Video Game Industry – Sales, Facts, Analysis and Insights

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Abstract

A video game is an electronic game that can be played on a computing device, such as a personal computer, gaming console or mobile phone. Depending on the platform, video games can be subcategorized into computer games and console games. In recent years, however, the emergence of social networks, smartphones and tablets introduced new categories such as mobile and social games. Video games have come a long way since the first games emerged in the 1970s. Today's video games offer photorealistic graphics and simulate reality to a degree which is astonishing in many cases.

Assumptions/ Hypotheses

1. The number of game sales is proportional to time

2. Americans prefer more action games as compared to Japan

3. Game purchases are proportional to cognitive behavior

4. Social media is a direct competition for the video gaming industry

Questions

1. Has game sales in post social media times decreased?

2. Are sports games the most profitable genre of games?

3. Are PC games the most common platform in America?

4. Do Europeans purchase the highest number of sports games as compared to the Americans and Japan?

5. Does Nintendo do well in the Japan market as compared to Americas and Europe?

6. Are more Electronic Activision games purchased worldwide than Konami games?

7. Are X360 games more patronize than PS4 games?

8. What is the most successful gaming platform of all time?

9. What was the number 1 selling game from 2010 to 2020?

10. How would the gaming industry perform in the next decade, looking at data from the last decade?

INTRODUCTION

Video games allows moving away from the problems of the real world and directs the players towards different priorities and behavioral changes in relation to everyday life. They can also be said to be "cultural products with deep roots in the culture they stem from". The video game industry is emerging as a result of continuous innovation. Scholars have proposed the concept of "gamification" which suggests that the psychological elements involved in the game affect the motivation of employees and animate the consumer. Evidence supports that video games belong to the sphere of the 'cultural industry', as video games have many elements in common with other cultural industries.

METHOD/ FLOW OF WORK

1. Analysis of games on platform

2. Analysis on number of games by publisher

3. Analysis by genre of games

4. Analysis of video games sales per geographical region in percentage

5. Analysis of top global games sales

6. Analysis of games sold in EU per platform

7. Analysis of trend of video games globally and per various regions

8. Recommendations

9. Conclusion

VIDEO GAMES INDUSTRY SALES & FACTS; ANALYSIS AND INSIGHTS

Games Available on Platform
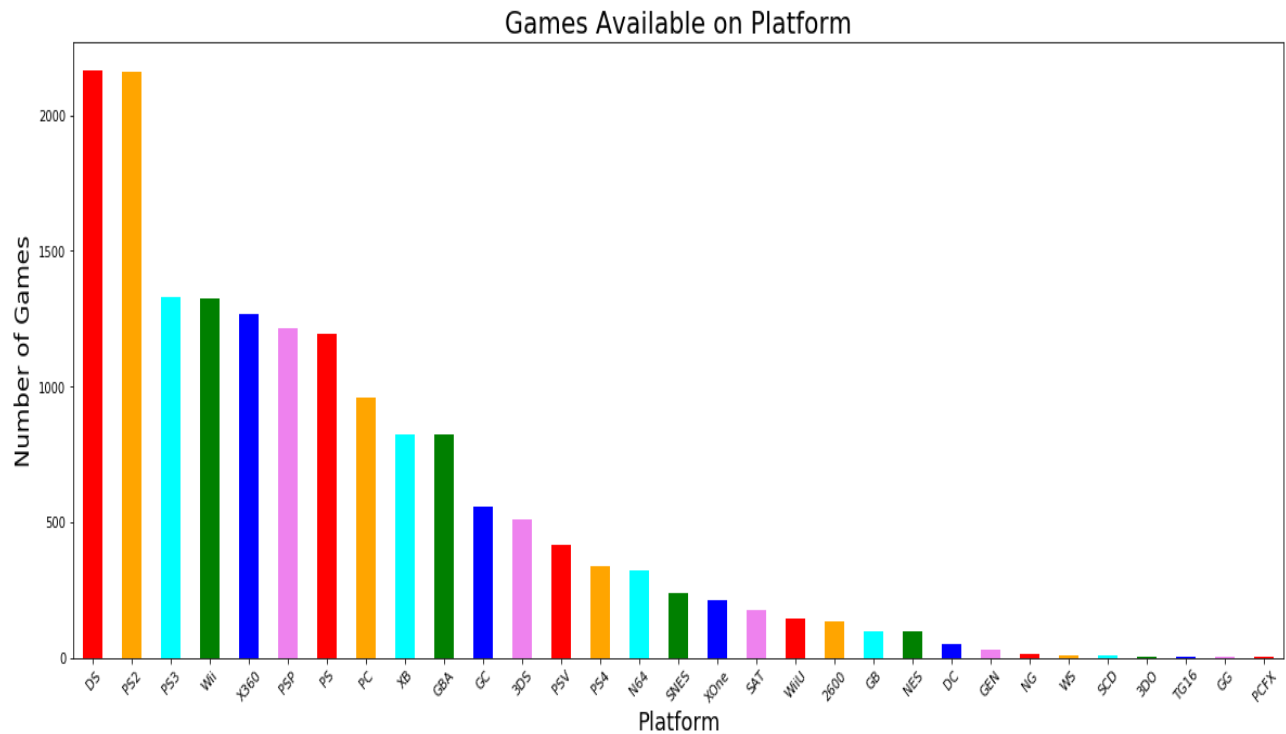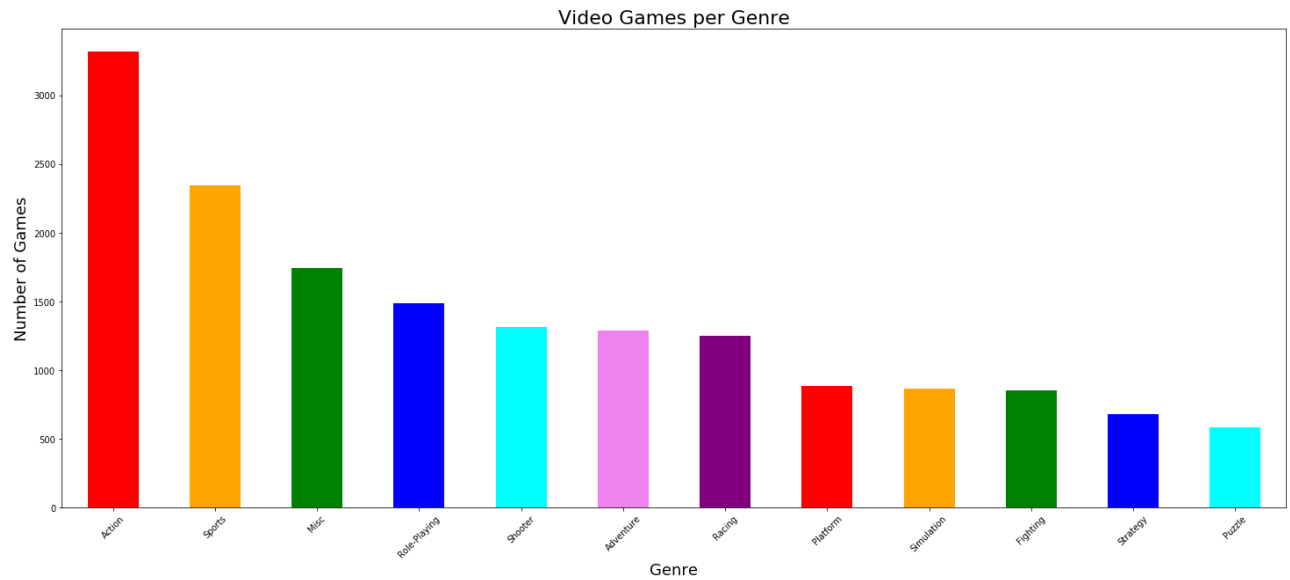
Graph 1

ANALYSIS AND INSIGHTS

From graph 1 above, the various available platforms were plotted against the number of games on each platform. It can be observed that the DS and PS2 platforms lead the pack. DS is an abbreviation of the Nintendo dual screen and PS2 is the shortened form of PlayStation. This graphical representation answers our third question, thus PC games are not the most popular platform for games in the Americas.
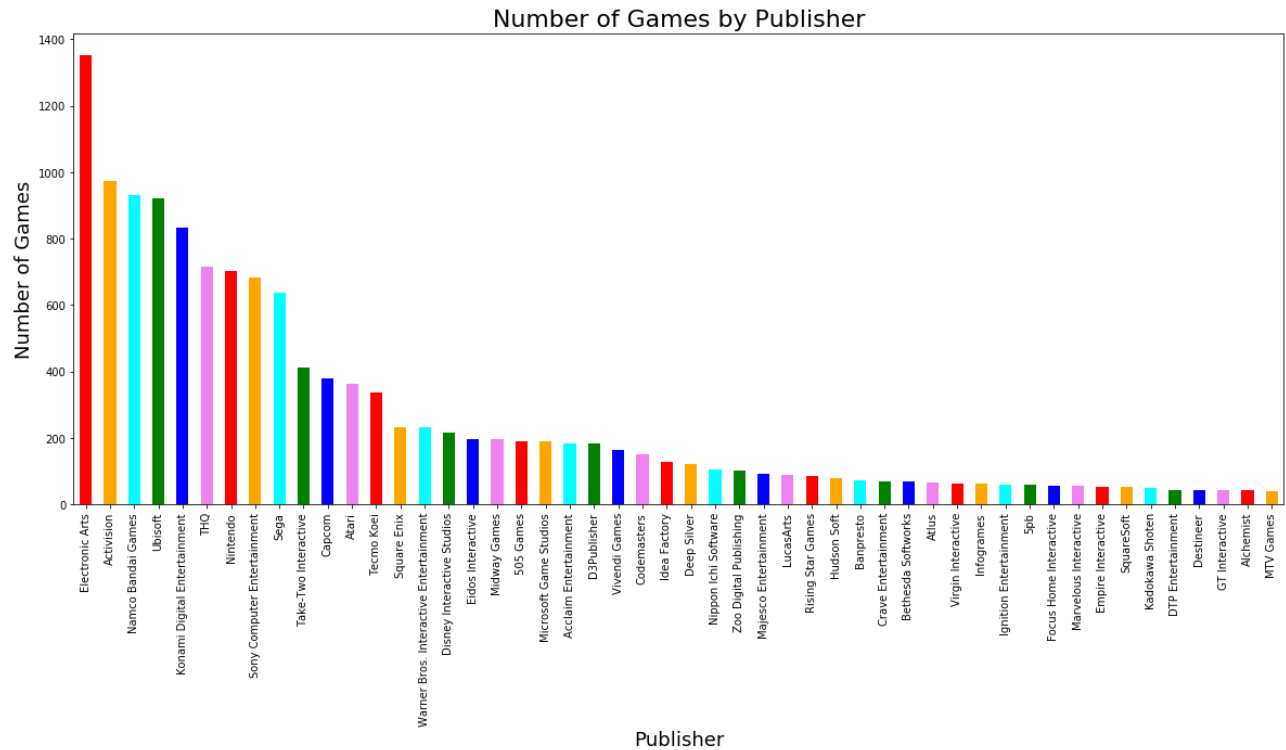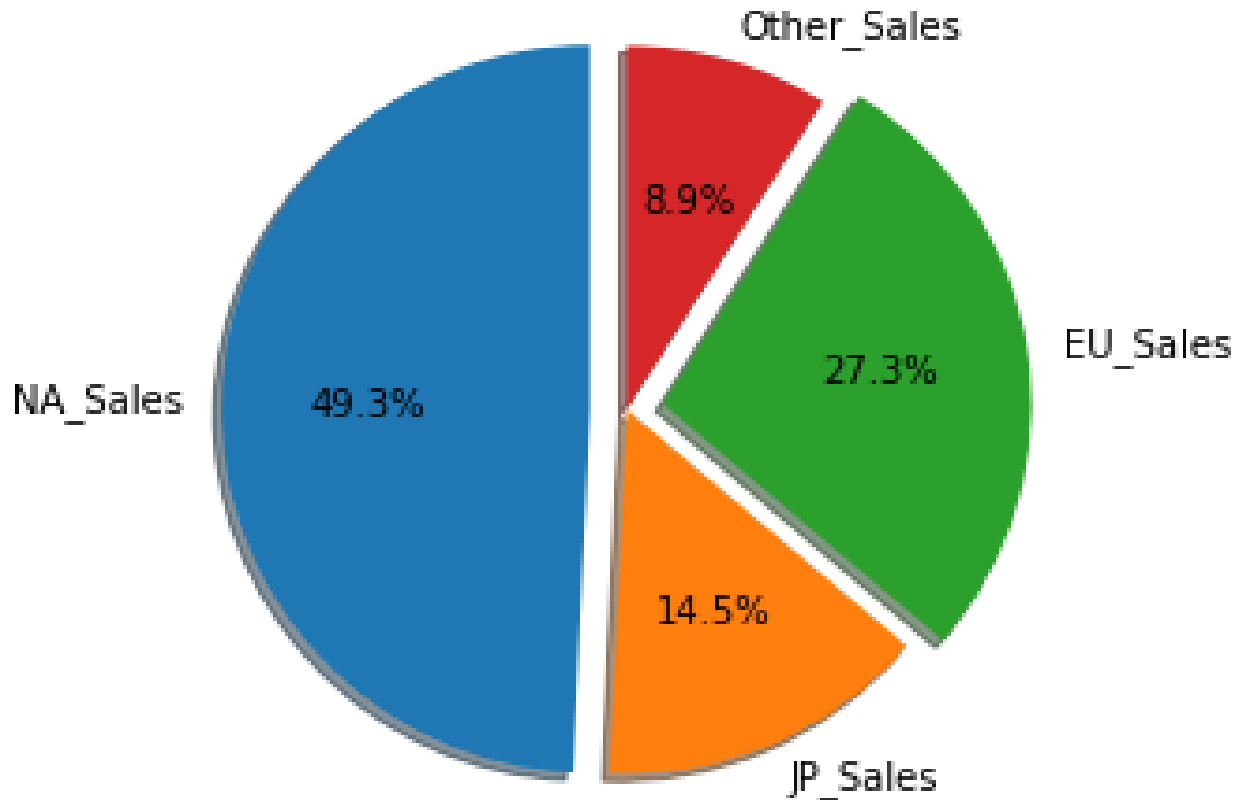
Graph 2

ANALYSIS AND INSIGHTS

In graph 2, it can be observed that the American Publisher Electronic arts has published the most games. They are followed by another American company, Activision, then namco Bandai Games. Ubisoft, Konami Digital Entertainment and Nintendo are all non-American companies but appear in the top 10 publishers

Graph 3

ANALYSIS AND INSIGHTS

 Generally, we perceived that sports being the spice of life, would be the leading selling genre in the gaming industry, but that is not the case. From graph 3 above, it can be observed that action games are the most patronized games worldwide. Then followed by sports, misc and role-playing.

FigA

ANALYSIS AND INSIGHTS

The above figure, figA represent the amount of video games in each geographical region. North America denoted by NA, between the years of 1980 and 2020 purchased almost 50% of all video games. This makes it the most vital market to have as a video game developer or publisher. They are followed by Europe which purchased a little over half of the sales of north America. This makes Europe the second most vital market. Japan sales are fairly represented due to their population. There is a perceived notion of video gaming having effects on cognitive behavior, but there is no scientific data to support that. The video games purchased by these geographical regions combined is 91.1%, where the remaining 8.9 is shared by the rest of the world

Yearly Video Game Sales Globally

Graph 4

ANALYSIS AND INSIGHTS

The above graph, graph 6 is a graphical representation of global sales of video games from the year 1980 to 2020. It can be seen that in first 10 years of the gaming industry, sales fluctuated and was not stable.

But the beginning of 1995 saw a huge rise in sales globally and the gaming industry took off from there. Five years later, sales dipped again. These could have been to the world still adjusting to the industry.

Sales once again skyrocketed for a decade and has dipped since. This could be due to the proliferation of social media since the 2010's, facebook especially.

Global Game Sales per Genre
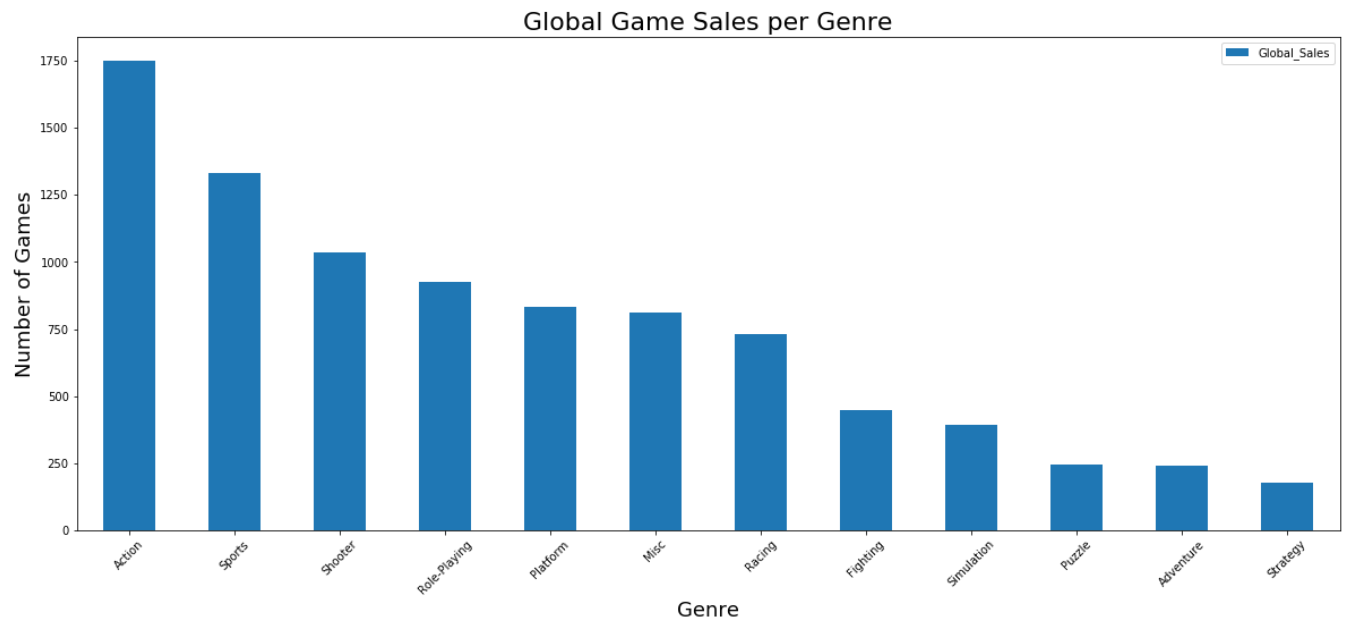
Graph 5

ANALYSIS AND INSIGHTS

Graph 5 is a plot of the top 10 games against their corresponding global sales from 1980 to 2020.

Wii sports was the most purchased game gloabally. The game is a collection of

five sports simulations, designed to demonstrate the motion-sensing capabilities of the Wii Remote.

The five sports included are tennis, baseball, bowling, golf and boxing. This makes wii sports game

more appealing and provides the end user with varieties of games

Grand theft auto V, shortened to GTA V comes in second as the next most purchased game then

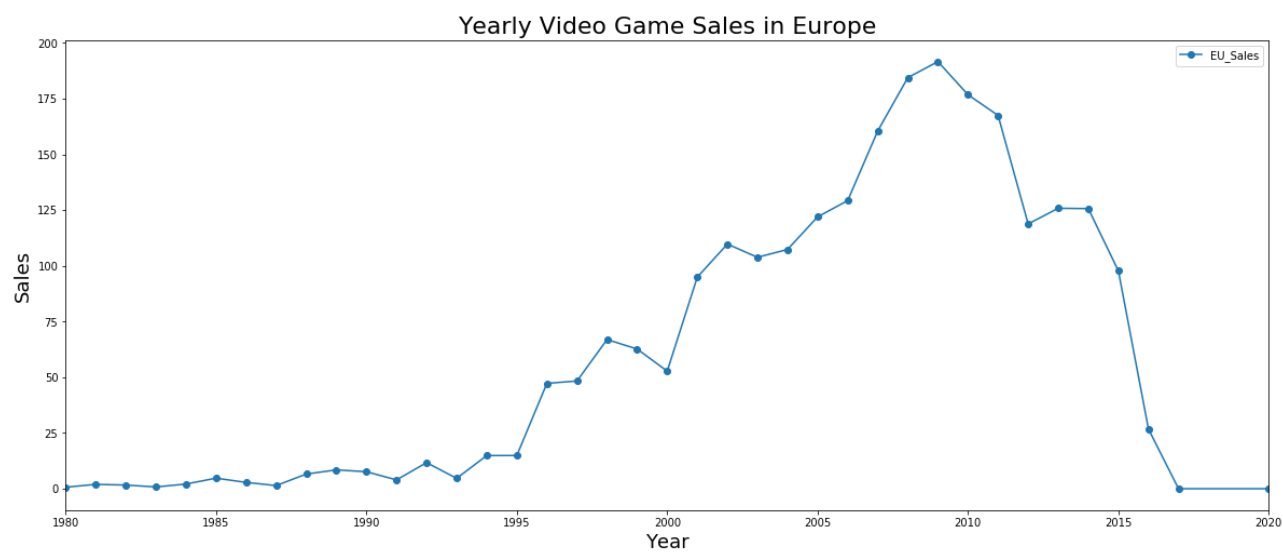Super Mario Bros as the third most purchased game globally
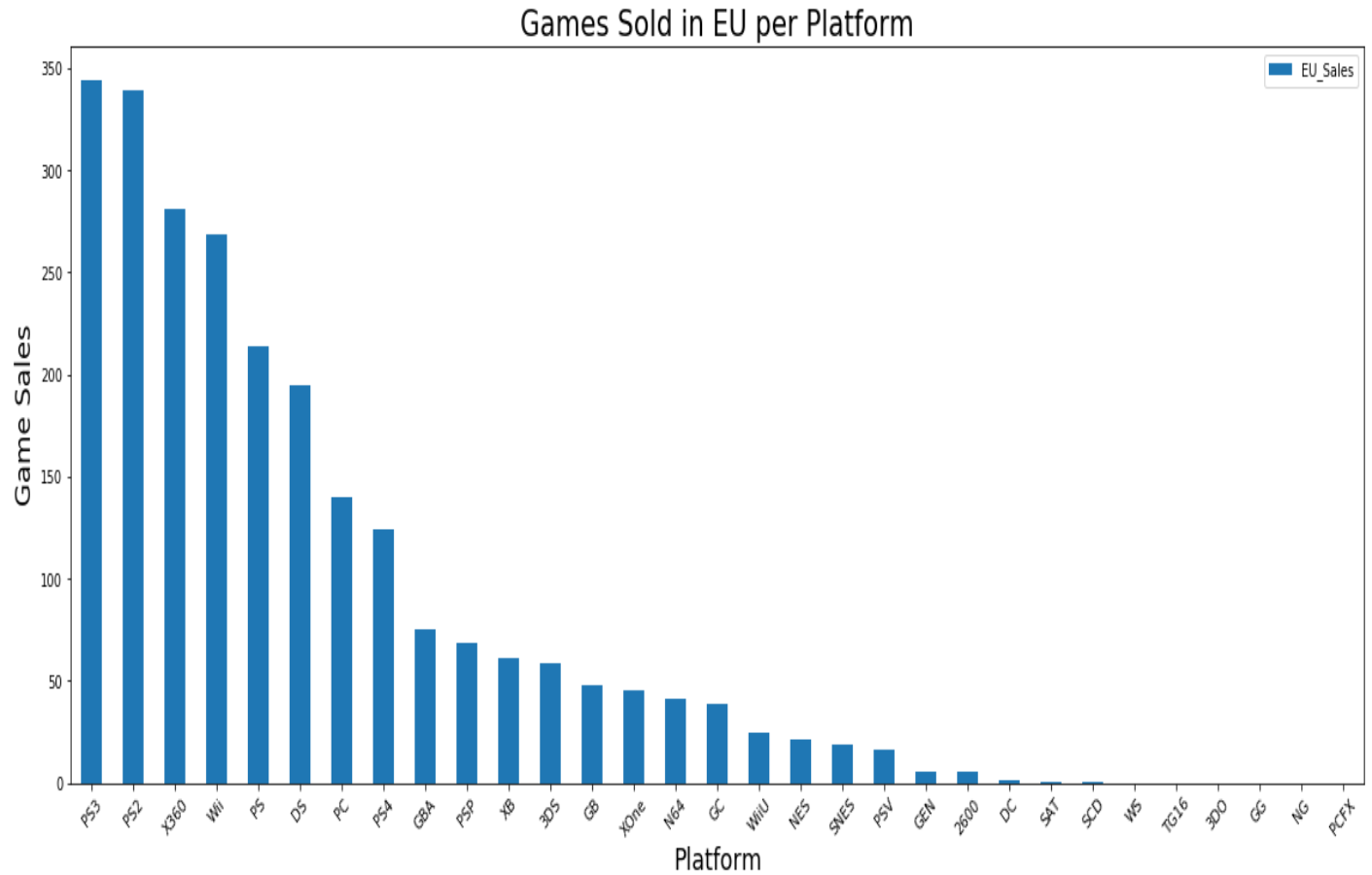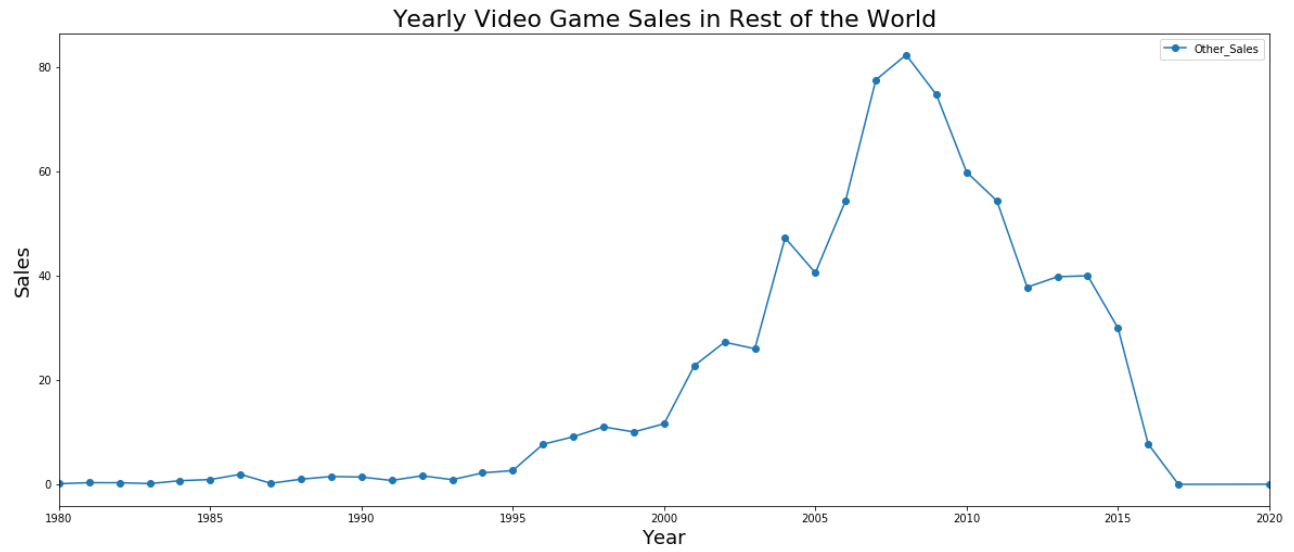
Graph 6

ANALYSIS AND INSIGHTS

From Graph 6 above, it can be observed that the most patronized platform in the EU region is the PS3 platform. This is closely followed by the PS2, X360, Wii, PS, DS in that order.

Yearly Video Game Sales in North America

Graph7

Yearly Video Game Sales in Europe
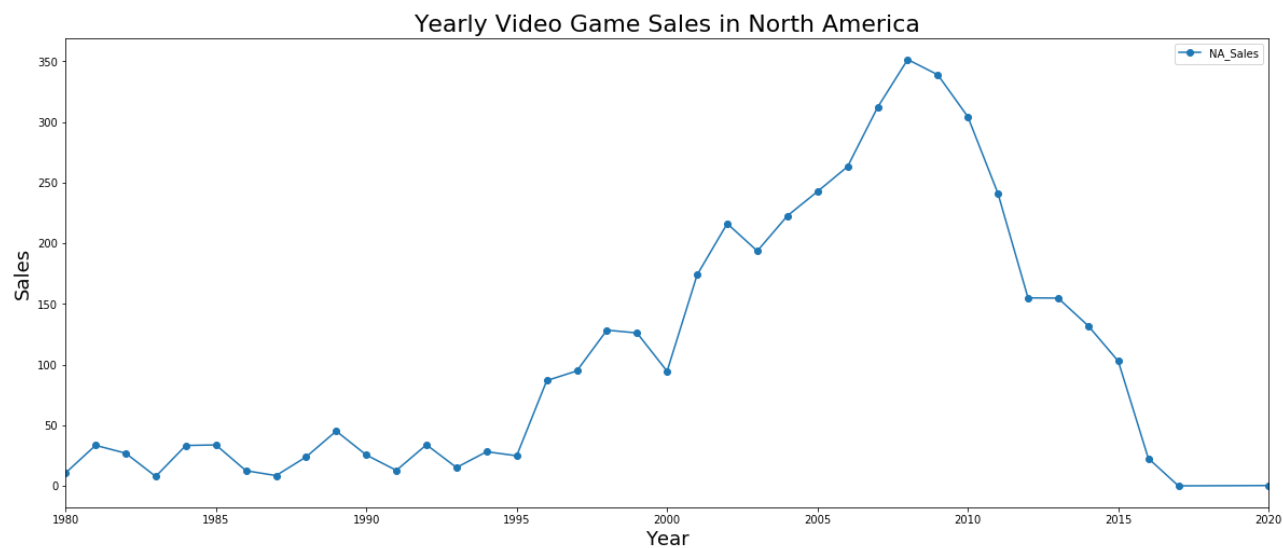
Graph8

Graph 9

Graph10

ANALYSIS AND INSIGHTS

The yearly video games from above look very much much the same with little to no differences and practically tells the same story. Video games sales have gone down globally and this can be attributed to lots of factors.

It could be the influx of social media, the inability of game publishers and developers to make content that the end user expects, the abundance of other games from other decades among few

RECOMMENDATIONS

1. The costs of video games have become exorbitant, hence leading to low patronage worldwide. The video gaming industry can take steps in providing great content for its customers and at the same time managing the prices

2. The inclusiveness of minority groups into games and the addition of women sect in games can lead to a high patronage of games

3. The inclusion of social media into games is definitely going to boom the industry as it would allow friends and strangers alike separated by distances to compete on a common platform

CONCLUSION

Video game is the product of highly competitive industry, but they also have beneficial effects on players and society as a whole. The company must understand the needs of the specific market and offer video games to the future users, not as an ordinary product, but as a cultural product which will satisfy player' needs and desires. Considering that video games' distribution is on global size market and that there are more than two billion potential users in the world, the best video game designers can expect extremely high revenue.

Most of our initial questions have been answered by the data and analysis done on the data. Our first hypothesis was rejected as the data pointed out that game sales are not proportional to time.

Also, our second hypothesis on Americans favoring action games as compared to Japan was accepted. For our third hypothesis, there was not enough research available to conclude extensively.