

GAMECO'S 2017 BUDGET

GameCo currently believes North America is the strongest region in the sales market. Europe comes on second and last Japan who has the lowest sales in the game market. Marketing resources are allocated to regions based on their sales contribution.

- Recommendations based on historical trends and regional performance.
- Assessed sales trends from 2016 to determine budget for 2017 marketing.

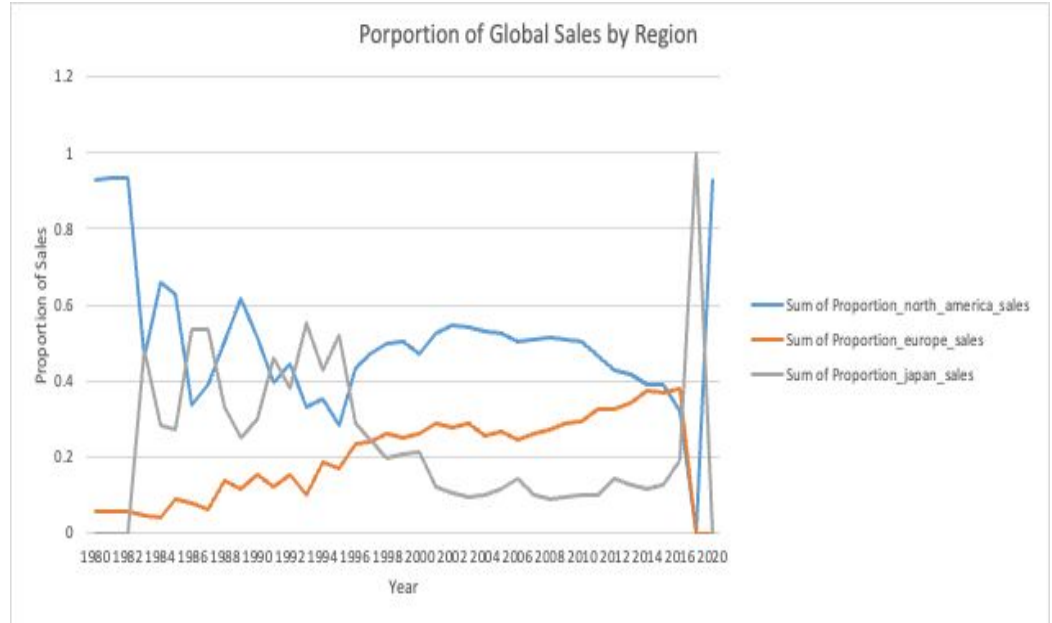
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Summary Statistics Across Geographic Regions (2016)

Regions	Mean	Median	Mode
North America	0.26	0.08	0
Europe	0.15	0.02	0
Japan	0.08	0	0
Other Regions	0.05	0.01	0
Global	0.54	0.17	0.02

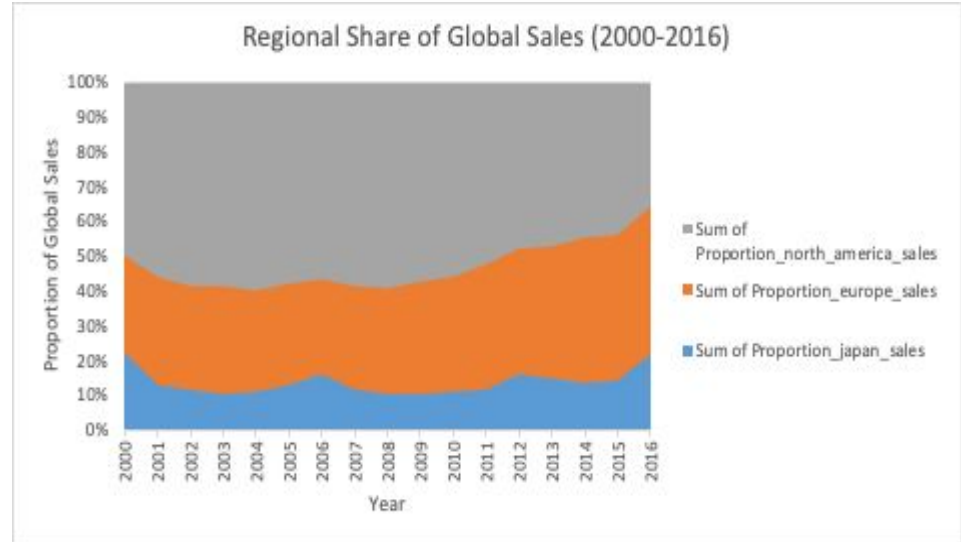
Global Sales Trends (1980-2016)

- North American sales were on peak in early 1980's and then gradually declined after 2005.
- Europe sales started very low in 1980s but showed steady growth over time and almost caught up with North America.
- Japan sales were strong in 1980s and early 1990s. After 1995 sales dropped steadily.



Regional sales shift (2000 - 2016)

- North America holding the largest share 50-60% of global sales.
- Europe's sales went up over time and is now close to North America. Growth raised from about 30% in 2000 to nearly 40% by 2016.
- Japan stayed at the bottom with the lowest sales holding about 15% of sales.



Highest Sales by Region (2016, Approx % of Genre Sales)

North America has highest sales in following genre

- 80% of Shooter sales
- 60% of Action sales
- 50% of Sports sales

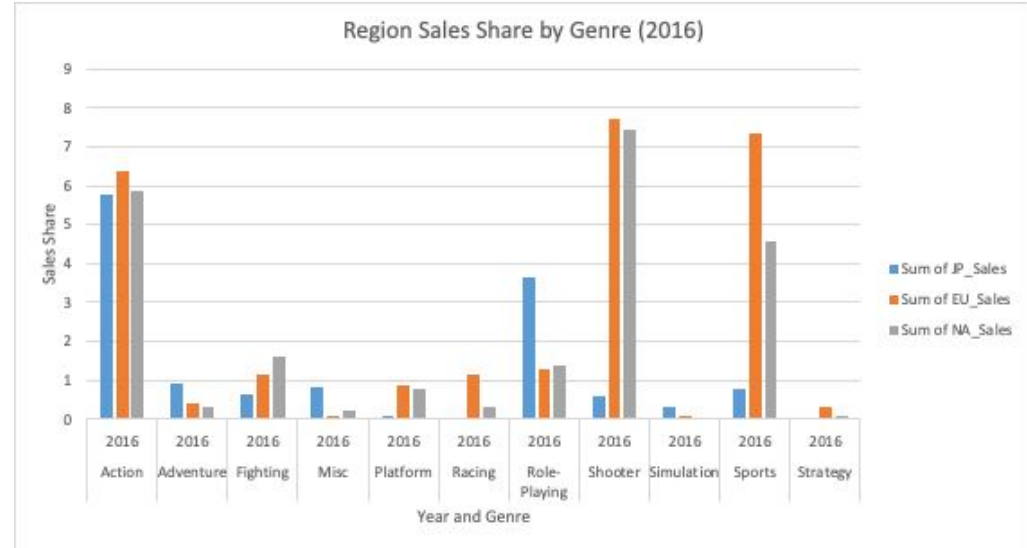
Europe has highest sales in following genre

- 80% of Shooter sales
- 70% of Sports sales
- 60% of Action sales

Japan has highest sales in following genre

- 60% of Action sales
- 40% of Role Playing sales

In 2016, North America and Europe has highest sales (50-80%) in Shooter, Sports and Action genre. Japan has high sales in Action genre (60%). All the other genres generated low sales in the market.



Revised understanding of GameCo

- GameCo earlier belief that North America is the only strong market. With the analysis, it was found that North America and Europe both are strong markets in the game industry with holding 50-80% of global sales.
- Japan has declined steadily in sales but it showed strength in Action and Role Playing games.
- Europe has grown steadily and is now almost equal to North America, which challenges GameCo's old belief that North America is the only strong market.

Recommendation for 2017 budget

- For 2017 marketing budget, GameCo should prioritize investment in North America and Europe, especially in Action, Shooter and Sports, where these regions generate 50-80% of sales.
- Japan has very few sales which makes it low performing in global market. GameCo should scale back resources.
- When allocating marketing resources for Japan, it should be kept in mind that Japan performed well in Action category despite being lower than North America and Europe.
- Global strategy must reflect regional genre preferences. GameCo should allocate marketing budget based on what region prefers, instead of treating all markets the same.
- Continue monitoring proportions each year to adjust the strategy based on actual trends.

Furthermore, since we do not have marketing resource data, it is hard to tell what the return on investment was over the years for each region. There is a possibility that Japan had a higher Return of Capital than North America and Europe, in which case, it would make sense to invest more in Japan.