

GameCo Marketing Budget for 2017

Analysis by Rebecca Luck

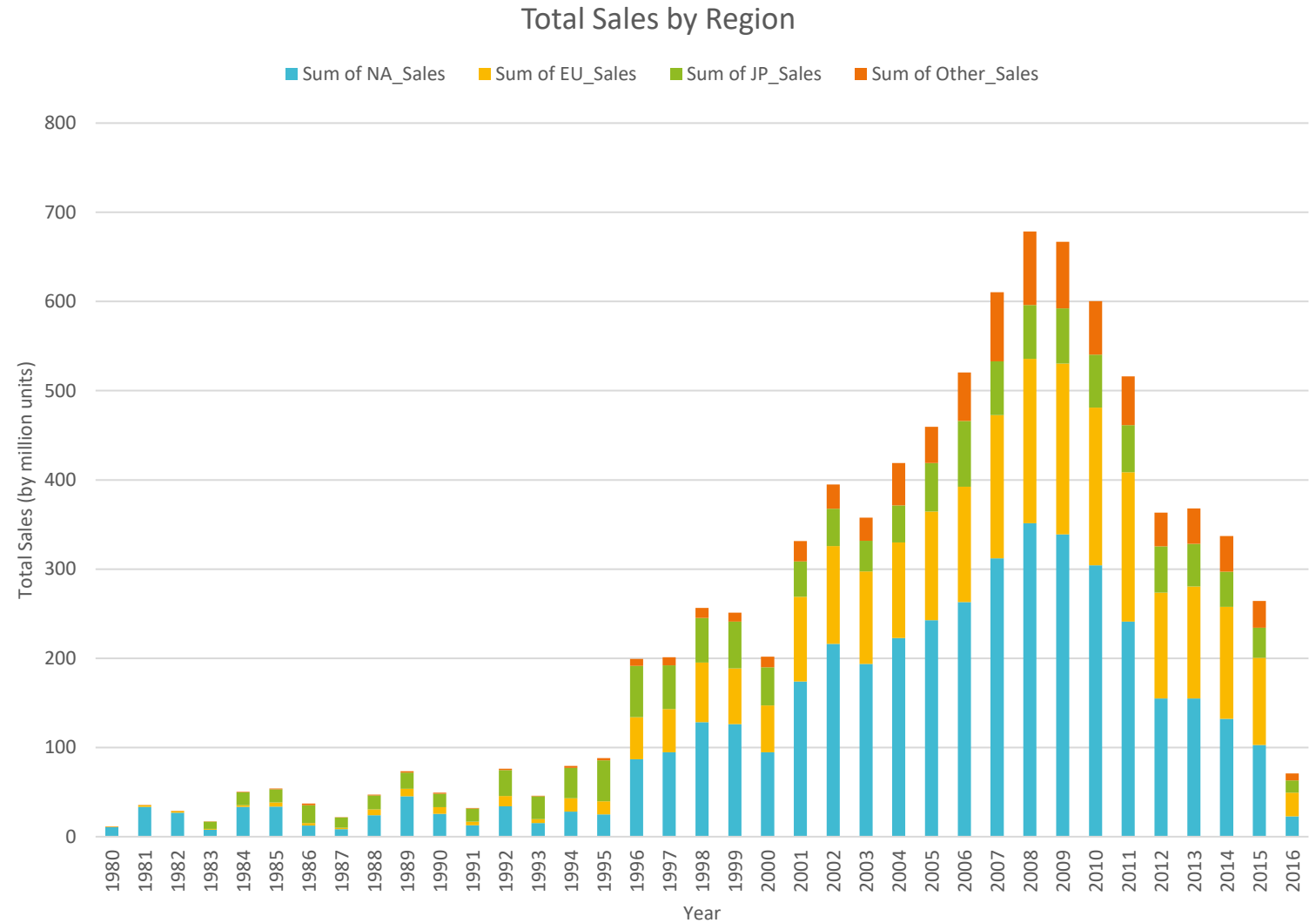
Problem

- GameCo's current understanding of regional video game sales relies on the assumption that sales across each of these regions have stayed the same over time.
- This analysis will examine video games sales data from the North American, European and Japanese regions from 1980-2016 to see if GameCo's current understanding of sales is still true.

By looking at Total Global Sales broken down by region we can see that, from 1996 until 2008, video game sales are increasing annually and that sales in the North American region account for more than 50% of global sales.

From 2008 sales across each region start to decline, but we notice that this decline appears to be sharper in the North American region when compared with that of the European and Japanese.

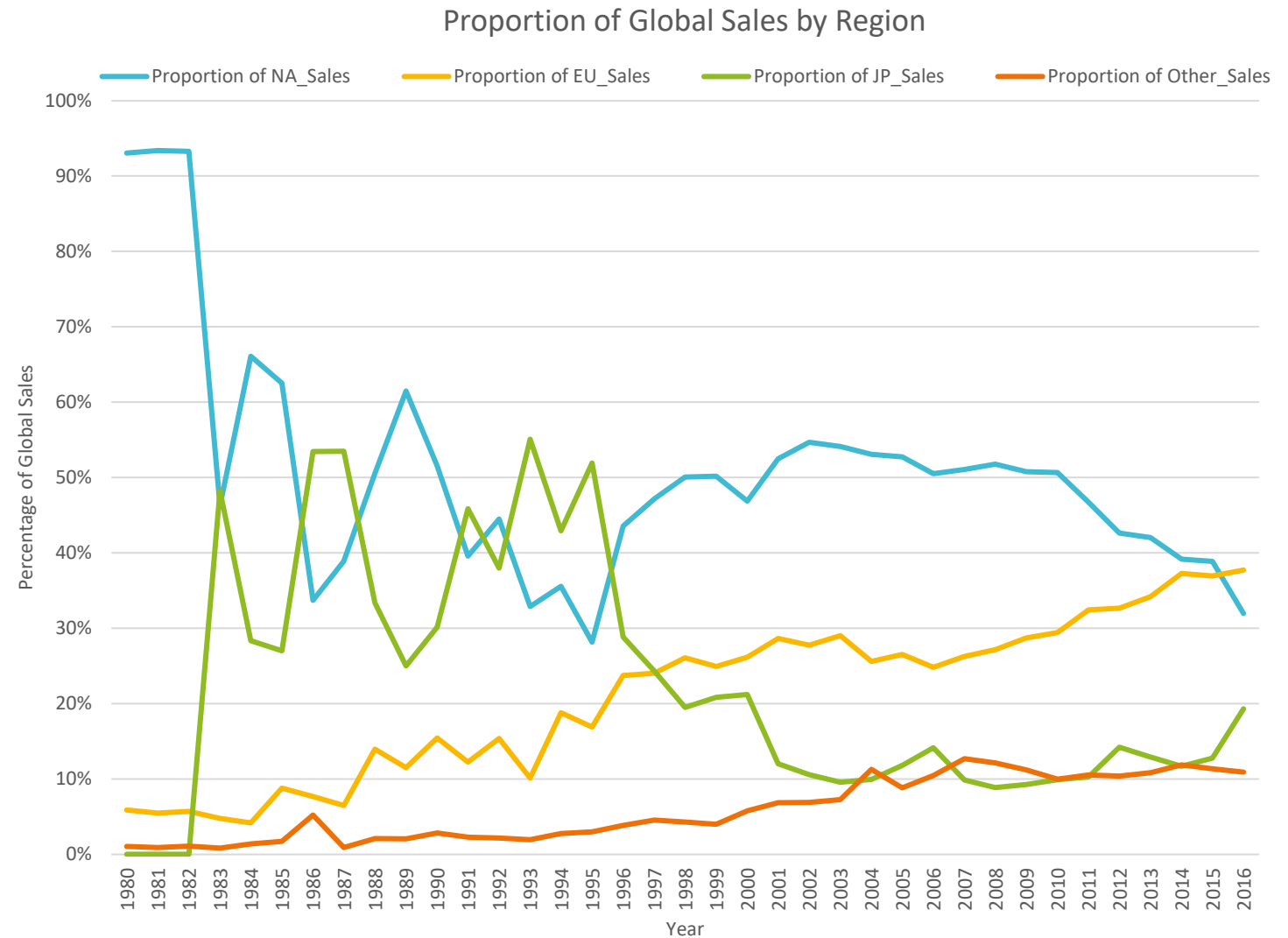
The rise and fall in sales in each region show us that sales have not remained the same over time as we had assumed.



Looking at each region's sales as a percentage of global sales, we can see that each region's contribution to global sales has changed over time. The North American and Japanese Markets move in opposition to each other and are significantly more volatile than the European region with periods of real growth and real decline.

From 2015-2016 we can see that the North American share of global sales has dropped whilst the Japanese share of global sales has increased.

The European region is particularly of interest. Whilst its sales don't represent the highest proportion of global sales until 2016, we can see that there is a clear upward trend. The European market is slowly but steadily gaining a more significant share of the market over time.



Insight and Recommendations

- We have shown that the data challenges GameCo's assumption that sales across each of these regions have stayed the same over time. Sales across each region vary over time both in terms of total sales and in terms of each regions share of those total sales.
- Considering this new understanding of regional sales I would recommend that GameCo redistributes its marketing budget for 2017 to capitalise on the steady growth we have seen over the last few years in the European market. By allocating marketing resources to a region that has shown consistent growth over the last ten years, GameCo can hope to maximise their return on investment in the European market.
- I would also recommend GameCo redistribute some resources towards the Japanese market for 2017 as we have seen an 8% increase in its share of global sales over the last year. Whilst this growth is not as sustained as the growth we have seen in the European region, an investment here might hope to recover some of the loss we are seeing in the North American region in the short term.