

# 2013

Essential Facts about the



# CANADIAN

VIDEO GAME INDUSTRY



**esa**   
entertainment  
software  
association of canada





# CONTENT

+ Did you know?	(4) & (5)
+ Why is Canada's video game industry successful?	(6) & (7)
+ Industry structure by platform	(8)
+ Industry structure of top 3 provinces	(9)
+ The industry in Canada	(10) & (11)
+ Employment Information	(12)
+ Sales and distribution	(13)
+ What are ESRB ratings?	(14)
+ Canadian Gamers	(15)
+ Gamer profiles (male)	(16)
+ Gamer profiles (female)	(17)
+ About ESAC	(18)

All data in this document is from Nordicity's Canada's Video Game Industry in 2013 unless otherwise noted. This report was commissioned by the Entertainment Software Association of Canada (ESAC) and gathered quantitative and qualitative data from 90 computer and video game companies in Canada. Nordicity is a leading consulting firm specializing in policy, strategy, and economic analysis in the media, creative and information & communications technology sectors.

This document also contains data from NPD Group's Understanding the Canadian Gamer 2012 custom research. The survey was commissioned by ESAC and gathered data from 2,969 adults, 527 teens (13-17) and 687 children (6-12) between April 13 and April 30, 2012. The margin of error associated with the total sample is +/- 1.5, 19 times out of 20. The NPD Group is the leading provider of reliable ad comprehensive consumer and retail information for a wide range of industries. Today, more than 1,700 manufacturers, retailers, and service companies rely on NPD to help them drive critical business decisions at the global, national, and local market levels. NPD helps clients to identify new business opportunities and guide product development, marketing, sales, merchandising, and other functions. Information is available for the following industry sectors: automotive, beauty, commercial technology, consumer technology, entertainment, fashion, food and beverage, foodservice, home, office supplies, sports, toys, and wireless.  
For more information, please visit: [www.npd.com](http://www.npd.com).

# Did you know ?

Canada has the third largest video game development industry in the world after the US and Japan - or the biggest per capita based on the number of employees.



# 329

There are currently **329** video game companies operating in Canada.



# 16,500

The Canadian video game industry employs the equivalent of over 16,500 full time employees.



↑ 5%

That's up 5% from 2011.

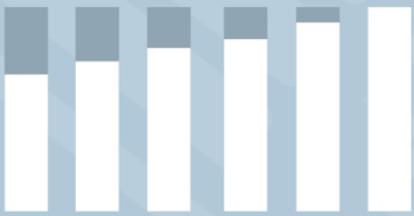
# \$2.3

# billion

The video game industry contributes over \$2.3 billion to Canada's GDP.



40% of companies predict over 25% projected growth over the next two years.



↑ 25% Growth



# Why is Canada's video game industry successful?

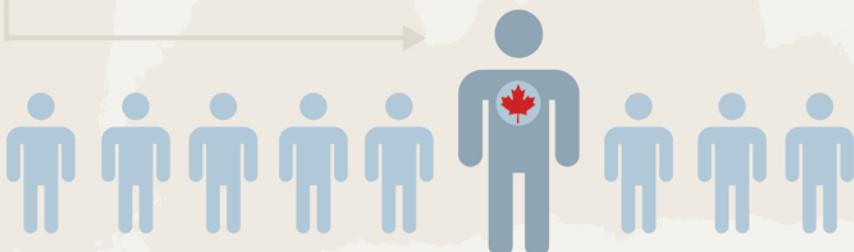
## Homegrown talent

The Canadian video game industry is responsible for creating some of the most recognizable games and major game franchises in the world. Some of the biggest companies in the world have studios in Canada with many other thriving video game studios also calling Canada home.



## Canada is known internationally for its strong base of diverse, creative and well-trained talent

Canadian educational programs, particularly at the college and university levels, produce some excellent graduates. However, as our industry grows, we face an increasing shortage of experienced talent across all job categories. Deepening the pool of domestic talent and having timely access to the best international talent are both critical solutions to ensure the video game industry can continue to succeed.



## Government policies at both the federal and provincial levels

Canada offers generally competitive corporate tax rates, and many provinces have introduced refundable tax credits for production of interactive digital media to encourage growth of the sector. Scientific Research and Experimental Development (SR&ED) tax credits also play a critical role in fostering technology-based innovation and advancements in the video game industry. Federal and provincial funding programs for digital media offer support for projects that might not otherwise obtain funding.

## Canadian video game companies by size



**88%**

88% of firms are small (5-99) or micro (0-4)

**12%**

12% of firms are large (100+)

### Employment by size of companies

12.2%

Small/micro firms

**68%**

Large firms



# Industry structure by platform

The Canadian industry is increasingly focusing on the emerging mobile market, with 84% of companies developing games for smart phones and tablets. Development for dedicated game consoles remains strong, with approximately 48% of developers currently working on titles for current and next-gen consoles.

While the number of completed projects is predominantly for mobile and casual markets, the lion's share of overall resources are still dedicated to console games by a small amount of companies.



PLATFORM



Average project budget



Average project team size



Average number of days

PLATFORM	Average project budget	Average project team size	Average number of days
Console	\$8,728,125	65	583
PC/Mac	\$995,675	10	268
MMO	\$834,000	9	259
Web	\$651,625	7	172
Mobile	\$303,500	7	156
Social Network	\$295,000	5	69
Kiosk and Standalone	\$ 30,000	5	65

# Quebec's Video Game Industry

**Total employees**

 **8750**

**Estimate Spending  
in Quebec**

**\$741m**

**Total Number of  
Companies**

 **97**

- Quebec is home to a robust and well-established video game industry thanks to a long-standing tax credit established in 1996.
- The province is home to some of the largest studios in the world.
- The province is also home to a many small developers, with micro studios accounting for almost 60% of all enterprises.
- The Quebec region is primed for growth: fully two thirds expected to grow by 10% or more in the coming two year period.

# BC's Video Game Industry

**Total employees**

 **5150**

**Estimate Spending  
in BC**

**\$548m**

**Total Number of  
Companies**

 **67**

- British Columbia is one of the oldest video game clusters in North America and home to major players in the video game industry. In addition to established companies, many start-ups capitalize on expertise and talent in this sector.
- In 2012, the video game industry in BC was responsible for \$568 million in gross expenditure, resulting in direct employment of 5142 FTEs.

# Ontario's Video Game Industry

**Total employees**

 **1850**

**Estimate Spending  
in Ontario**

**\$134m**

**Total Number of  
Companies**

 **96**

- Ontario's industry is mainly composed of small and micro-sized firms.
- The introduction of provincial tax credits is attracting larger studios; a few medium and large studios now call Ontario home.
- Almost two thirds (65%) of Ontario-based companies say they've been in business for more than seven years.
- More rapidly than in Quebec, increasing shares of total industry resources in Ontario are going to games on mobile, social, and casual platforms.

# 329

There are currently  
**329** video game  
companies operating  
in Canada.

**Ontario**

**1850** total  
employees

**BC**

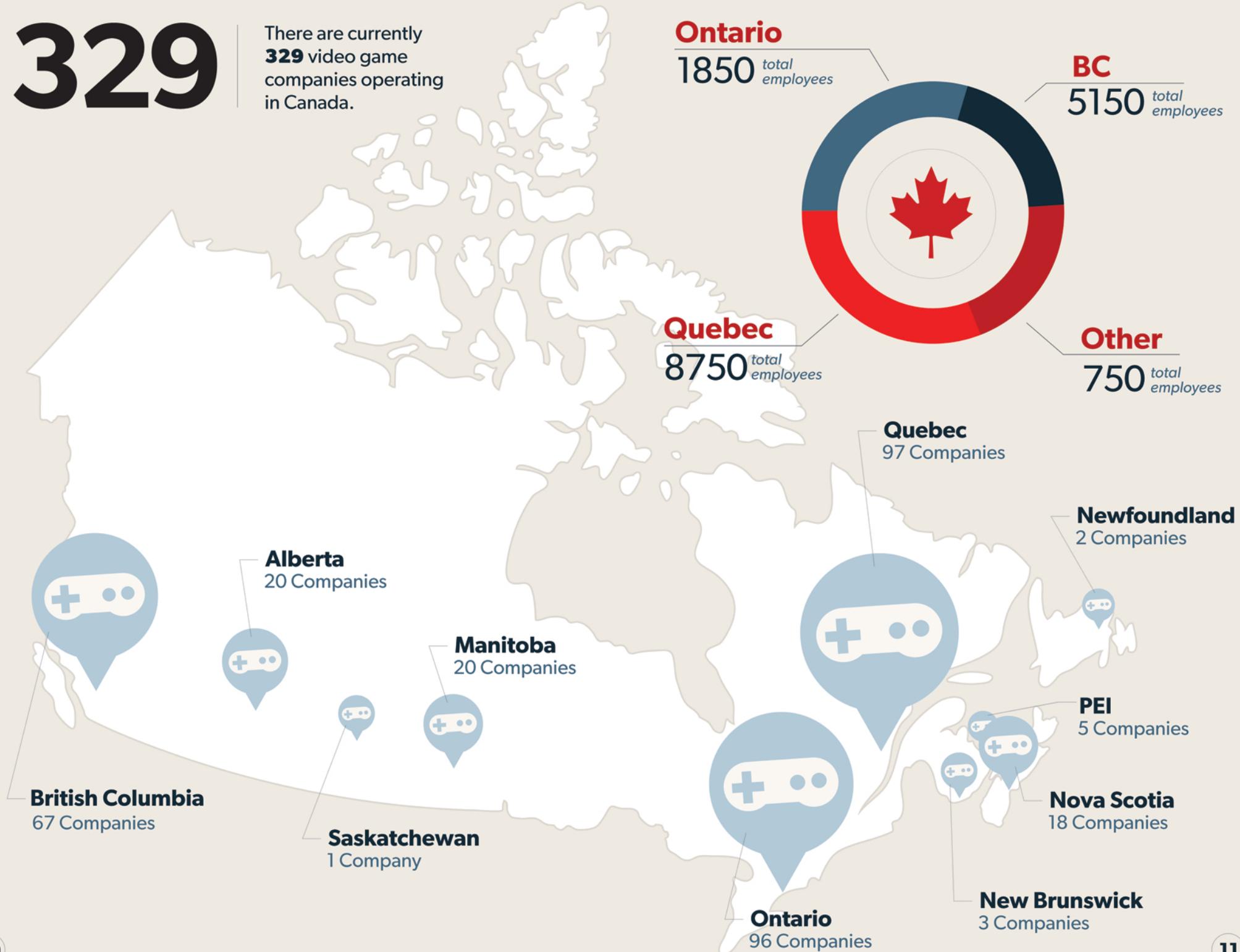
**5150** total  
employees

**Quebec**

**8750** total  
employees

**Other**

**750** total  
employees



# Employment Information

The average age of workers in the video game industry is 31 years old, while the average video game salary in 2012 was roughly \$72,500 per annum, across all job types and levels of seniority.

Average age:

**31**

years old

Average salary:

**\$72,500**

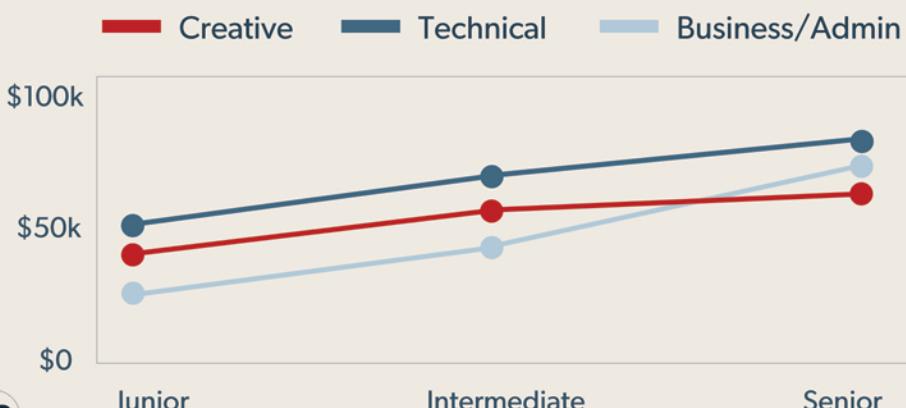
per annum



## Overall average salary by size of company



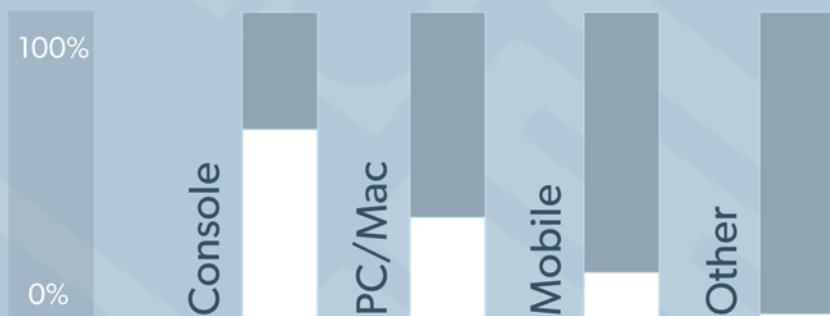
## Average salary by type of position and level of seniority



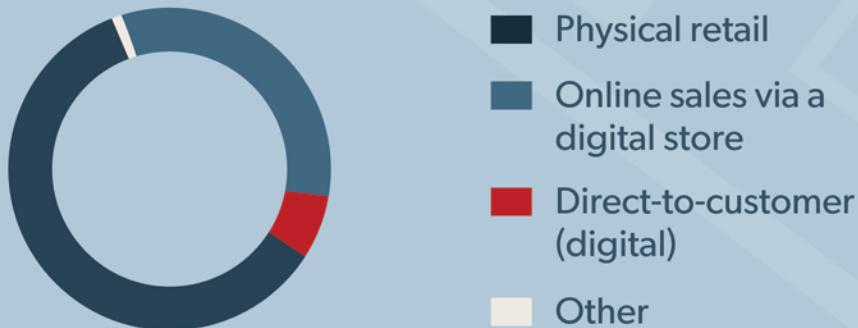
# Sales and distribution method of the Canadian video game industry

Video game revenues are representative of the shift happening in the industry. Mobile games represent an increasing share of overall revenues, while digital distribution channels are also more prevalent than before. However, games for consoles and traditional physical retail sales are still predominant.

## Video game revenue by platform, 2012



## Video game revenue by sales channel, 2012



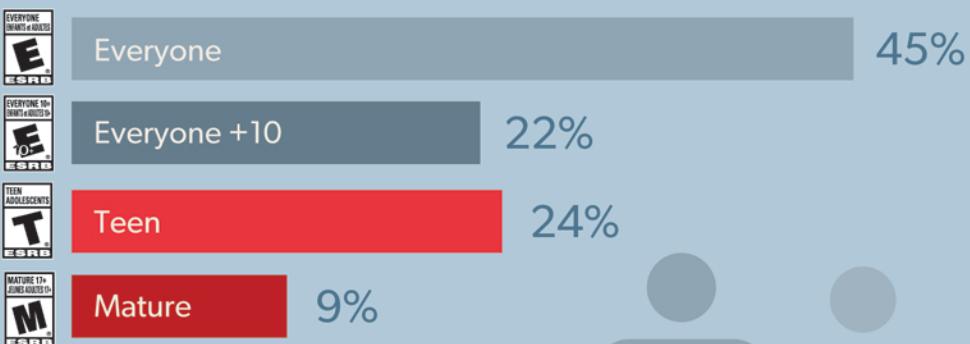


# What are ESRB ratings?

The **Entertainment Software Rating Board** (ESRB) is a non-profit, self-regulatory body that assigns computer and video game content ratings. The ESRB ratings are designed to provide consumers, especially parents, with concise, impartial guidance about the age-appropriateness and content of computer and video games so that they can make informed purchasing decisions about the games they deem suitable for their children and families.



## ESRB Ratings Assigned 2012



For more information visit the ESRB website at [www.esrb.org](http://www.esrb.org)



# Canadian Gamers



58% of Canadians are gamers.

31 years old – average age of a Canadian gamer.

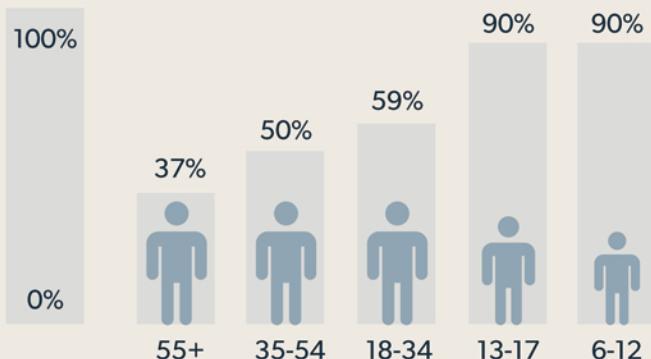
46% female

95% of Canadian households own a computer.

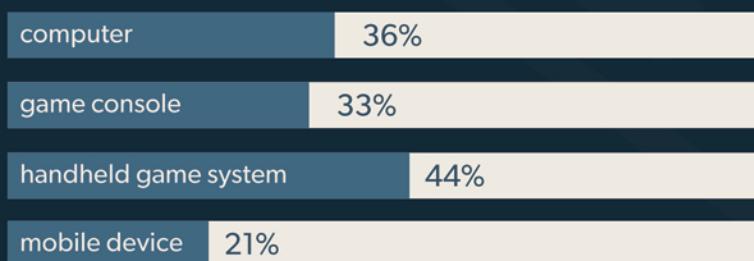
54% male

61% of Canadian households own at least one game console.

## Canadians, by age, who have played a video game in the past 4 weeks



## On what platform do Canadians play video games most frequently?





# Gamer profiles



## Male



**54%**  
male gamers



### Children (6-12 years)

- + 35% play most often on a game console
- + 56% play action and adventure games



### Teens (13-17 years)

- + 64% play most often on game console
- + 53% play shooter games



### Adults (18-34 years)

- + 51% play most often on game consoles
- + 42% play role-playing games (RPG)



### Adults (35-54)

- + 39% play most often on a computer
- + 26% play shooter games



### Mature gamers (55+)

- + 68% of mature gamers play games most often on a computer
- + 41% play card games



# Gamer profiles



## Children (6-12 years)

- + 35% play most often on a computer
- + 45% play kid role-playing games



## Teens (13-17 years)

- + 42% play most often on cell phone or mobile device
- + 27% play arcade games



## Adults (18-34 years)

- + 38% play most often on cell phone, tablet or other mobile device
- + 40% play education games, puzzle or word games and games that challenge mental ability



## Adults (35-54)

- + 46% play most often on a computer
- + 56% play educational games, puzzles or word games and games that challenge mental ability



## Mature gamers (55+)

- + 68% of mature gamers play games most often on a computer
- + 56% play card games



## Female

# 46%

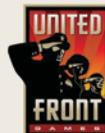
female gamers



# >About ESAC

The Entertainment Software Association of Canada (ESAC) is the voice of the Canadian video game industry, which employs approximately 16,500 people at over 325 companies across the country. By contributing \$2.3 billion to Canada's GDP, and by cultivating workers with a combination of creative, technological and management skills, the video game industry is supporting Canada's position in the changing global economy. This dynamic and growing industry is currently the world's third largest, or first on a per capita basis based on employment levels in other countries. ESAC works on behalf of its members to ensure the legal and regulatory environment is favourable for the long-term development of Canada's video game industry.

Association members include:







[www.theesa.ca](http://www.theesa.ca)

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