



# DESCRIPTIVE ANALYSIS VIDEO GAME MARKET TRENDS

Insights for GameCo's Market Strategy

DANIELA DE FREITAS C.S.

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# OVERVIEW

## ❖ INTRODUCTION

- DATA OVERVIEW AND SCOPES OF ANALISYS;

## ❖ REGIONAL SALES ANALYSIS

## ❖ GAME GENRE POPULARITY

## ❖ COMPETITOR ANALYSIS

## ❖ POPULARITY TRENDS OVER TIME

## ❖ KEY INSIGHTS AND RECOMMENDATIONS

# INTRODUCTION

## DATA OVERVIEW (SUMMARY AND KEY METRICS):

- The data set covers **historical sales of video games** (for games that sold more than 10,000 copies) spanning **different platforms, genres, and publishing studios**. This data was drawn from the website **VGChartz**.
- The data set covers the sales of **> 16 000 video games**, in a time that spans from **1980 to 2016**. The number of games is listed in **millions of units sold** and covers the world in wide geographical zones, described as NA (North America), EU (Europe), JP (Japan), Other (the rest of the world, which will not be contemplated in this analysis) and Global (worldwide).



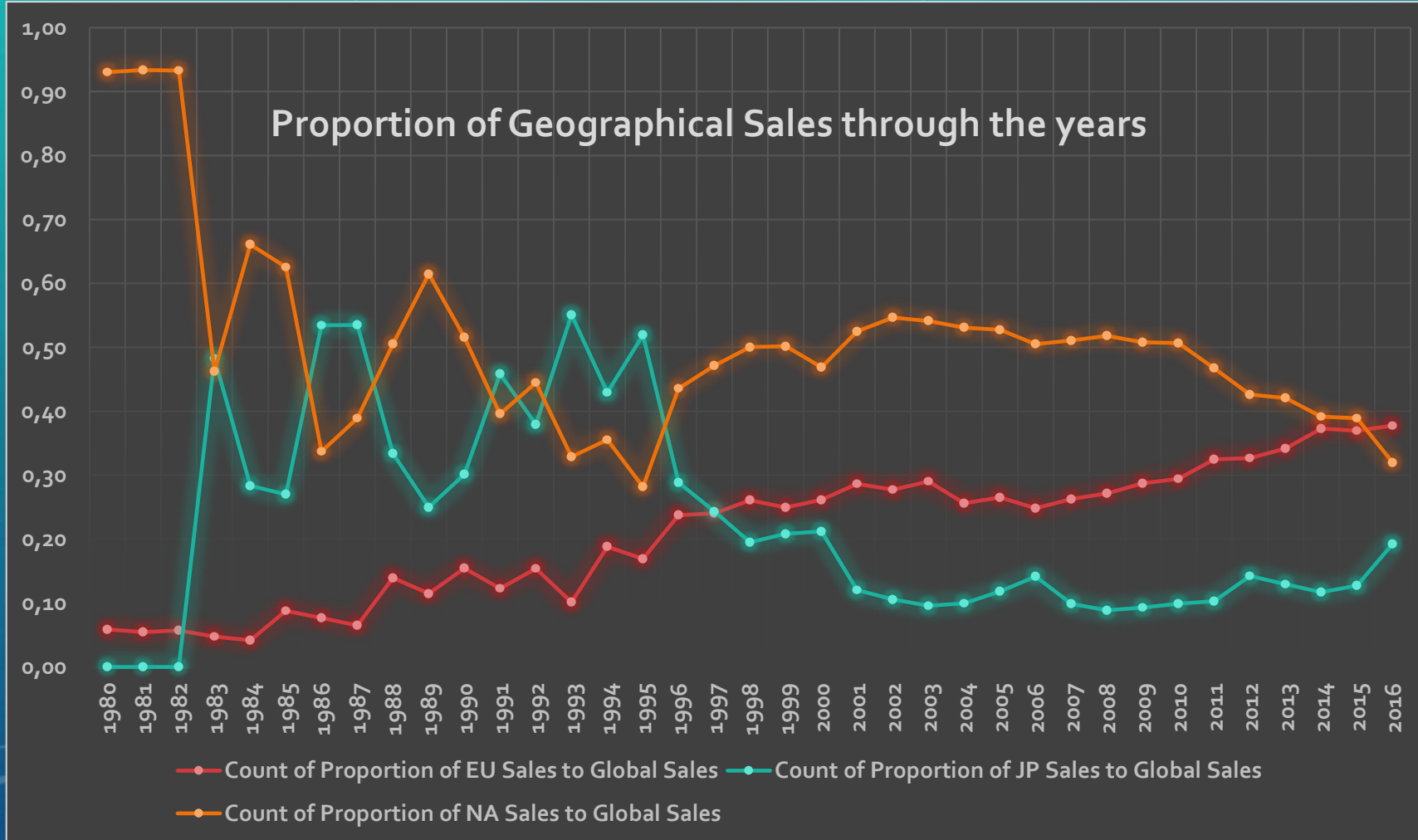
# INTRODUCTION

## SCOPES OF ANALYSIS:

- To inform GameCo's game development strategy using historical data, providing insights that will support strongly data driven decisions. Aiming to provide an answer to the following questions:
  - How have sales figures varied between geographic regions over time?
  - Are certain types of games more popular than others?
  - What other publishers will likely be the main competitors in certain markets?
  - Have any games decreased or increased in popularity over time?

# REGIONAL SALES ANALYSIS

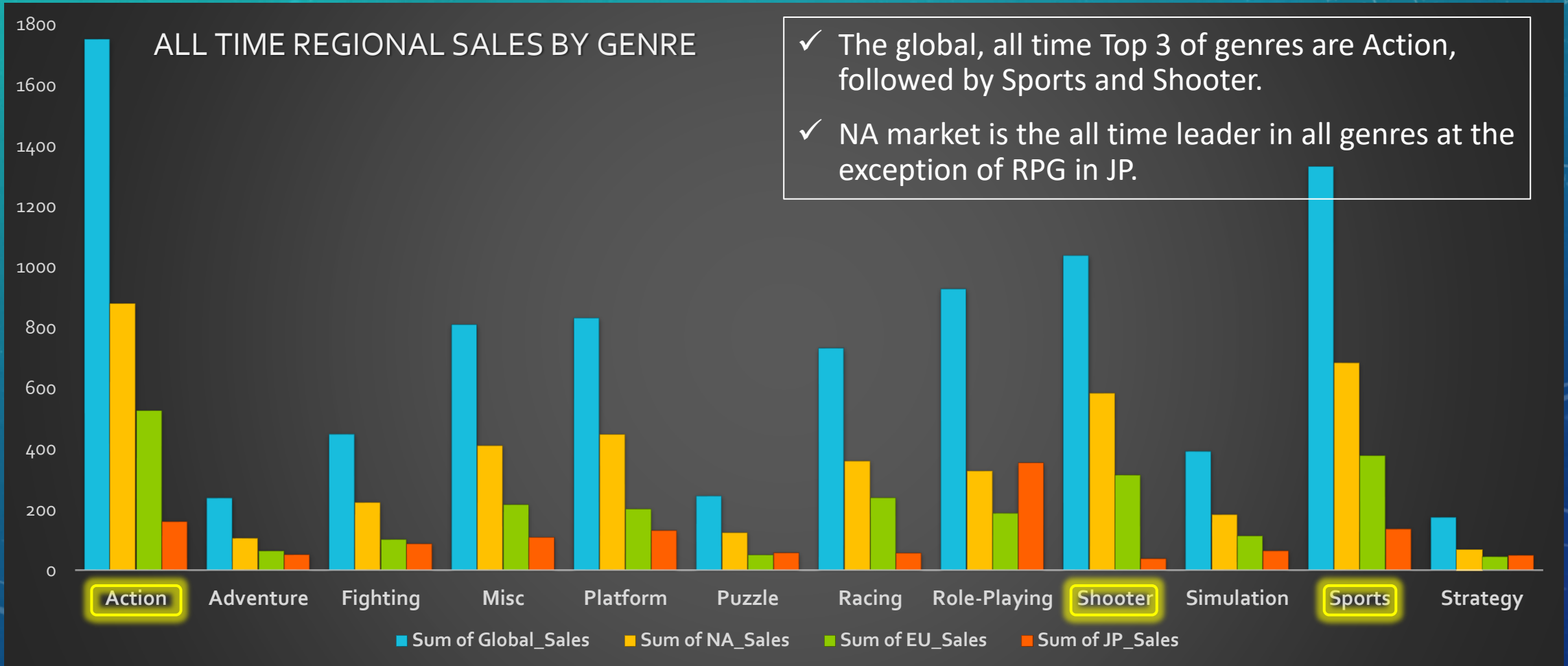
How have sales figures varied between geographic regions over time?



- ✓ The NA market has been the strongest since 1996 until 2015;
- ✓ The EU market grew with a steady ascent since 2006, growing 152% in 10 years;
- ✓ The EU grew over the NA market in 2015/2016, becoming the strongest market worldwide;
- ✓ JP has remained quite stable since 2007, showing considerable growth from 2015 to 2016.

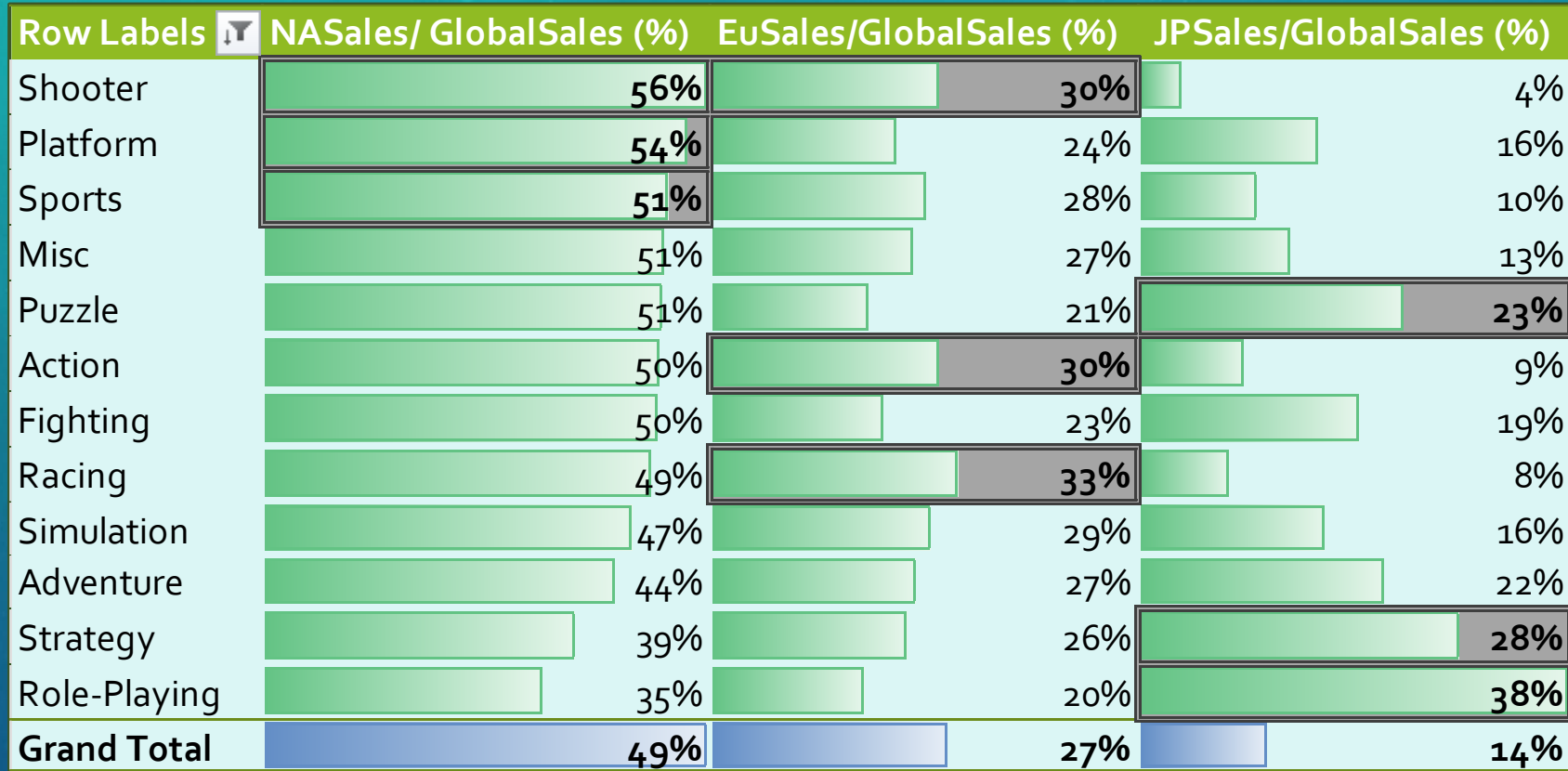
# GAME GENRE POPULARITY

Are certain types of games more popular than others (globally)?



# GAME GENRE POPULARITY

Are certain types of games more popular than others (regionally)?



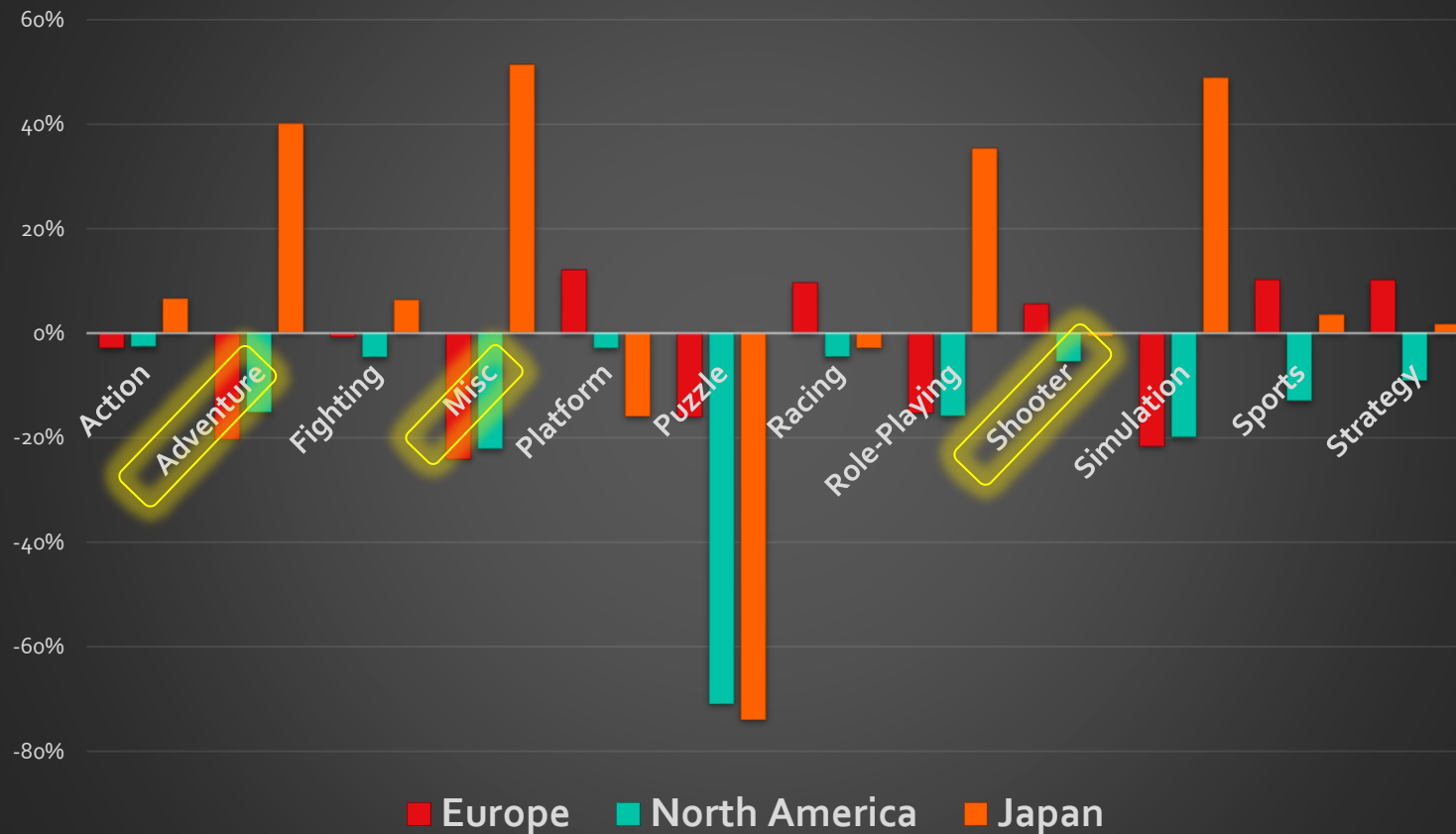
Regionally, things change figure. The genre top 3 according to region:

- ✓ In NA, Shooter, Platform and Sports;
- ✓ In EU, Racing, Action and Shooter;
- ✓ In JP, RPG, Strategy and Puzzle.



# WHAT ABOUT 2015/2016?

Sales Differences between 2015 and 2016



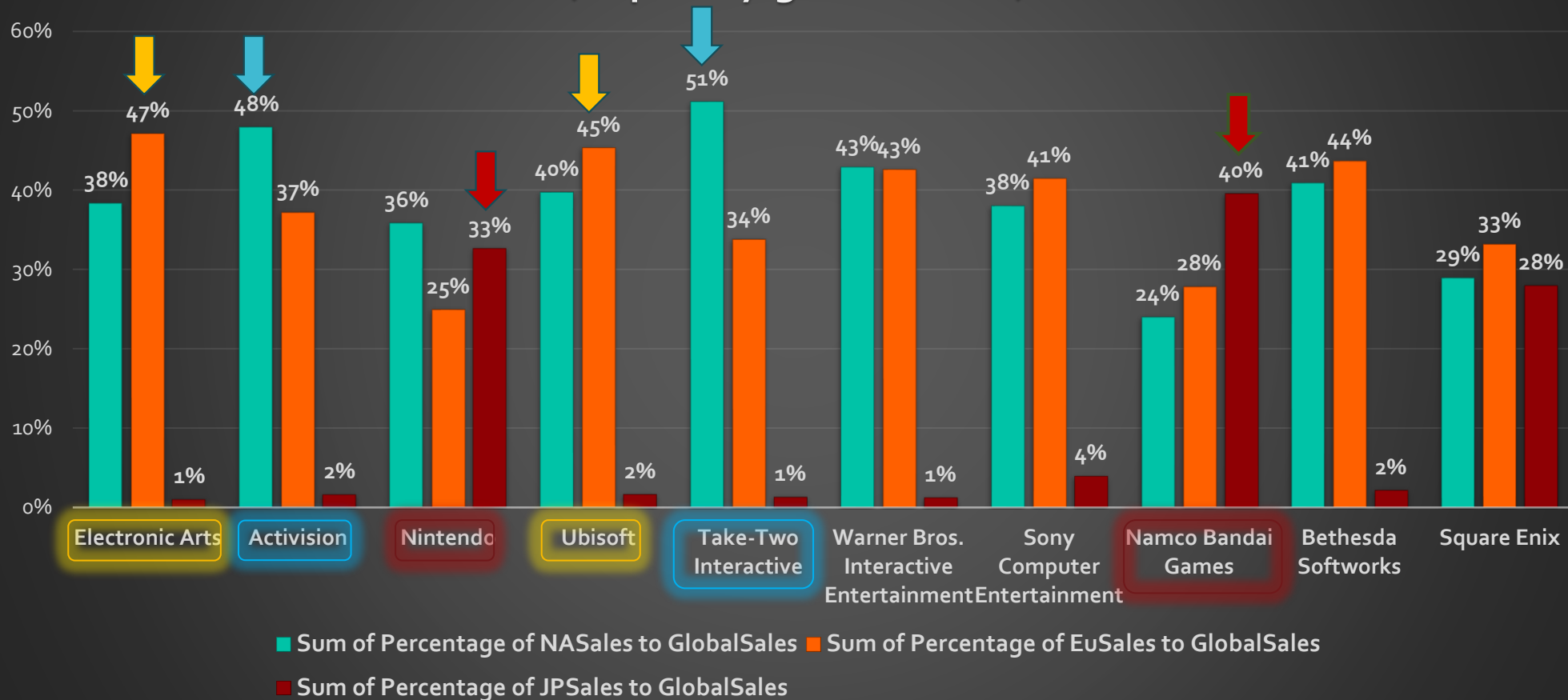
- ✓ 2016 saw a growth of EU and JP markets and a plummeting of NA;
- ✓ JP market grew the most;
- ✓ Misc, Simulation and Adventure show the greatest growth in JP;
- ✓ Whilst Strategy, Sports and Platform show it in EU.
- ✓ Puzzle genre games are not enlisted in the dataset for 2016.



# COMPETITOR ANALYSIS

What other publishers will likely be the main competitors in certain markets?

All time market shares of global bestselling publishers  
(Top 10 by global sales)



- ✓ The NA market has Take Two Interactive and Activision as leaders;
- ✓ EU market has Electronic Arts and Ubisoft;
- ✓ JP market has Namco Bandai Games and Nintendo.

# COMPETITOR ANALYSIS

What other publishers will likely be the main competitors in certain markets?

## Relation between Publishers and Market Shares in 2015-2016

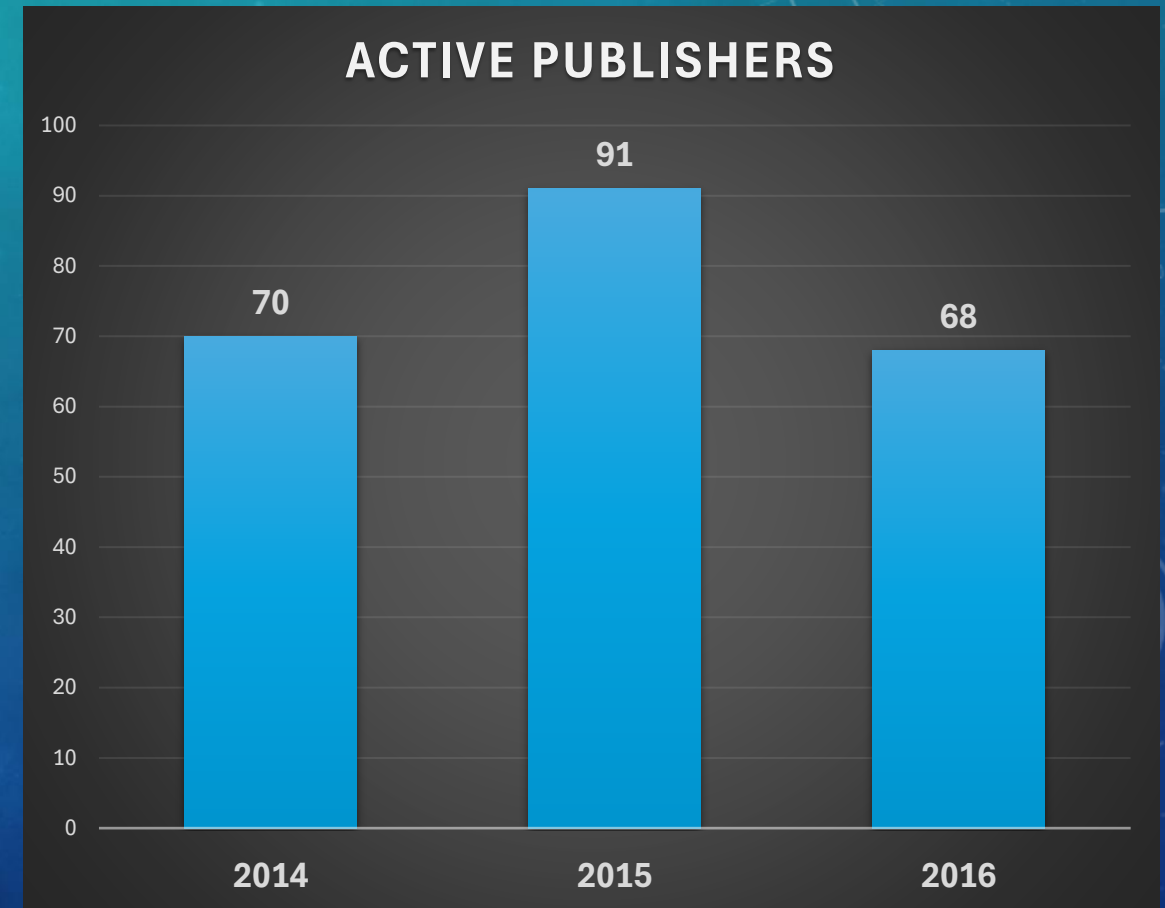
| Row Labels                             | Count of Name | Sum of Percentage of NASales to GlobalSales | Sum of Percentage of EuSales to GlobalSales | Sum of Percentage of JPSales to GlobalSales |
|--|---------------|---|---|---|
| Namco Bandai Games                     | 177           | 24%   | 28%   | 40%   |
| Activision                             | 95            | 48%   | 37%   | 2%  |
| Ubisoft                                | 89            | 40%   | 45%   | 2%  |
| Electronic Arts                        | 88            | 38%   | 47%   | 1%  |
| Tecmo Koei                             | 79            | 17%   | 17%   | 60%   |
| Warner Bros. Interactive Entertainment | 70            | 43%   | 43%   | 1%  |
| Square Enix                            | 62            | 29%   | 33%   | 28%   |
| Nintendo                               | 62            | 36%   | 25%   | 33%   |
| Take-Two Interactive                   | 44            | 51%   | 34%   | 1%  |
| Nippon Ichi Software                   | 41            | 36%   | 15%   | 39%   |
| Sega                                   | 41            | 25%   | 32%   | 35%   |
| Grand Total                            | 848           | 40%   | 37%   | 12%   |

- ✓ In this table we can see that #game releases is not necessarily correlated with sales.
- ✓ For NA, Activision remained on the podium; for EU, Ubisoft and Electronic Arts; for JP Namco Bandai Games.
- ✓ It seems the yearly top publishers is target for yearly fluctuations;

# COMPETITOR ANALYSIS

What other publishers will likely be the main competitors in certain markets?

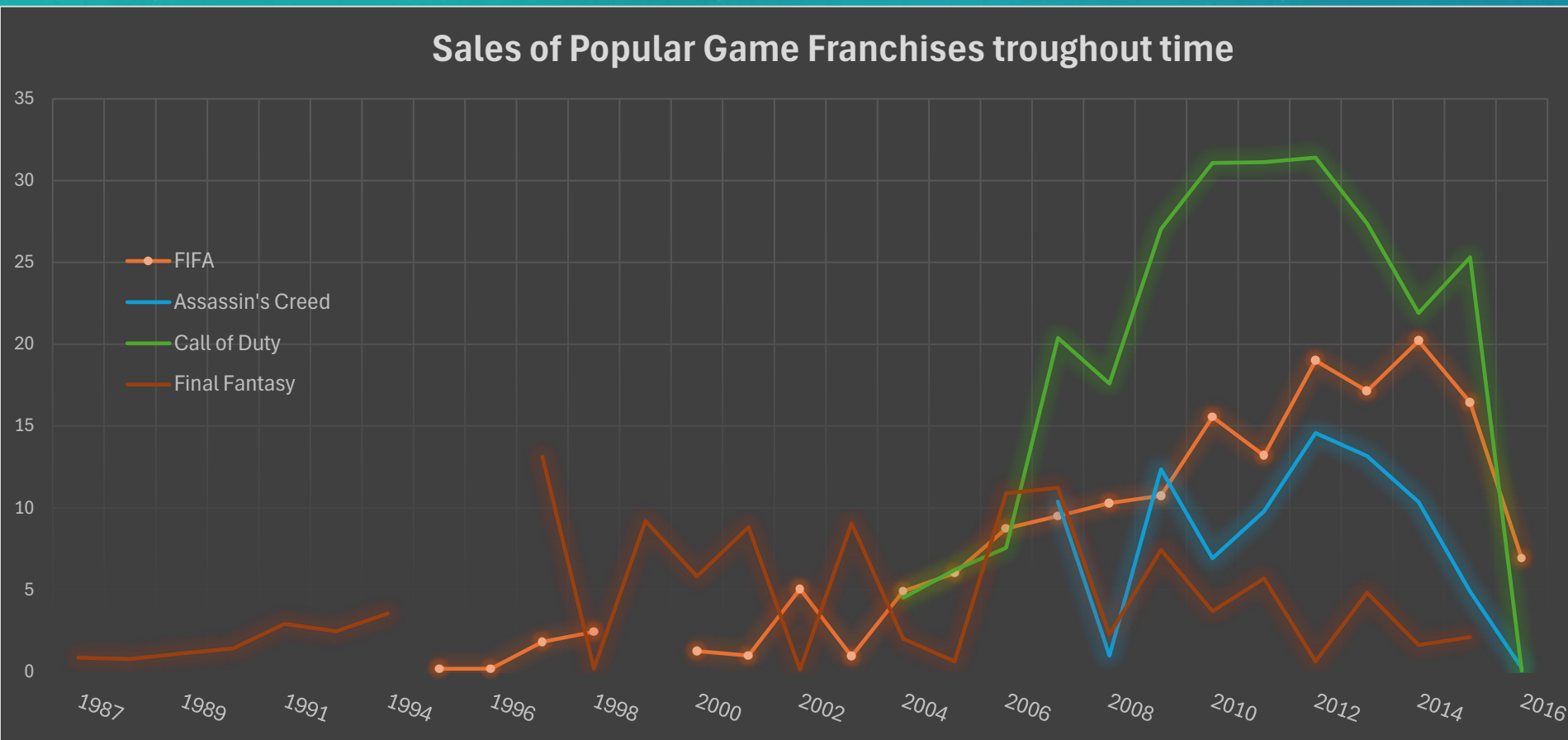
- ✓ Out of the >700 publishers that released games in the considered time span, 68-91 have shown activity in the last three years.
- ✓ Of those, 25% or less produced more than 10 games in the year, having that rate decreasing every year;
- ✓ The mode, ie, the most frequently occurring value for sales is 0,02 and the median, ie, the value in the middle of the sorted data, varies between 0,12 and 0,24 for 2014-2016.





# POPULARITY TRENDS OVER TIME

Have any games decreased or increased in popularity over time?

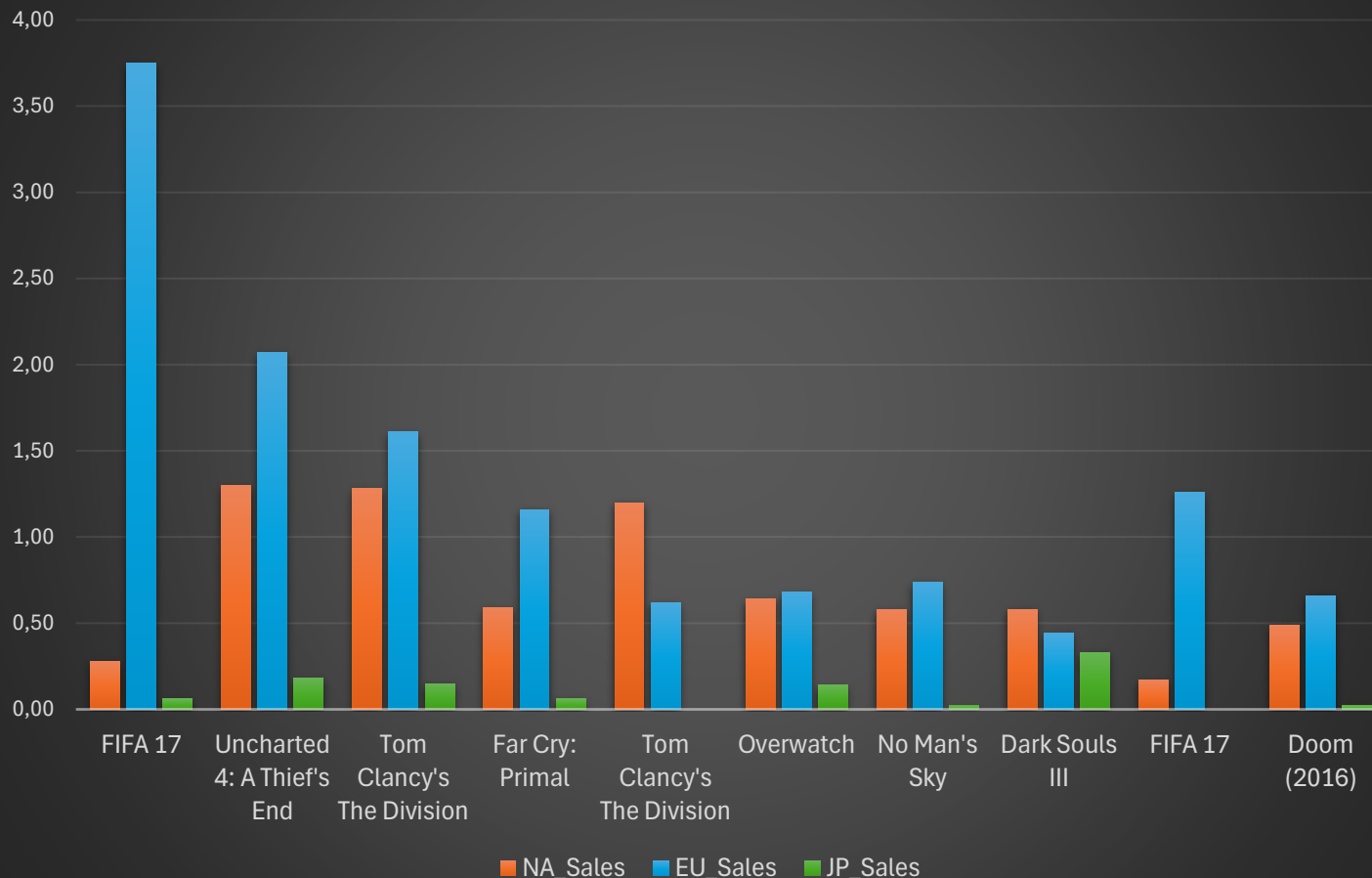


- ✓ All the franchises chosen have shown step declines from 2014 onwards, at the exception of Final Fantasy;
- ✓ That is consistent with the global sales decline shown in a previous chart.

# POPULARITY TRENDS OVER TIME

Have any games decreased or increased in popularity over time?

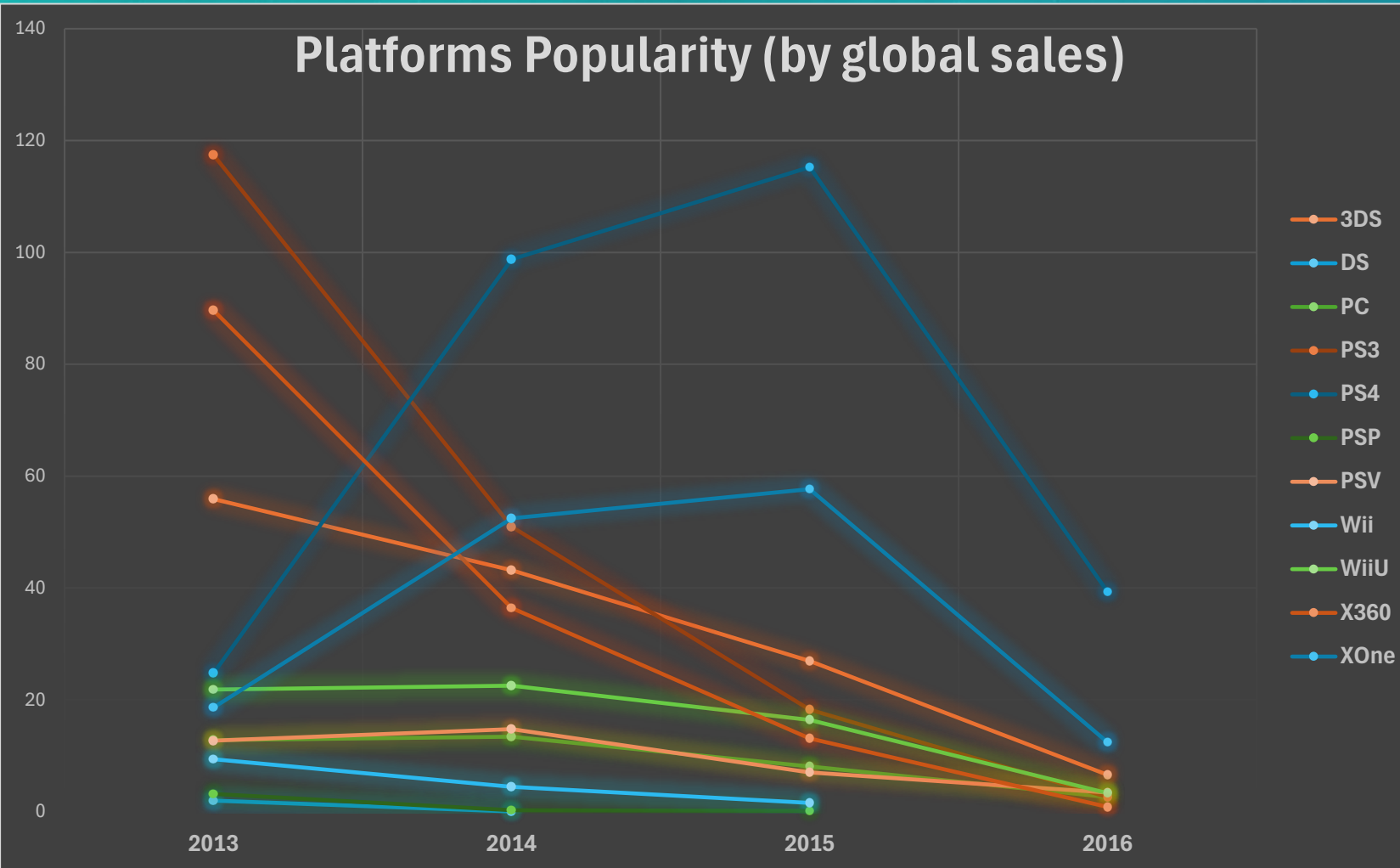
Top 10 bestselling games for 2016



- ✓ 50% of the 2016 best selling games are of shooter genre;
- ✓ The bestselling was FIFA 17, sports genre;
- ✓ The EU sales were considerably higher than NA, at the exception of 2 games.

# POPULARITY TRENDS OVER TIME

How have platforms decreased or increased in popularity over time?



- ✓ Over the last years all platforms have declined in sales;
- ✓ The most recent platforms, PS4 and Xbox One, were the ones who contradicted the tendency and grew until 2015; from then onwards their popularity declined.



# REVISED UNDERSTANDINGS

*Sales on geographical regions have stayed the same across time.*

The analysis confirms that there are regional differences in market trends throughout time as well as global patterns in market sales. In 2015-2016, there were distinct regional trends.

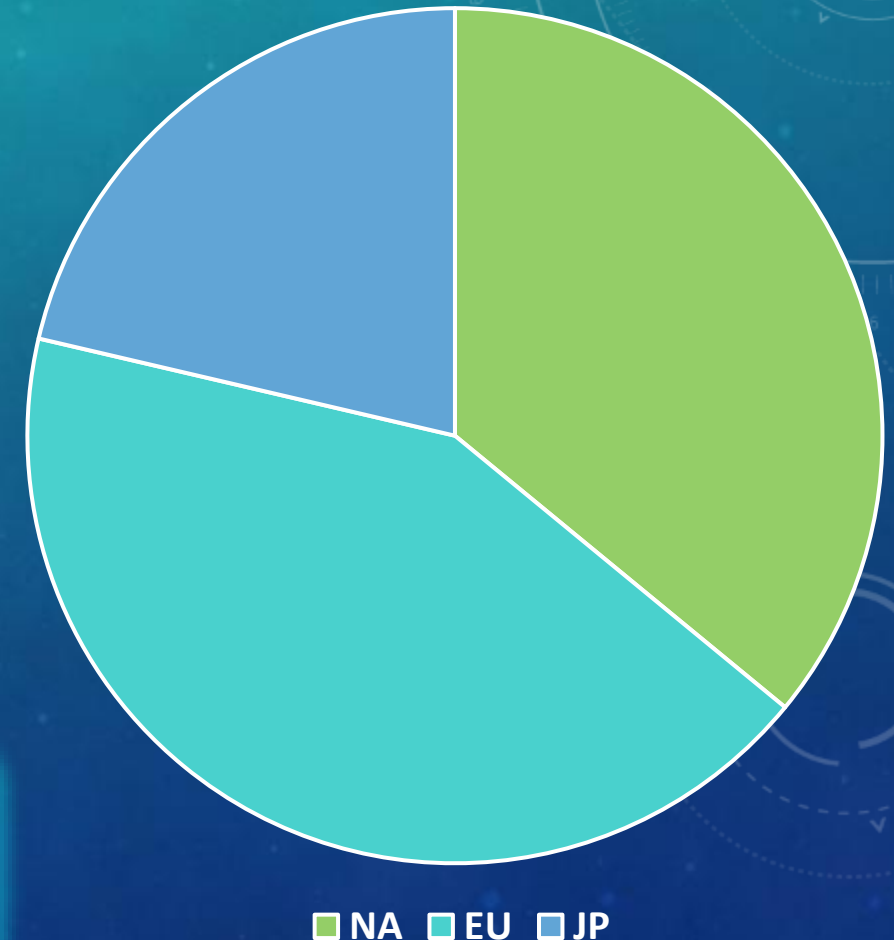
# INSIGHT #1: ON REGIONAL SALES

The piechart shows the % of regional sales for 2016. Budget allocation should be similar.

- ✓ Sales have varied considerably over the years and the considered regions. NA and JP markets have been inversely correlated throughout all the time span.  
*It is important to do further research with the scope of understanding how and why such a correlation exists, aiming to eventually predict the market and therefore do safer investments.*
- ✓ The EU market has shown an overall growth, that gained a consistent ascent since 2006. Therefore, growing investment in such market seems to be a safe and positive approach.
- ✓ JP market has shown stability over the last years with a considerable sales growth from 2015 to 2016, being a good market to invest in, although it will always be the smallest market, due to its smaller population.

**It seems prudent to invest in EU the most, then NA and lastly JP.**

**Regional Sales of 2016**



# INSIGHT #2: ON GAME GENRE POPULARITY

- ✓ There are types of games more popular than others and the trends differ according to the scale of study: there are different trends in the global and within it, in the several regional markets.
- ✓ The top 3 for genre changes yearly, even though one or two can stay in the podium for consecutive years.

It is important to keep the genre trends on track, although safe investments for 2017 seem to be on **Racing and Action for the EU**, **Shooter and Sports for the NA** and **RPG and Simulation for Japan**.

Puzzle genre might be a good investment in JP too, since 2015 was a very good year for such in JP (although we miss data regarding 2016).



# INSIGHT #3: ON COMPETITOR ANALYSIS

It would be convenient to know what's the size of GameCo.

- ✓ The number of games released by which publishers varies yearly with no apparent pattern and the global trends do not apply regionally. This means that the market dynamics and consumer preferences vary significantly across different regions.

Develop region-specific marketing campaigns and promotional strategies and, after a definitive decision regarding budget allocation to game genre, compare GameCo's games performance against similar size competitor publishers in order to identify areas of improvement or opportunity.

# INSIGHT #4: ON GAMES POPULARITY

- ✓ There were popular game franchises that had increased in popularity over time, some others not; The latest global trends for platforms point to PS4, XboxOne and 3DS, although it's important to note all of them had great declines in the last 3 years period, which is consistent with the decline noticed in other parameters.

Consider emerging platforms, mobile gaming and cross platform development.  
After taking definitive decisions regarding budget allocation for region and genre, consider revitalizing popular declining franchises within those chosen genres, whether by releasing updates, legacy content or remasters.

The background is a gradient of teal and blue, featuring numerous out-of-focus circular bokeh lights. On the left side, there are faint, semi-transparent geometric patterns including concentric circles, arcs, and radial lines, some with numerical markings like 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, and 260.

# THANK YOU!

[DFCANHAESA@GMAIL.COM](mailto:DFCANHAESA@GMAIL.COM)