

GAMECO

SALES ANALYSIS

GOAL

Evaluate existing video games sales data to help GameCo, a new video game company, develop a competitive go-to-market strategy.

CURRENT UNDERSTANDING

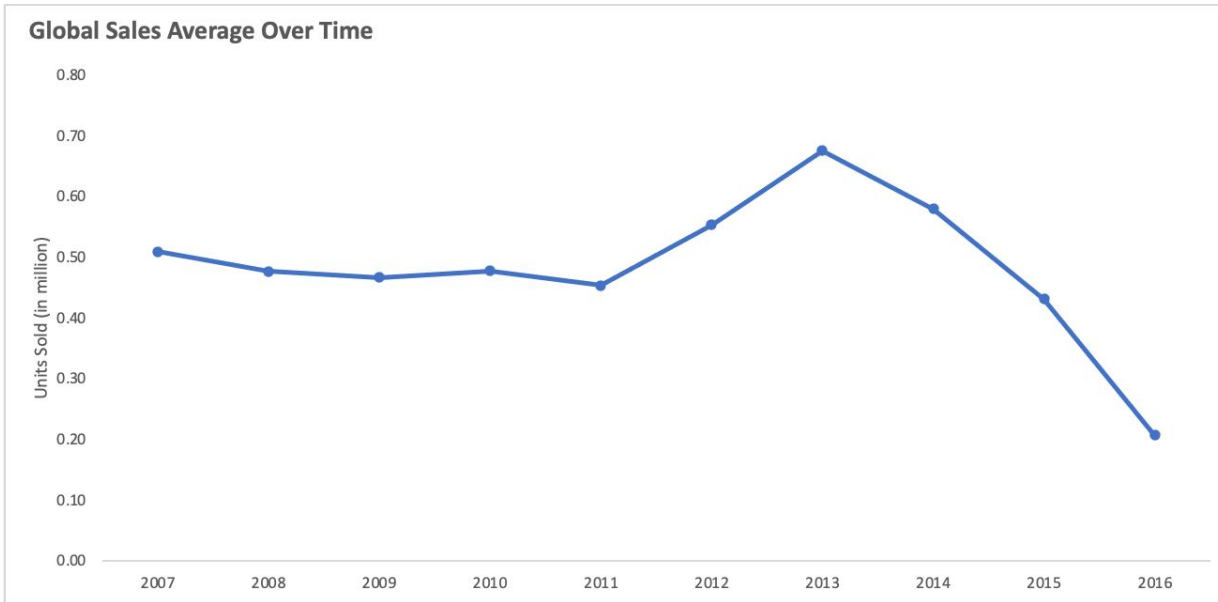
GameCo assumes that sales for the geographic regions of North America, Europe, Japan and other regions of the world have stayed the same over time.

AREAS OF FOCUS

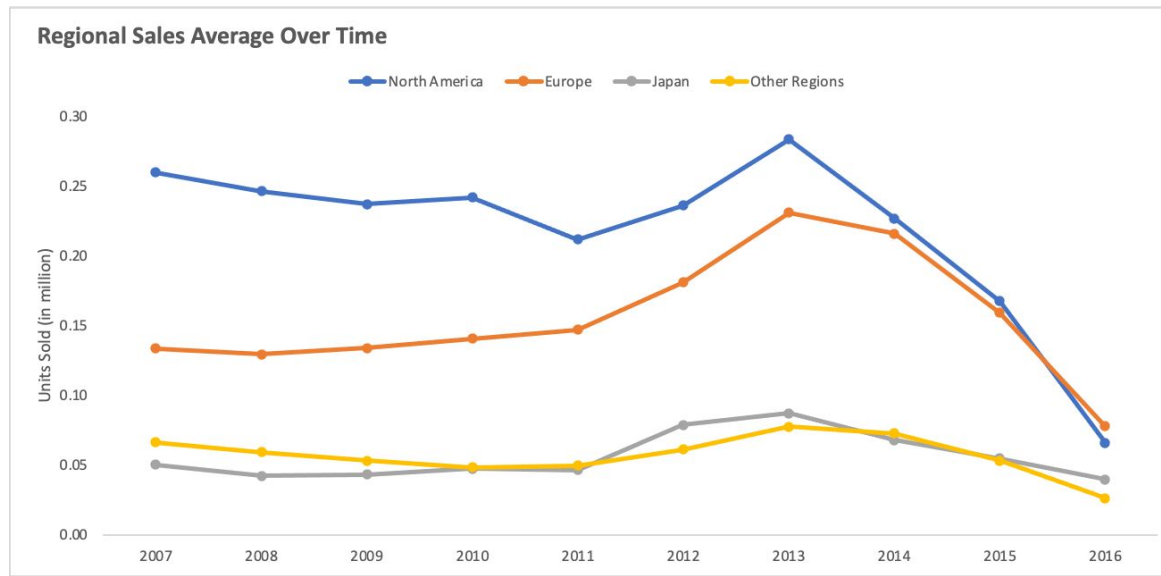
The analysis will observe trends over time for the below observations:

- Sales trends
- Top genres
- Top platforms
- Top publishers

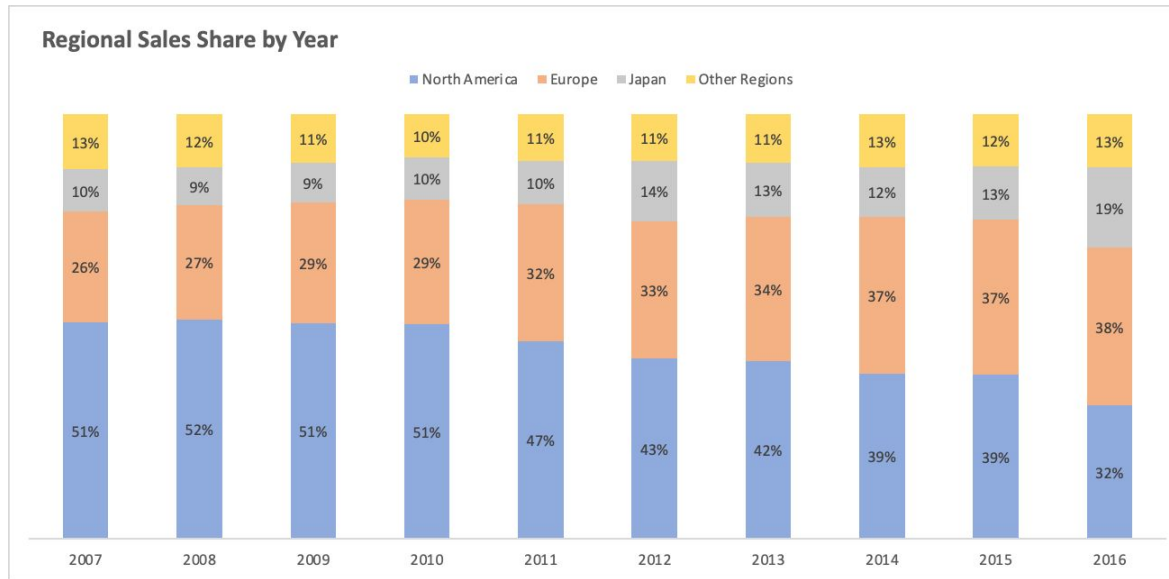
SALES TRENDS



- The global sales average remained fairly consistent in the first 5 years of the last decade.
- Sales average saw an explosive growth from 2012, peaking at an all time high in 2013.
- However, there was a rampant decrease across the globe from 2014. This could be attributed to the entry of smartphones and more people gradually taking on to mobile gaming.
- The current years have seen a significant decline in sales average of video games.
- In order to dive deeper, let's have a look at the regional sales average.



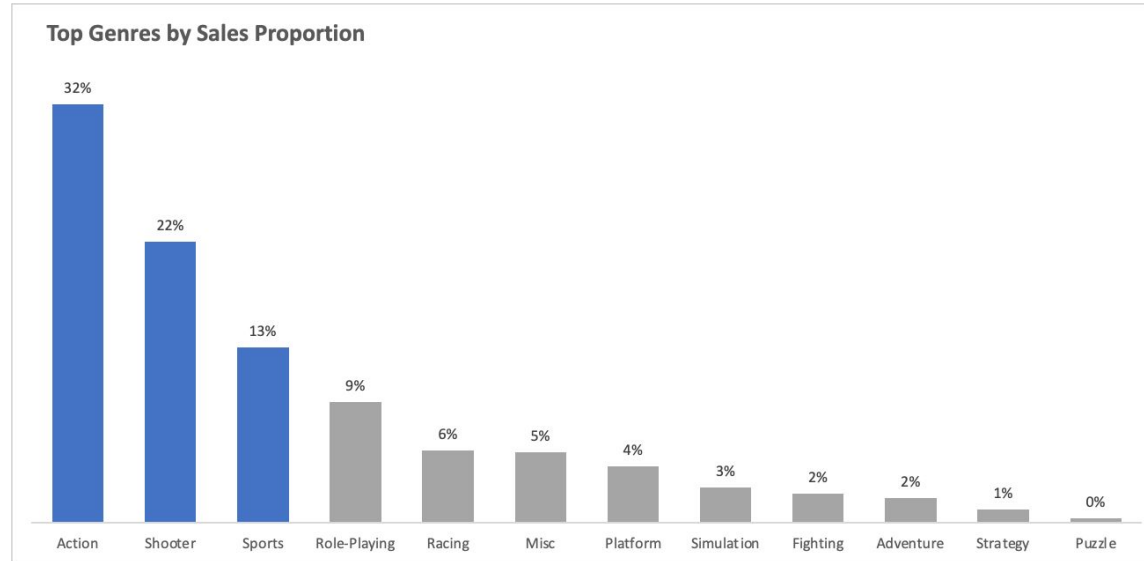
- North America is seen to be driving the video game market, recording a distinctively large sales average over the years.
- It is followed by Europe, Japan and other regions.
- The last 5 years show an interesting trend.
- **2012-2016**
 - A sharp downward bent is observed in **North American sales** during this period with a strikingly low **CAGR of -23%** in its sales average.
 - On the other hand, Europe's CAGR is relatively less steep at -16%.
 - Average European sales overtook North America in 2016.
- In essence:
 - Every region has faced fluctuations in its sales average.
 - The biggest video game market, North America, has shown the most volatility over the years and has thus caused global average to go down.
 - Europe, being the second largest market, has shown better consistency than North America.
 - Sales in Japan have stayed relatively constant, but without any significantly impressive changes.



- Contrary to having a remarkably high total sales of all time, North America shows unstable and declining range of market share.
- **2011-15**
 - A period of steep sales trajectory for **North America** with a negative market share **CAGR of -4%**.
 - **Europe** thrives with an impressive progress made during this period with a positive market share **CAGR of 3%**.
 - **Japan** owns third largest market proving to be competent with a **CAGR of 4%**.
- **2016**
 - The annual growth rate of Europe was 2% as against North America's -18%.
 - **Europe** surpasses North America for the first time ever by gaining the **largest market share** among all regions by a significant difference.
 - Europe is expected to have a rapid increase in sales over the next few years.

- In light of the new information, we can disconfirm our initial expectations.
 - Clearly, sales in all geographic regions have not remained consistent over time.
 - At recent growth rates, **Europe** is anticipated to emerge as the potential **dominant market**.
 - Capitalizing on this is going to be key information for the marketing team going into 2017.
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- The rest of the analysis is thus, going to have a special focus on Europe, the potential primary market.
 - With time, different attributes of video games come in and out of popularity and relevance.
 - Analyzed recent data of last 5 years to forecast which of these aspects are going to be popular in 2017.

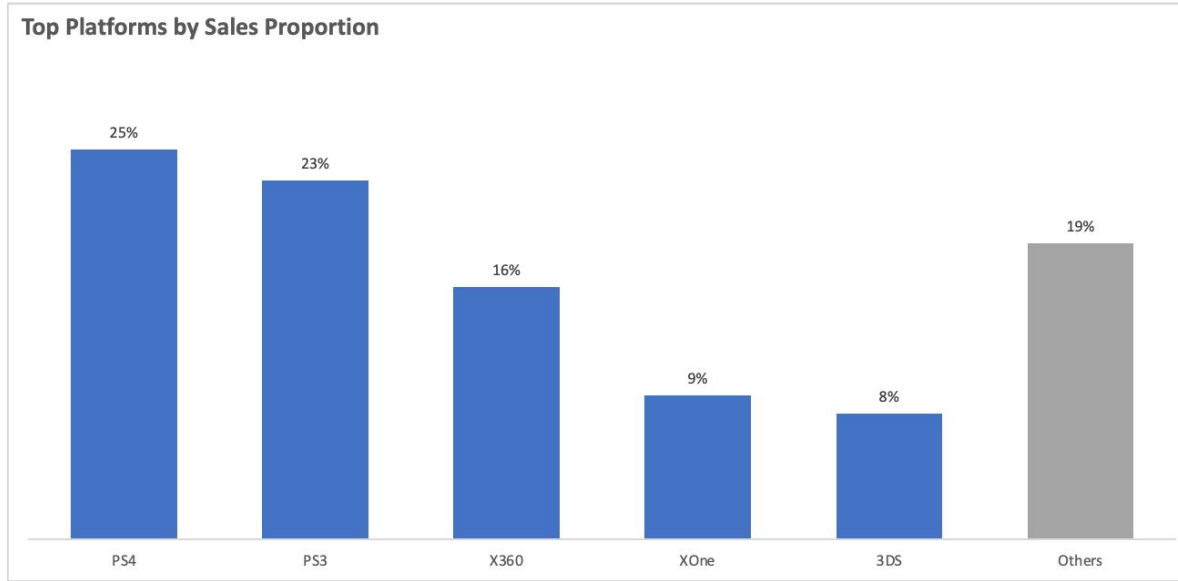
TOP GENRES



Top Genres by Sales Average	Units Sold (in million)
Shooter	0.49
Platform	0.26
Sports	0.25
Racing	0.25
Simulation	0.19
Action	0.16
Misc	0.15
Role-Playing	0.13
Fighting	0.10
Strategy	0.07
Puzzle	0.05
Adventure	0.03

- Action is the dominant genre in Europe, thriving with a broad margin of 10%.
- Shooter is the second highest selling genre, ahead of sports by an impressive 9%.
- The top 3 genres account for more than 60% market share.
- However, in terms of sales average, action lies in the middle of the table.
- Shooter has a remarkably high average among genres.
- Platform ranks itself in the bottom half of market share but has the second highest sales average. A similar pattern is observed in simulation as well.
- **Action, shooter and sports** are among the top 5 in both market share as well as sales average.

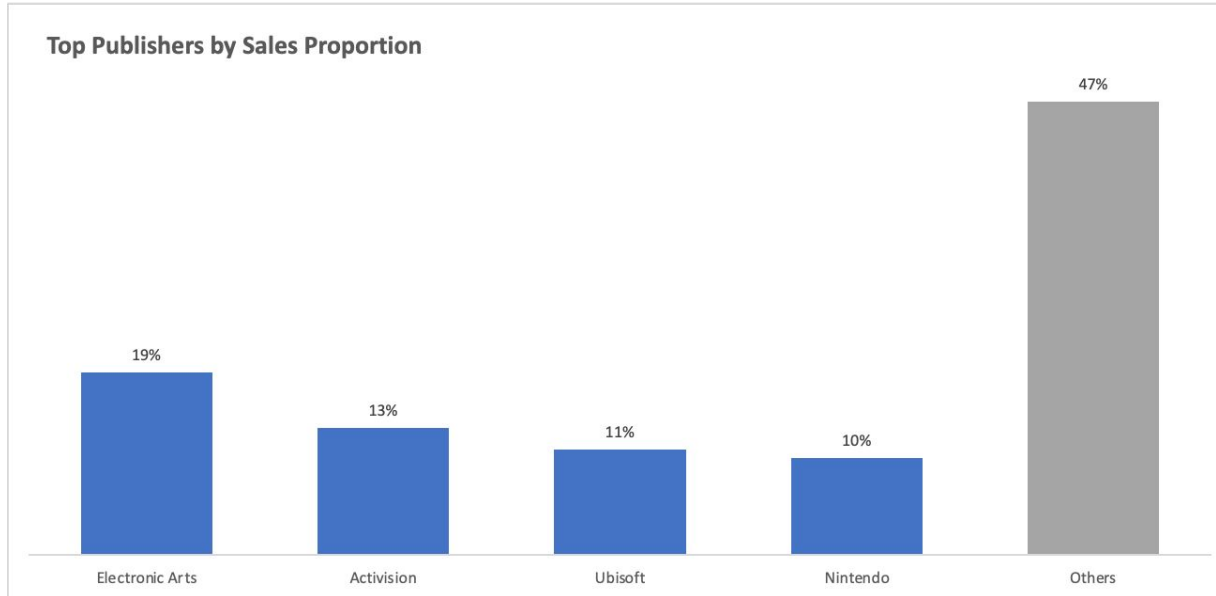
TOP PLATFORMS



Top 5 Platforms by Sales Average	Units Sold (in million)
PS4	0.37
X360	0.27
Wii	0.24
PS3	0.23
XOne	0.21

- PS4 is the highest selling gaming platform in Europe, ahead of PS3 by a narrow margin.
- The top 3 platforms are responsible for more than 60% of sales.
- In terms of sales average, PS4 again takes the top spot with an impressive high average.
- It is interesting to note that despite having the fifth highest market share, 3DS ranks third from bottom when it comes to its average sale. Conversely, Wii ranks third from bottom in market share but third from top in its average.
- **PS4, PS3** and **X360** are the top 3 in both market share as well as sales average.

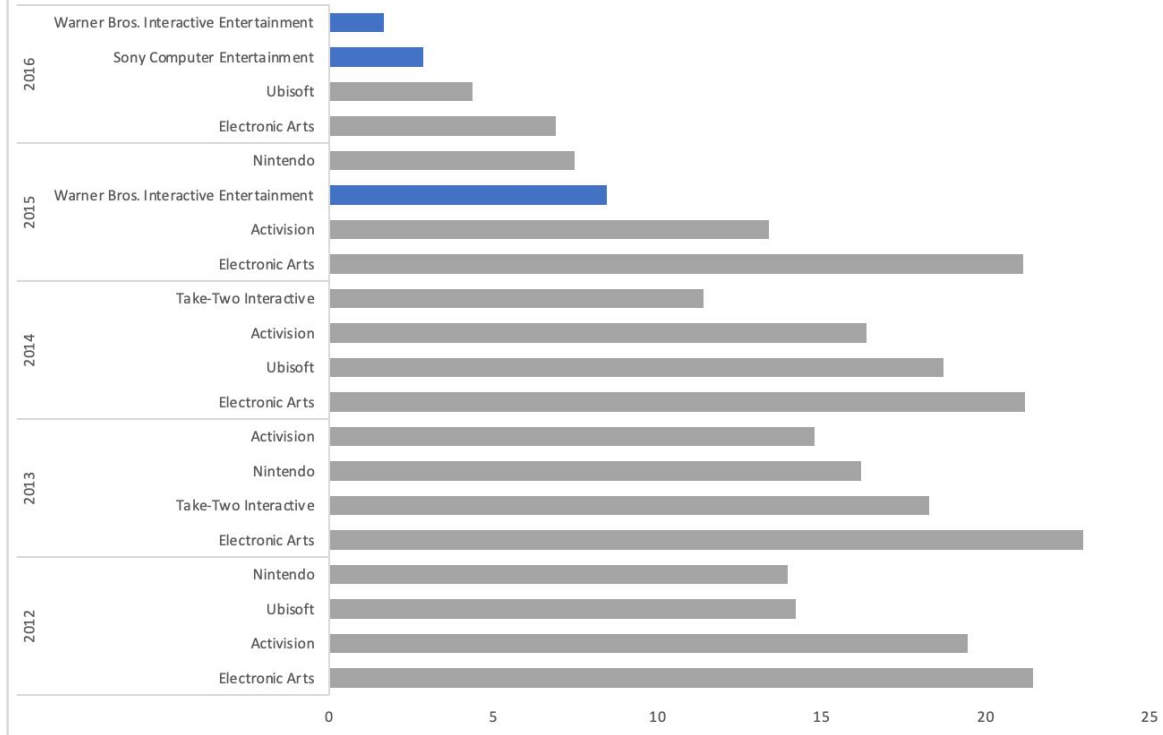
TOP PUBLISHERS



Top 10 Publishers by Sales Average	Units Sold (in million)
Hello Games	0.74
Sony Computer Entertainment Europe	0.62
NCSoft	0.57
Electronic Arts	0.53
Microsoft Game Studios	0.50
Take-Two Interactive	0.46
Bethesda Softworks	0.44
Nintendo	0.43
Activision	0.37
Sony Computer Entertainment	0.37

- **Electronic Arts** is the top publisher with the highest sales proportion.
- **Activision, Ubisoft** and **Nintendo** are next in line, each ahead by a narrow margin.
- Top 4 publishers make up 50% of market share in Europe.
- Electronic Arts ranks fourth in terms of its sales average, whereas Hello Games takes the top spot.

Annual Top Publishers by Total Sales



- It is imperative to keep tabs on **Warner Bros. Interactive Entertainment** and **Sony Computer Entertainment**.
- These 2 publishers have been gaining market share in the last 2 years, placing themselves in the top 4.

SUMMARY OF REVISED UNDERSTANDING

- Sales for geographic regions have **not** stayed the same over time.
- **CAGR** for regional market share over the last 5 years:
 - North America: -6%
 - **Europe: 3%**
 - Japan: 6%
- At recent growth rates, Europe is anticipated to emerge as the potential dominant market.
- Over the last 5 years in European market:
 - Popular genres: **Action, shooter** and **sports**
 - Popular platforms: **PS4, PS3** and **X360**
 - Popular publishers: **Electronic Arts, Activision, Ubisoft** and **Nintendo**
- Besides, further research needs to be done in the Japanese market, seeing that Japan shows the promise of a lucrative sales market.

RECOMMENDATIONS

- It is advised to identify Europe as the emerging primary market and therefore distribute the same amount of marketing funds to it as in North America, potentially even more.
- Ensure a sufficient number of sales reps serve the European market.
- Develop greater number of games in the trending genres and consoles to secure expansion in Europe.
- Keep tabs on the 2 emerging competitors in European market in recent years: Warner Bros. Interactive Entertainment and Sony Computer Entertainment.