

Marketing budget planning for 2017

Data insights by Gregor Liftingier, October 19, 2016

GameCo's current assumption is that **sales have stayed the same for the various geographic regions** over time.

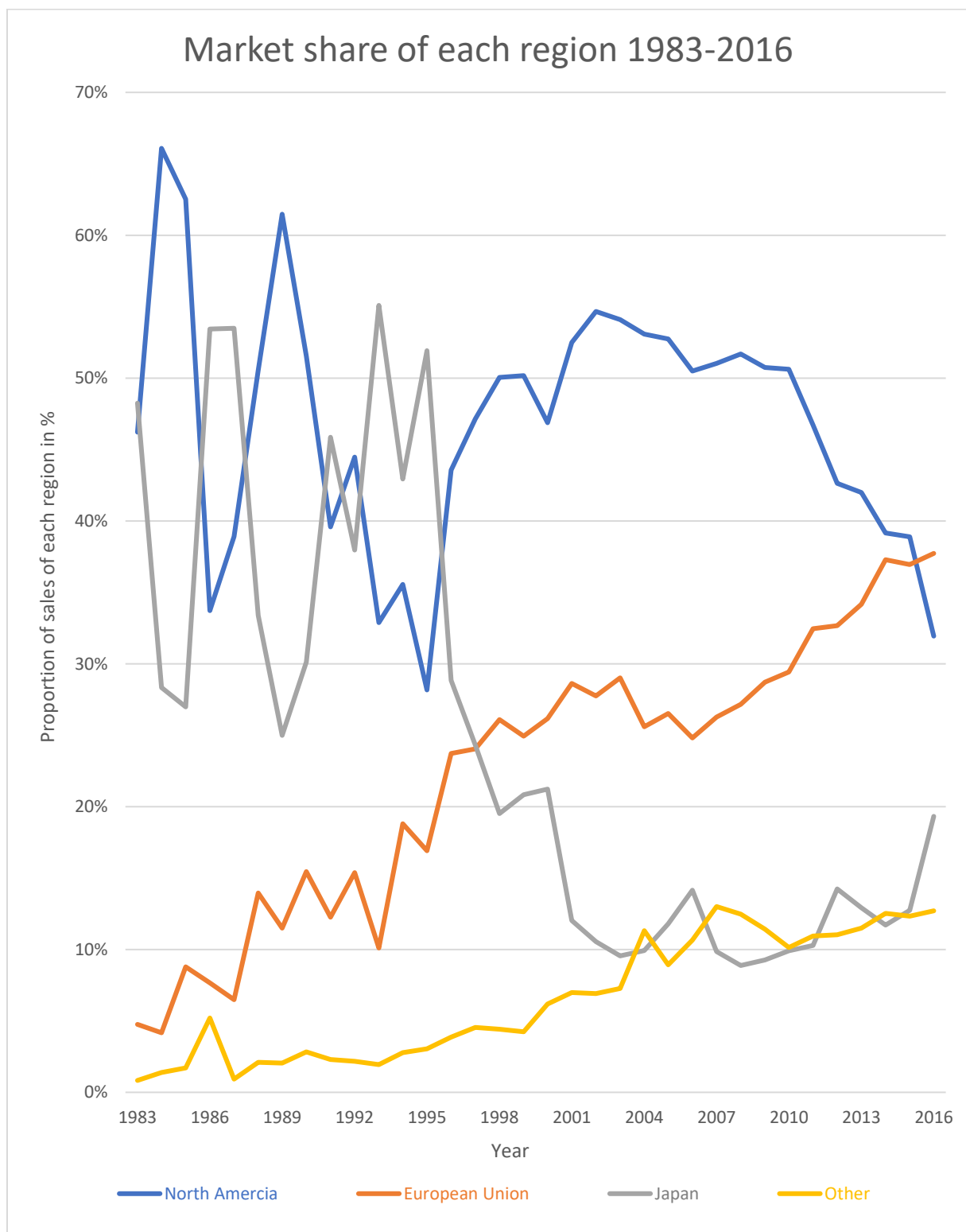


Diagram 1 Change of proportion of sales (market share) for each of GameCo's regions, for 1983-2016

Diagram 1 shows that **market shares have varied considerably.**



Diagram 2 Change of proportion of sales (market share) for each of GameCo's regions for 2015, 2016

Diagram 2 shows that **the EU region overtook the North American market** for the first time and now has a considerable lead of ca. 6%.

Additional Findings:

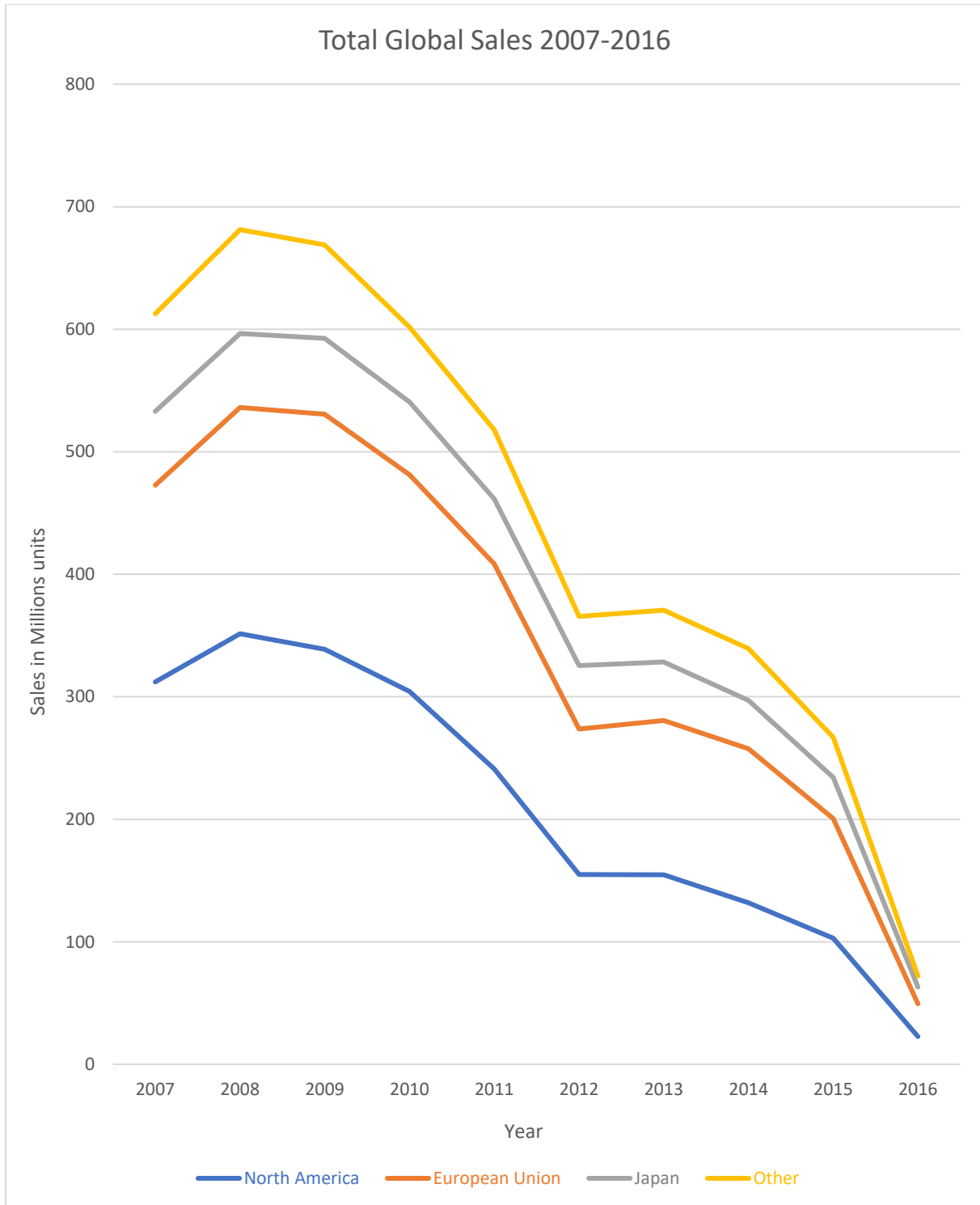


Diagram 3 Total Global Sales divided into regions from 2007-2016, stacked line chart

Diagram 3 shows **that overall sales in the gaming industry have been falling** since 2008; this **negative trend** is visible in **all four regions**.

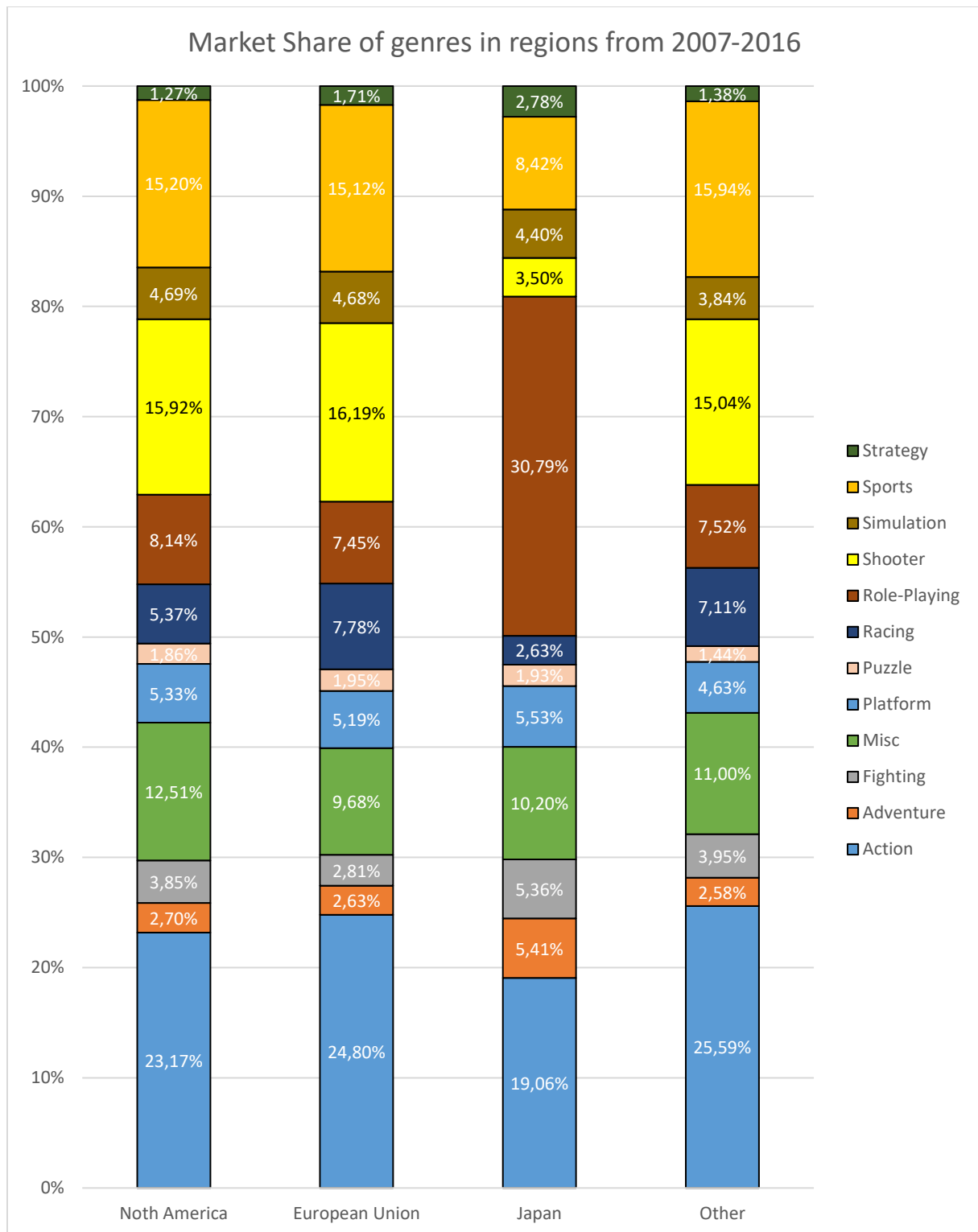


Diagram 4a Market share of each region from 2007-2016, 100% stacked bar chart

Diagram 4a shows the market share of genres in regions (2007-2016), followed by Diagram 4b, where the Top 3 genres are highlighted.

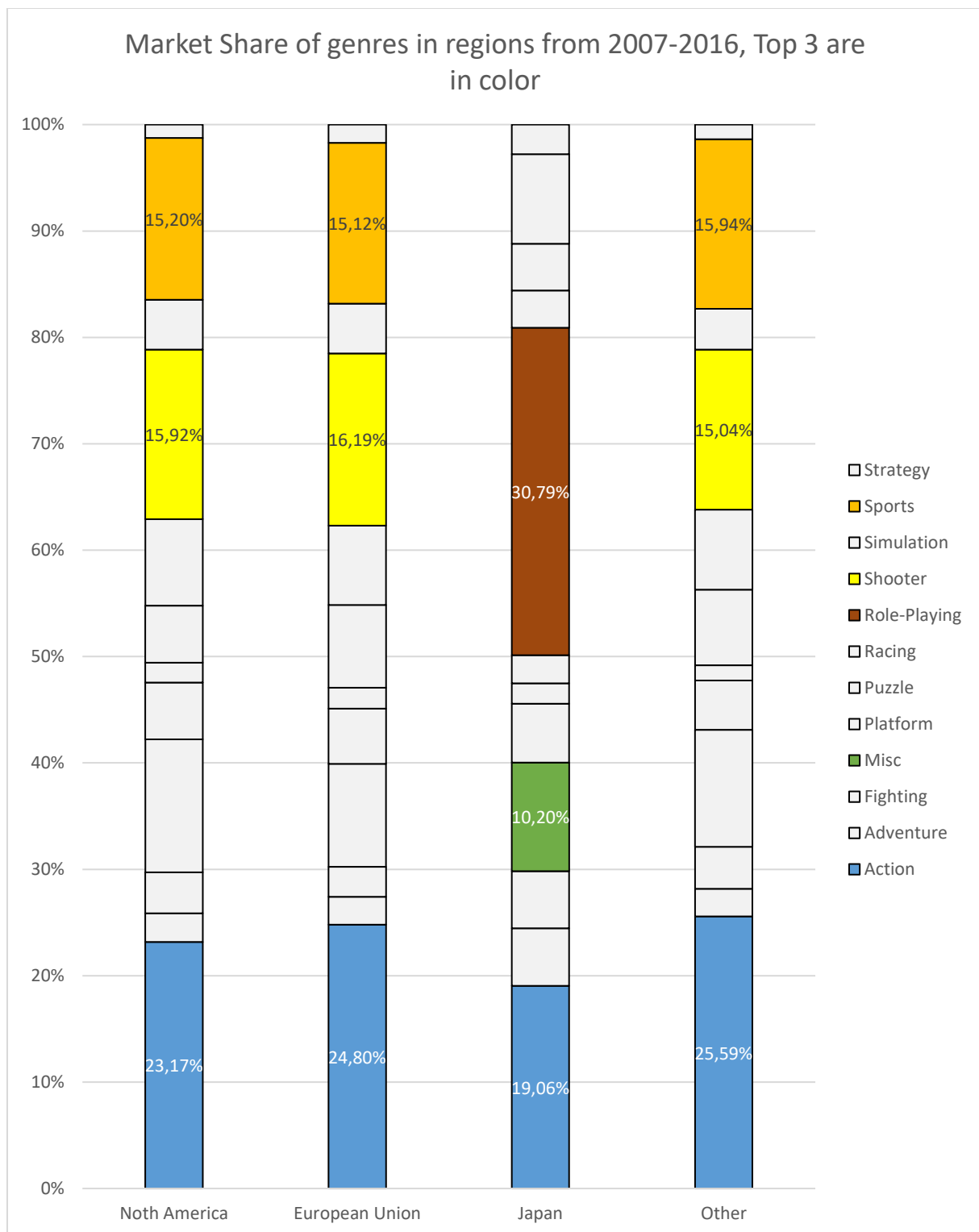


Diagram 4b Market share of each region from 2007-2016, 100% stocked bar chart

The insight in Diagram 4b is that the **Top 3 genres** (2007-2016) in North America, the EU, and the Other regions are **Action, Shooter, and Sports**. But **Japan** has different favorites, **Role-Playing, Action, and Miscellaneous**.

GameCo's **current assumption does not hold**. As a result, GameCo must **implement new policies** to account for the latest knowledge of **varying sales in geographic regions**.

Recommendations:

1. I recommend the implementation of **at least quarterly reporting** (descriptive analysis) of sales data:
 - a. Of **geographic regions**
 - b. Of the **industry** as a whole
 - c. Of the **genres**.
2. To have a clear understanding of **why the sales numbers of the industry itself are in decline**, I recommend a comprehensive **diagnostic** and **predictive** analysis in:
 - a. **Demographics** (are people getting too old to play?)
 - b. **Trends** (did we miss the rise of the casual-gamer?¹),
 - c. **Technology** (how did smartphone games sales affect the industry?)
 - d. **Regulations** in countries
 - e. **Economics** (how did the rise of emerging markets change the sector?)
 - f. And how these affect the industry now and in the future.
3. I find that the allocation of our marketing budget according to quite large regions is too **coarse-grained**. For example, in Diagram 4, the COUNTRY Japan had very different top 3 genre favorites than the other REGIONS. I recommend implementing a **more granular classification** in:
 - a. **Countries**
 - b. or **smaller** (with more data from recommendation 2).
4. Until the analyses mentioned above are complete, I recommend allocating the marketing budget according to
 - a. the **market shares** of the various **geographic regions**
 - b. the **top 3 genres** of each **area**.

We take the changing environment immediately into account with these two small changes.

¹ A "casual" game is a video game targeted at a mass-market audience, as opposed to a hardcore game, which is targeted at hobbyist gamers. (https://en.wikipedia.org/wiki/Casual_game)