



FREE

# 2016 GLOBAL GAMES MARKET REPORT

AN OVERVIEW OF TRENDS & INSIGHTS

**newzoo**  
GAMES

JUNE 2016



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2016 GLOBAL GAMES MARKET REPORT  
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# INTRODUCTION

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# INTRODUCTION

## KEY HIGHLIGHTS FROM OUR JUST-LAUNCHED GLOBAL GAMES MARKET REPORT

This year marks the fifth anniversary of Newzoo's annual Global Games Market Report. Earlier this year, we rebranded and introduced a new team structure to reflect our ambition to be the leader in three areas: Games, Esports and Mobile intelligence. This year's report summarizes the results of our continuous efforts to combine many proprietary and external sources of data into a comprehensive overall view of the global games market. The report aims to provide a clear global perspective of the games market, including expected growth rates for individual regions, market segments, screens and key countries for the period 2015-2019.

This light version of the report provides some high-level insights on the key trends driving our industry, along with global and regional breakdowns and projections.

"This year will be another pivotal year for everyone involved in the games business. As predicted at the end of 2013 in our PC Gaming: Power to the People report, esports and live streaming are changing the gaming landscape on a global scale and at an unbelievable pace. Consumers are embracing the possibilities that games now offer, to view, create and play on every screen. Managing these communities is at the center of any game company's strategy. The arrival of VR and AR will ultimately change the world we live in, but impact on the industry will be limited in the near term."

**Peter Warman**  
CEO & Co-founder



## 2016 GLOBAL GAMES MARKET REPORT



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## KEY GLOBAL TRENDS

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GLOBAL, MOBILE &  
PC/CONSOLE TRENDS

# KEY GLOBAL TRENDS

GAMES EVOLVE TO THE ULTIMATE FORM OF ENTERTAINMENT

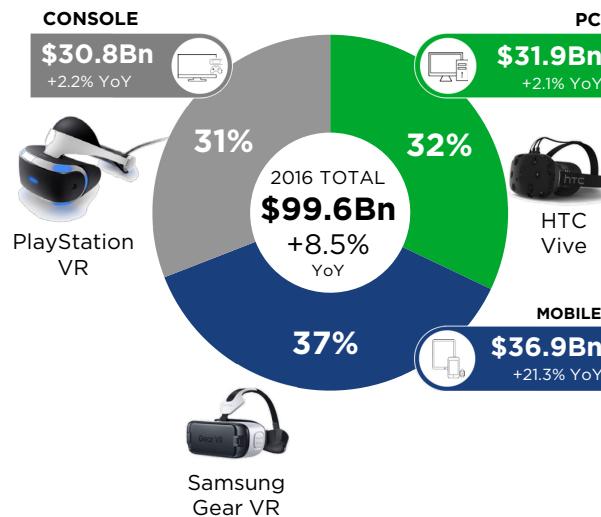
## 1. MEDIA COMPANIES EMBRACE ESPORTS

Traditional media companies see esports as a way to engage with millennials and make up for the aging viewer community around traditional sports. Many non-endemic sponsors are following in the slipstream of these initiatives.



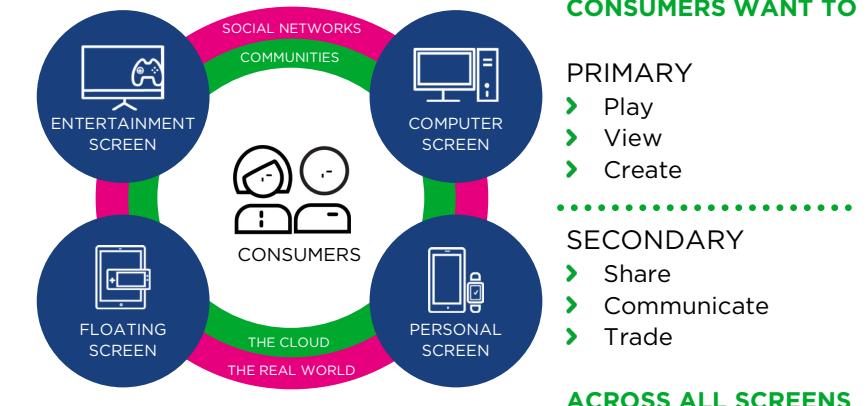
## 2. VR IS A PIECE IN THE PUZZLE: SOFTWARE REVENUES ABSORBED INTO PC, CONSOLE & MOBILE SEGMENTS

VR is not a new segment. Game software revenues from VR will remain marginal for the near future and be absorbed into current PC, console, and mobile game revenues. The lion's share of VR revenues will be generated by hardware sales, spectator content, and live viewing formats.



## 3. NEXT: TRADING & CONSUMER EARNINGS

The success of card battle games and skin trading illustrates the desire of consumers to collect, create, show off, and ultimately earn money from doing so. This trend, led by Valve and Chinese game companies, will be visible as a new layer of interactivity and entertainment grows around an increasing number of games in the next years.



### CONSUMERS WANT TO

- PRIMARY
  - Play
  - View
  - Create

- SECONDARY
  - Share
  - Communicate
  - Trade

### ACROSS ALL SCREENS

# KEY MOBILE TRENDS

## MOBILE TRENDS HIGHLIGHTED

1. From games as a service to software as a service
2. How mobile game companies can reopen the investment pipelines
3. Mobile VR: entry level VR
- 4. Why mobile games could drive esports**
5. The traditionalists come to town

### 4. WHY MOBILE GAMES COULD DRIVE ESPORTS

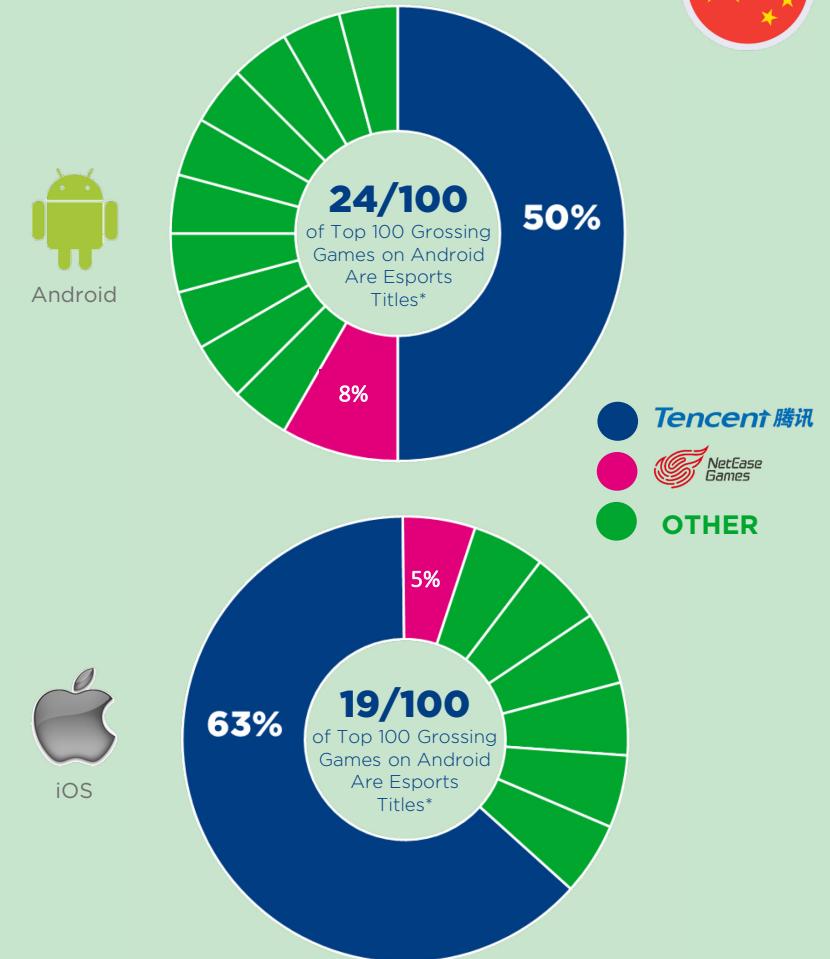
A quick flurry of the real-time multiplayer genre has shown that mobile games could translate into satisfying esports. Vainglory's partnerships with ESL and Twitch and the success of the first Clash Royale tournament in Helsinki in April 2016 both indicate that mobile games could be very well placed for esports.

The low barrier of entry is an advantage the mobile games market has over console and PC. Free mobile games that are available across the world allow for millions of players to compete against one another daily. Further, the mechanical necessities that are required to create a great mobile game can result in simple, but deep esports titles.

The speed with which mobile esports become mass market depends on the region. China and Southeast Asia will likely have the early adopters in this regard. Already, 24 of the top 100 grossing Android games in China have organized events or tournaments in the region, showing how mobile-first countries will take to the idea quickly. Alternatively, western markets will be slower to embrace mobile esports. In this context, mobile will drive viewers to esports through the mobile web or apps such as YouTube, Kamcord, Mob-Crush or Twitch, meaning that business opportunities for game companies lie in partnerships, sponsorships and advertising.

### MOBILE ESPORTS GAMES IN CHINA: SPLIT PER PUBLISHER

\*Mobile Esports Games: mobile competitive games with organized tournaments and/or matches.



# KEY PC/CONSOLE TRENDS

## PC/CONSOLE TRENDS HIGHLIGHTED

- 
1. The fragmentation of console game sales and distribution
  2. **PC as the hub for console gaming**
  3. The Chinese console opportunity?
  4. Community ownership: the bottom-up marketing opportunity
  5. VR Motion controls: the new hardcore control scheme?
- 

### 2. PC AS THE HUB FOR CONSOLE GAMES

There are three reasons why PC as a hub for console games makes sense.:

- **The PC and the mobile are both essential devices where the console isn't.** Mobile devices cannot bring full console experiences to them. With the PC as a device on which players can customize their experiences to suit what they are playing, console games can make the leap to a platform people need to own.
- **PCs make it much easier to share content online.** Though consoles do offer streaming services and channels, the ability to run a multi-screen setup, edit videos and release easily onto YouTube or Twitch means that PC has an advantage for players.
- **PC users upgrade more naturally than console users do.** The forth-coming PlayStation Neo and the updated Xbox One S have enraged some console fans, who fear they may need to fork out full price. Because many PC gamers regularly update hardware, console developers who shift to PC may have fewer worries about resistance to upgrades.



Of all console gamers,

**87%**

also plays games  
on a PC





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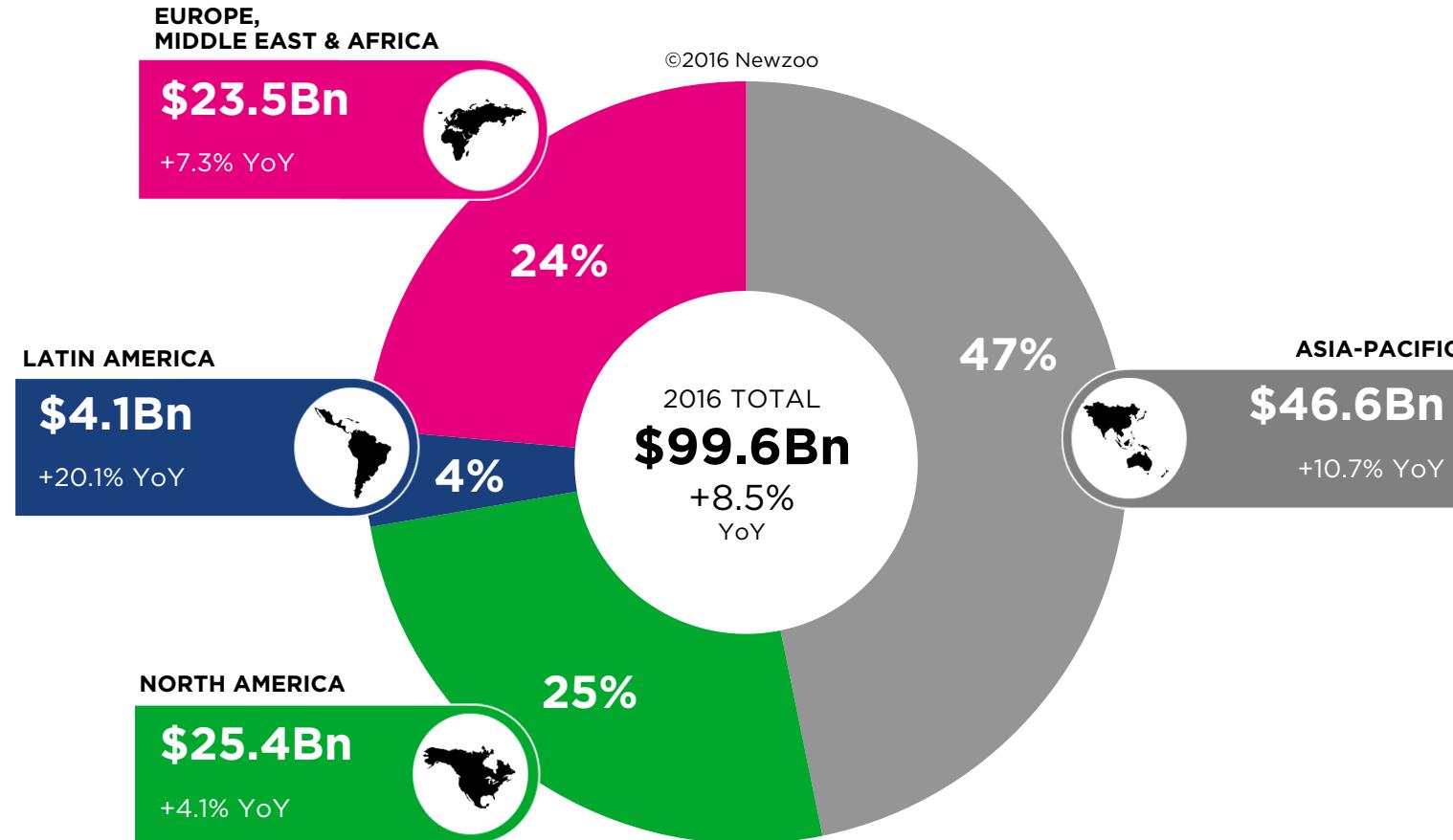
## THE GLOBAL GAMES MARKET

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PER REGION, SEGMENT  
& SCREEN

# 2016 GLOBAL GAMES MARKET

PER REGION WITH YEAR-ON-YEAR GROWTH RATES



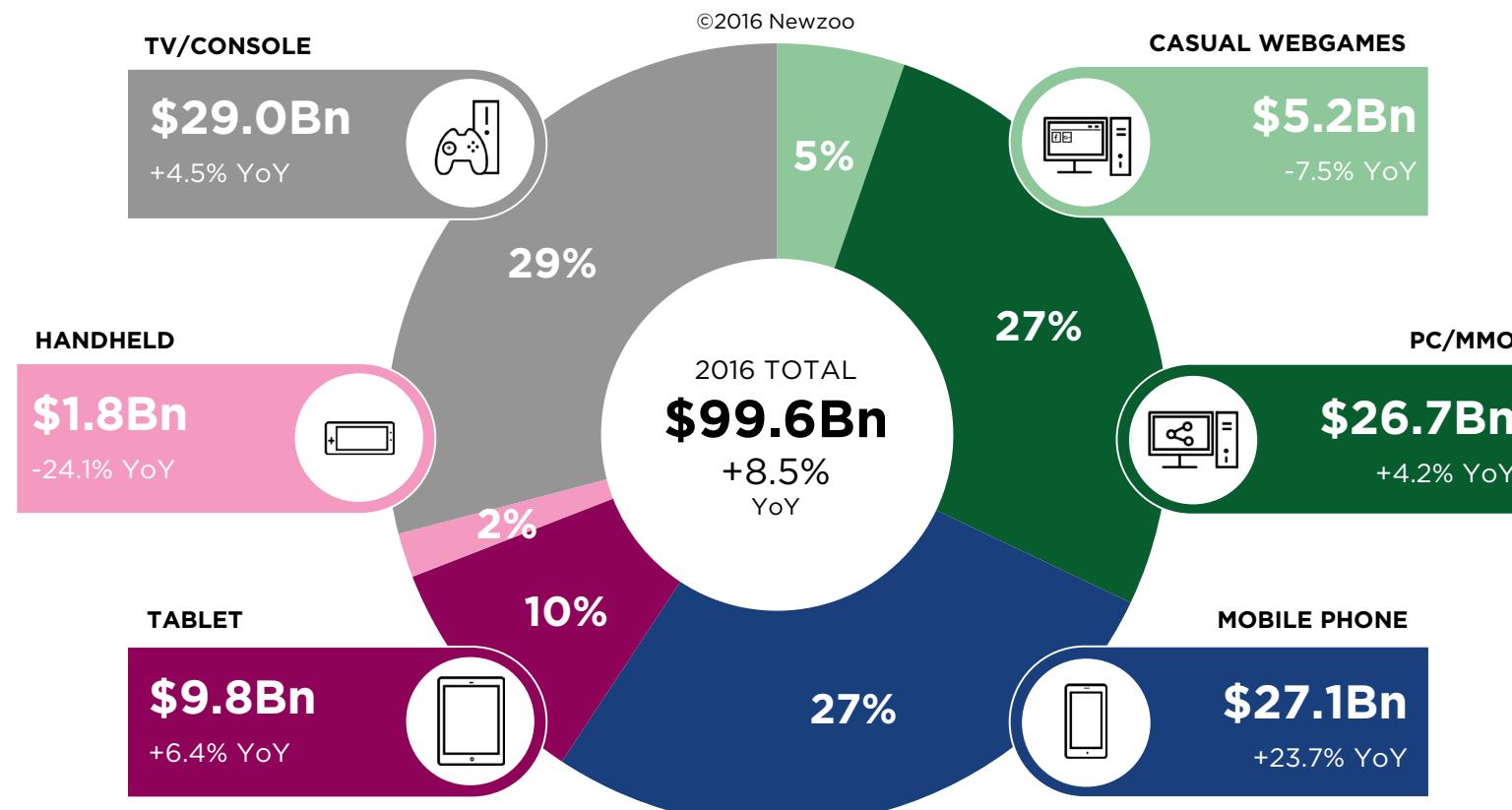
In 2016,  
**58%**  
of growth of the  
global games market  
comes from the  
Asia-Pacific region

Source: ©Newzoo | Global Games Market Report Premium

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# 2016 GLOBAL GAMES MARKET

PER SEGMENT WITH YEAR-ON-YEAR GROWTH RATES



In 2016, mobile games  
will generate

**\$36.9Bn**

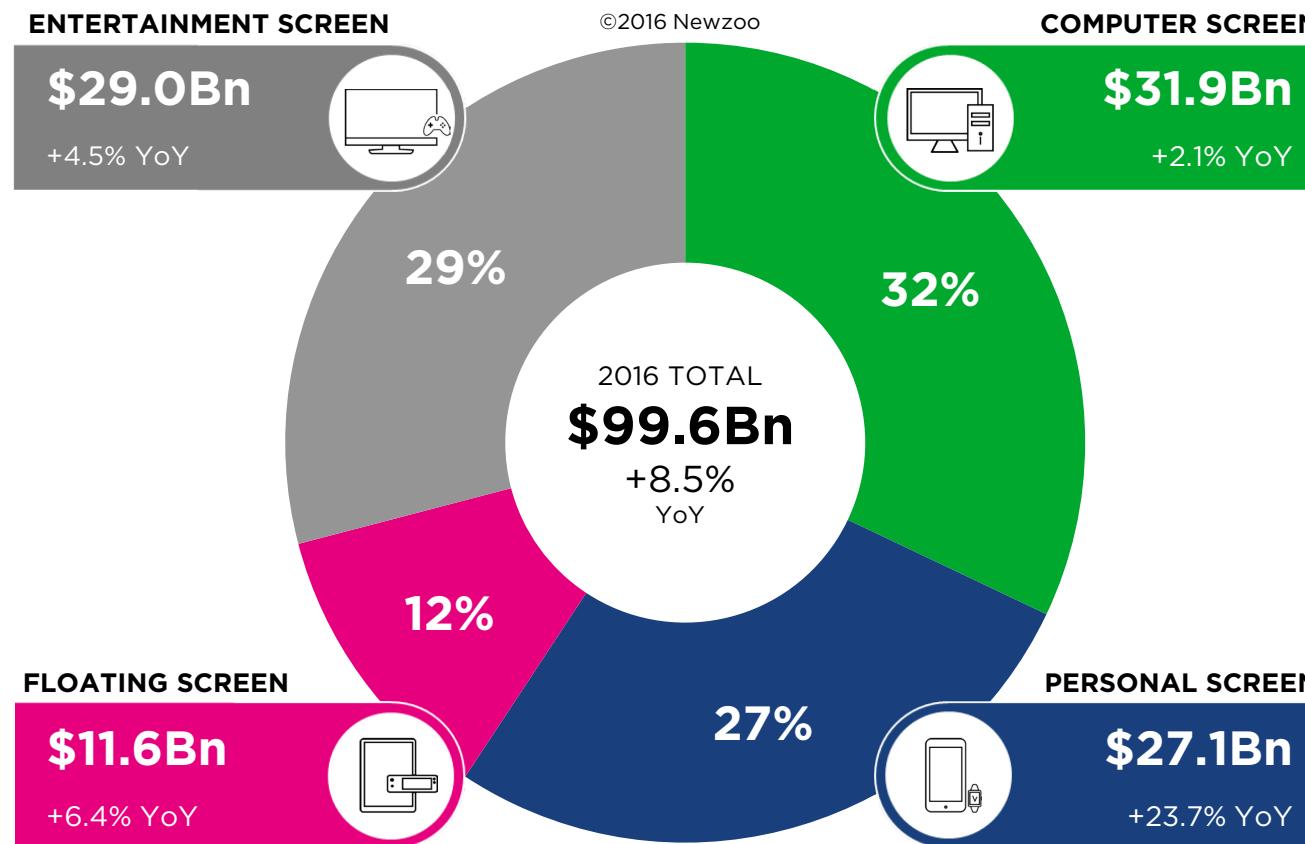
or **37%** of the global  
market

Source: ©Newzoo | Global Games Market Report Premium

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# 2016 GLOBAL GAMES MARKET

PER SCREEN WITH YEAR-ON-YEAR GROWTH RATES



The Personal Screen will be the fastest growing screen in 2016, with a year-on-year growth rate of

**+23.7%**

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# 2015-2019 GLOBAL GAMES MARKET

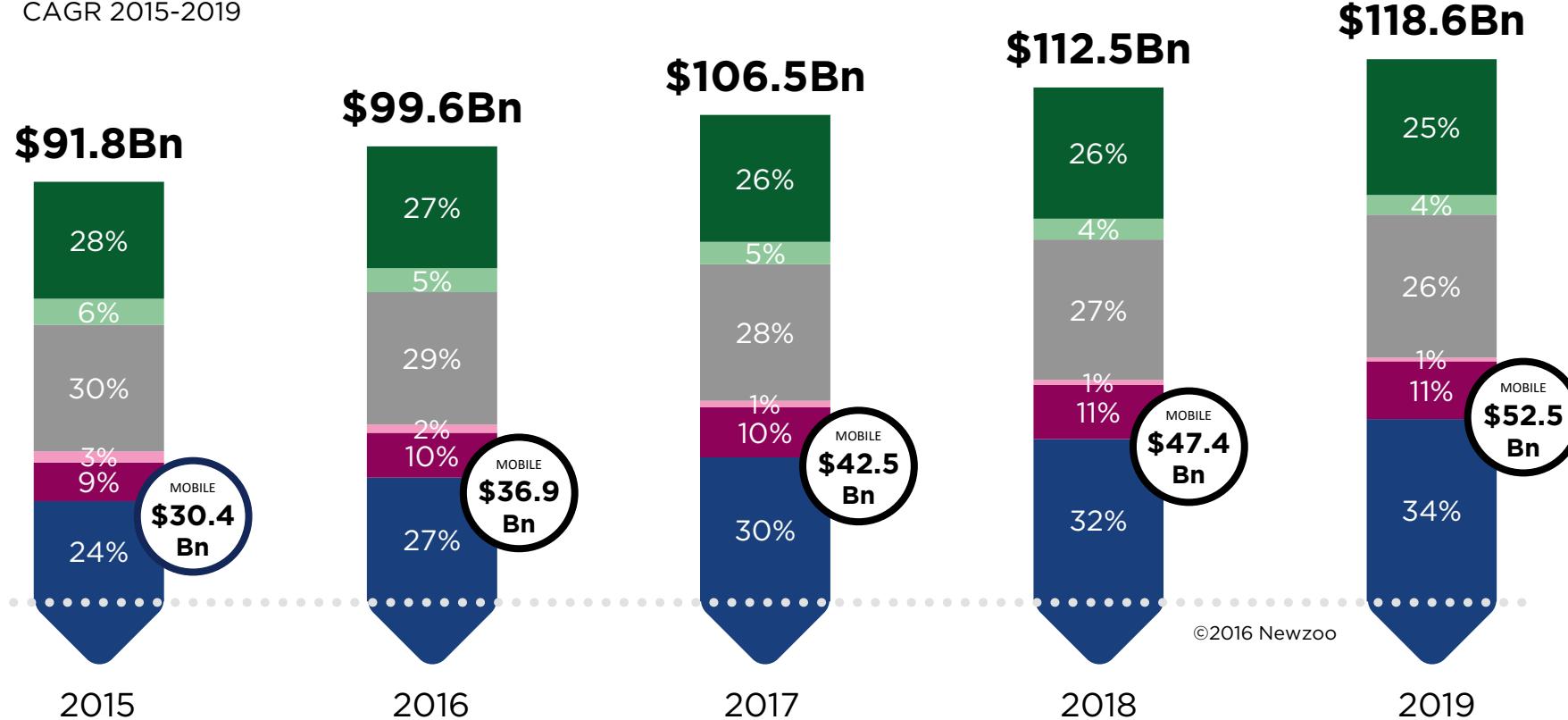
FORECAST PER SEGMENT TOWARD 2019

TOTAL MARKET

**+6.6%**

CAGR 2015-2019

● Smartphone ● Tablet ● Handheld ● TV/Console ● Casual Webgames ● PC/MMO



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## REGIONAL OVERVIEW

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INCLUDING THE  
TOP 20 COUNTRIES

# TOP 20 COUNTRIES

BY GAME REVENUES | 2016

CHANGE	RANK	COUNTRY	POPULATION (M)	ONLINE POPULATION (M)	TOTAL REVENUES (M\$)
▲ 1	1	CHINA	1,382.3	788.8	24,368.8
▼ 1	2	USA	324.1	293.6	23,598.4
-	3	JAPAN	126.3	117.6	12,447.6
-	4	SOUTH KOREA	50.5	44.6	4,047.3
-	5	GERMANY	80.7	72.4	4,018.7
-	6	UNITED KINGDOM	65.1	61.1	3,830.2
-	7	FRANCE	64.7	56.7	2,737.9
-	8	SPAIN	46.1	37.6	1,812.0
-	9	CANADA	36.3	32.8	1,792.2
-	10	ITALY	59.8	41.3	1,742.1
-	11	RUSSIA	143.4	110.1	1,414.4
▲ 1	12	BRAZIL	209.6	136.4	1,274.8
▼ 1	13	AUSTRALIA	24.3	21.5	1,199.7
-	14	MEXICO	128.6	67.0	1,125.8
-	15	TAIWAN	24.0	21.1	987.8
-	16	TURKEY	79.6	46.8	755.5
-	17	INDONESIA	260.6	56.7	704.4
▲ 1	18	MALAYSIA	30.8	22.8	539.5
▼ 1	19	NETHERLANDS	17.0	16.1	521.3
▲ 1	20	THAILAND	68.1	28.7	521.3

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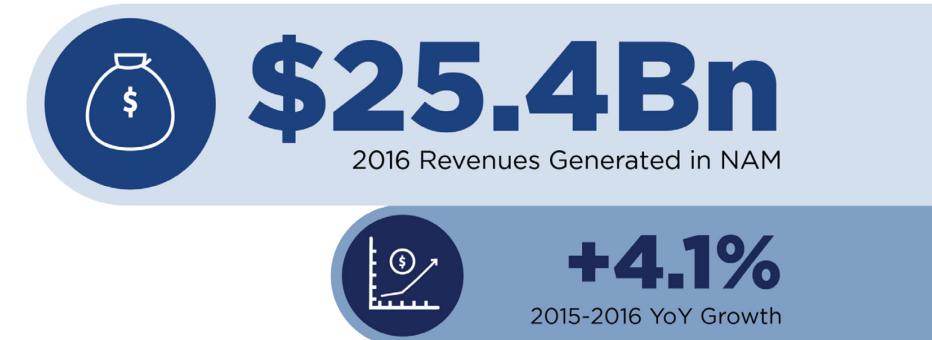
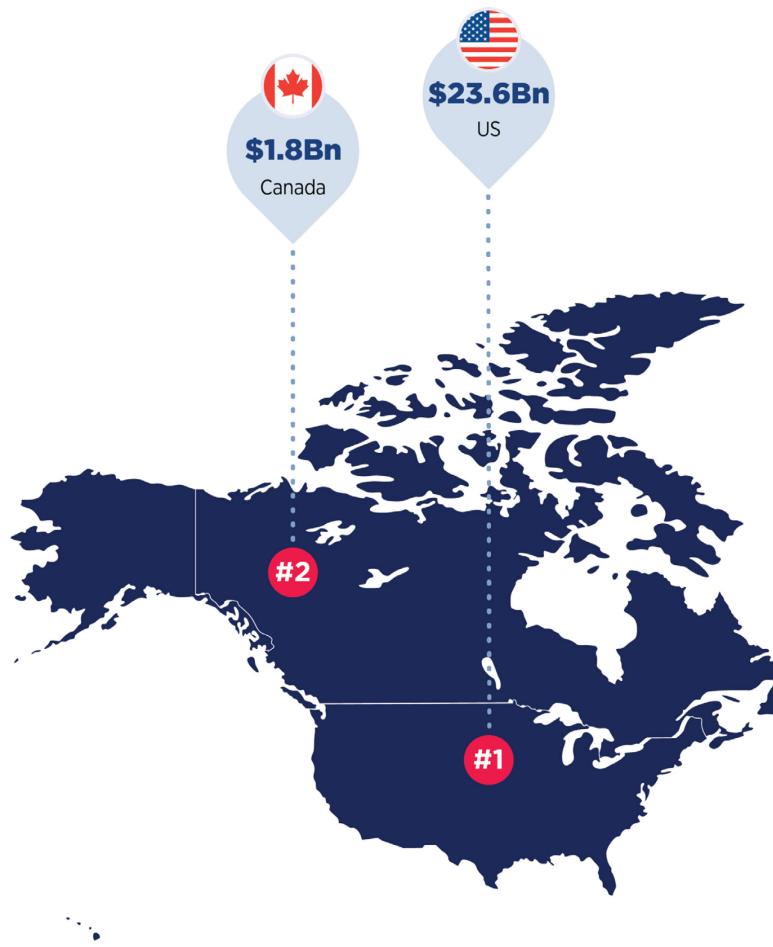
The top 20 countries generated

**\$89.4Bn**

or **89.8%** of total global game revenues

# NORTH AMERICA

2016 REVENUES, TOP COUNTRIES, AND KEY KPIS



**25.5%**



Share of 2016  
Global Revenues



360,405,000  
Population



326,428,000  
Online Population

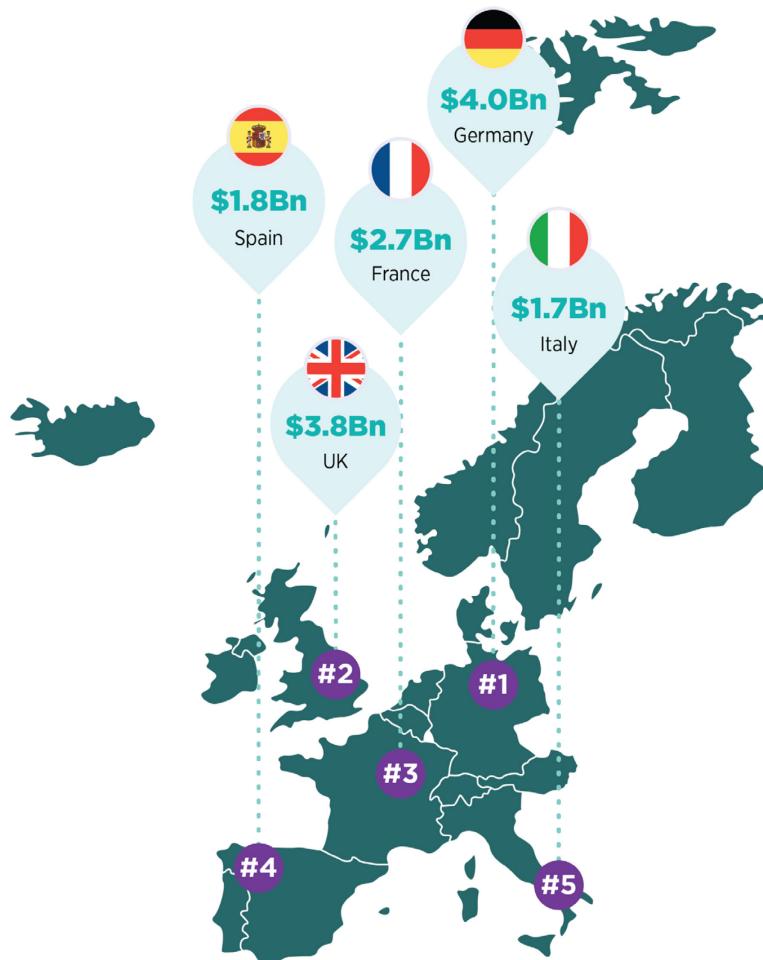


198,051,000  
Gamers

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# WESTERN EUROPE

2016 REVENUES, TOP COUNTRIES, AND KEY KPI'S



17.4%



Share of 2016  
Global Revenues



404,489,000  
Population



348,169,000  
Online Population

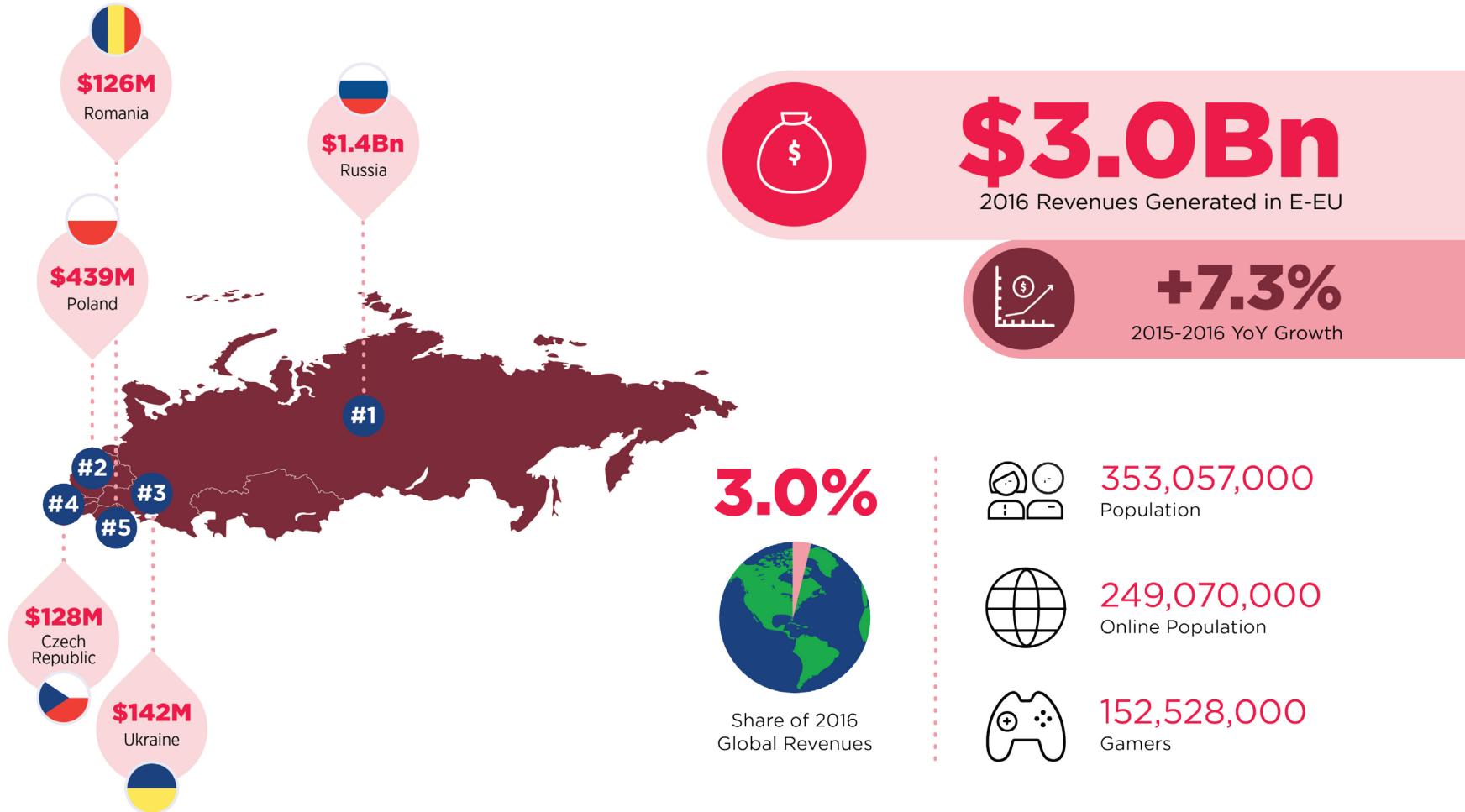


184,627,000  
Gamers

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# EASTERN EUROPE

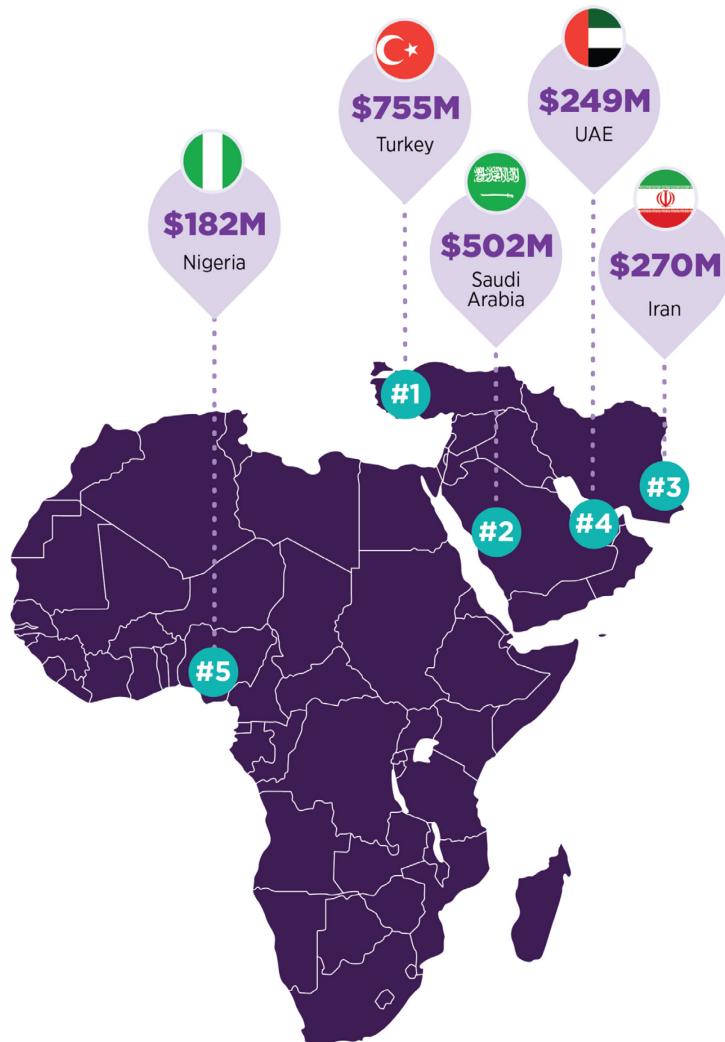
2016 REVENUES, TOP COUNTRIES, AND KEY KPI'S



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# MIDDLE EAST & AFRICA

2016 REVENUES, TOP COUNTRIES, AND KEY KPIS



**3.2%**



Share of 2016  
Global Revenues



**1,626,140,000**  
Population



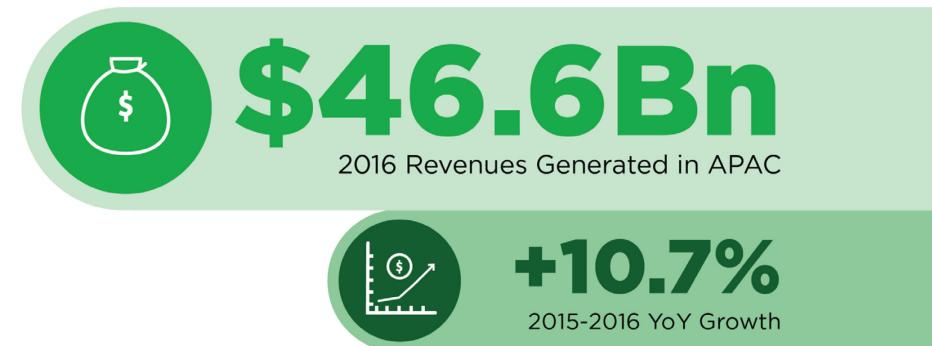
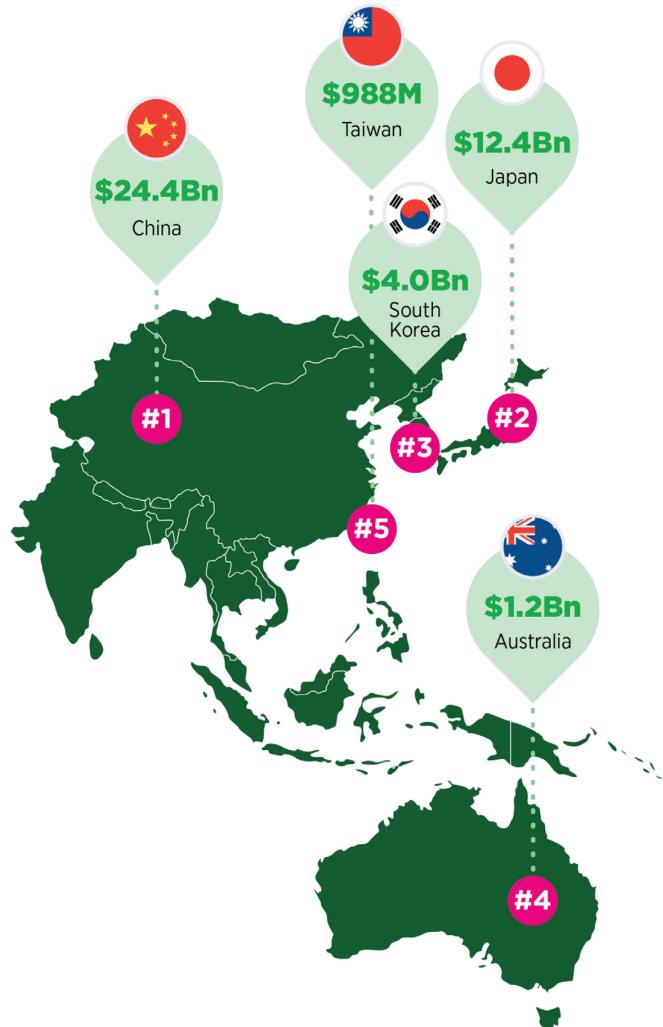
**506,455,000**  
Online Population



**301,364,000**  
Gamers

# ASIA-PACIFIC

2016 REVENUES, TOP COUNTRIES, AND KEY KPIS



**46.8%**



Share of 2016  
Global Revenues



4,008,219,000  
Population



1,596,665,000  
Online Population

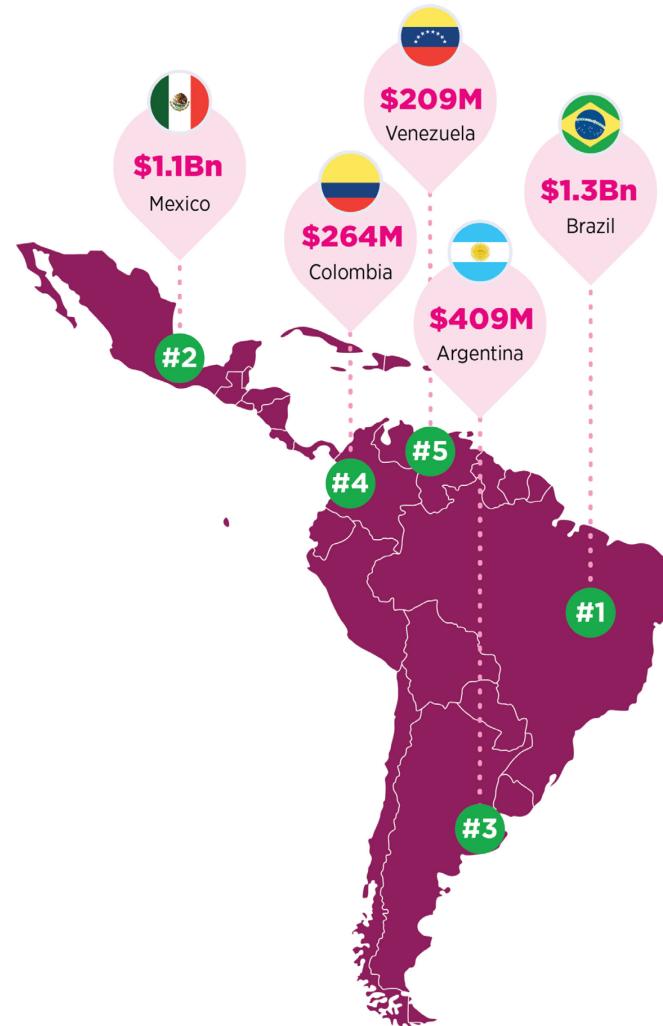


1,053,047,000  
Gamers

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# LATIN AMERICA

2016 REVENUES, TOP COUNTRIES, AND KEY KPIS



# \$4.1Bn

2016 Revenues Generated in LATAM



# +20.1%

2015-2016 YoY Growth

# 4.1%



Share of 2016  
Global Revenues



639,584,000  
Population



367,611,000  
Online Population



209,008,000  
Gamers



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## THE NEXT STEP

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IN SUPPORTING YOUR  
GROWTH

# GLOBAL GAMES MARKET REPORT PREMIUM

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## ANNUAL REPORT



## QUARTERLY UPDATES

**GLOBAL GAMES MARKET UPDATE**  
APRIL 2016

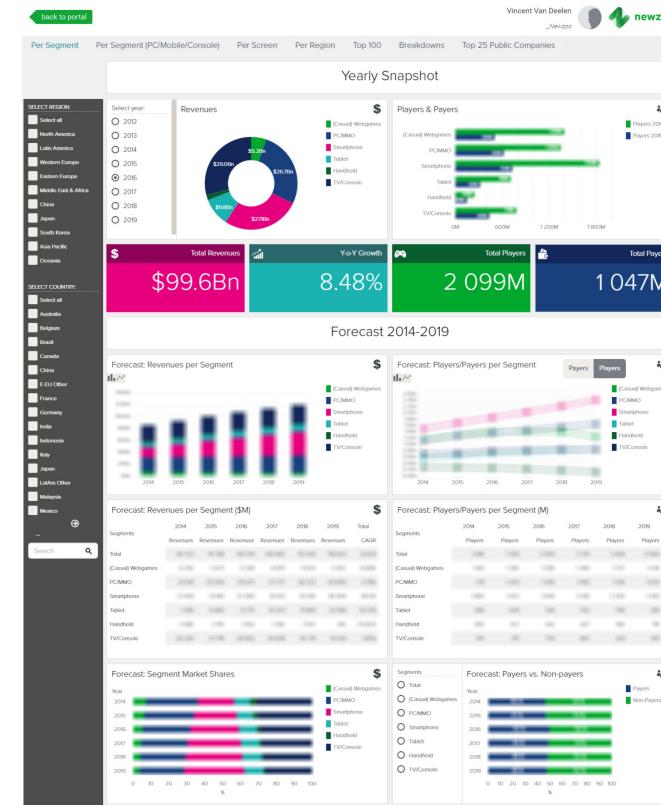
**QUARTERLY UPDATE – APRIL 2016**  
2015 FULL YEAR REVIEW AND LATEST ESTIMATES

We are pleased to present you the Newzoo Quarterly Market Update for April 2016, which is the second update of the year. This report provides an overview of the latest developments on the GAMES and G2E markets and latest year-over-months published by public companies. The report also includes the latest market research and analysis for the first quarter of 2016 as well as an overview of the latest news from the industry.

**Key Takeaways**

- The global games market grew 8% in 2015 to \$99.6Bn in total revenues. This is \$3.1 billion higher than our previous estimate.
- While the PC/MO segment saw a decline in revenues, the mobile segment grew 14% to \$31.8Bn. In the console segment, we now estimate that the market will only grow 1% to \$16.2Bn in 2016.
- The Latin American games market did not grow as expected in 2015. Its total revenue was only 10%, totaling to \$4.4 billion total revenues. For the coming year we expect that the market will grow 10% to \$4.8 billion.
- In 2016, the global games market will generate revenues of \$104.7Bn. The biggest growth driver will be mobile, which will grow 14% to \$35.2Bn in 2016, while PC/MO will grow 7% toward 2016, resulting in total revenues of \$31.4 billion in 2016.

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**newzoo**  
GAMES

# ABOUT NEWZOO

Newzoo is a global leader in games, esports, and mobile intelligence. We provide our clients with a mix of market trends, financial analysis, revenue projections, consumer insights, data modelling solutions, and predictive analytics services across all continents, screens, and business models. We are proud to work for the majority of top game and esports companies, along with many independent game developers and leading global technology, internet, and media companies.

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