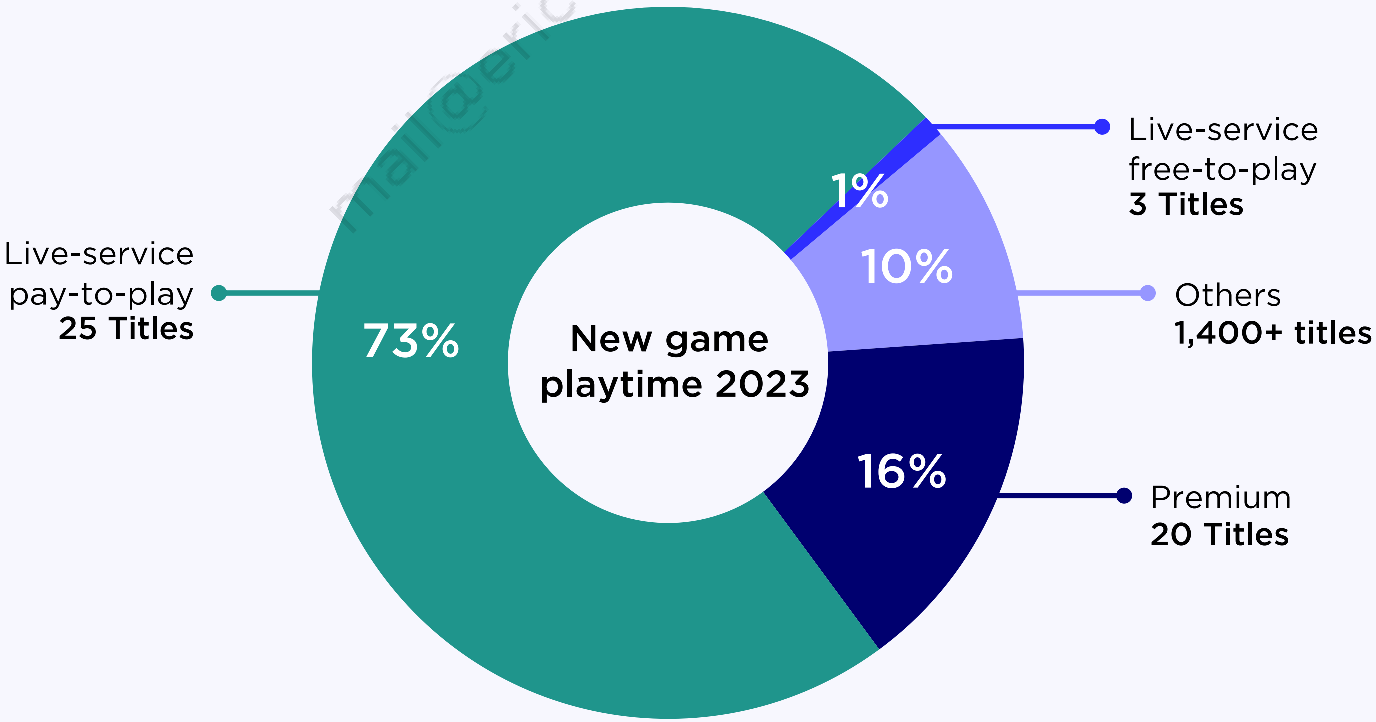


Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

90% of new game playtime was spent on 48 titles, with over 1,400 titles accounting for 10% of this playtime

Share of playtime as a % of total hours spent on new titles

January 2023 – December 2023



New Games/Titles are defined as titles released starting in 2022.

* *Call of Duty: Modern Warfare* is listed as a pay-to-play live service as the *Warzone* is persistent with the main title.

In 2023, **only 48 titles accounted for 90% of new game playtime** in the US and UK. Of these 48 titles, 25 were live-service pay-to-play games, 20 were premium, and the remaining three were free live services.

Live-service pay-to-play games dominated, **accounting for nearly three-quarters of new game playtime**. The 25 titles included the new *Call of Duty* and sports games, as well as popular new releases such as *Diablo IV*.

The remaining 10% of all new game playtime was spread over 1,400+ titles. These included *Assassins Creed: Mirage*, *Lies of P*, *Marvel's Midnight Suns*, and *Wo Long: Fallen Dynasty*.

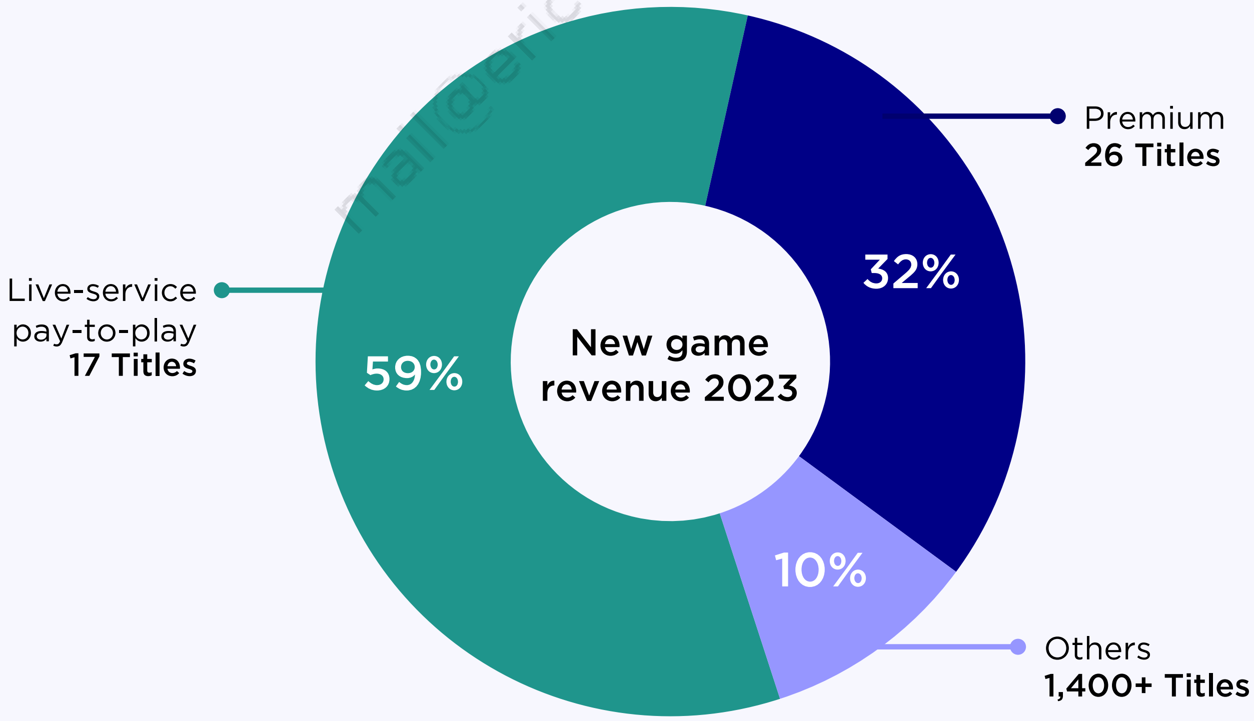
While these games didn't accrue as much playtime as the live-service pay-to-play giants, it's worth noting that **falling into this 10% doesn't automatically mean that these games were unsuccessful.**

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 2 Markets (US, UK) | 2023

90% of new game revenue in 2023 was captured by 43 titles

Share of new title revenue

New game revenues | January 2023 – December 2023



New Games/Titles are defined as titles released starting in 2022.

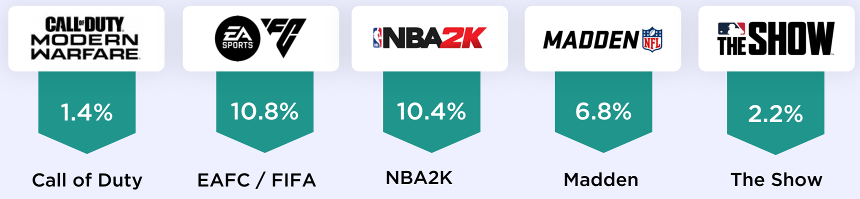
* *Call of Duty: Modern Warfare* is listed as a pay-to-play live service as the *Warzone* is persistent with the main title.

Switching from new game playtime to new game revenue, you can see that **even fewer titles captured 90% of revenue**.

Premium titles accrued 32% of new title revenue despite accounting for only 16% of playtime, **while 47% of new title revenues came from annual releases.**

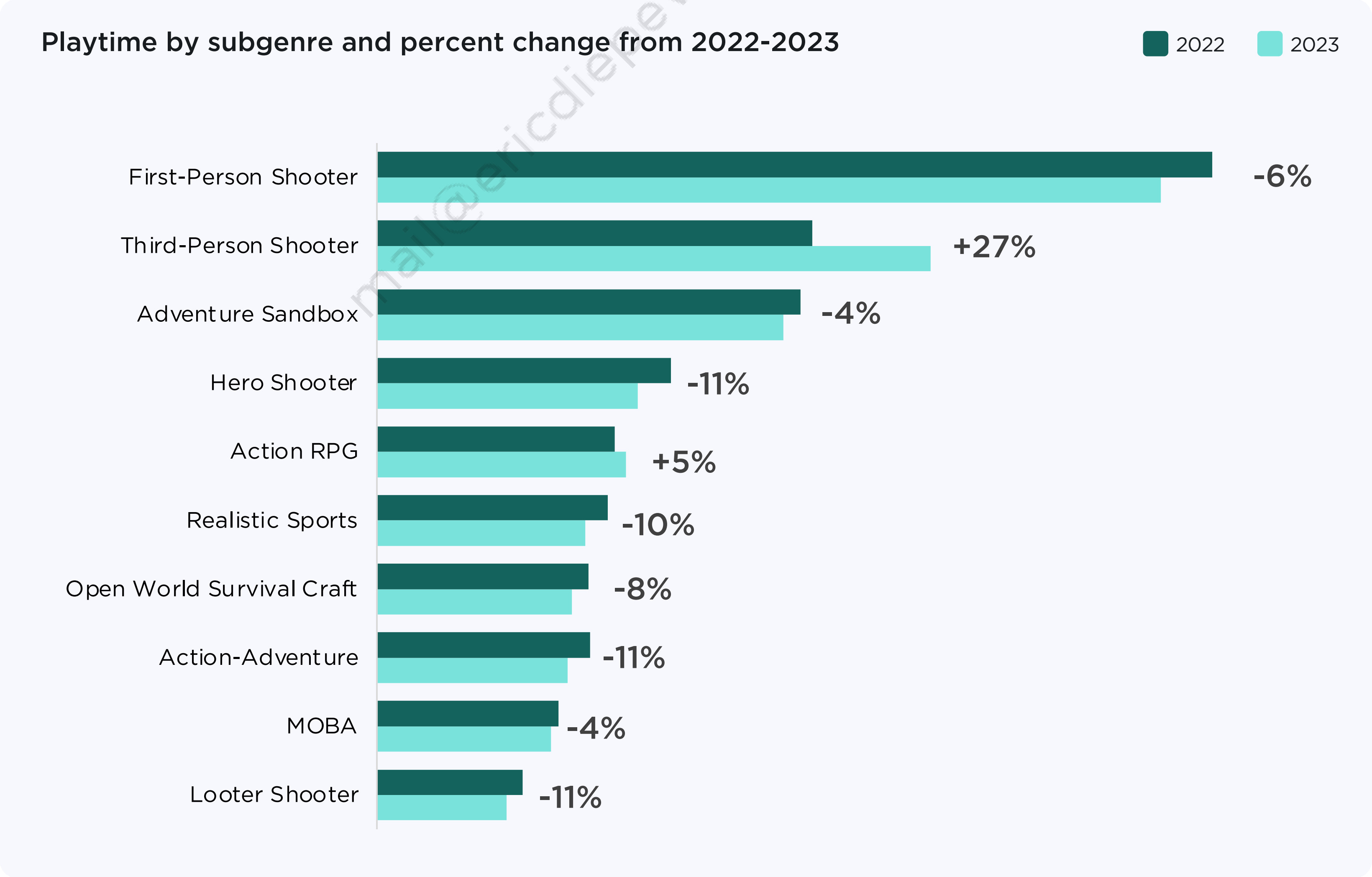
The one free-to-play title that captured play time (*THE FINALS*) is absent due to being launched in December 2023.

While this shows that it's difficult to directly compete with heavy-hitting pay-to-play titles, **monetizing upfront and after the initial purchase seems to be a preferable strategy for live services**, allowing well-oiled premium IPs to compete.



Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 2 Markets (US, UK) | 2023

Following industry trends, all subgenres are losing engagement time, except for Third-Person Shooters and Action RPGs



Shooters dominate the top 10 subgenres by playtime but are declining overall. Third-person shooters saw an increase, but only due to the addition of third-person mode in *Call of Duty II/III/Warzone*.

Despite the downturn in playtime, **Action RPG games managed to overcome the trend to increase (+5%),** but with significant help from massive titles released in 2023 like *Diablo IV*, *Hogwarts Legacy*, and *Starfield*.

MOBA and Adventure Sandbox games seem to be more resilient than others. However, **these subgenres are driven by a few strong contenders with highly sticky user bases**.

MOBAs have *League of Legends* and *DotA 2*, while Adventure Sandboxes are held up by *Minecraft*, *Roblox*, and *Grand Theft Auto V*. **These genres are likely to remain in the top 10 for the foreseeable future.**

Subgenres are part of the Newzoo Games Taxonomy
The Newzoo Games Taxonomy is a granular and cross-platform classification framework for games on a large variety of elements. It consists of over 250 variables across 12 unique categories.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2022-2023

Keep tracking playtime and revenues

Go beyond the report with Newzoo's **Game Performance Monitor**, the leading data tool for tracking thousands of PC and console games globally.

10,000+
Games tracked across PC, Xbox, PS, and Nintendo Switch

37
37 markets covered worldwide, 9 regions

100+
Metrics including MAU, DAU, lifetime players, and revenue

- Coverage of the top platforms:
- Playing, spending, and viewing player data for PC and console games
- Player overlap, acquisition, retention, and churn between titles
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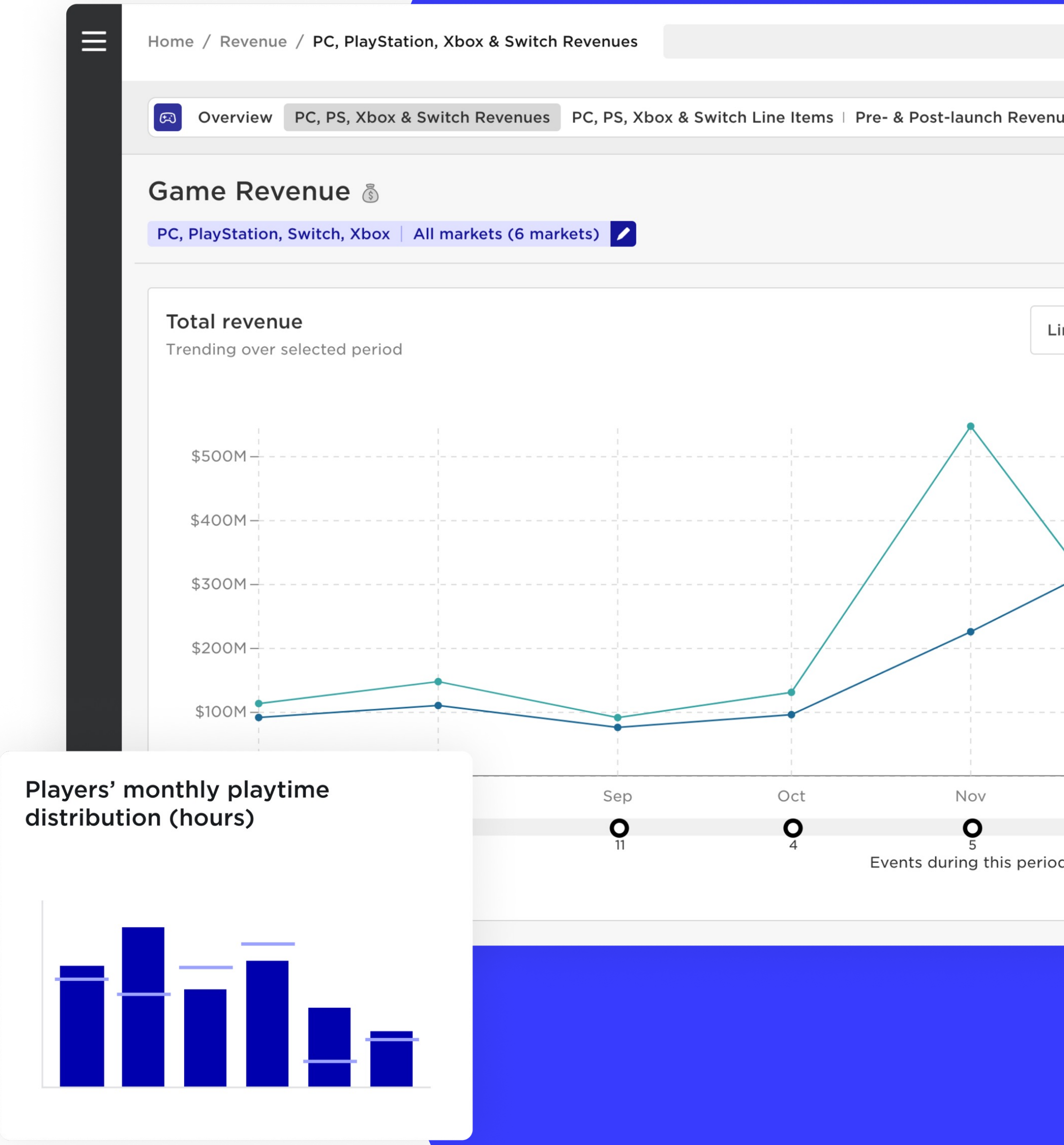


Reckoning with an overcrowded market

How do you get discovered and stand out in the PC and console market?

A small number of publishers dominated the PC and console market in 2023

PC and console publishers commanding the top 80% by MAU
January 2023 – December 2023

Month	Number of Publishers
Jan	32
Feb	28
Mar	28
Apr	30
May	30
Jun	31
Jul	34
Aug	32
Sep	29
Oct	29
Nov	28
Dec	28

Declining playtime is just one of the challenges facing today's PC and console games market.

We also see that, over time, **fewer publishers are scooping up an outsized share of engagement**. In each month of 2023, between 28 and 34 publishers commanded 80%* of MAUs, a publisher count that has been trending down since 2021.

What's more, **a group of 23 publishers was consistently present in this list in 2023**, with five additional publishers appearing in this ranking at least eight months.

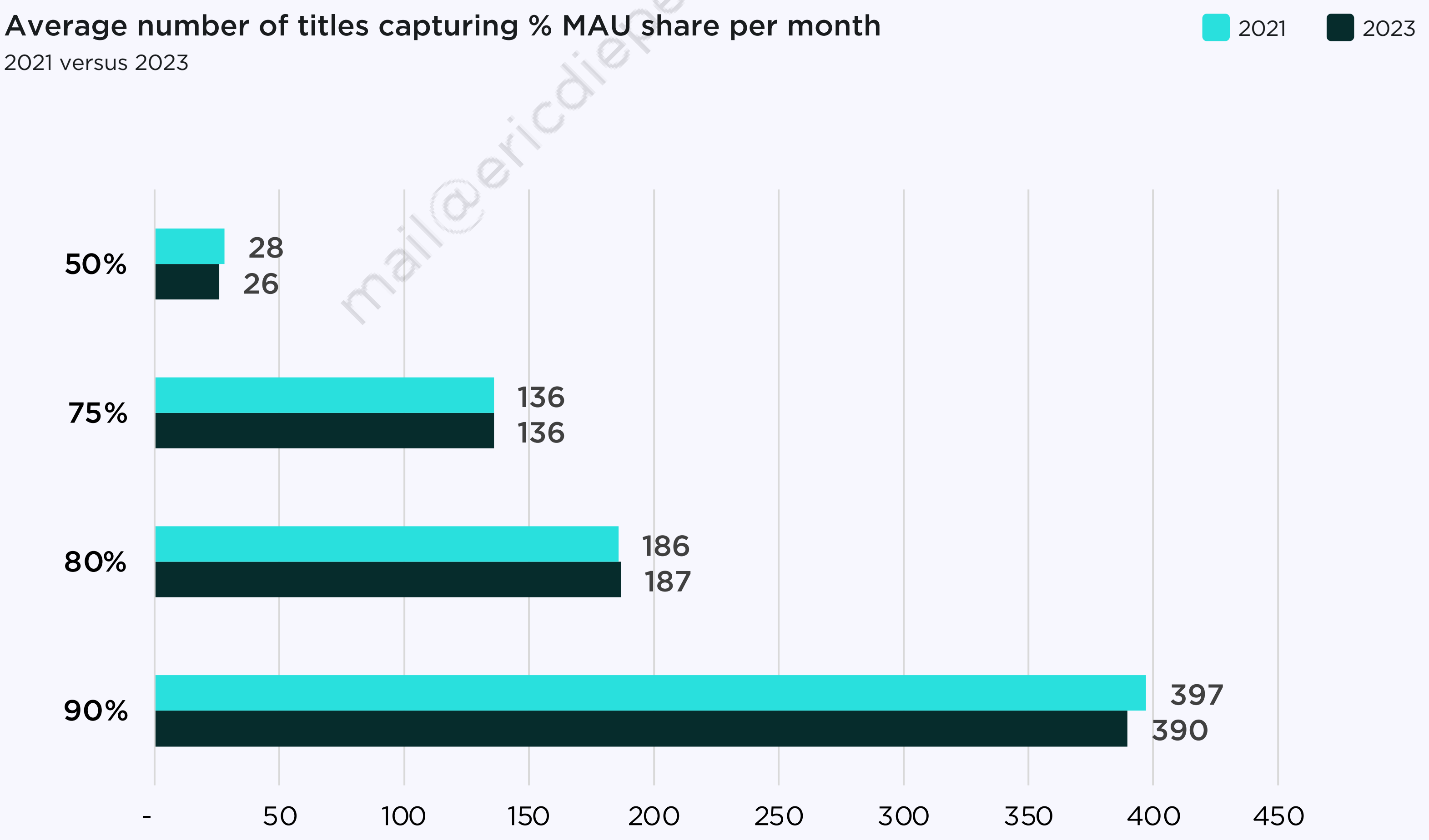
This left little room for other publishers to break through, but **several studios managed with single or multiple titles**. Prominent examples included Larian Studios' *Baldur's Gate 3* and Gearbox Publishing's *Remnant II* and *Risk of Rain 2*.

Publishers capturing the top 80% MAU in all 12 months of 2023: 2K, Activision Publishing, Bandai Namco, BHVR, Bethesda, Blizzard, Bungie, CDPR, Capcom, Epic Games, Epic Games Publishing, Mojang, Psyonix, Riot, Roblox, Rockstar, SIE, Square Enix, Ubisoft, Valve, Xbox Games Studio, miHoYo

* Newzoo looked at 80% of MAU for each title measured during a single month as a measure for the majority of player engagement. These MAU are not deduplicated, meaning a player was counted once for each title they played during a specific month.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2023

Fewer companies are scooping up most of the engagement, but players are still playing a diverse array of titles



While publishers are grabbing more engagement, **players are still getting into roughly as many titles as before**.

Title diversity has yet to see as significant an impact as publishers in terms of MAU.

The number of games capturing 75% of players in 2023 was identical to how many achieved the same thing in 2021 and close to identical in the other brackets.

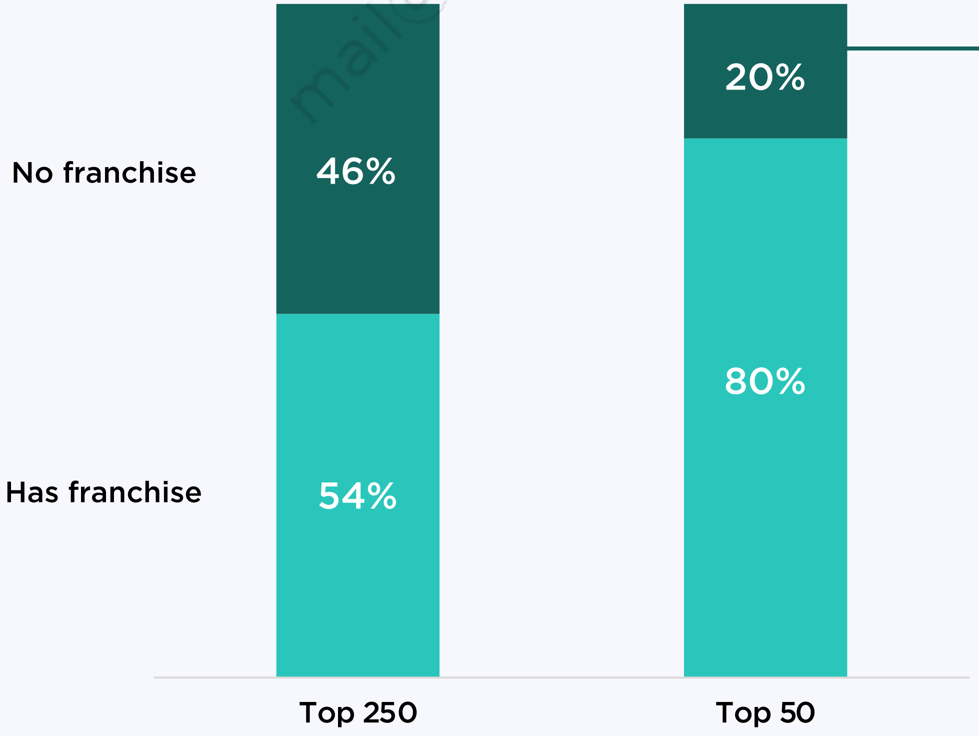
The trend suggests that **fewer publishers are finding success with more titles.** The industry may be consolidating, but players aren't following suit in terms of how many games they play (just that their playtime hours are dropping).

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

Game studios are relying on safer bets like established franchises to improve discoverability

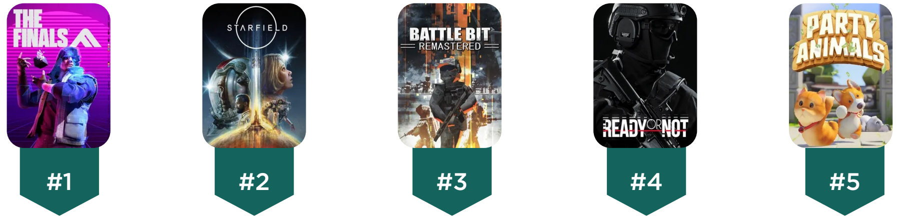
% of top new PC/console releases in 2023 by MAU

Franchise versus no franchise



Top five games of 2023 with no franchise by MAU

PC, PS, Xbox | 37 major markets | Dec 2023



THE FINALS · BattleBit Remastered · Ready or Not · Starfield · Party Animals

Players flock to recognizable franchises. **Over half of the top new games in 2023 (by MAU) were installments in a franchise.**

While attracting players to a new title that's not part of a franchise is rare, it's not impossible. Success can come from a studio's fame or unexpectedly stellar quality.

If you look at the top five games that aren't from franchises, you can note that **several are First-Person Shooter titles with quite unique gameplay angles**.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2023

You don’t need to stand out if gamers know your IPs—Remakes and remasters remain a viable way to use nostalgia to capture player interest

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Live services

Fortnite OG launched in November 2023

+60%

This launch propelled *Fortnite*'s MAUs by +60%, helping the game reach its highest engagement levels in three years.

+134%

The launch also significantly boosted monthly revenues in the US and UK, increasing by +134%.

Leveraging back catalogs

Long-standing game developers are well positioned to **leverage their large back catalogs of beloved IP through remakes and remasters**. Square Enix, for instance, launched *Final Fantasy VII Rebirth,* the second part of a trilogy leveraging nostalgia for the single original *Final Fantasy VII* from 1997. Addressing the potential risks of drawing from one IP and not another, Capcom surveyed fans directly, asking which of their many IP they would be most excited to see return.

SQUARE ENIX

Over 7 million units sold
Final Fantasy VII Remake

CAPCOM

Over 6 million units sold
Resident Evil 4 Remake

KONAMI

Announced
MGS 3 Remake

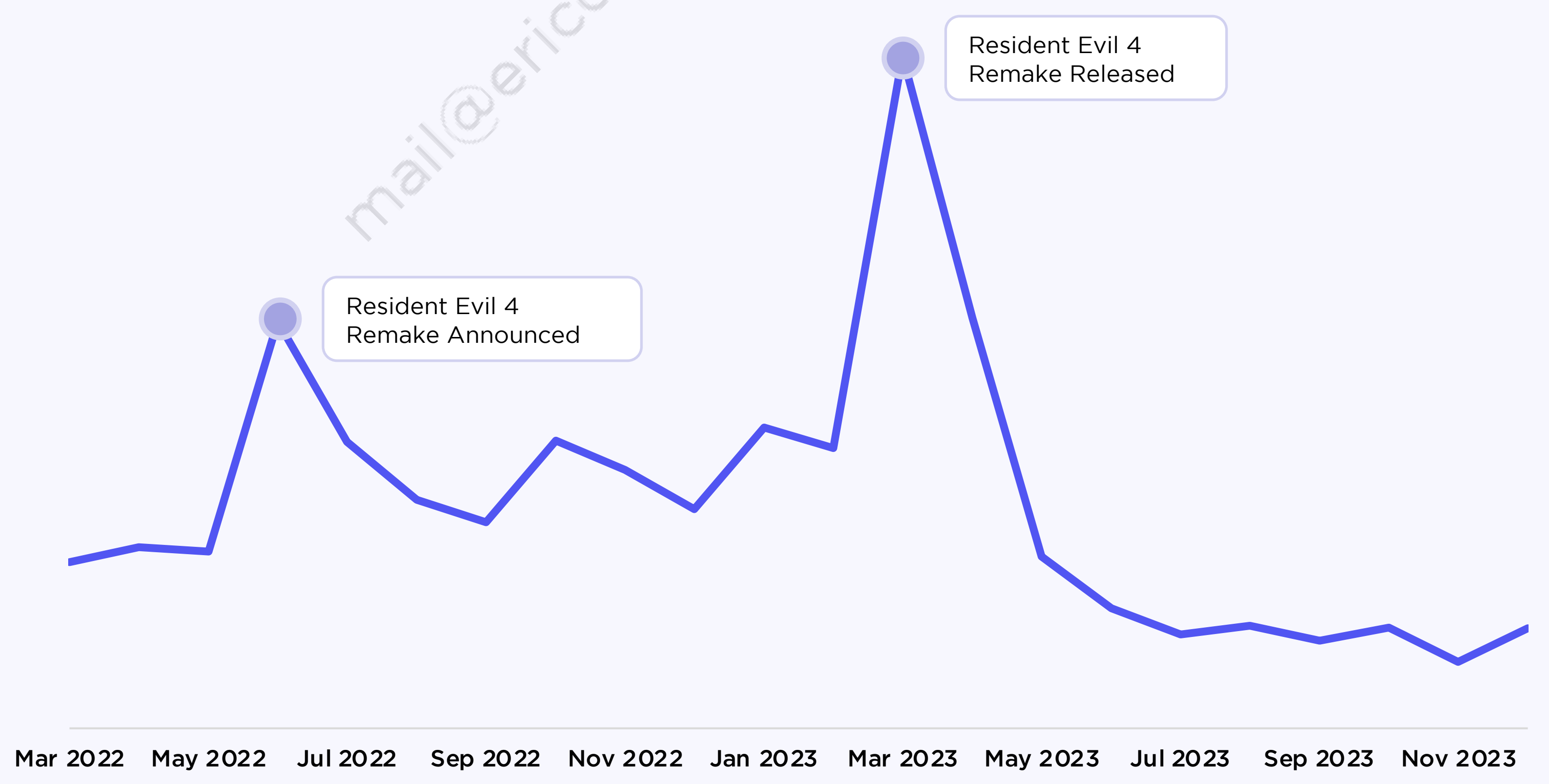
Announced
Silent Hill 2 Remake

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2023

Remakes can renew the popularity of their original games—Resident Evil 4's remake increased the original game's engagement (by MAUs)

Original Resident Evil 4 MAU

March 2022 – December 2023



When Capcom announced it was remaking *Resident Evil 4*, **the original game's MAUs shot up**, with this increase getting even more significant once the remake actually launched.

+57%

Average MAUs increased for the original game by +57% after the remake announcement.

+285%

Average MAUs increased for the original game by +285% compared to pre-announcement MAUs.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | March 2022 – December 2023

The power of transmedia—Film and TV adaptations can increase their game of origin's engagement (MAUs) at launch

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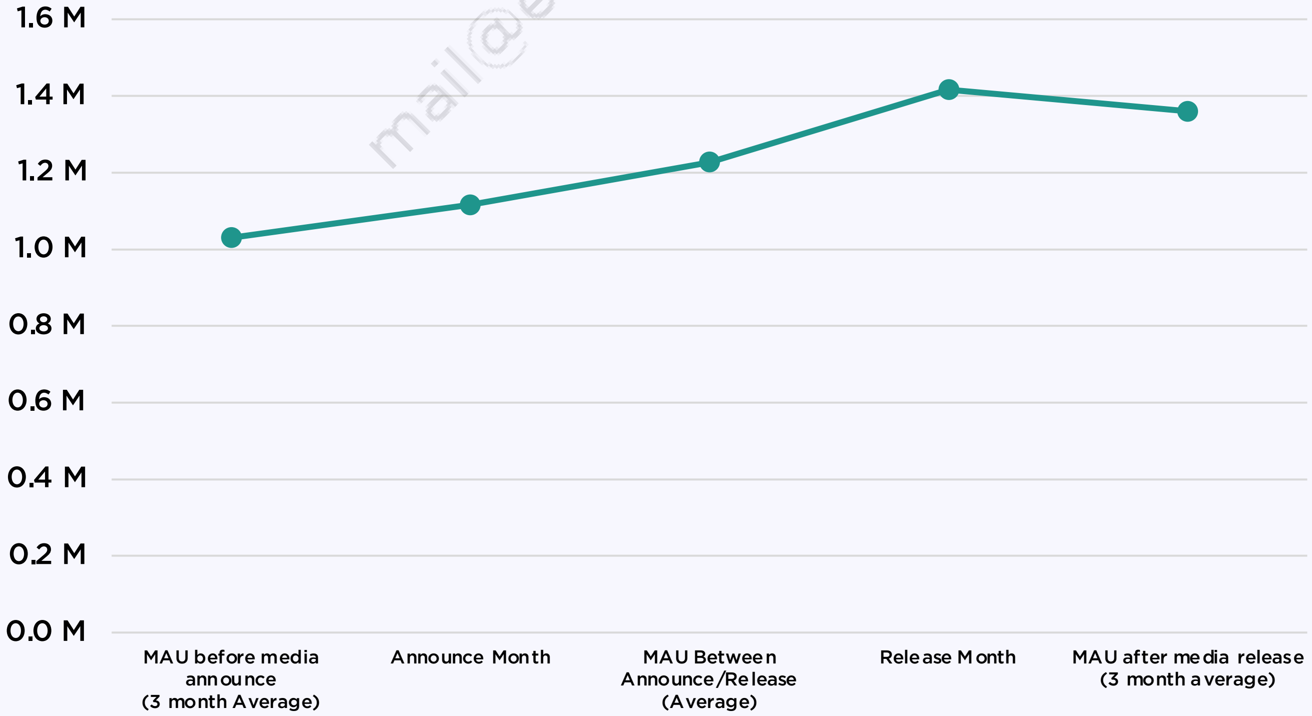
Average MAU increase around transmedia campaigns and releases

Analysis of 35 game IP releases



+35%

The average MAU increase for games in a franchise after a transmedia release is +35%.

Transmedia strategies have the power to **re-engage fans of a franchise and boost engagement across its entire catalog**. The success of these strategies has led to 36 video game IPs being in production as of July 2023. Nintendo is even investing in animation and film production for future endeavors.

Across the 11 franchises we examined, **transmedia campaigns and releases have had a net positive effect on their games**. Both new and returning MAU generally increased after an adaptation's announcement and/or release, with engagement remaining elevated for three months after a release (compared to before an announcement).

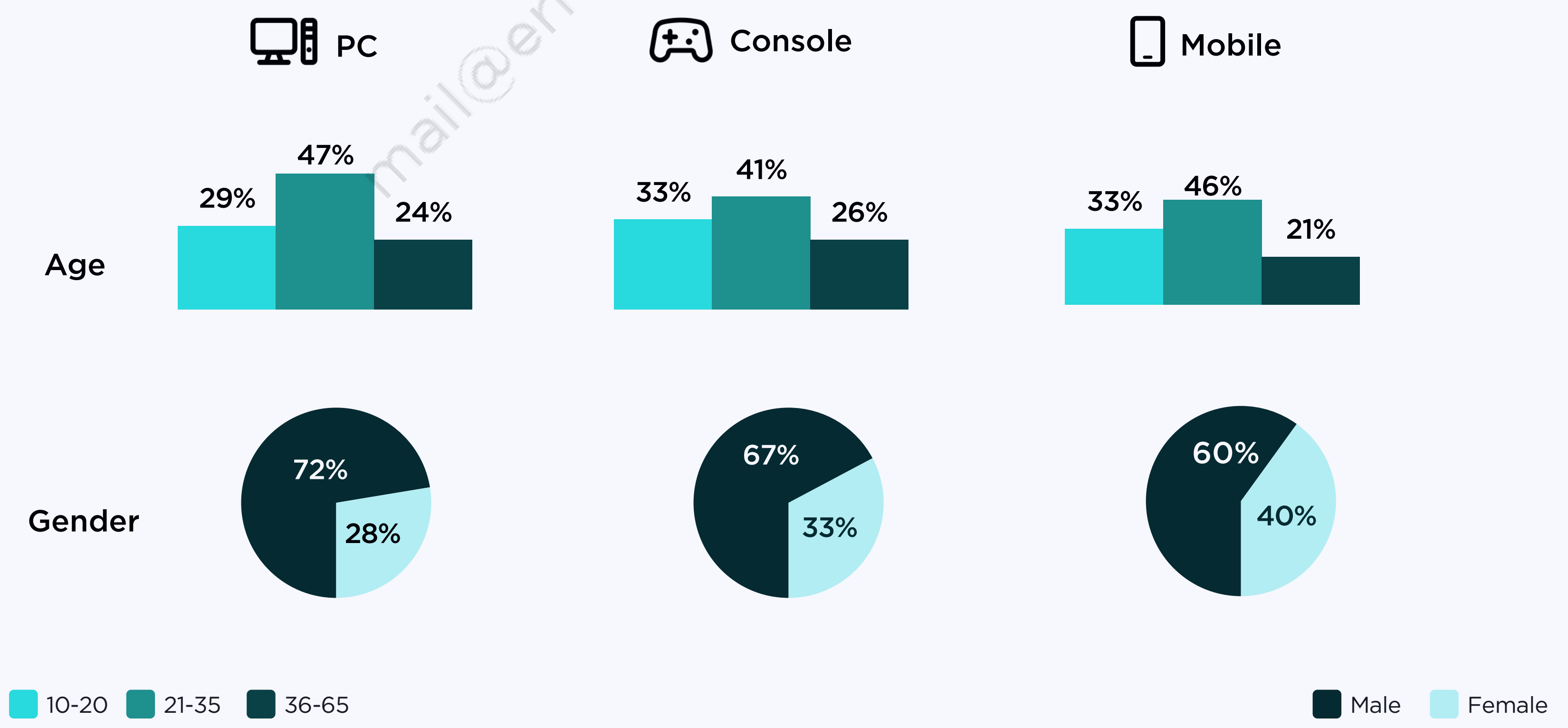
While a transmedia play isn't an automatic win—many film and TV adaptations have fallen flat critically and/or financially—recent big releases like *The Super Mario Bros. Movie* and *The Last of Us* showed that **video game IPs can break records and win coveted media awards**.

Source: Newzoo Games Market Reports and Forecasts | July 2023

Crossing into mobile gaming has allowed the Call of Duty franchise to broaden and diversify its audience base

Call of Duty | Demographics by platform played on | 2023

Base: Played Call of Duty (any title) in the past 6 months on each platform | Global (36 markets)



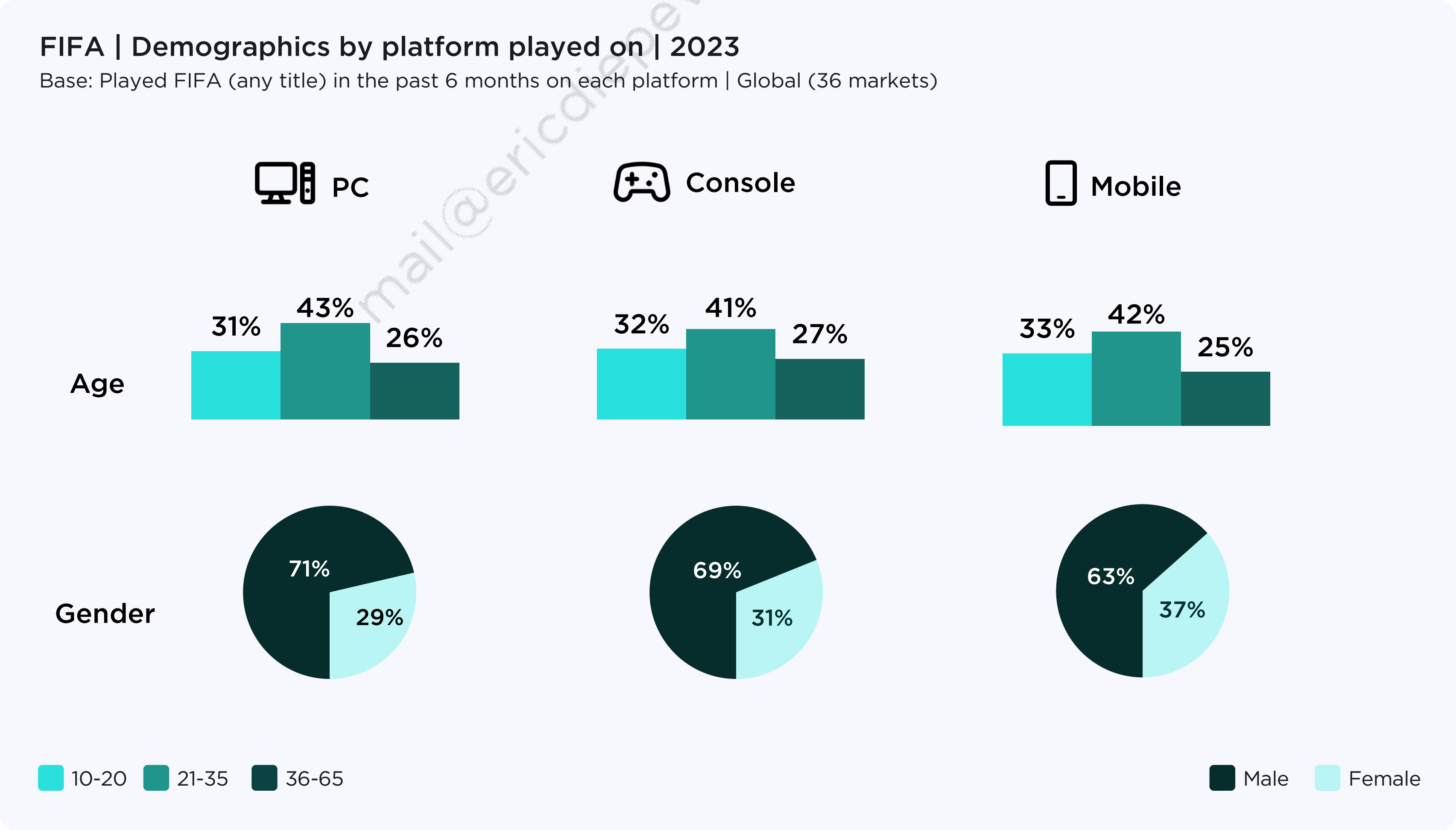
With 2019's *Call of Duty: Mobile*, the franchise's venture into the mobile space, *Call of Duty* **expanded its demographic reach**.

Mobile players tend to be a more diverse cohort, depending on which game you look at. Our consumer research in 2023 showed that 40% of *Call of Duty* players globally who also play on mobile are female-identifying gamers.

Also, by expanding to mobile, *Call of Duty* firmly established itself in the 10- to 20-year-old demographic, who are **likelier to play on mobile** (and console).

Source: Newzoo Global Gamer Study 2023 (November)
Q. Social media or chat applications actively used (past 6 months). In-game items/virtual goods spent money on (past 6 months).
Base: Call of Duty console gamers (n=8,676), Call of Duty PC gamers (n=5,508), Call of Duty mobile gamers (n=7,382)

Expanding EA FC to mobile has helped EA bring its popular football (soccer) franchise to mobile-first geographies



Expanding into mobile gaming has been less of a demographic play for *EA Sports FC* and more of a way to **capture mobile-first players in certain markets**.

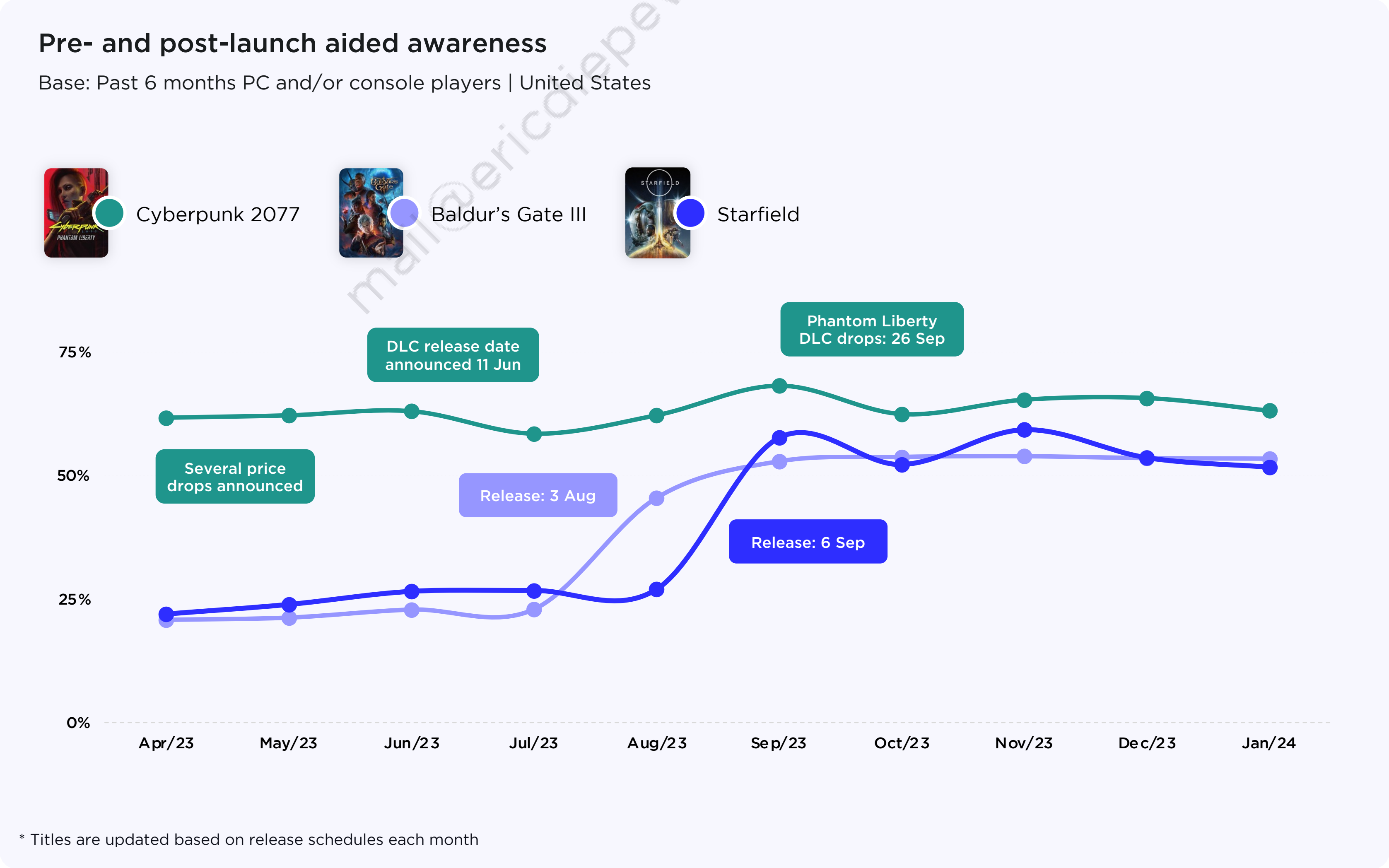
Football is the world's most popular sport, and many places filled with football fans may not have a critical mass of PC and console gamers.

In emerging markets, only a fraction of players have access to the gaming PCs or consoles needed to play *EA Sports FC 24*, but **they still want to play the world's leading football game**.

When *EA Sports FC Mobile* launched, 2.2 million people installed the game on day one, with 11.2 million new users downloading it over its first ten days*.

Source: Electronic Arts Inc. Q1 24 Earnings Slides, Newzoo Global Gamer Study 2023 (November)
Q. Social media or chat applications actively used (past 6 months). In-game items/virtual goods spent money on (past 6 months).
Base: FIFA console gamers (n=10,884), FIFA PC gamers (n=4,490), FIFA mobile gamers (n=5,893)
*EA Sports FC 24 Sees Massive Fan Engagement to Kick Off New Era of Football | Official Press Release

Hitting the right notes and timing in marketing helps put a title at the top of mind before, during, and after a title's release



Aided awareness is critical for pre-release strategies, but tracking once a game is out is also useful. Especially as games **tend to plateau in terms of how much buzz they have as they mature**.

We compared awareness of three RPGs before, during, and after the release of new content.

Baldur's Gate 3 came from a niche studio with an outstanding reputation in the genre. It had gained awareness pre-launch due to the *Baldur's Gate* franchise and three years in beta. **After it launched to broad acclaim, awareness shot up**.

Starfield is an entirely new IP, but it's also a new RPG by one of gaming's most acclaimed studios, Bethesda.

Cyberpunk 2077, released in December 2020, plateaued in awareness last year but still experienced small ups and downs. DLC releases, updates, and **other game launches may have contributed to these changes**.

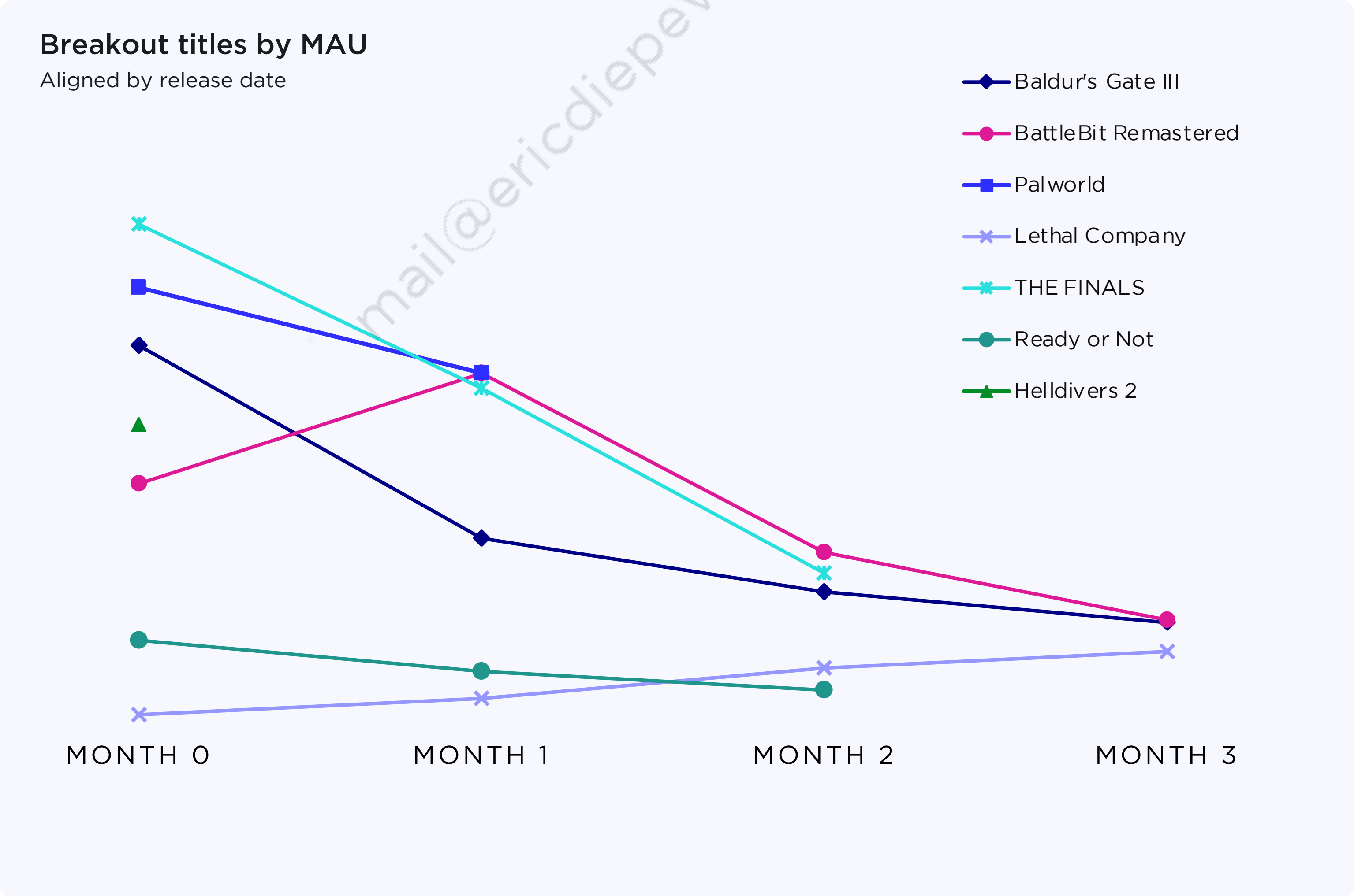
Aided awareness involves showing players a list of titles so they can pick the ones they know or have heard of. It's a vital metric powering our Game Health Tracker.

Source: Newzoo | Game Health Tracker, Q. Aided awareness (upcoming and released titles)
Base: April 2023 to January 2024 | Past 6 months PC and/or console players in the United States (~n=3,000 per month)

Growth opportunities

Despite a decline in playtime and increased competition, growth is still possible

Many of the breakout games released in the last 12 months shared success factors



Capturing lightning in a bottle has never been easy, and it's only getting harder. Only a few games can leverage a **massive marketing budget or pre-existing cultural significance**.

You can find common success factors between hit games to understand what contributed to their unique impact. These factors never tell the whole story, but they **help to define commonalities between breakout titles** (like the seven in the table).

Each of these titles rebuilt familiar core gameplay loops into compelling experiences, bringing in fans of multiple genres and franchises. These games also stuck to those core gameplay loops, **spotlighting the essence of each title**.

Developer support and community building are also important, even for the single-player *Baldur's Gate 3*. Many went through Early Access (or are still in it), showing a willingness to incorporate player feedback. These games all remain the core focus of their respective development teams.

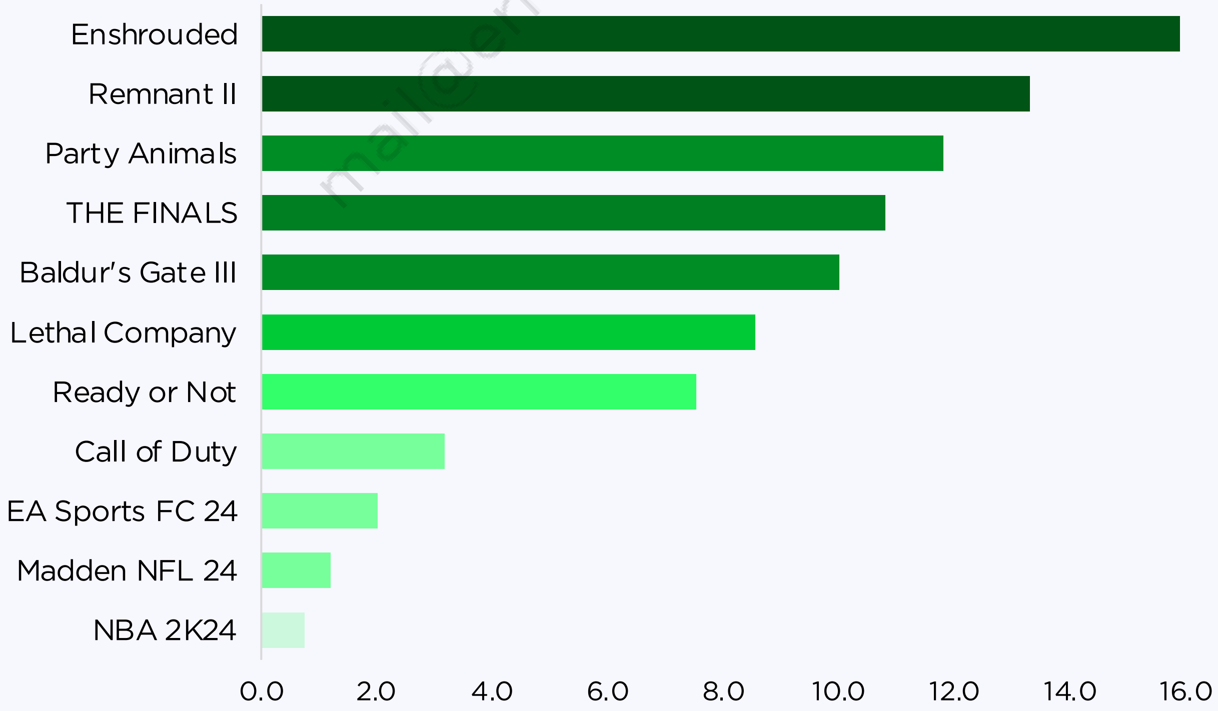
Social elements and virality play a large part in many breakout games' success. There is often entertainment value beyond the core gameplay. Every game here also had immense quality and depth, **cutting no corners to give players the richest possible experience**.

Source: Newzoo Game Performance Monitor | PC, Xbox, PS | 37 Markets (excl. China & India) | 2021-2023

Palworld's payer overlap with other breakout titles shows there's a cohort of players always ready to jump on the "next big thing"

Payer overlap index for titles with >150,000 overlap MAU

Base game: Palworld



The **payer overlap index** measures how much more likely the primary game's player base is to spend money in other titles compared to the average payer on that platform.

Palworld's success at the start of 2024 overlapped with other breakout titles.

The list on the left contains successful titles that launched after January 1st, 2023, and had a 150,000 (at least) MAU overlap with *Palworld*.

First, the high overlap between breakout titles shows **there is an audience of multiplayer-first gamers who are willing to spend money to try new, high-quality experiences** with their friends.

Second, this group is not over-indexing on globally popular titles, such as *Call of Duty* or sports franchises.

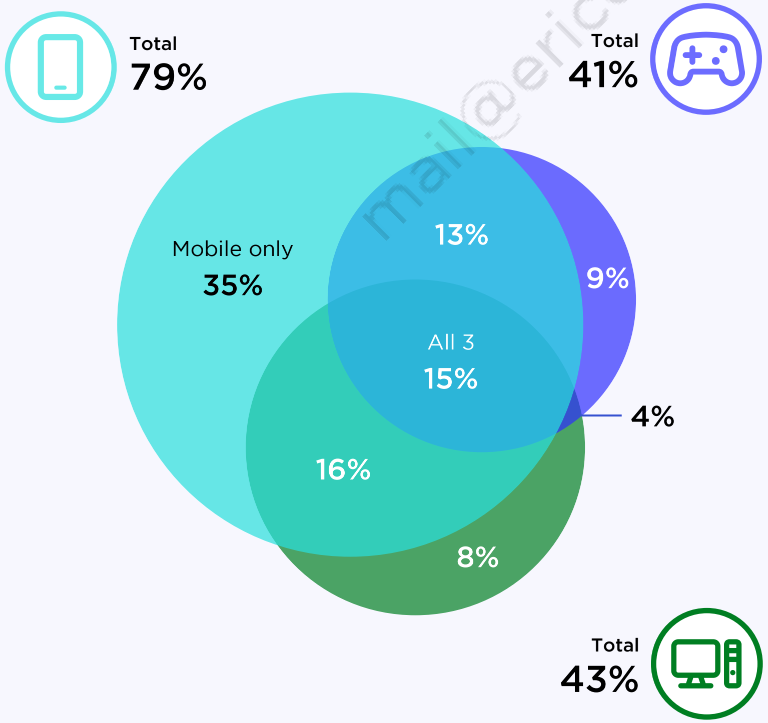
Reaching this group can help with the virality of a game, which may lead to more excited players who also spend money on it. **A game that overlaps with the "next big thing" has the potential to inherit that coveted moniker in the future**.

Source: Newzoo Game Performance Monitor | PC (Steam), Xbox | 37 Markets (excl. China & India) | January 2024

The barriers between PC, console, and mobile gaming are coming down—There are players willing to cross platform boundaries to play and pay

Platform overlap

Base: Total players



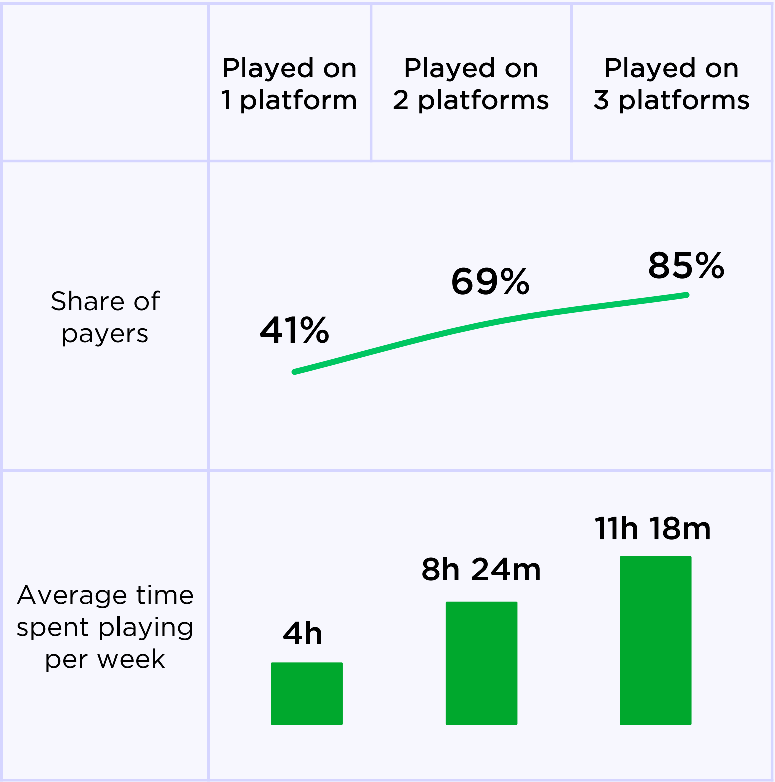
Played on 1 platform: **52%**

Played on 2 platforms: **32%**

Played on 3 platforms: **15%**

Share of payers & time spent playing

By number of platforms played on | Base: Total players



Nearly half of players (47%) play on two platforms or more. Players who engage with more platforms tend to invest more time and money into gaming. This means that expanding beyond a single platform can provide more routes to **reach attractive and potentially lucrative player groups**.

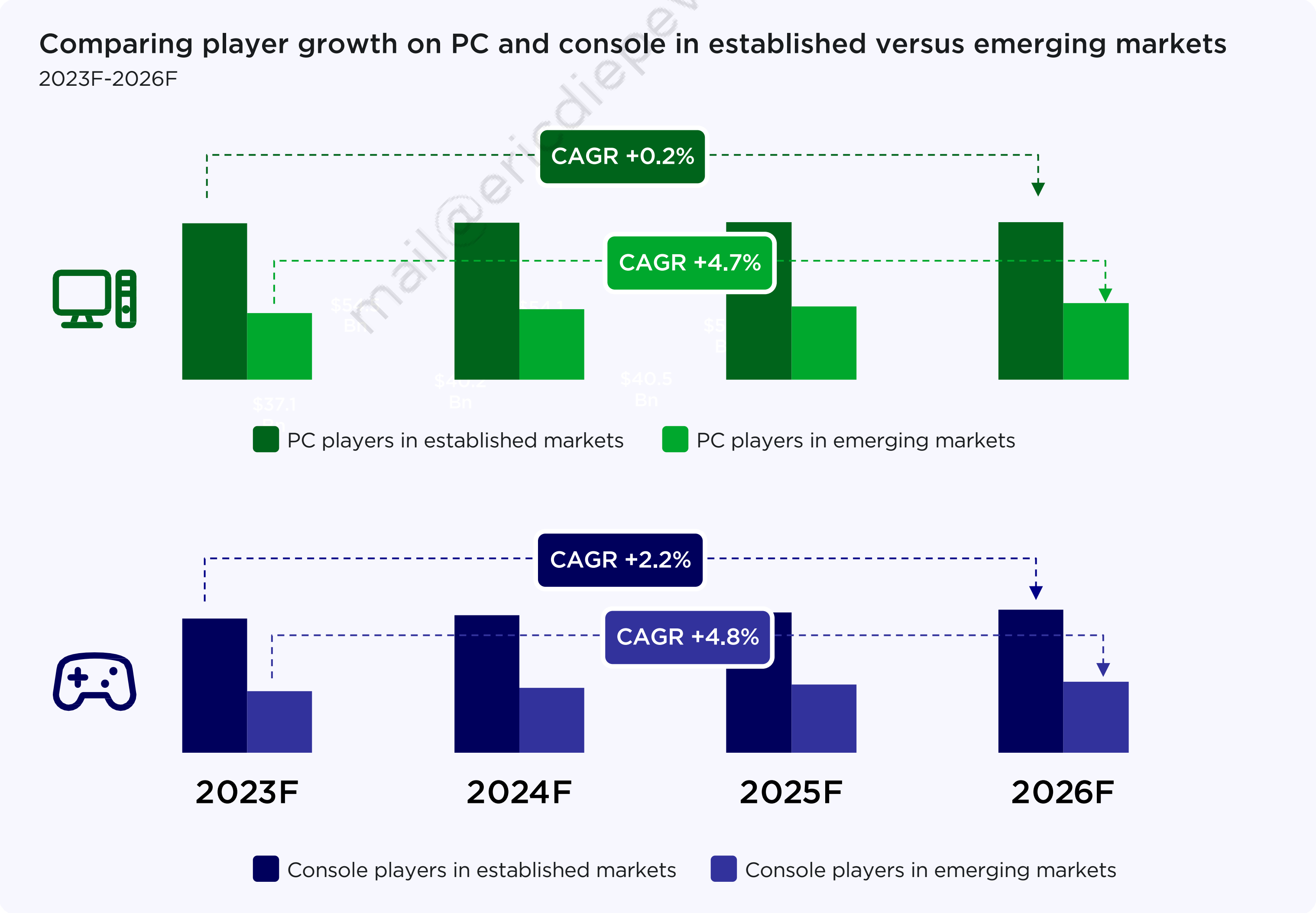
Like any expansion strategy, **the right experience and reverence for specific gaming audiences are needed**. If you're thinking of expanding to the mobile market, here are some key questions:

- Your game's demographics will change. How will you deal with that?
- **What does this mean for your messaging?**
- What channels should you use to communicate with your audience?
- **Should you enable cross-play between mobile and non-mobile versions?**
- Does your monetization strategy fit mobile?

There's practically no market for premium games on mobile—if your game doesn't thrive off microtransactions, the best option may be licensing your game to Netflix or Apple Arcade.

Source: Newzoo Global Gamer Study 2023 (Global weighted average across 36 markets)
Q. Platform player overlap, Payers (past six months), Time spent per week per platform
Base: Total players (n=58,040) Players that have played on one platform (n=29,099), Two platforms (n=18,920), Three platforms (n =10,021)

Player growth in emerging markets will significantly outpace established markets



In the next several years, **most new players entering the PC and console space will come from emerging gaming markets**.

Player numbers will grow in established and emerging markets, but growth in the latter will far outpace the former.

Emerging markets will see 23 times more player growth on the PC side of things, while emerging console player growth will eclipse established markets by more than double.

In a competitive industry, **emerging markets present an opportunity to grow player bases outside of commonly targeted places**. Finding the right messaging and distribution channels to reach these new player segments will be an important success factor moving forward.

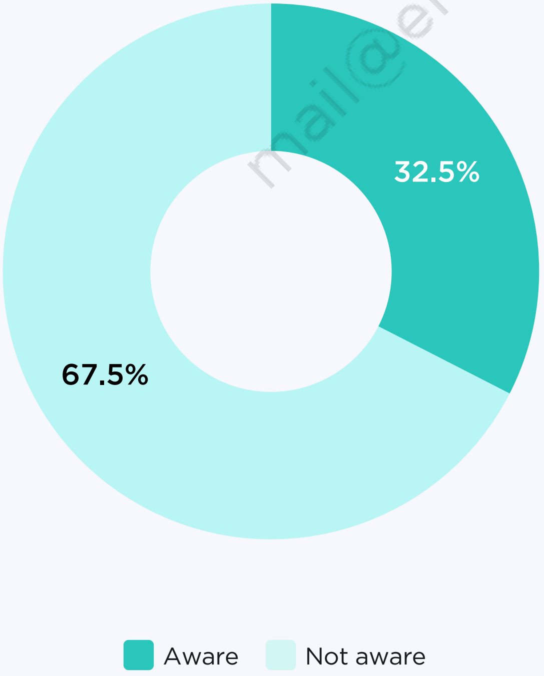
Established markets are North America, Europe, Eastern Asia (including China, Japan & South Korea), and Oceania. Emerging markets are Latin America, Africa & the Middle East, Central and Southern Asia, and Southeast Asia. Players are defined as having played a game on PC or console in the past six months.

Source: Newzoo Games Market Reports & Forecasts | January 2024

Partnering with cloud gaming providers is a powerful way to unlock emerging markets

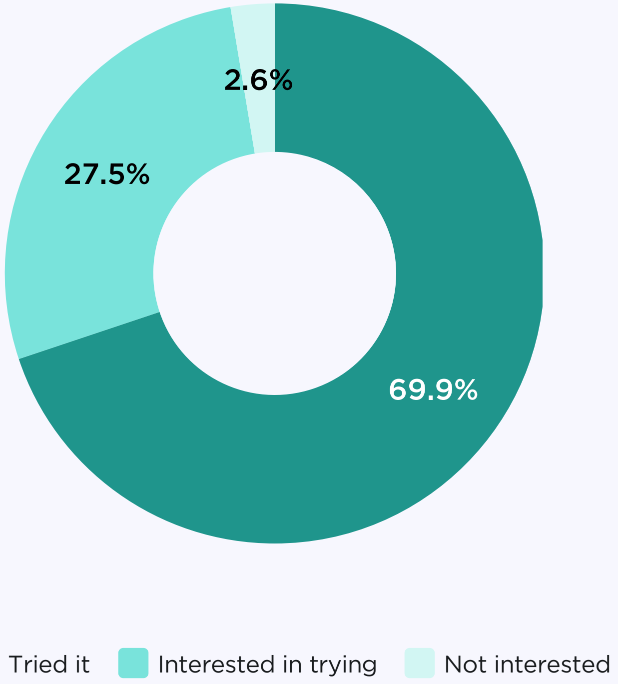
Cloud gaming awareness in emerging markets

Base: Total (urban) online population in emerging markets*



Cloud gaming usage in emerging markets

Base: Total players aware of cloud gaming in emerging markets*



Cloud gaming awareness, usage, and interest in trying are **higher than average in emerging markets**.

Just over 32% of the (urban) online population within the emerging markets covered are aware of cloud gaming services (almost 5% above the global average). Respondents in emerging markets score higher than the global average on experience trying cloud gaming services and interest in trying.

Various **cloud gaming service providers have successfully expanded into mobile-first regions** such as Latin America, India, and Southeast Asia. These services often partner with local telco and OTT firms for reach and mostly come in the form of a subscription.

Providing gaming content to these services can help provide an early foothold in these markets. Yes, ARPPU for these subscription services is low, but it's an **opportunity to grow alongside these markets to gain a first-mover advantage**.

Players in emerging markets generally don't own home consoles. By removing the hardware requirements (the most significant barrier to entry), **cloud gaming is likely the most viable way to reach players** in emerging markets, given the current economic conditions.

Source: Newzoo Global Gamer Study 2023
Q. Cloud gaming awareness; Tried cloud gaming
Base: Total (urban) online population in emerging markets* (n=32,373); Total players aware of cloud gaming in emerging markets* (n=9,821)
*Emerging markets included: Brazil, Mexico, China, Indonesia, Philippines, Vietnam, Thailand, Malaysia, Argentina, India, Saudi Arabia, United Arab Emirates, South Africa, Colombia, Chile, and Egypt.

What comes next?

The PC and console market may be in a tough spot, but there are many ways to stay ahead of the game

There are still opportunities for growth in PC and console gaming.

Despite playtime declining and competition increasing, there are still **opportunities out there waiting to be seized**.

Retaining players will be one of the key challenges moving forward (it already is), **so mixing monetization models may reduce the risk** when games aren't able to engage players for longer stretches of time.

Look to **other breakout games in your genre** or with other key similarities to see what resonates.

Many players are working through extensive backlogs or have their default live-service games, so **anything you release has to be more focused and polished to gain their attention**.

Be aware of macrotrends outside the gaming industry.

PC and console gaming (and gaming in general) is constantly weaving more closely into the wider entertainment world. **Many of the trends in the wider entertainment industry will also be pervasive in video games** (and vice versa).

For game makers, **transmedia storytelling has never been as prevalent as it is now**. The second highest-grossing movie of 2023 was *The Super Mario Bros. Movie*, and the HBO adaptation of *The Last of Us* raised the bar on storytelling across the entire TV medium.

Transmedia strategies may be the right lever to pull for your studio, though you must have a **very clear and guarded approach to how your IP can be used**.

Emerging markets will provide a cohort of new, excited gamers.

New player growth may be stagnating in Western markets, but **emerging markets are brimming with new players**.

The PC and console player base in emerging markets is growing quickly. Reaching these players is a **solid play for AAA and indie studios alike**.

Of course, reaching new players in emerging markets or really any market requires sharp strategic thinking. **It's not a one-size-fits-all solution**.

Embracing cloud gaming may be a more prevalent way to reach these emerging markets, as it removes many technical barriers to **giving more players access to huge games with heavy hardware requirements**.

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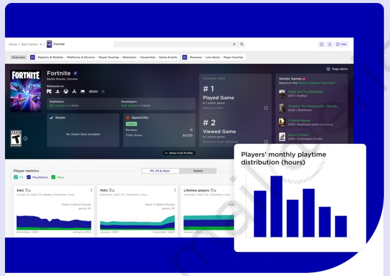

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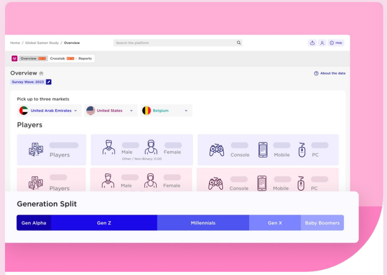

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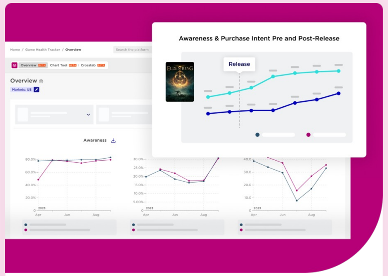

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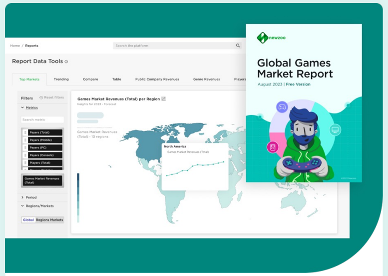

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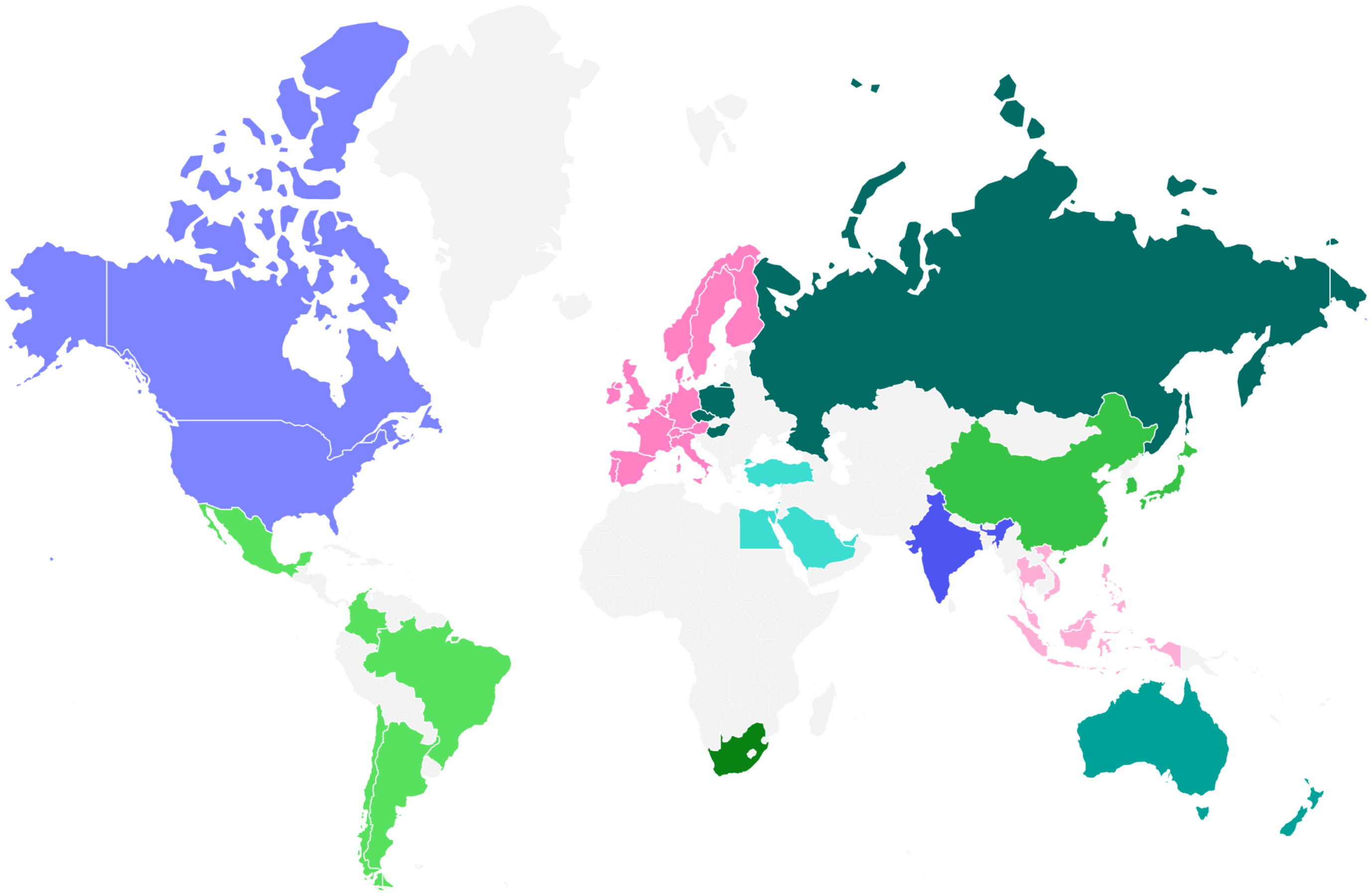

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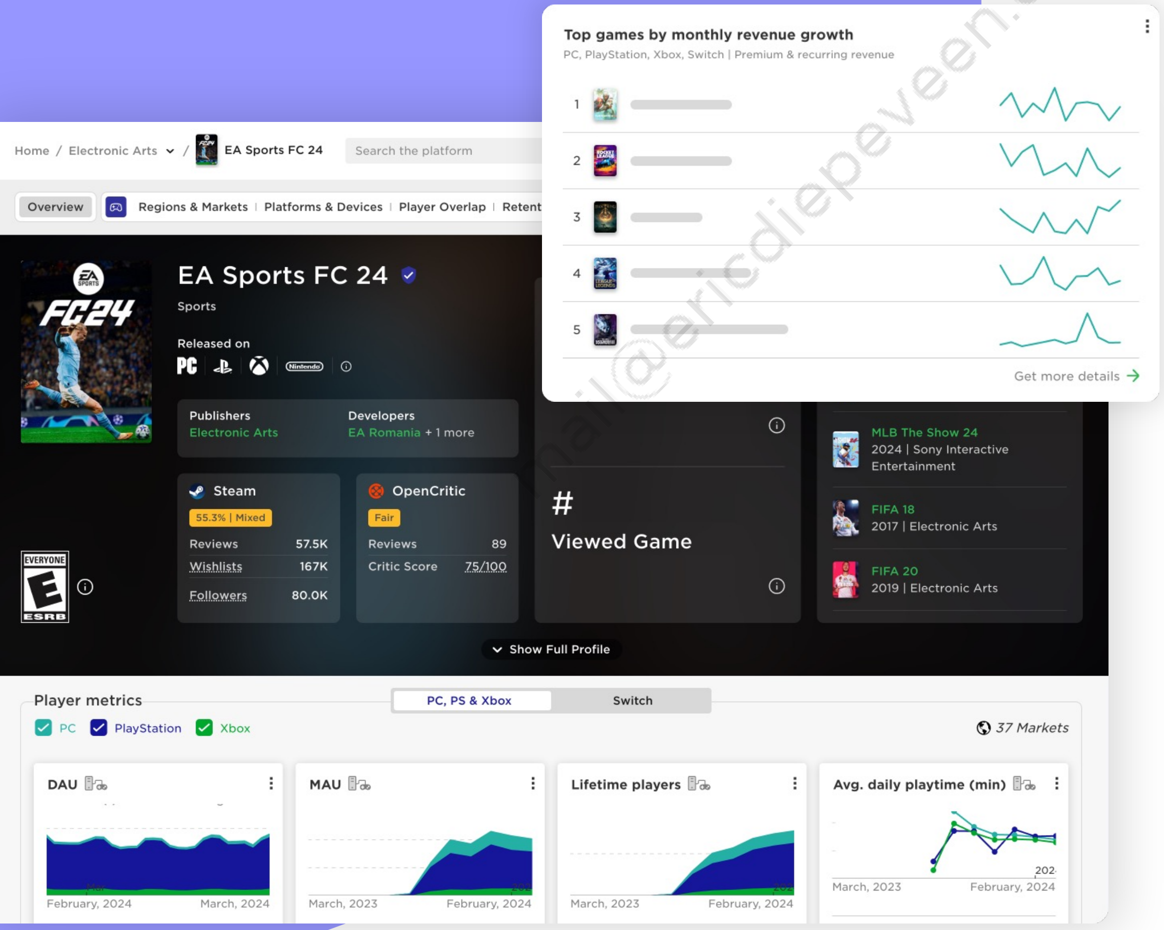

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Nicholas Sweeney
Head of Insights at Behaviour Interactive

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