

GAMECO

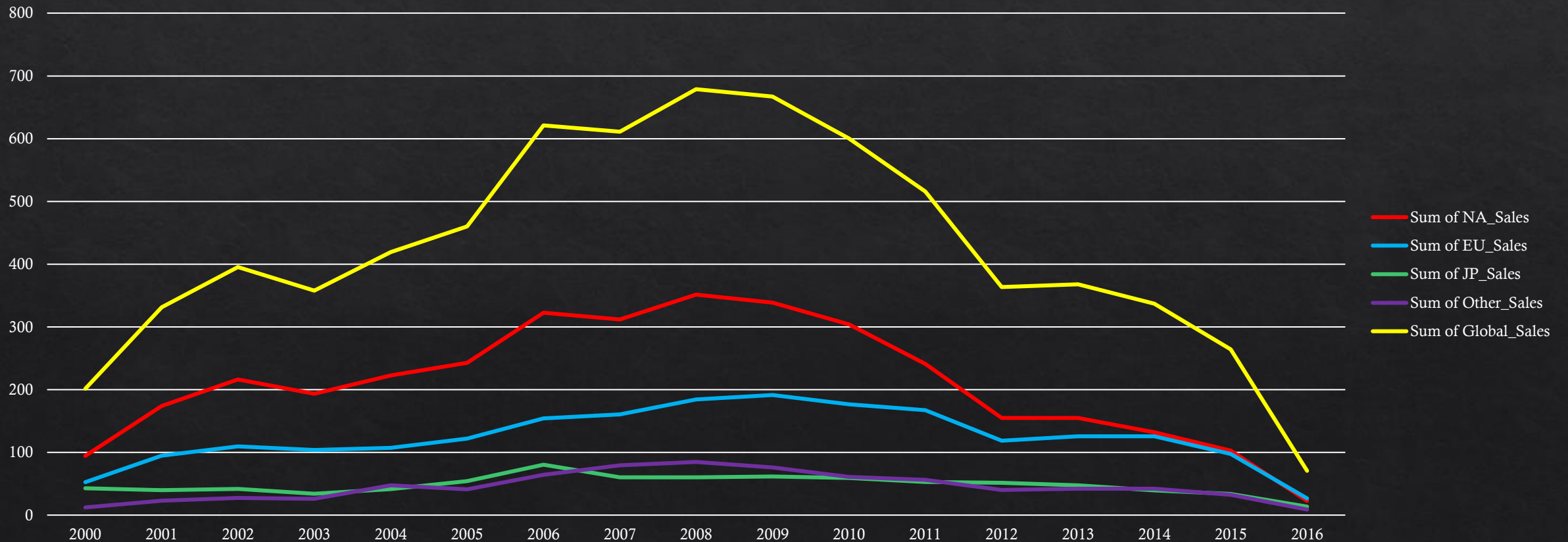
Video Game Sales Market Analysis



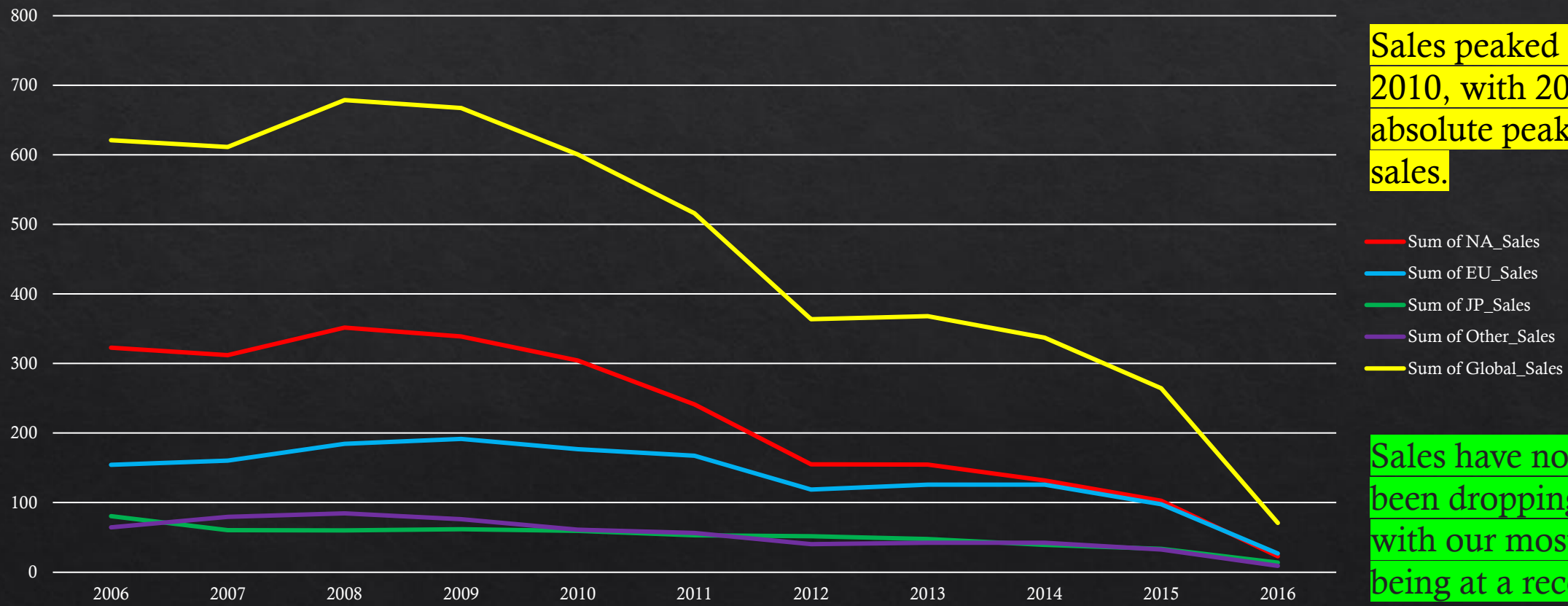
Market Expectations

- ◇ GameCo's current understanding is that video game sales have remained the same over time.

- **Market Realities:** Sales have been fluctuating since 2000, with the peak years being 2006-2010. Sales have since been decreasing.



Sales by Region From Peak-Current Day (within the last 10 years)

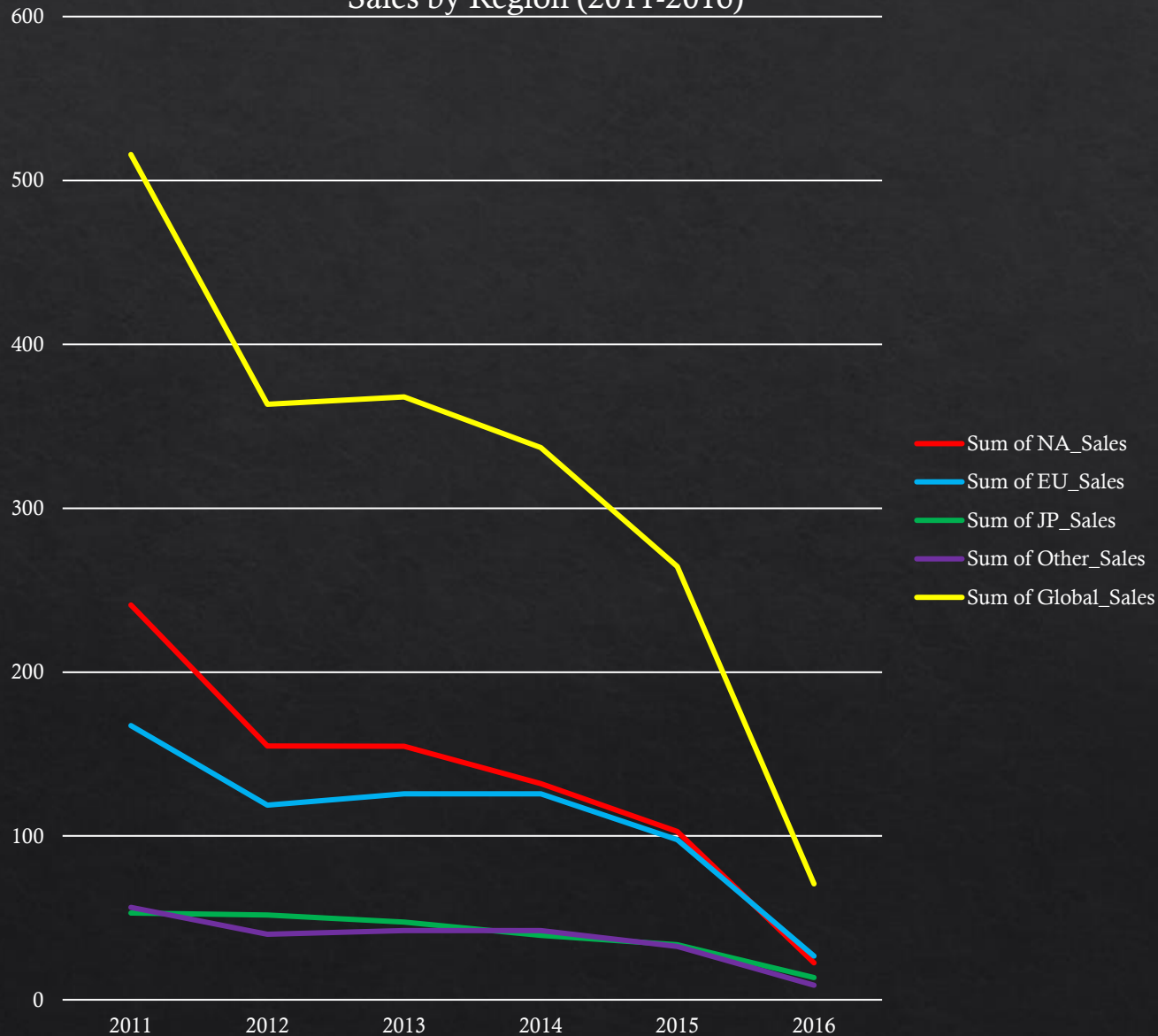


Sales peaked from 2006-2010, with 2008 being the absolute peak number of sales.

Sales have noticeably been dropping since 2010, with our most recent year being at a record low.

2016's Low Sales

Sales by Region (2011-2016)

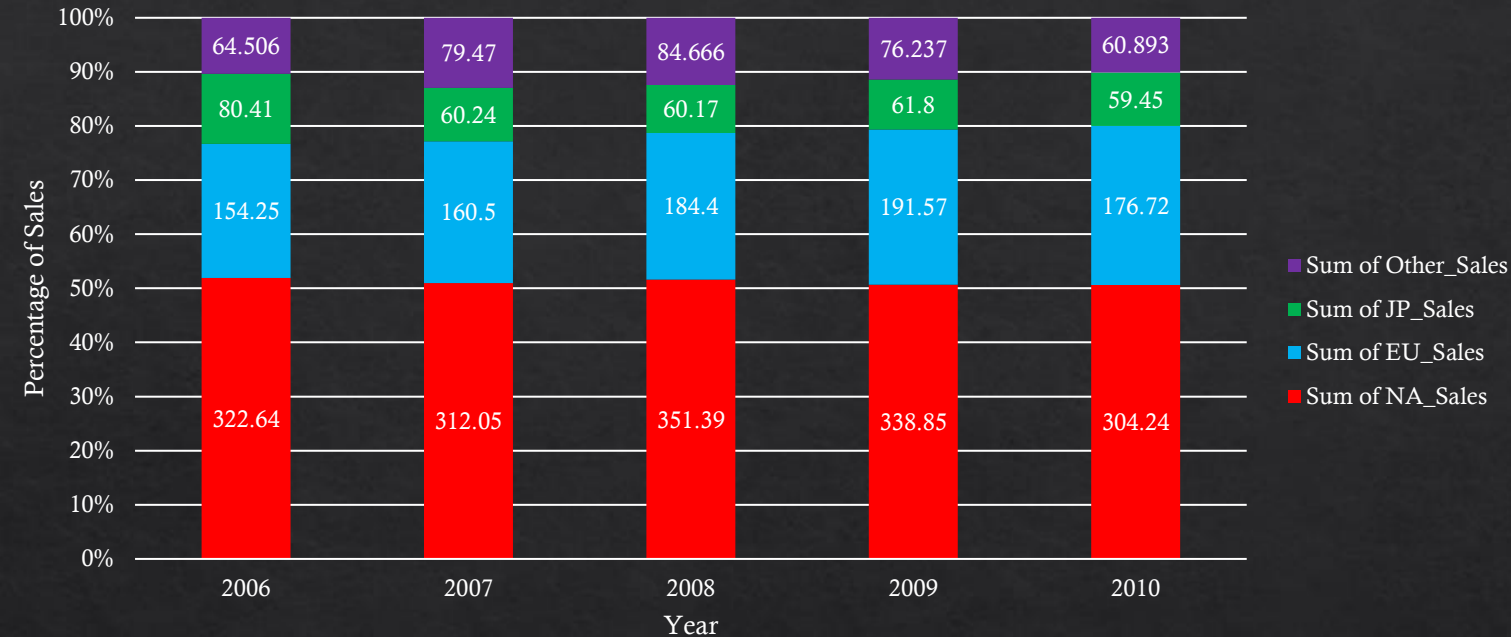


Sales in 2016 have not been this low since 1991. Across all regions, there is a decline in sales. As illustrated in the chart, we see concerning dips in sales in 2012 and 2015.

During this time period, Action games remained the number 1 selling genre. This was also seen from 2006-2010, where Action games played a huge role in the peak in sales.

Understanding the Decline in Sales

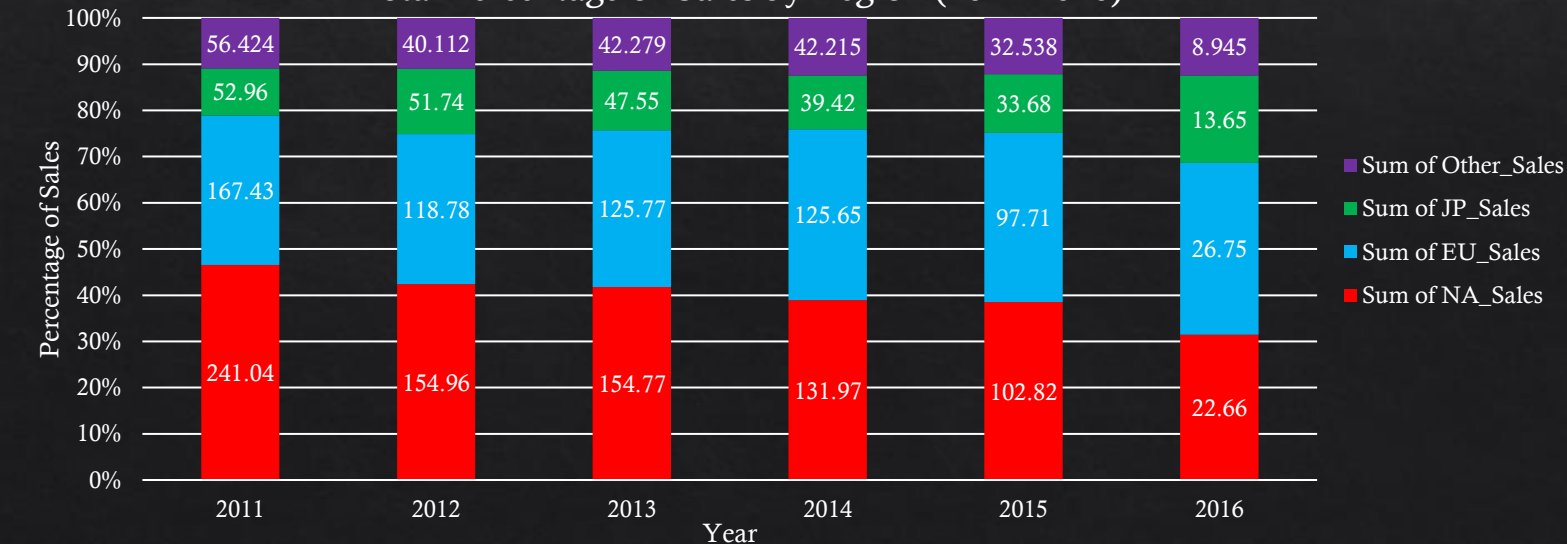
Total Percentage of Sales by Region (2006-2010)



We can observe that during the peak years, **North America** was the leading region in sales.

In 2008, North America accounted for more than half of the global video game sales, at **52%**.

Total Percentage of Sales by Region (2011-2016)



As shown in the graph, North American sales started steadily decreasing in 2011. In 2016, **Europe** has overtaken North America for largest consumer base.

Concerningly, sales in the two largest regions have dropped by **more than half** from 2015-2016.

Top Selling Genres

Top 5 Highest Selling Genres by Region (2006-2010)

Rank	North America	Europe	Japan	Global
1)	Action	Sports	Role-Playing	Action
2)	Sports	Action	Misc.	Sports
3)	Misc.	Misc.	Action	Misc.
4)	Shooter	Shooter	Sports	Shooter
5)	Role-Playing	Racing	Platform	Role-Playing

From 2006-2010, North America was the largest consumer base. **Action** and **Sports** were the two top-selling genres in the region. Europe being the second largest base also had Action and Sports games as their top sellers.

Interestingly, Global and North American top-selling genres rank identically from 2006-2010. We can see that **Action**, **Sports**, and **Misc.** are the top 3 selling genres globally.

Top 5 Highest Selling Genres by Region (2011-2016)

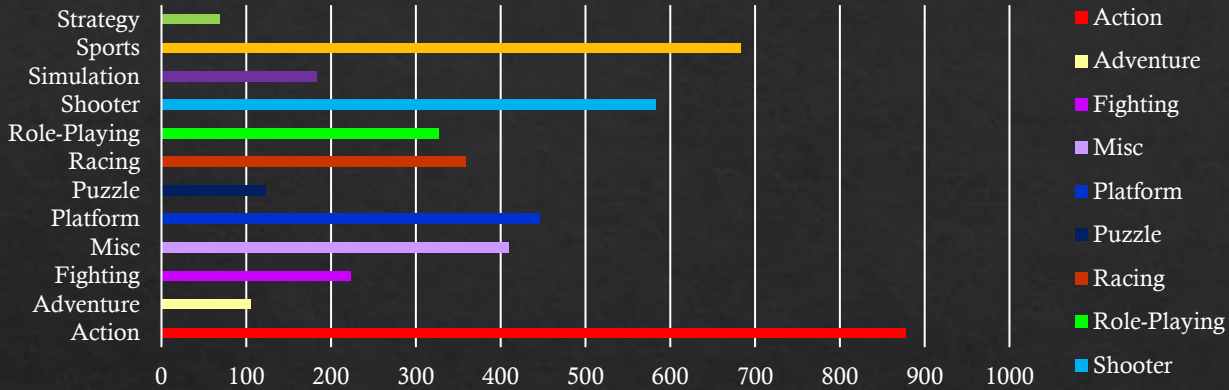
Rank	North America	Europe	Japan	Global
1)	Action	Action	Role-Playing	Action
2)	Shooter	Shooter	Action	Shooter
3)	Sports	Sports	Misc.	Role-Playing
4)	Role-Playing	Role-Playing	Fighting	Sports
5)	Misc.	Racing	Platform	Misc.

From 2011-2016, North America was the largest consumer base up until 2015-2016, when it was overtaken by **Europe**. Similarly, to the peak years, Action was the number 1 genre. However, we see Sports and Misc. games drop, with Shooter and Role-Playing games rising in sales.

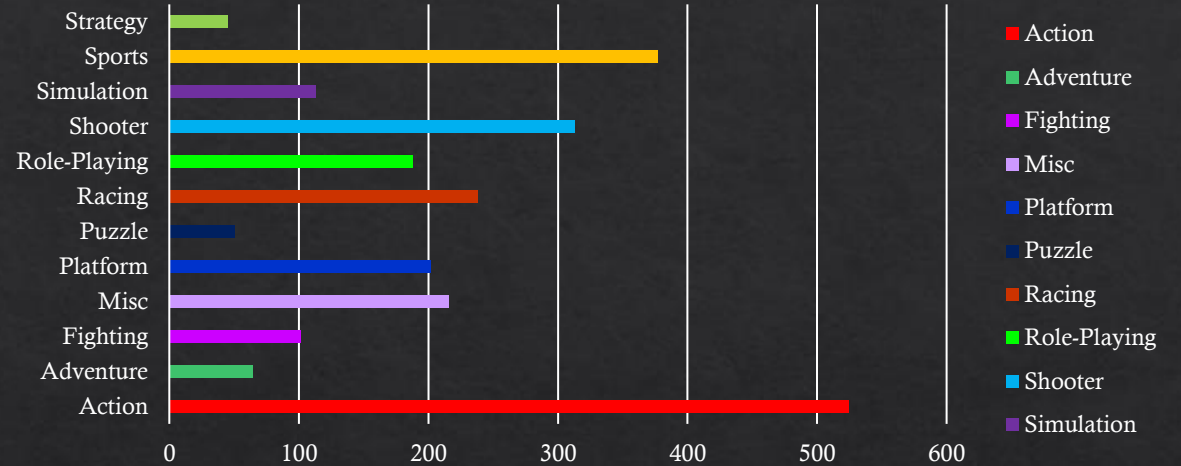
North America and Europe both had Action, Shooter and Sports as their top 3 selling genres. Every region saw a **decline** in Misc. and Sports games from 2011-2016. Each region saw a **rise** in Role-Playing, and Action games.

Genre Popularity by Region

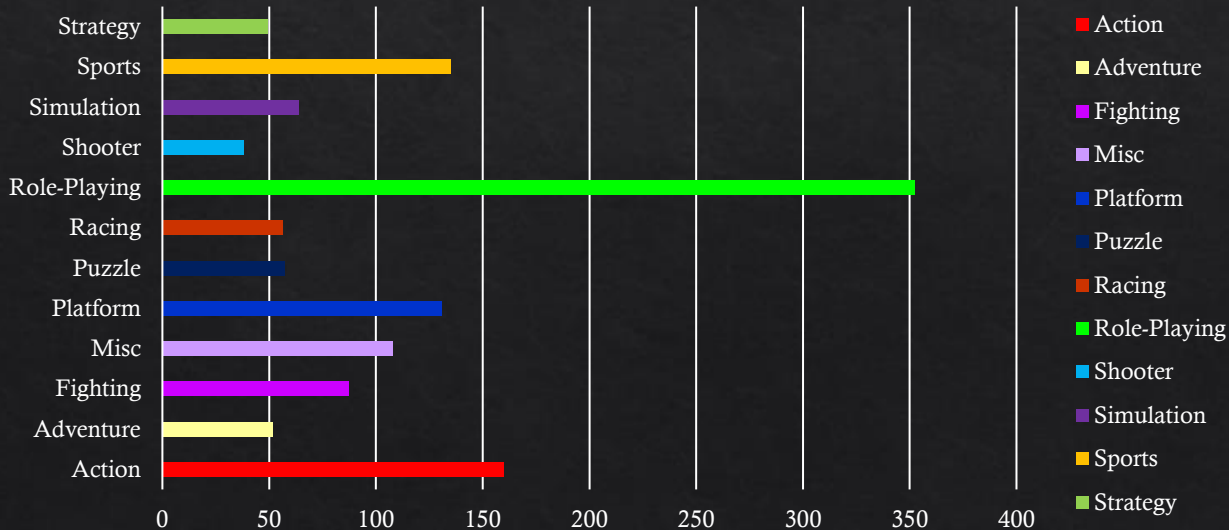
Total NA Sales by Genre



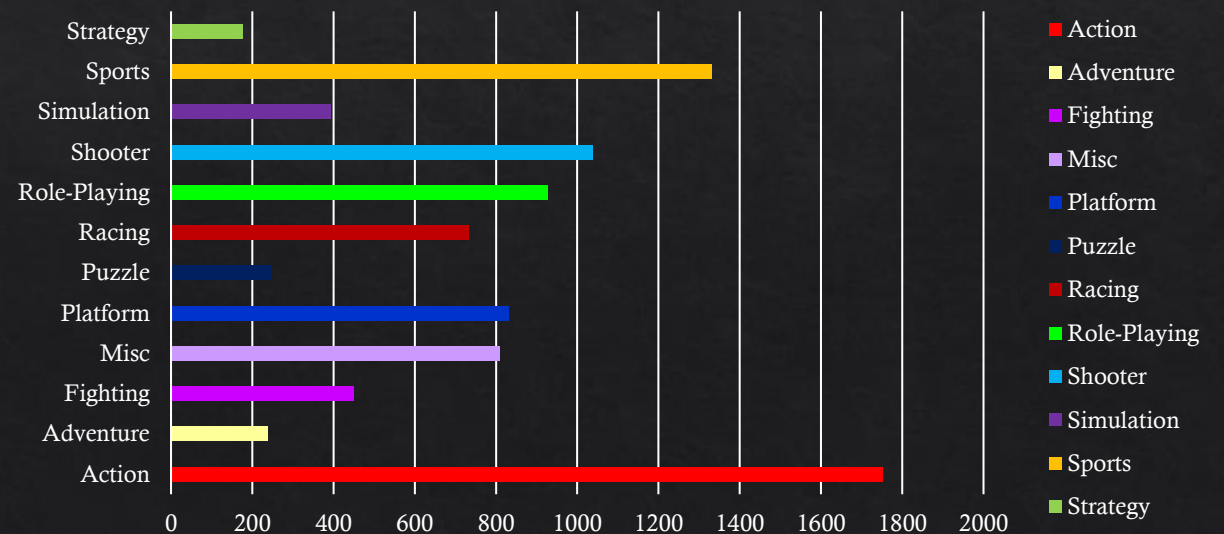
Total EU Sales by Genre



Total JP Sales by Genre



Total Global Sales by Genre



Expectations **Challenged** by Data

- ◆ Our current understanding of how GameCo's video game market works was challenged by the data in our findings.
- ◆ Video game sales have been fluctuating for a while, with sales peaking to their highest amount in 2008.
- ◆ **Misc.** game sales declined the most from 2006, and we found that **Shooter** game sales have increased the most from 2006.
- ◆ Sales in 2016 are the lowest they have been in **25 years**.

Further Insight

- ◇ By using these insights, it will allow GameCo's executives to have better understanding about which genres perform above others in each region.
- ◇ The market fairs well when North American sales are up, as well as European sales.
- ◇ North America and Europe are the two regions with the highest sales. Action, Shooter and Sports games are the top selling genres in these areas.
- ◇ Japan's best-selling genres are Role-Playing, Action and Misc.

Summary & Suggestions

- ◆ GameCo's current understanding of its video game sales market was challenged by the data.
- ◆ Data suggests that certain genres of games perform better than others in specific regions.

How can we use the data and insights to allocate our 2017 marketing budget?

- ◆ In order to improve sales, GameCo should consider the popularity of each genre in every region. For instance, Action, Shooter and Sports games were the top 3 genres, in the largest regions. Therefore, it would be wise for GameCo to allocate more of its funds to developing more shooter, action and sports games in those areas. A major step in getting sales to rise is to increase the sales in North America. During the peak years, North America contributed for more than half of the global sales, proving its worth in the market. The budget should be set so that the popular genres of a region get the most attention and resources.