

# ANALYSIS OF THE VIDEO GAME MARKET

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Final Project Presentation

# Overview

- Analysis of historical sales data
  - Break down of data by region, genre & publisher
- Findings
- Recommendations

## Current Understanding

“The video game sales for the various regions stayed the same over time.”

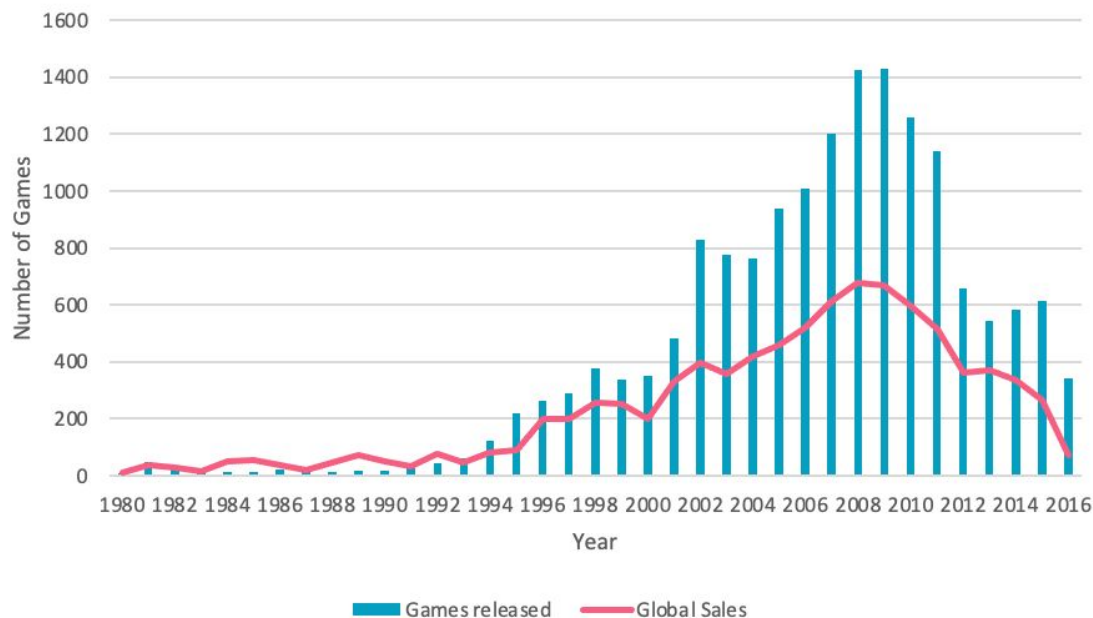
# Sales Analysis & Data Limitations



- Global sales seem to dramatically decline since 2008.
- **But the data only depicts retail sales.**
- Digital Distribution increased since the early 2000s and is currently the main form of distribution.
- A large portion of publishers (especially smaller ones) only release titles on digital platforms.

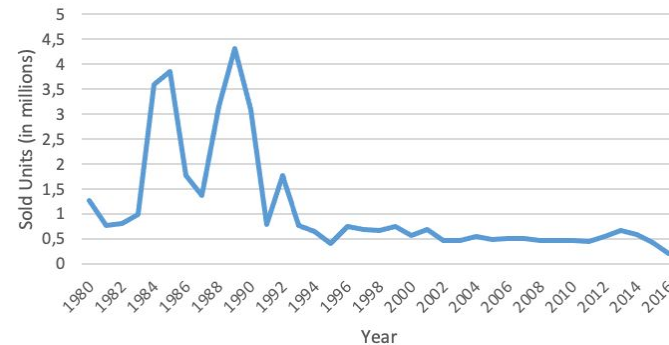
# Interest

Number of Games Released vs Global Sales  
from 1980 to 2016



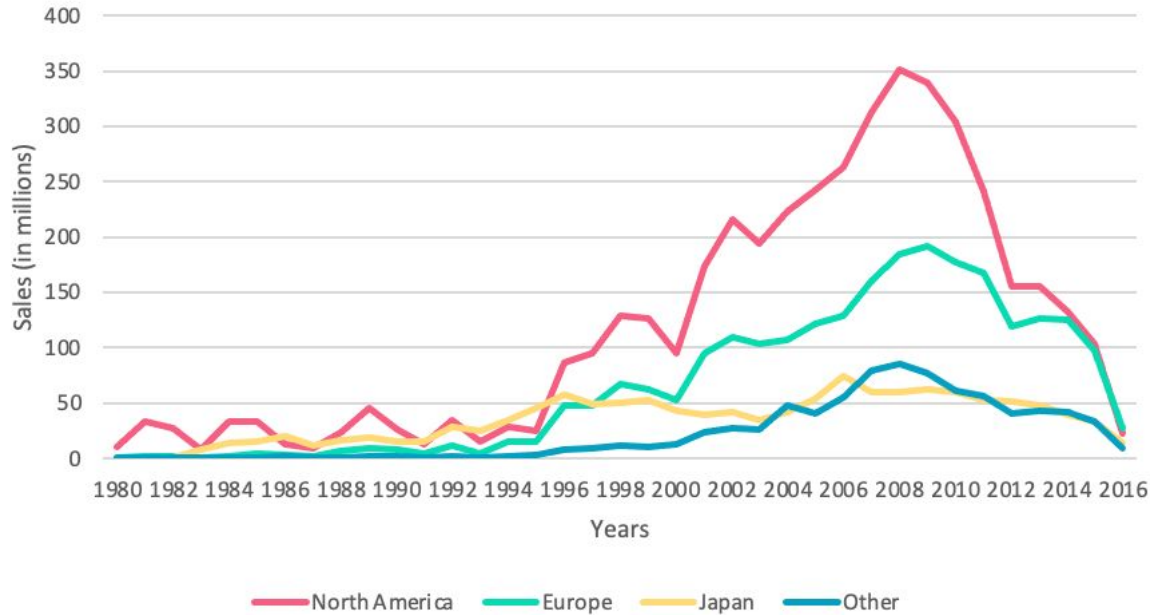
- The number of games released directly correlates to the number of units sold.
- But consumer interest stayed the same since 1996 and only declined since 2014.

Average Sales per Game over the Years



# Regional Sales

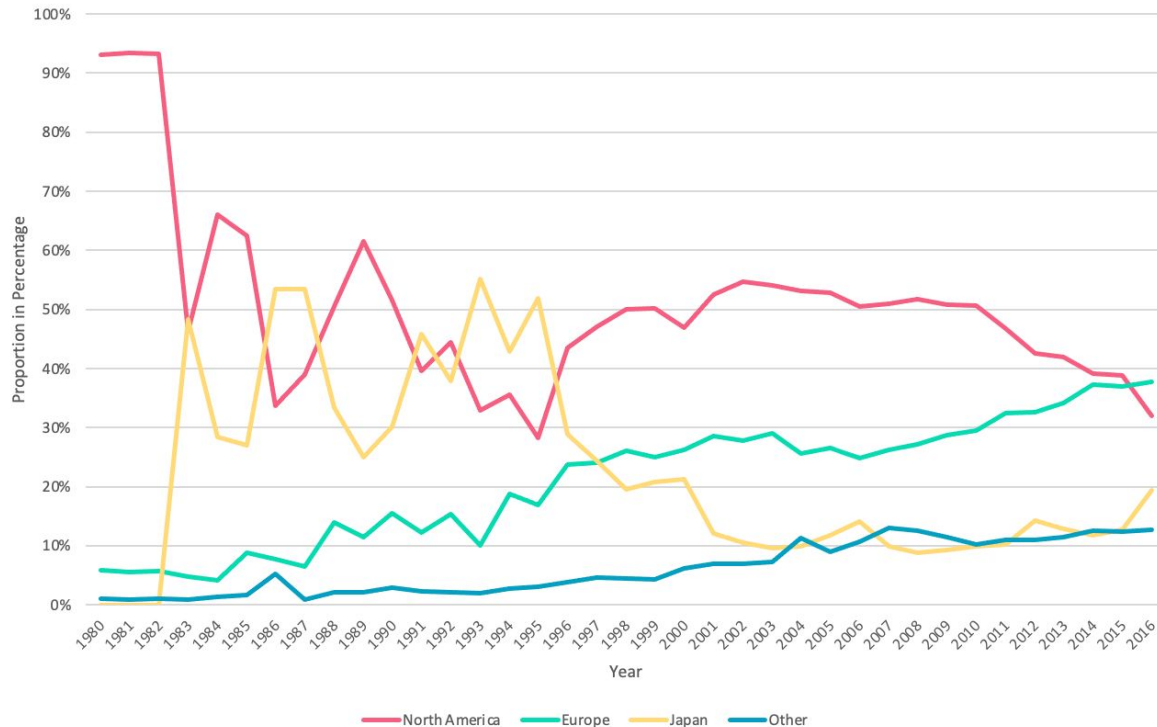
Regional Sales from 1980 to 2016



- The decline in retail sales concerns all regions.
- North America is historically the most significant market.
- Europe is the second largest.
- Japanese sales and sales from other regions are similar.

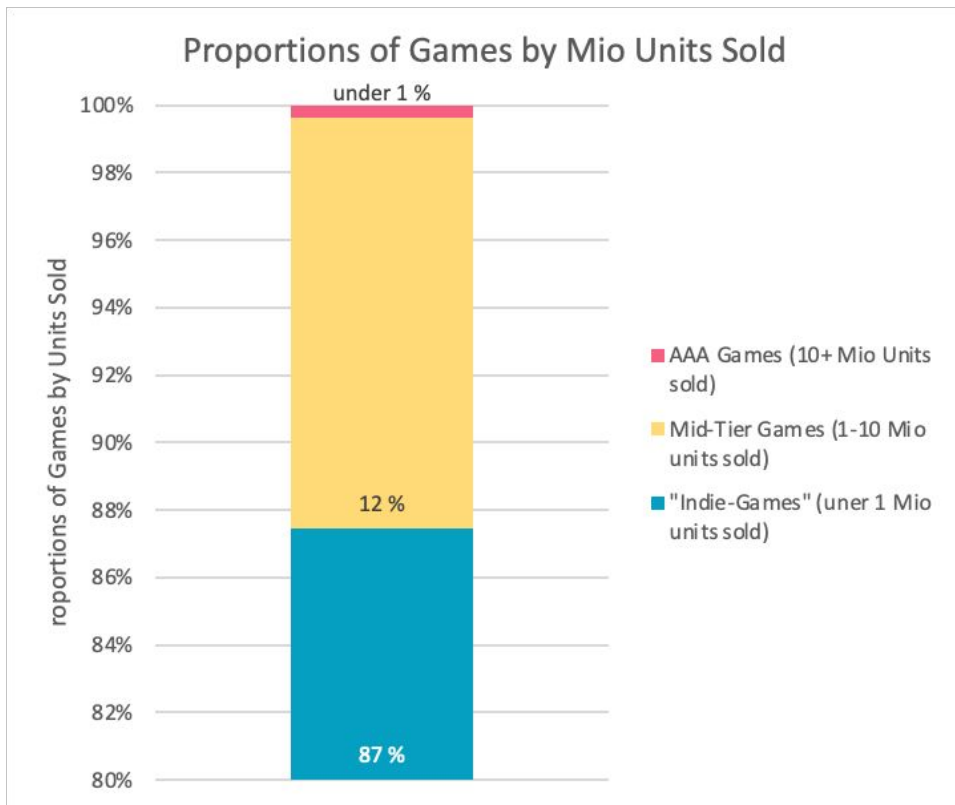
# Market Proportions

Market Proportions over Time



- Market proportions changed more significantly.
- European market share higher than North America since 2015.
- The European market experienced stable growth.
- Japanese market share is increasing since 2015.
- Other regions grow steadily as well.

# Game Classifications

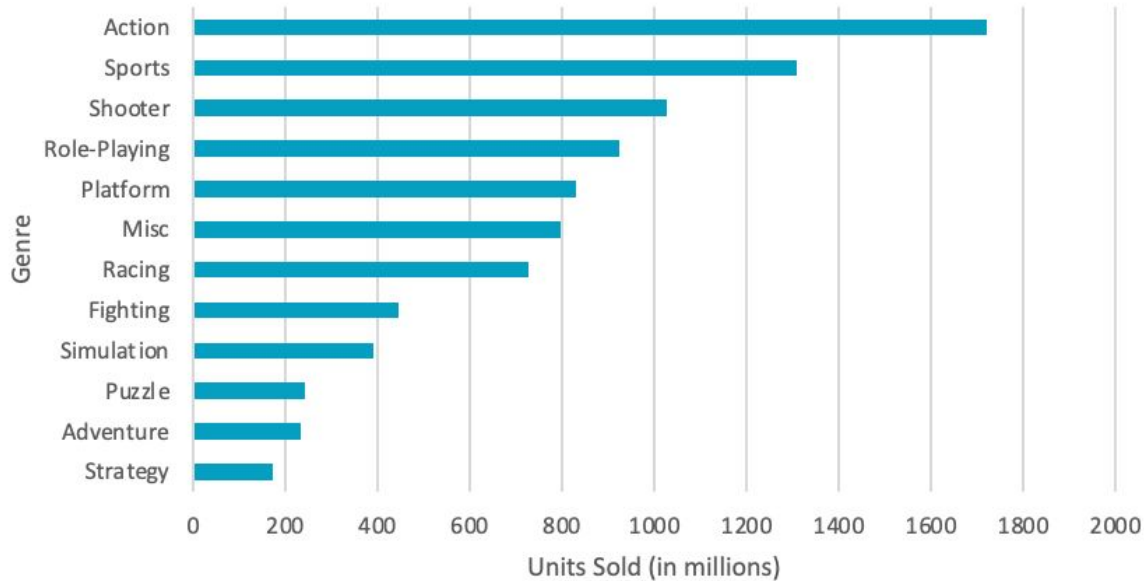


- Only a small number of games sold more than 10 million units (“AAA Games”)
- The biggest segment is mid-tier games (1-10 Mio units sold)
- A large segment of games sold less than 1 million units
- The AAA games in our data set are almost exclusively part of famous franchises:
  - Super Mario
  - Pokemon
  - GTA
  - Call of Duty



# Popular Genres

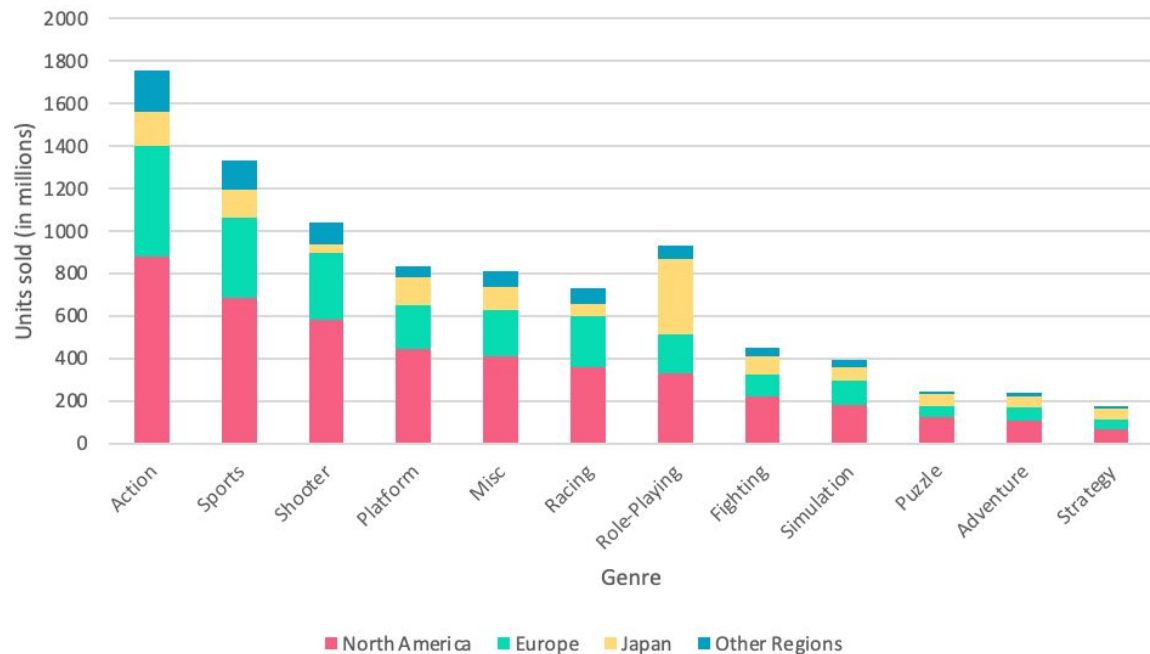
Global Sales Distribution by Genre



- The top 3 most selling genres globally are Action, Sports & Shooter.

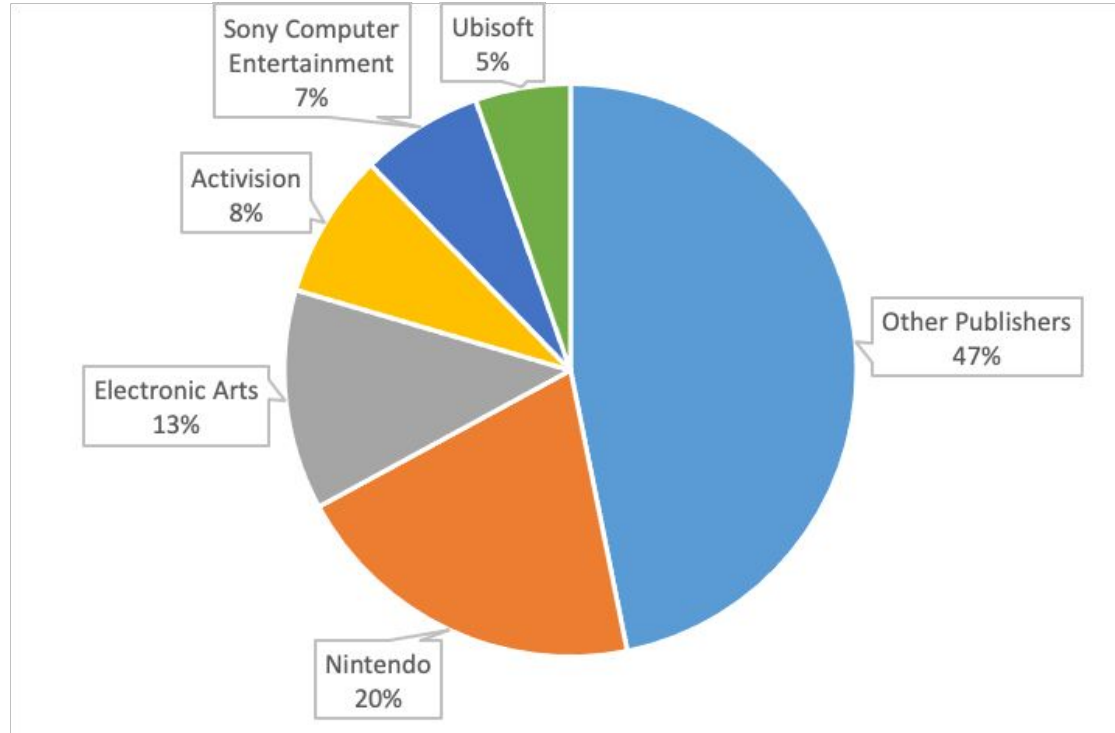
# Popular Genres

Units Sold per Genre and Region from 1980 to 2016



- North America sold the most game units of almost every genre.
- Action games are most sold in North America and Europe.
- Sports games have a similar performance.
- While Shooter games, like the other top 3, perform best in North America and Europe but surprisingly poor in Japan.
- Japan sold by far the most Role-Playing games.

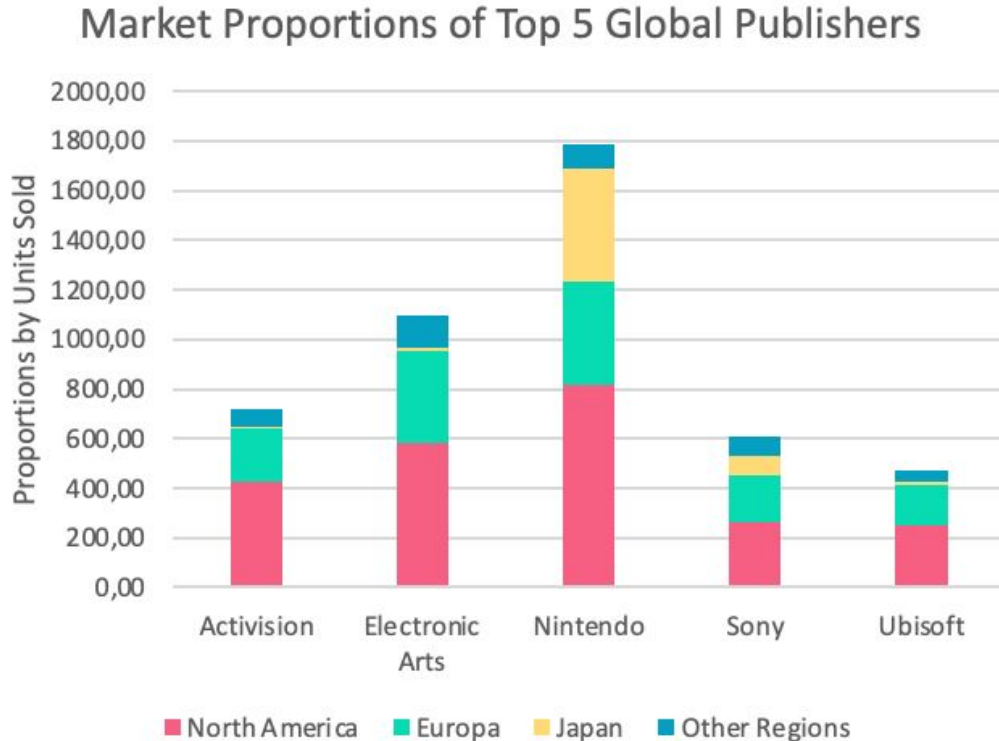
# Top 5 Publishers on the Global Market by Sold Units



The top 5 Publishers globally are:

- Nintendo
- Electronic Arts
- Activision
- Sony Computer Entertainment
- Ubisoft

# Top 5 Publishers and their Target Markets



- All publishers sold the most game units in North America with Europe in second, with the only exception being Nintendo.
- On the Japanese Market, Nintendo and Sony made the most sales while the rest sold almost none.

# Findings

- Retail sales are rapidly declining and digital distribution is growing.
- The North American market had the biggest market proportions until the European market took over in 2015.
- The European market is the most stable and grows at a consistent rate.
- The genres with the most sales are action, sports, and shooter games.
- Most game units were sold by Nintendo, EA, Sony, Activision & Ubisoft.
- Nintendo sold by far the most units in the Japanese market.

# Recommendations

- Investigation into Digital Distribution (Websites, Platforms & trends).
- Adjust budget based on market growth and size of the different regions and best-performing genres.
- Consider releasing games only via digital distribution platforms to conserve resources.
- Focus on the development of action, sports, or shooter games.
- Consider investing in licensing popular franchises to reach a wider audience and use an already established fanbase to achieve greater revenue.