

GAMECO 2017 MARKET BUDGET ANALYSIS

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October 2016

MEETING AGENDA



Analyze historical and current video game market trends.

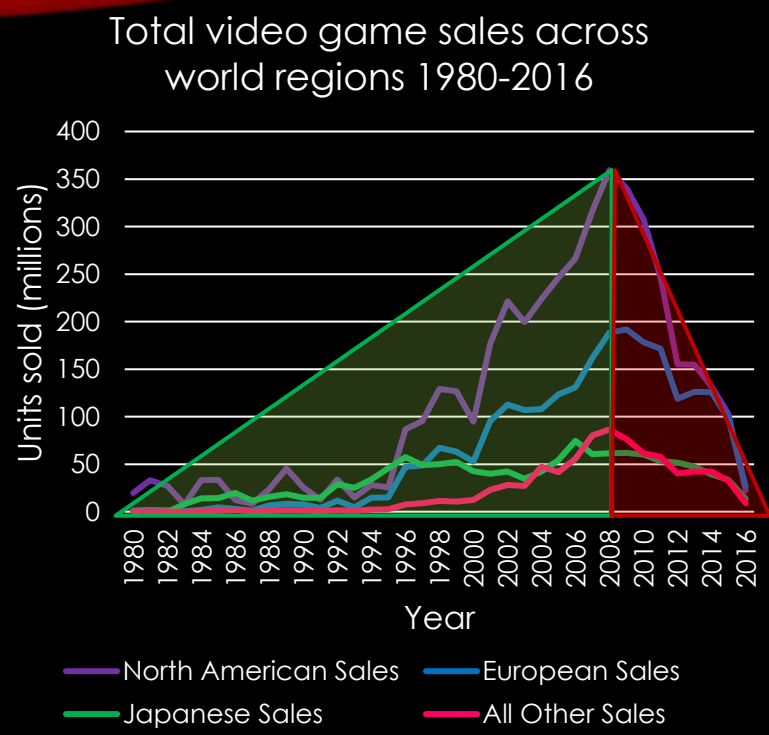


Review and revise GameCo's current understanding of the market.

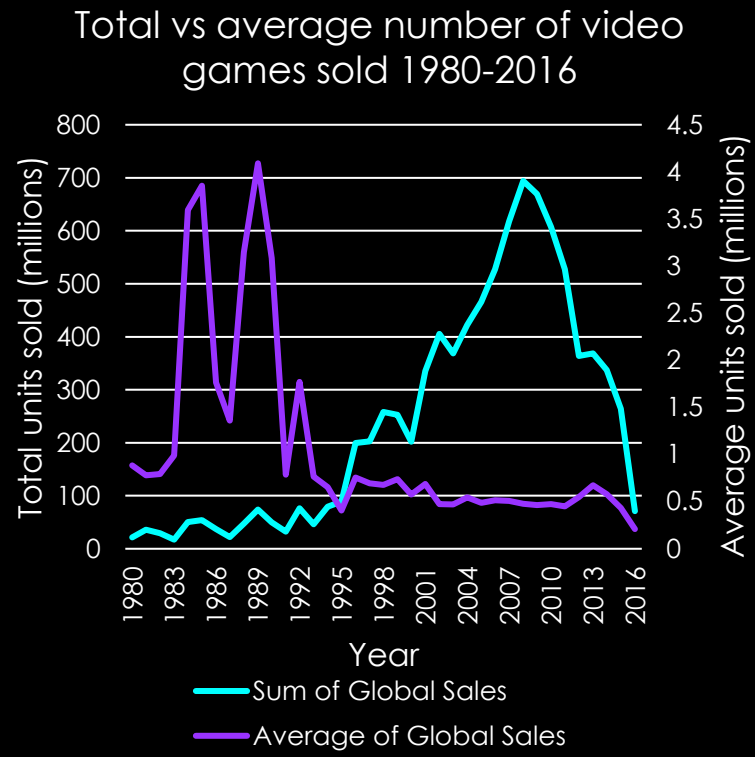


Recommend actions to maintain and increase GameCo's future profitability.

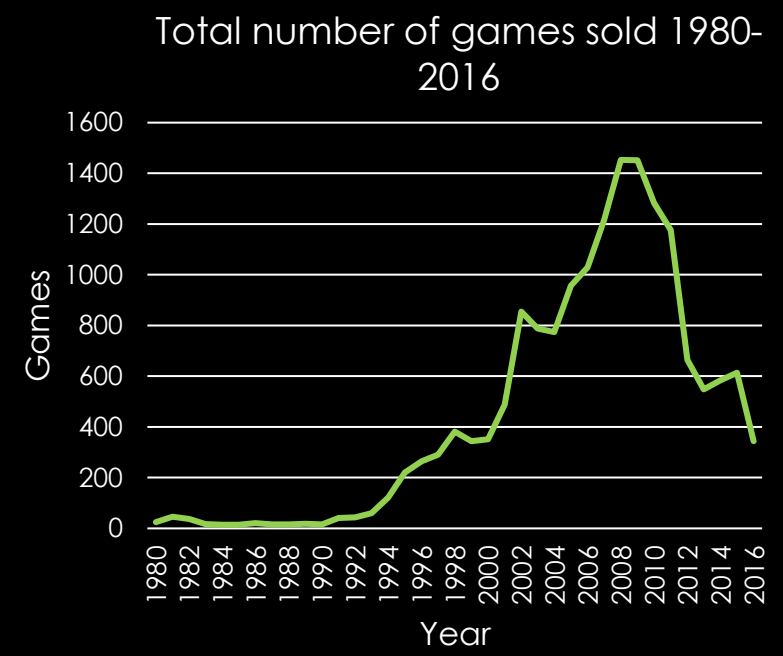
TRENDS OF HISTORICAL VIDEO GAME SALES INDICATE DECLINE



Since approximately 2008, global video game sales have declined and not recovered.



From the mid 1990s onward, more games released led to many more low performing/selling games. Both measures of sales began a decline in 2013.



The numbers of games sold in the market began and continued to decline since 2008.

WHAT DOES THIS MEAN?

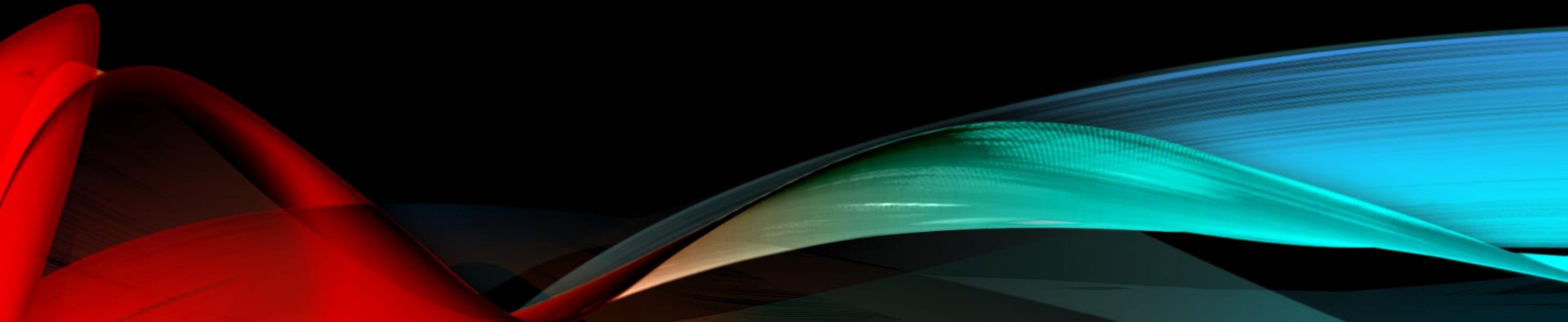
WE NEED TO REVISE OUR UNDERSTANDING OF THE MARKET BASED ON THE DATA

Current understanding:
sales across geographic
regions **have stayed the
same** over time.



Revised understanding:
sales across geographic
regions have **changed**,
increasing then
declining over time.

2016: A YEAR IN REVIEW



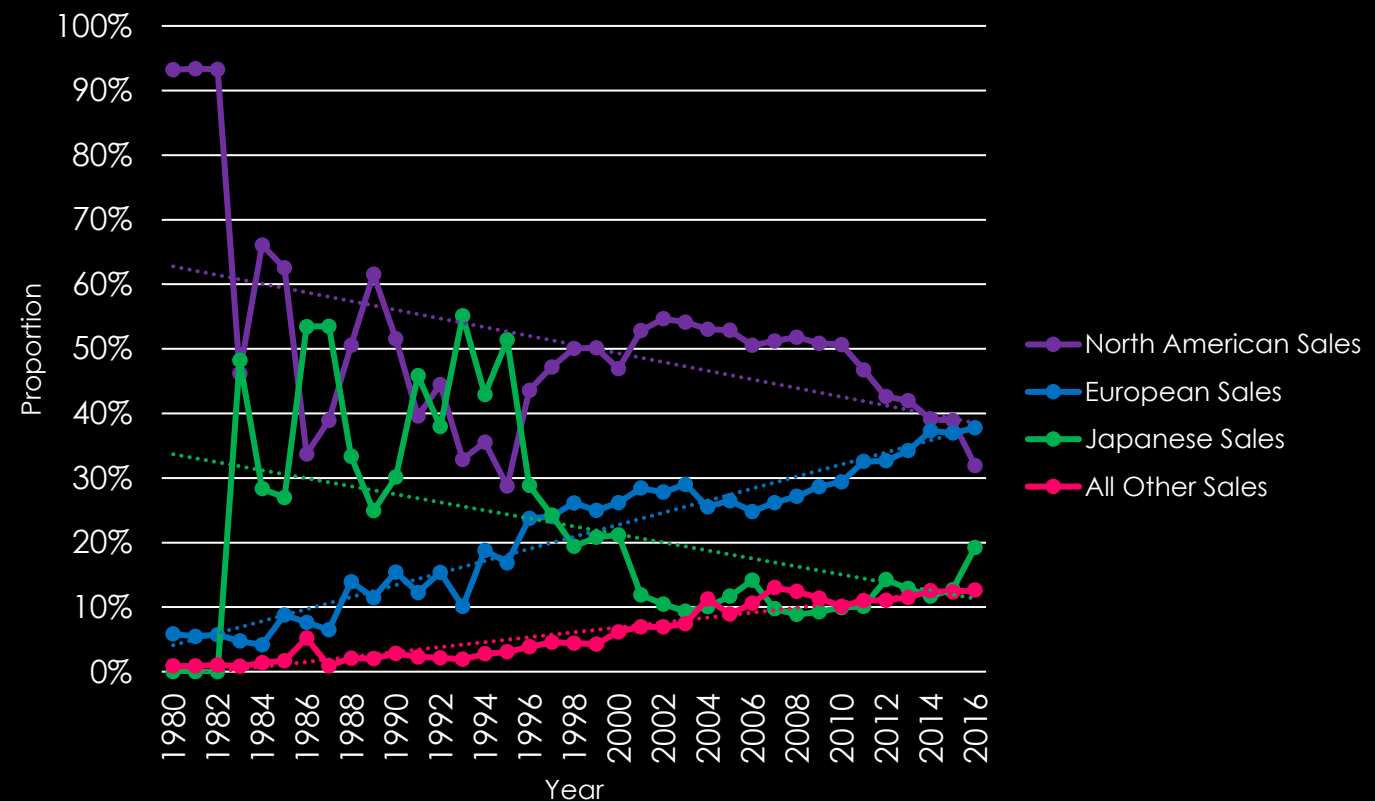
HISTORICALLY NORTH AMERICA AND JAPAN WERE THE TOP VIDEO GAME MARKETS

	Proportion North American Sales	Proportion European Sales	Proportion Japanese Sales	Proportion All Other Sales
Average 1980-2016	51%	21%	23%	6%

Over the timeframe 1980-2016, North America and Japan sold the highest proportion of games, but this proportion began to decline in the mid 1990s and early 2000s.

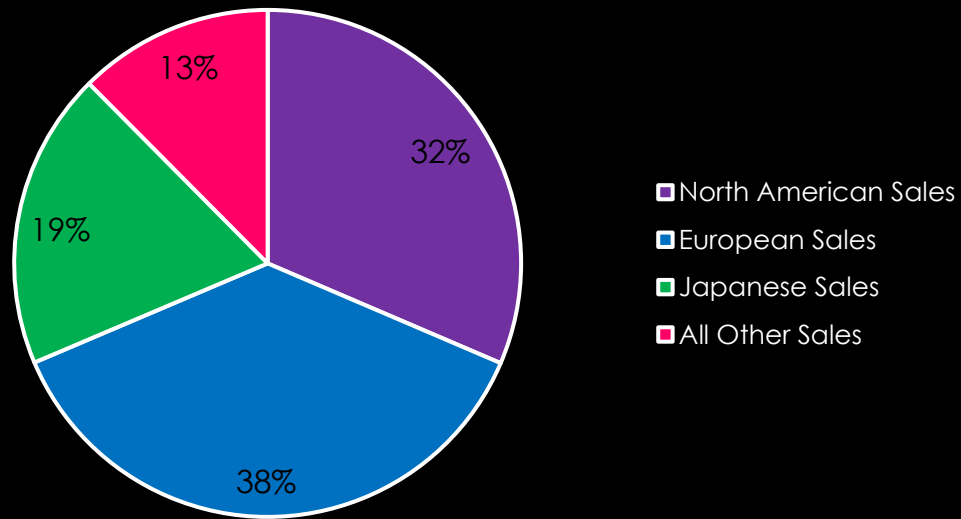
Europe and all other regions have seen increases in proportions of games sold, but still sell a lower proportion of games overall.

Proportion of total video game sales by year and region

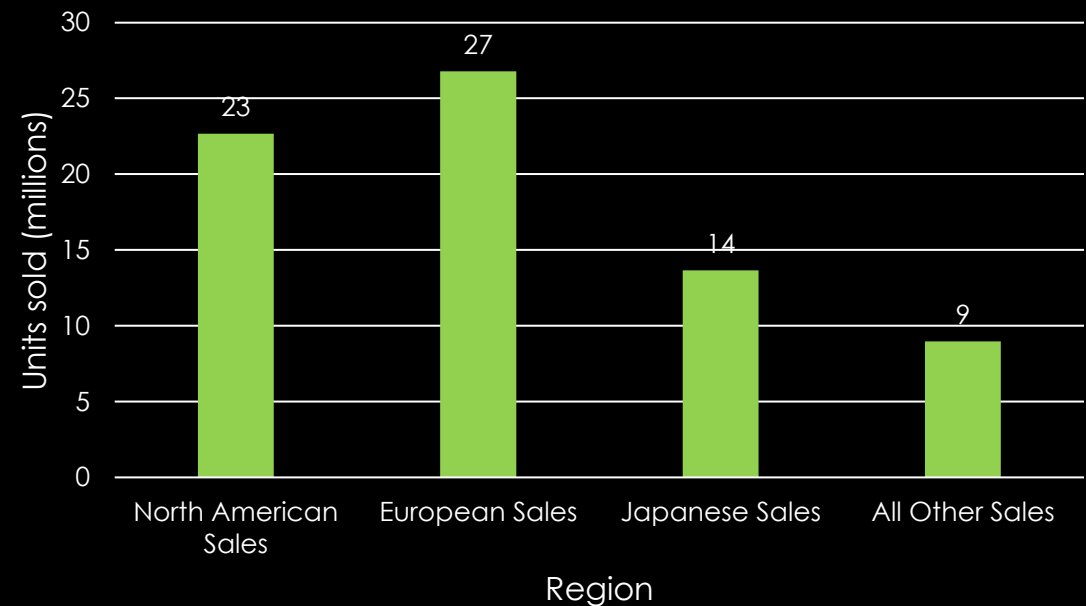


EUROPE IS THE TOP PERFORMING REGION IN 2016

Proportion of video game sales by region 2016



Video game sales across regions 2016



This year, however, Europe has overtaken North America in the proportion and number of video game units sold, forecasting potentially profitable markets.

RECOMMENDATION #1: INVEST IN EUROPEAN MARKETS

Open game headquarters and invest in game development teams in Europe. Although Europe has lagged other regions in the past, it:

- Sold the most games in 2016.
- Has the highest proportion of games sold in 2016.
- Has the highest upward trajectory of proportion of game sales compared to any other region.



RECOMMENDATION #2: DIGITIZE ALL MARKETS



Although there have been some promising trends in Europe, the physical video game market is down overall since ~2008.

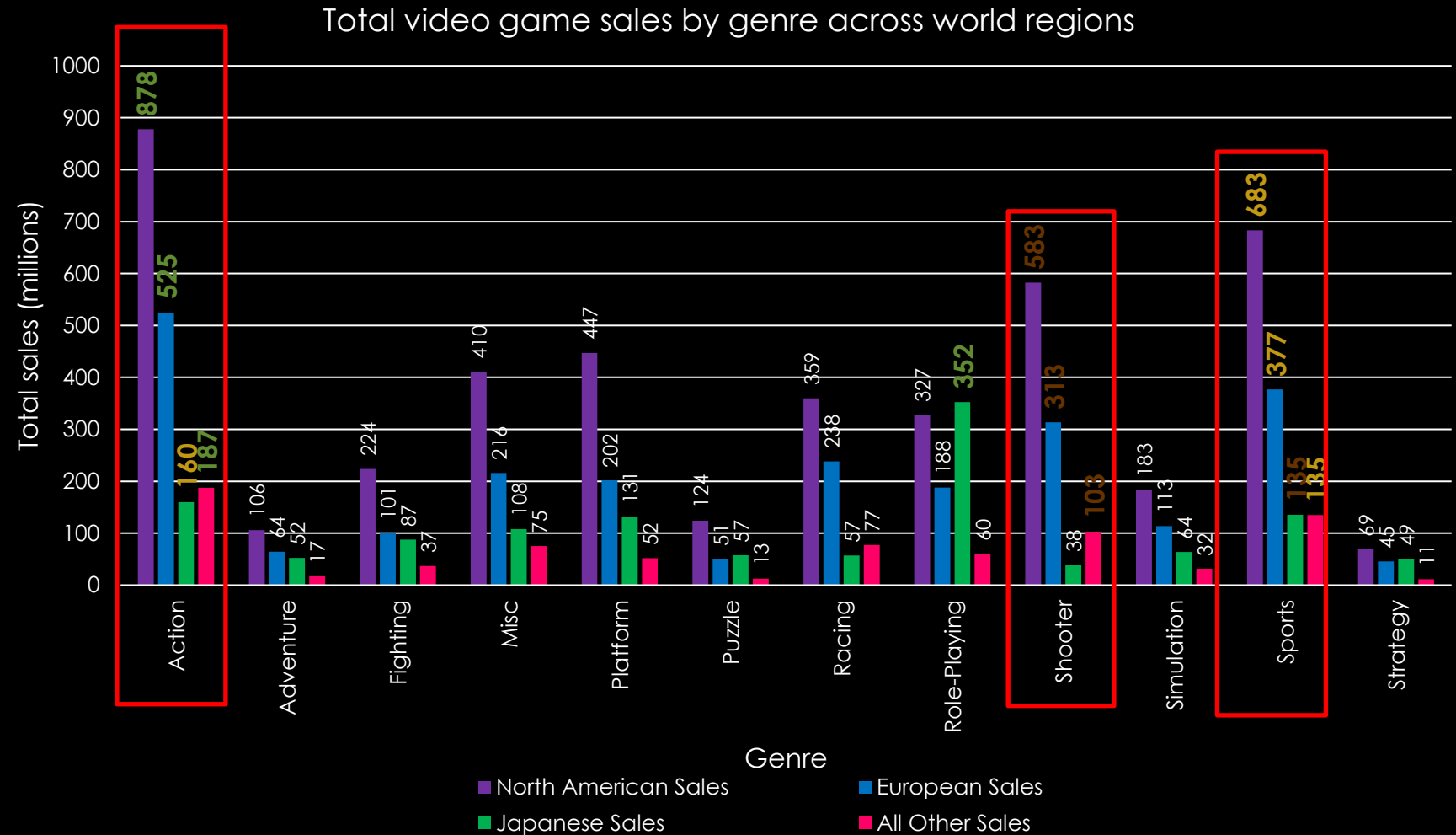
- Reduce funding for the creation and sale of physical copies of games.
- Increase user convenience by investing in digital sales and advertisements of old and new games, and downloadable content of newly released games.
- Develop mobile games with ad or subscriber-based monetization options.



RECOMMENDATION 3: PRIORITIZE POPULAR GENRES

Historical data shows Action, Shooter, and Sports games are popular across multiple regions.

- Reallocate funds and prioritize the creation of new games in these genres.



First, second, and third most sales.

THANK YOU FOR YOUR ATTENTION

