

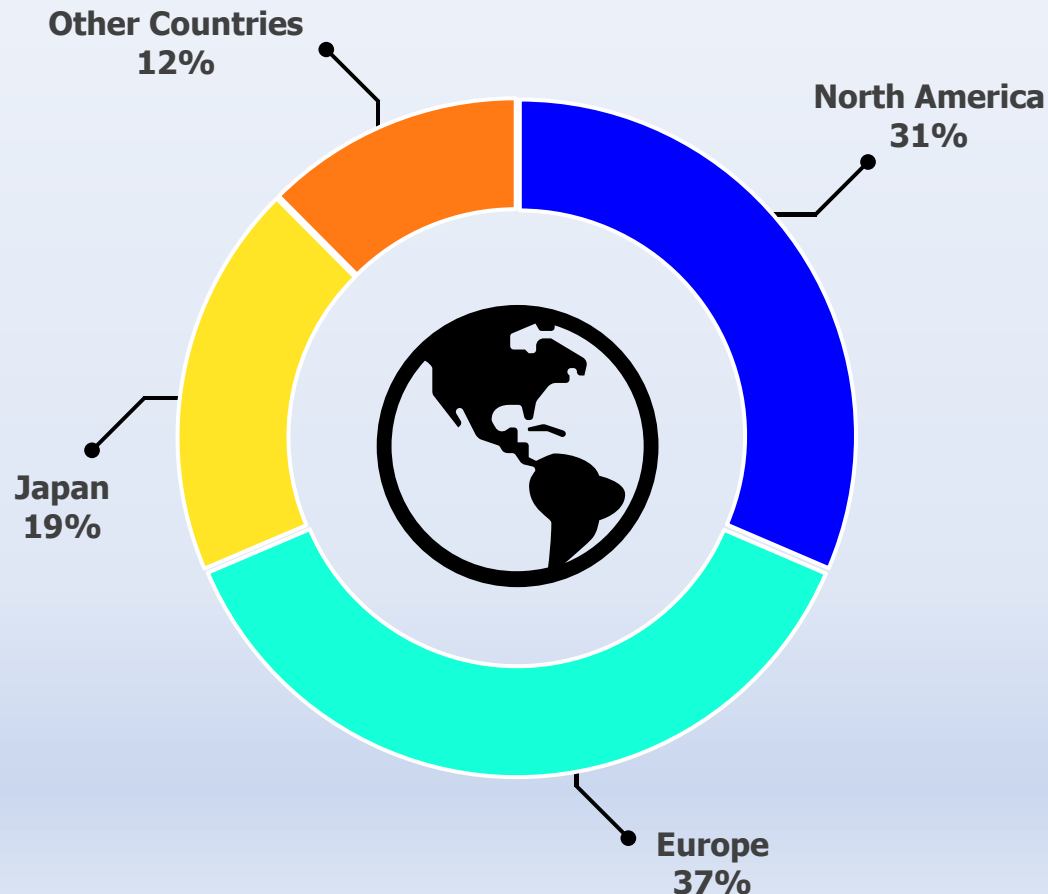
Insights into Video Game Sales

By Kyle Stanford



Current Understandings

Global Sales by Region in 2016 (%)



Commentary

GameCo currently assumes the distribution of video game sales across geographic regions has stayed the same overtime. Based on 2016 sales data this would mean that:

- Europe accounts for the greatest proportion of global sales (37%)
- North America accounts for the 2nd greatest proportion of global sales (31%)
- Japan accounts for the smallest proportion of video game sales amongst the three major regions (19%)
- All countries outside of Europe, North America, and Japan account for only 12% of global sales

This is not representative of previous years.

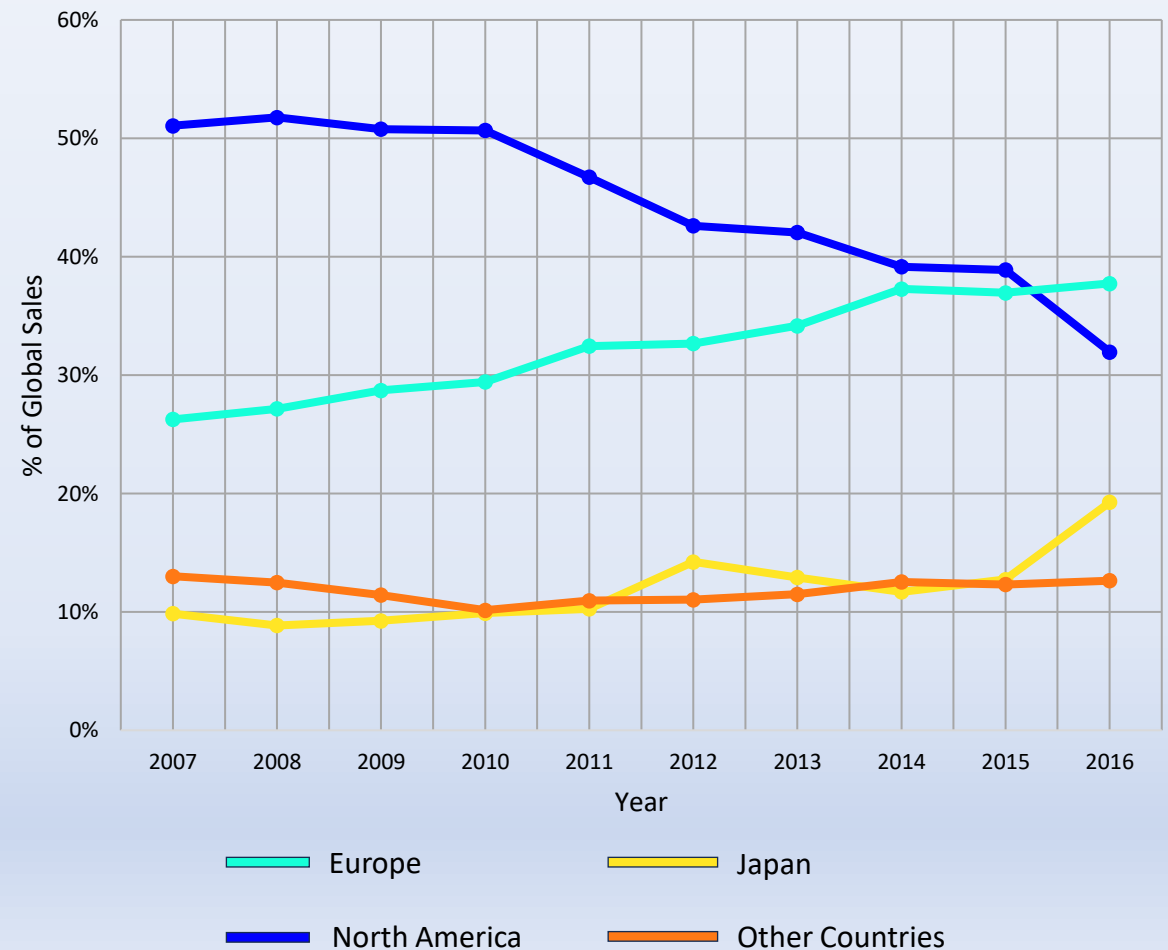
Reality

Summary:

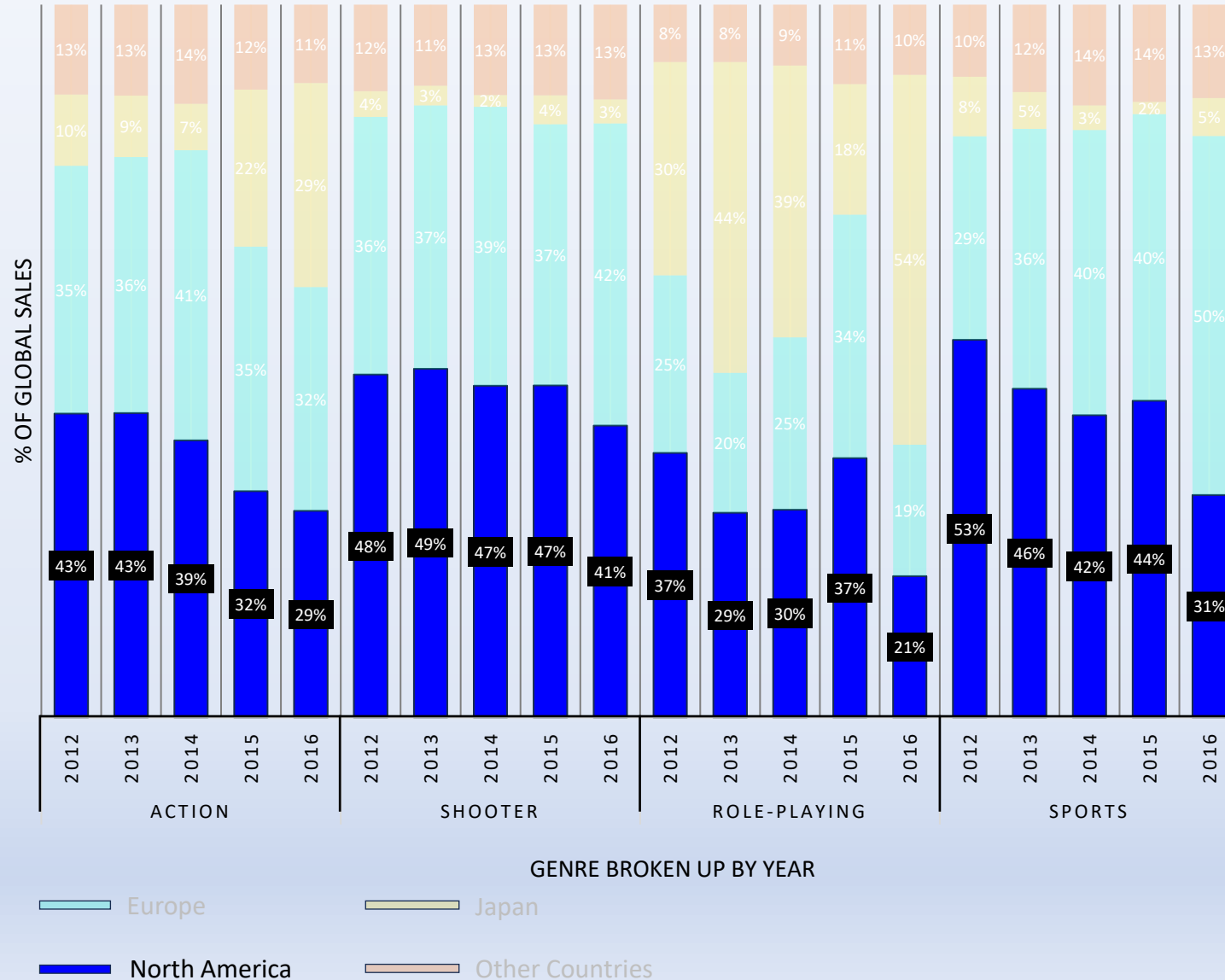
- Europe's market share has continued to rise steadily (↑12% since 2007)
- North America use to lead the market but has declined (↓19% since 2007)
- Japan's market share is generally stable but spiked in 2016 (↑7% from 2015 to 2016)
- All countries outside of Europe, North America, and Japan have been stable over the last 10 years (average = 11.8%, Range = 3%)

But what types of games are driving these trends?

Yearly Distribution of Video Game by Region (2007 – 2016)



Global Sales of Top Genres Distributed by Region 2012-2016

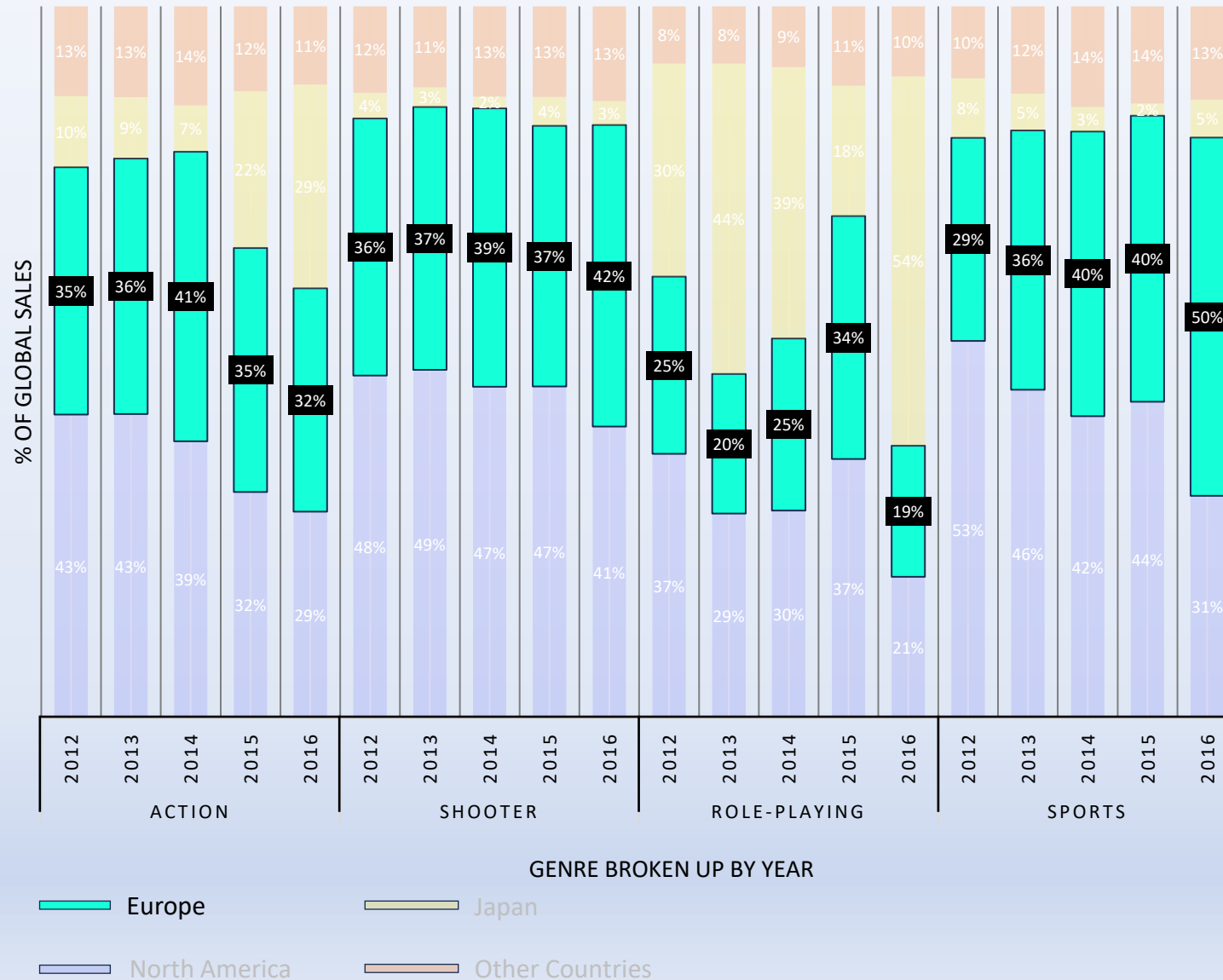


North America

In the last 5 years:

- North America's proportion of sales in the top 4 genres have decreased by an average of 14.75% since 2012

Global Sales of Top Genres Distributed by Region 2012-2016



Europe

In the last 5 years:

- Proportion of "Sports" games sales has largely increased (↑ 21% from 2012)
- Proportion of "Shooter" game sales has increased (↑ 6% from 2012)
- Action and Role-Playing game sales have decreased but not by much.

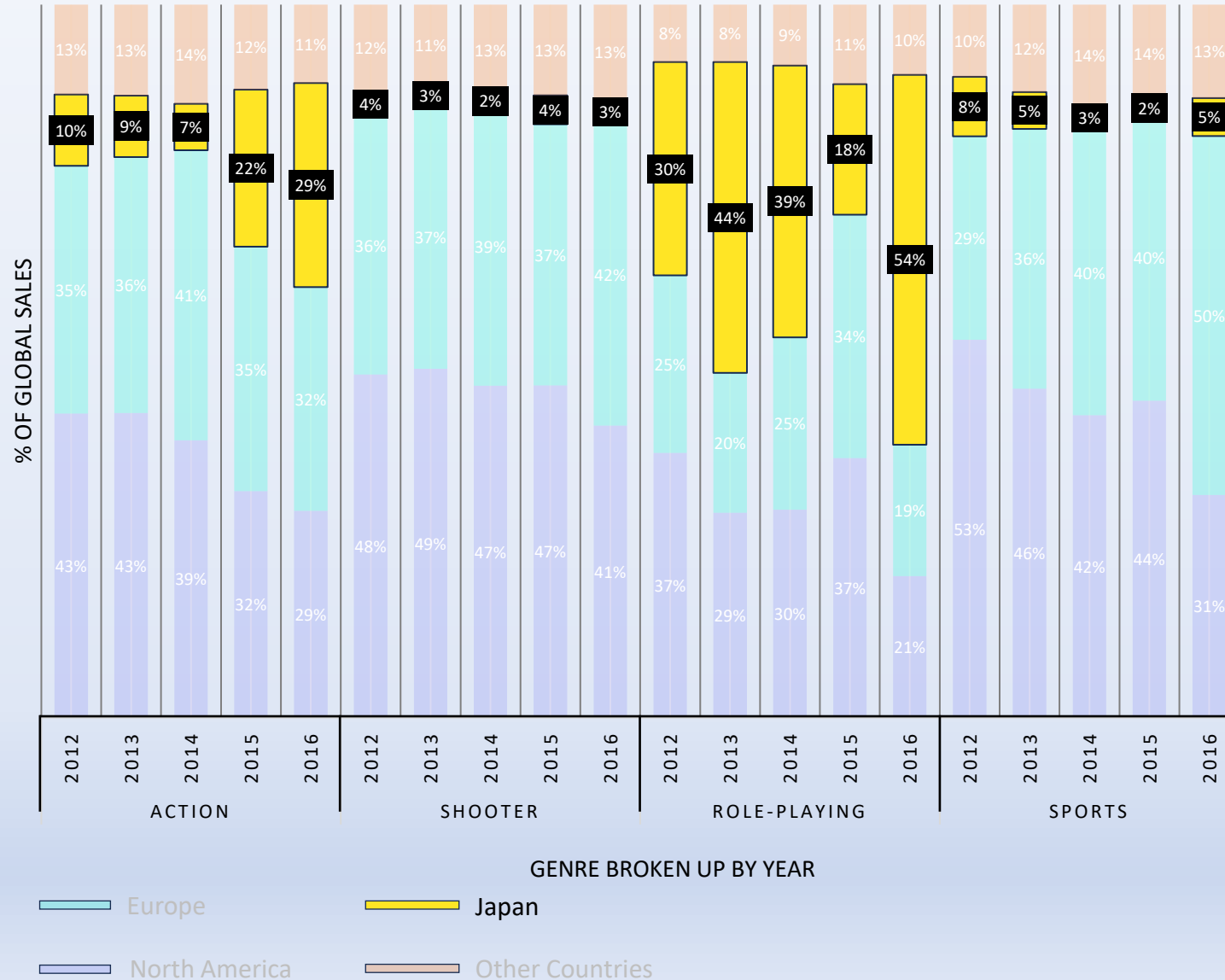
Global Sales of Top Genres Distributed by Region 2012-2016



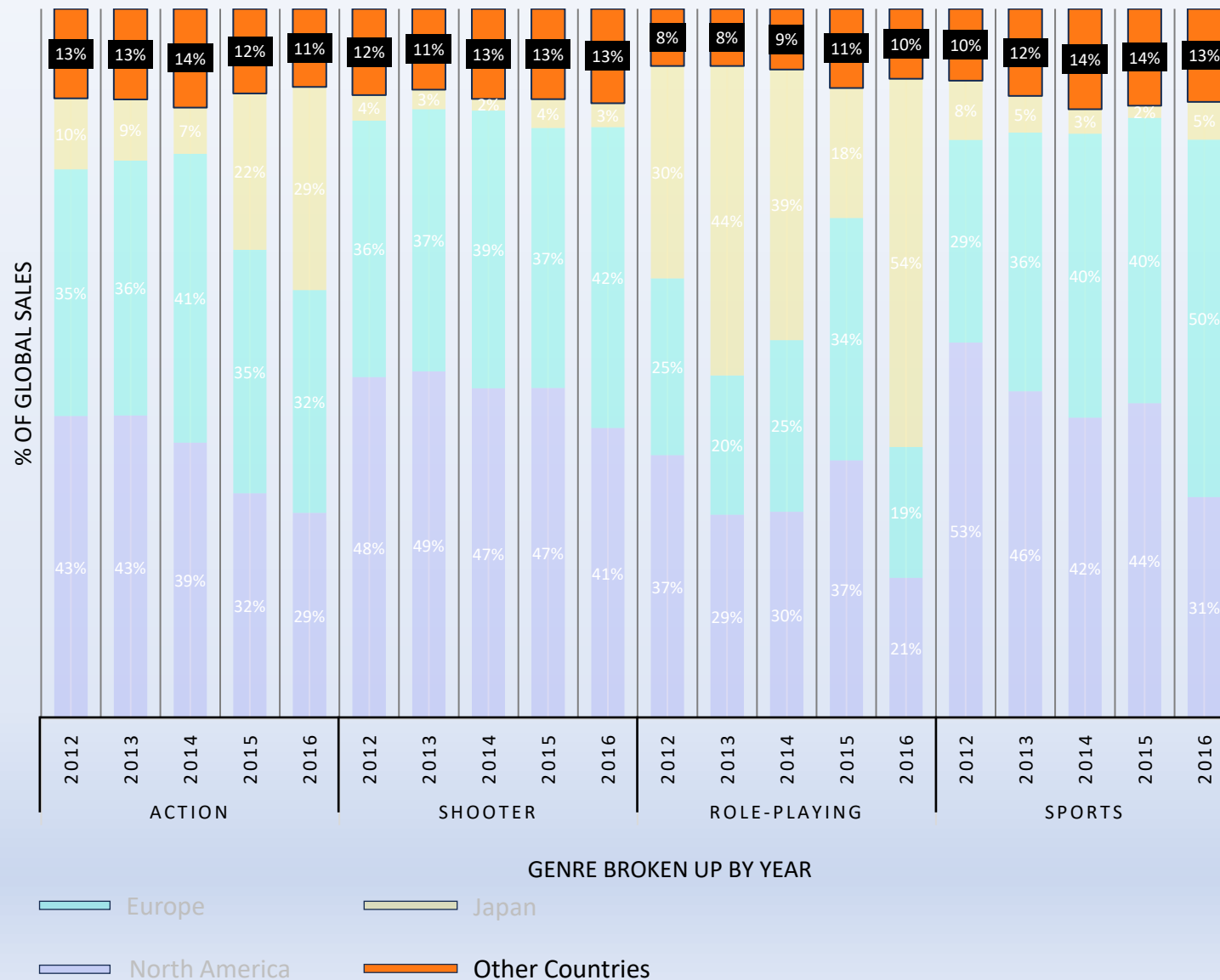
Japan

Although the distribution of sales by genre does not show any clear trends, the spike in 2016 can be explained here:

- Role Playing games increased from 18% in 2015 to 54% in 2016
- Action games also increased drastically from 2014 to 2015, and again from 2015 to 2016.



Global Sales of Top Genres Distributed by Region 2012-2016



Other Countries

Even when segmenting sales by genre, countries outside of North America, Europe, and Japan remain stable.

- Slight shifts can be seen but appear statistically insignificant.

Revised Understandings

Video game sales across the three major geographical regions clearly continues to shift. Based on the data, GameCo's revised understanding of the market should entail the following insights:

North America



- Has moved from having the largest market share to the 2nd largest market share (31% in 2016).
- Sales of every top genre has fallen but still accounts for a significant proportion of global sales in genres like "shooter" and "action".

Europe



- Has moved from having the 2nd largest market to the largest market (37% in 2016).
- This increase is most strongly influenced by the rising proportion of sales in the "shooter" and "sport" genres.

Japan



- Has recently had a spike in the proportion of global sales in 2016
- The spike seems caused by a successful period of video game sales primarily in the "role-playing" genre. Action games have been recently successful as well.

Other Countries



- Countries outside of the three other regions have shown stable sales patterns.
- Over the last 10 years, other countries account for an average of 11.8% of sales

Recommendations for GameCo

To ensure the marketing budget is best utilised in a way to maximise ROI, the following actions are recommended:

