

GameCo

Marketing Strategy 2017



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October 2016



Current understanding



**Video game sales have stayed the same
across various geographic regions over
time.**

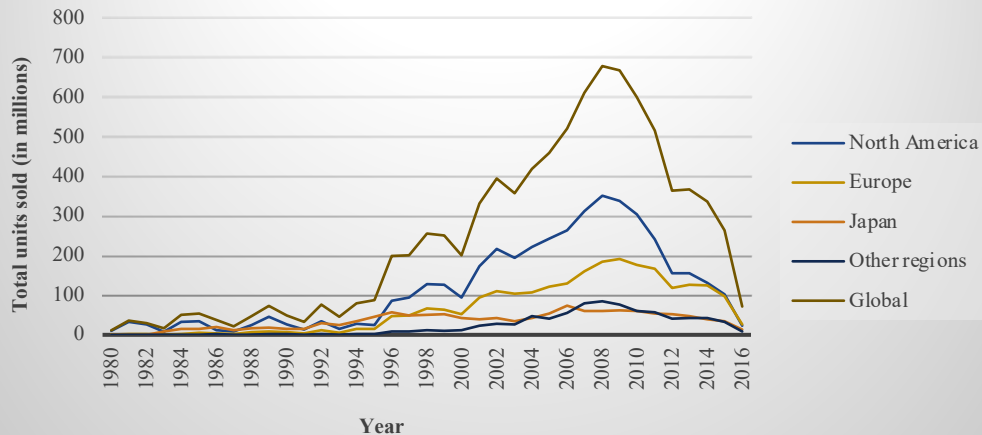




Historical Insights



Video game sales by region and year



Sales development:

- Constant **increase** from mid 1990s until peak in 2008.
- Currently **decreasing** trend across all regions.

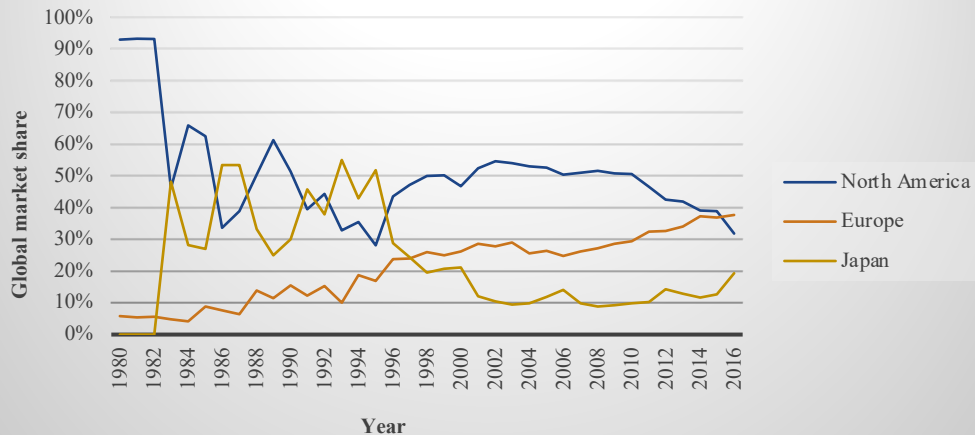
How does this affect the market?



Historical Insights



Share of global video game sales by region



Market trend:

- **Highly dynamic**, especially in North America and Japan
- **Increasing shares** for Europe and Japan



Key questions



1. Why are sales fluctuating?
→ How have trends changed over time?
2. Why are sales shares unevenly distributed?
→ How have market dominances changed?

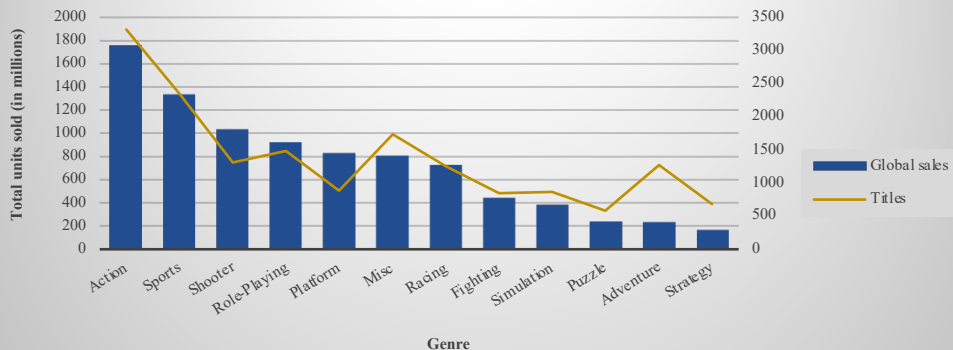


Understanding Industry Trends: Genres



Which game types are on the market and how do they perform?

Correlation between releases and sales figures by genre



Dominance:

Action & Sports have highest numbers of both global sales figures and titles released

→ indicates a diverse and expansive market for both genres.

Strong performance:

Shooter & Platform games have significant global sales despite a relatively lower number of titles released

→ suggests a strong market demand and popular individual games.

Solid market:

Role-Playing games have substantial global sales and a decent number of titles released.

Competitive market:

Adventure games have relatively low global sales figures compared to the number of titles released

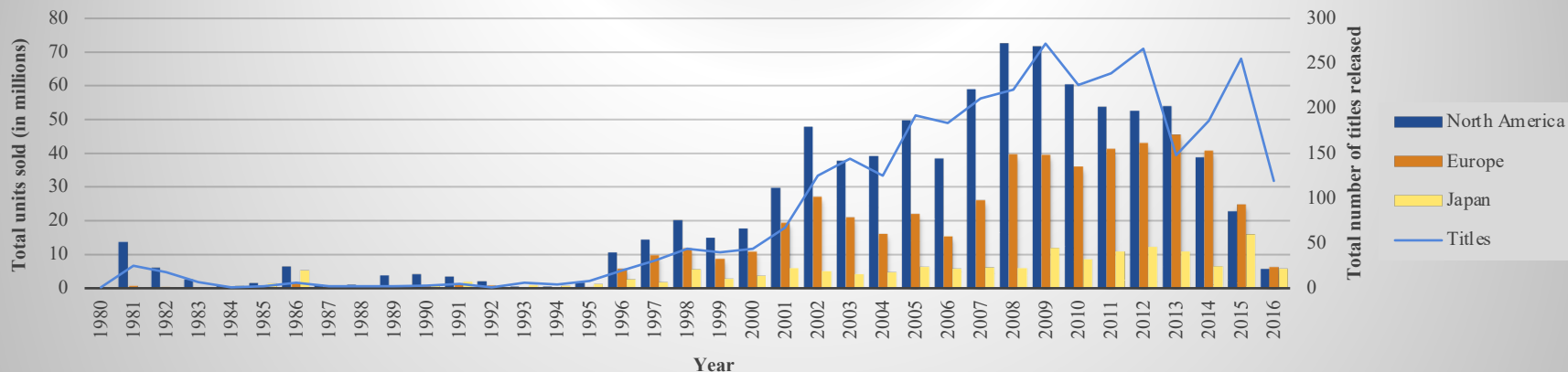
→ suggests that individual titles are less commercially successful.



Understanding Industry Trends: Genres



Correlation between releases and sales figures for Action games



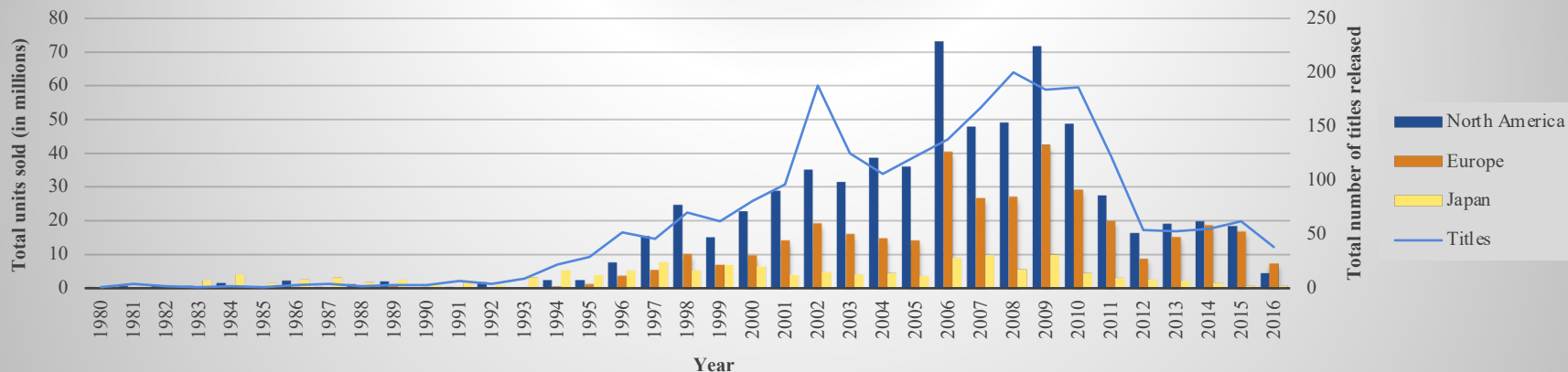
- **North America & Europe:** Consistent increase in popularity over time & positive correlation between sales figures and number of releases.
 - Grand Theft Auto series has caused significant popularity peaks.
- **Japan:** While positive trend is present, sales figures are generally lower.
 - Upward trajectory is not as pronounced as in North America & Europe.



Understanding Industry Trends: Genres



Correlation between releases and sales figures for Sports games



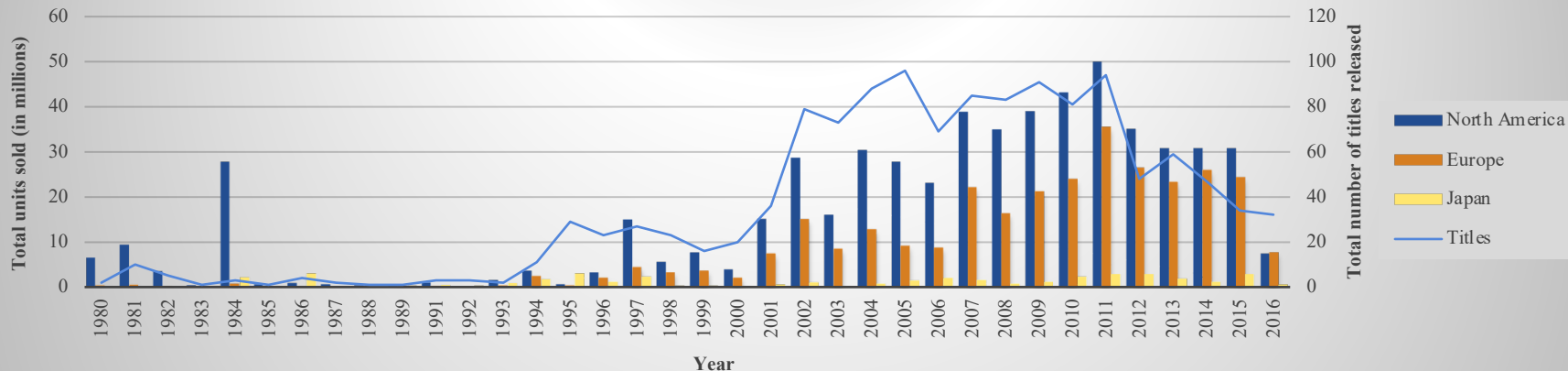
- **North America & Europe:** General upward trend with sales peaks in 2006 and 2009, particularly with the releases of Wii Sports & Wii Sports Resort.
- **Japan:** Positive correlation between sales figures and releases but not as pronounced.
- Significant downward trend after 2010 across all regions.



Understanding Industry Trends: Genres



Correlation between releases and sales figures for Shooter games



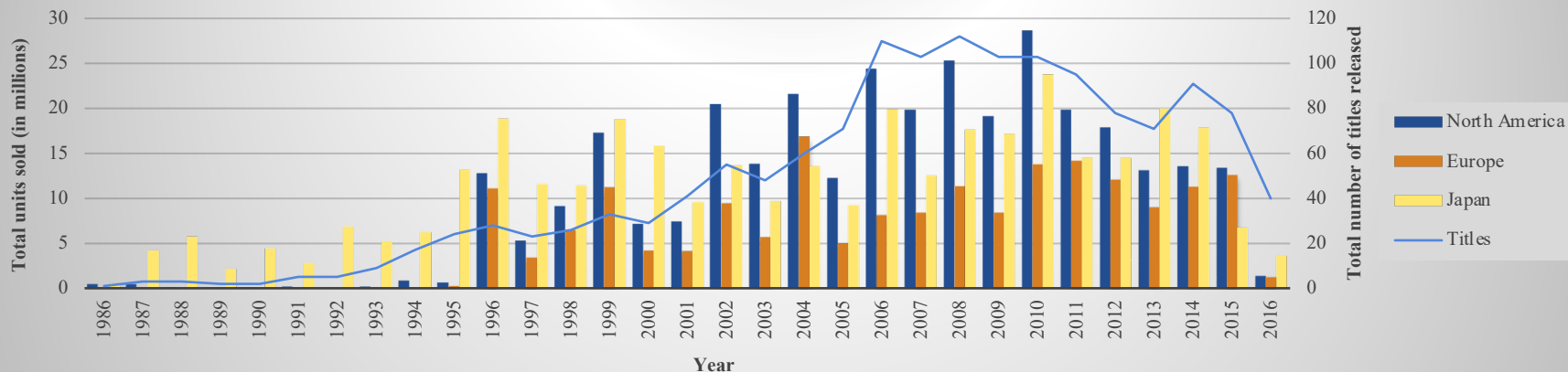
- **North America & Europe:** Increasing trend over the years with sales peak in mid-2000s.
 - Driven in part by titles like Call of Duty.
- **Japan:** Sales figures are relatively low & the genre has not shown the same level of growth as in North America & Europe.
- Number of Shooter game titles released is on the rise, positively correlating with sales.
- Sales peak in 1984 driven by Duck Hunt.



Understanding Industry Trends: Genres



Correlation between releases and sales figures for Role-Playing games



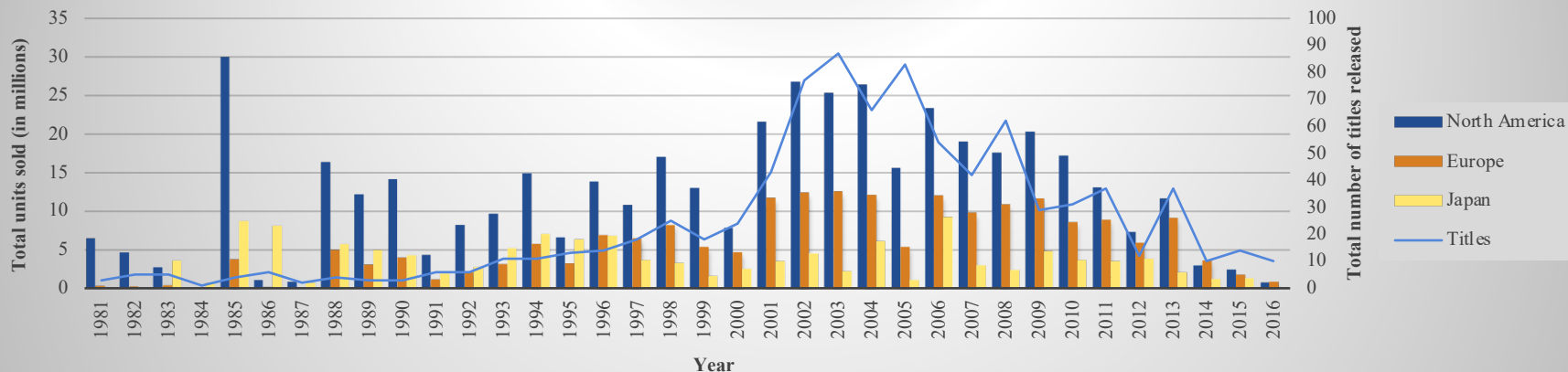
- **North America & Europe:** Consistent increase in popularity, with a positive correlation between sales figures and releases.
- **Japan:** Consistently maintained high popularity, with strong affinity and high correlation values over the years.
- Significant spikes in sales can be attributed to the Pokemon series.



Understanding Industry Trends: Genres



Correlation between releases and sales figures for Platform games



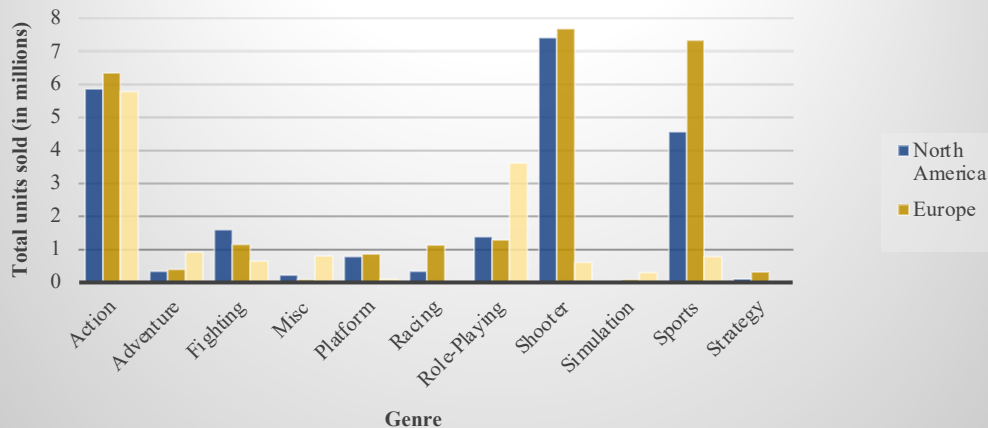
- **North America & Europe:** Peaked in mid-1980s and late 1990s, with a noticeable decline in mid 2000s.
- **Japan:** Sales figures have remained relatively low, suggesting a different gaming landscape preference.
- No direct correlation between sales figures and releases, indicating that factors such as game quality, marketing and competition influence success.
 - Sales spikes in 1980s and 1990s were mainly caused by games from the Super Mario Bros. series.



Understanding Industry Trends: Genres



Video game sales in 2016 (by region and genre)



- Most popular genres in North America:
Shooter, Action & Sports
- Most popular genres in Europe:
Shooter, Sports & Action
- Most popular genres in Japan:
Action & Role-Playing



Insights: Genres



1. Certain genres like Action and Role-Playing have shown consistent growth, while others like Sports and Platform have experienced peaks and declines.
2. The influence of specific game series, such as Wii Sports, Pokemon, and Super Mario Bros., has played a crucial role in shaping genre preferences.
3. The evolving landscape reflects the dynamic nature of the video game industry and the diverse tastes of gamers across different regions.
4. Most popular genres in 2016 across the three regions are Action, Shooter, Sports & Role-Playing.

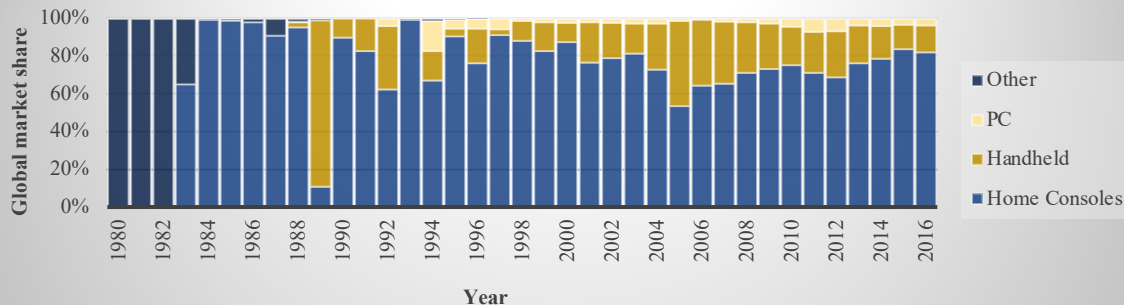
These insights collectively suggest that the video game industry is dynamic, with changing genre preferences and influences challenging the notion of stable video game sales across various geographic regions over time.



Understanding Industry Trends: Platforms & Games

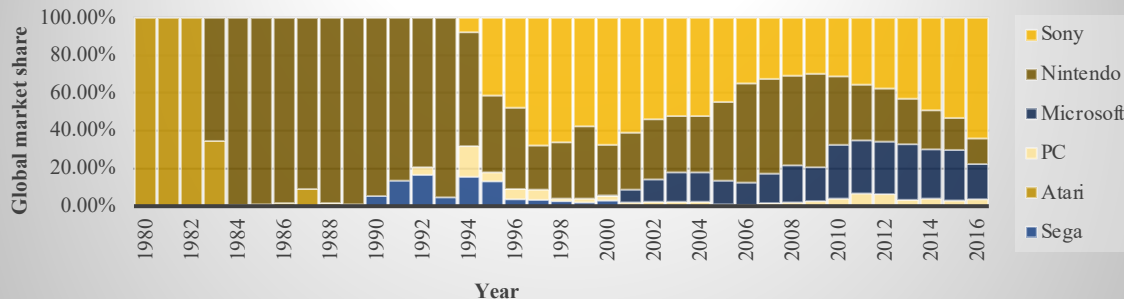


Market shares of console types



- **Handheld consoles** experienced significant spikes in popularity, particularly with the releases of Game Boy in 1989 and PSP in 2005.
- **Home consoles** remained the most stable and popular over time, showing consistent demand across regions.

Market shares of platform developers



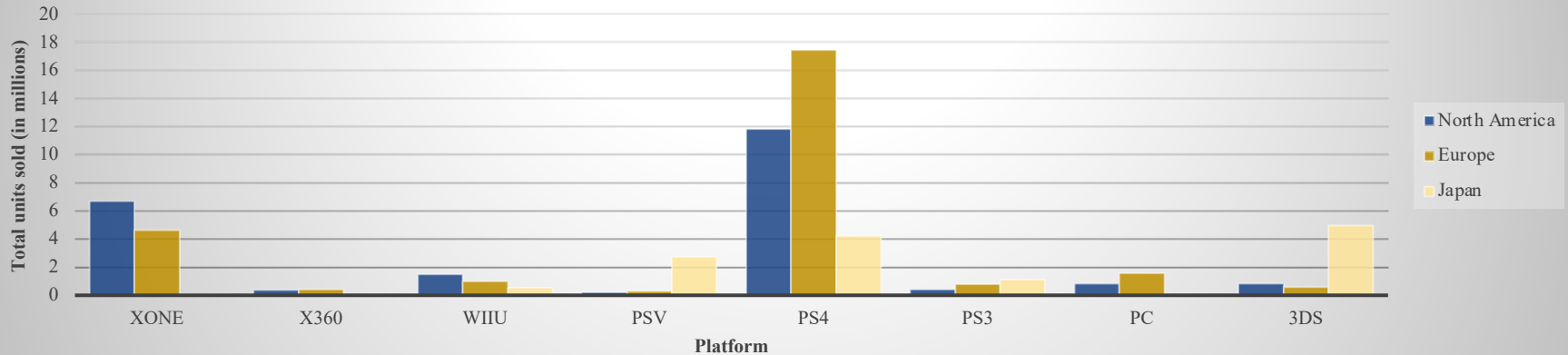
- **Nintendo** gained significant market share from 1985, maintaining influence in late 1980s and early 1990s.
- **Sony** entered the market in 1994, dominating by late 1990s and early 2000s.
- **Microsoft** entered in 2001, gradually gaining market share over the years.
- The market diversified in 2000s, but Nintendo experienced decline in share after 2010.



Understanding Industry Trends: Platforms & Games



Video game sales in 2016 (by region and platform)



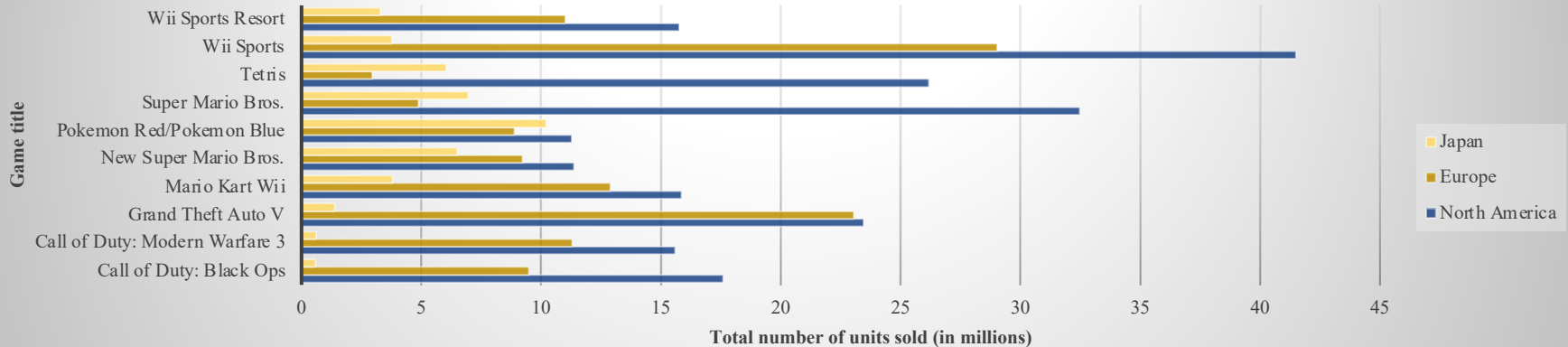
- **PS4** is most selling platform in North America & Europe, with notable sales in Japan, demonstrating a strong global presence.
- **Xbox One** maintains a reasonable presence in North America & Europe but faces limited success in Japan.
- Strong presence of **3DS & PSV** in Japanese market, indicating a regional preference for handheld consoles, reasonably aligning with continuous global market share of handheld devices.



Understanding Industry Trends: Platforms & Games



Most popular video games over time (by region)



- **Wii Sports** is the most popular game over time, particularly in North America & Europe.
- **Pokemon Red/Pokemon Blue** achieved highest sales figures in Japan.
- Some games, like **Wii Sports & Grand Theft Auto**, indicate a slightly negative correlation between the popularity in North America & Europe and Japan.
- Especially for **Tetris & Super Mario Bros.**, North America is a boost to the overall popularity, while sales in Europe & Japan are significantly lower.
- This corresponds to observations of some sales peaks for certain genres and reflects general genre trends.



Insights: Platforms & Games



1. The market witnessed fluctuations in the popularity of console types, but home consoles remain most popular devices.
2. Key players significantly influenced the market.
 - Notably, Nintendo's decline in market share indicates the evolving dynamics of platform developers.
3. Regional preferences regarding console types are evident.
4. Regional variations were observed in the popularity of specific games, generally aligning with broader genre trends.

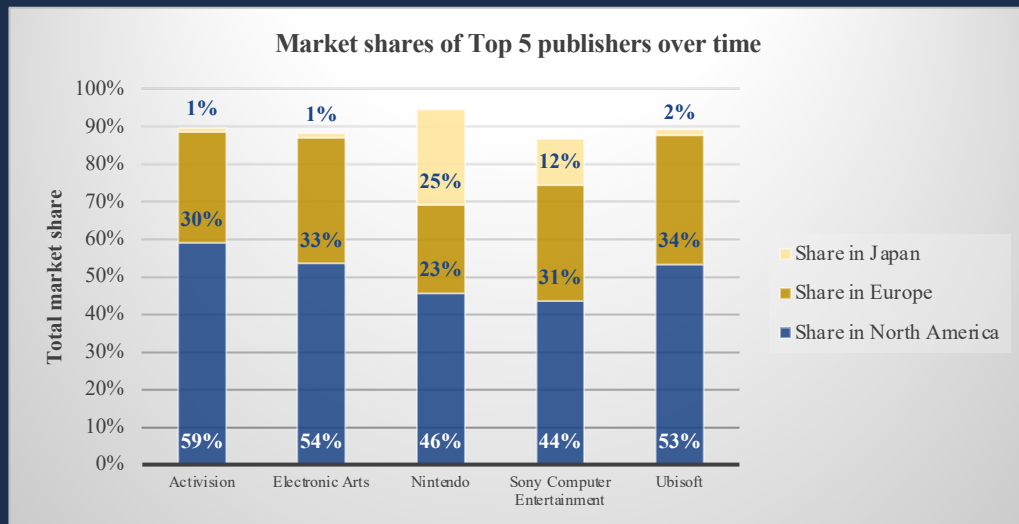
These evolving dynamics of platform developers and regional variations in game popularity challenge the understanding of a stable market, highlighting the need to consider the complexities of the industry.



Understanding Market Dynamics: Publishers



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



- Activision, EA & Ubisoft are equally dominant across North America & Europe
- Only prominent publishers in Japan: Nintendo & Sony

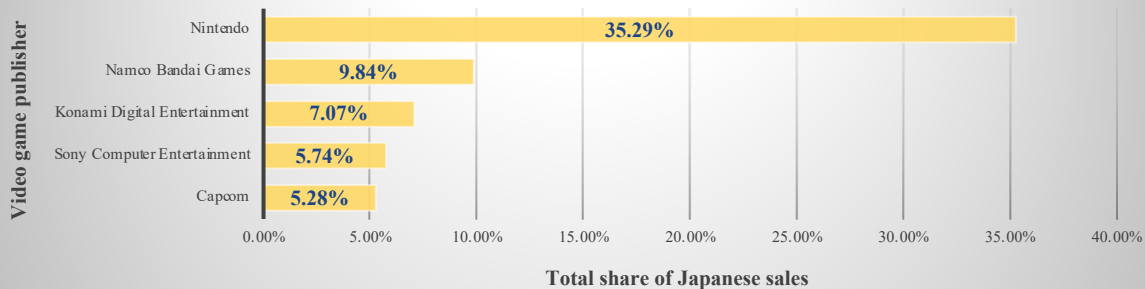
Which publishers are dominant in Japan?



Understanding Market Dynamics: Publishers

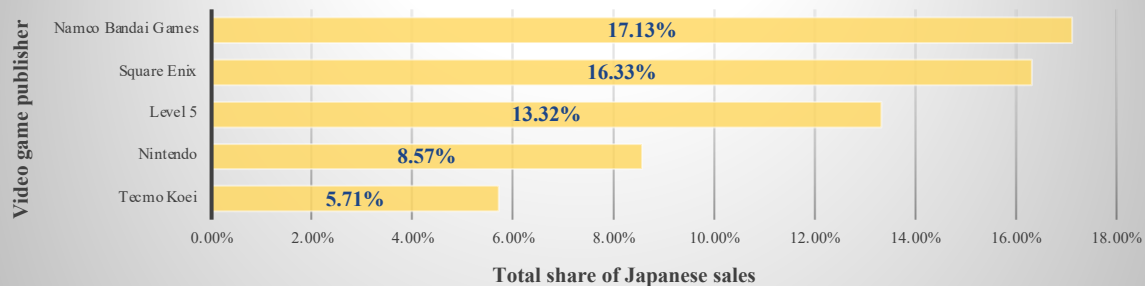


Top 5 publishers in Japan over time



- Publishers more dominant in Japanese market than in the global market:
Namco, Konami & Capcom

Top 5 publishers in Japan in 2016



- More balanced distribution among multiple publishers instead of a dominant one
- **But significant decrease of Nintendo**



Understanding Market Dynamics: Publishers



- Major changes for Namco & Nintendo

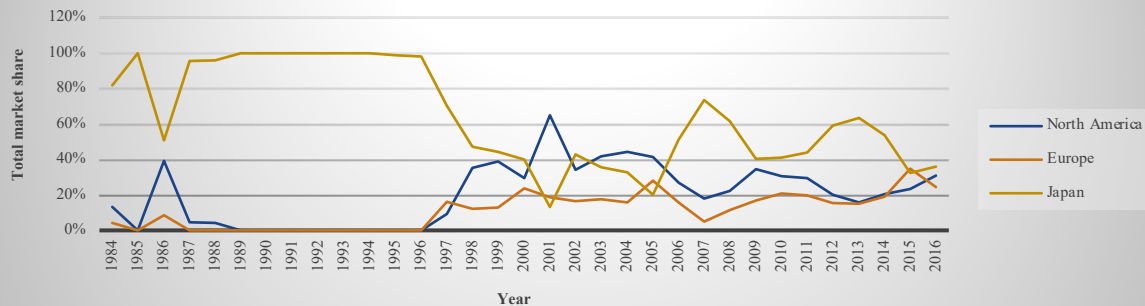
How have they developed over time?



Understanding Market Dynamics: Publishers

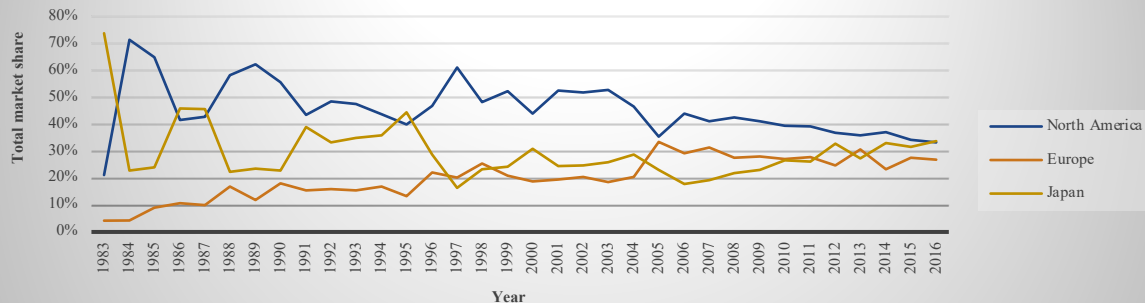


Market shares of Namco Bandai Games (by region)



- Namco's influence in past decade:
 - **Increase** in Europe
 - **Decrease** in Japan
 - **Stable** in North America

Market shares of Nintendo (by region)



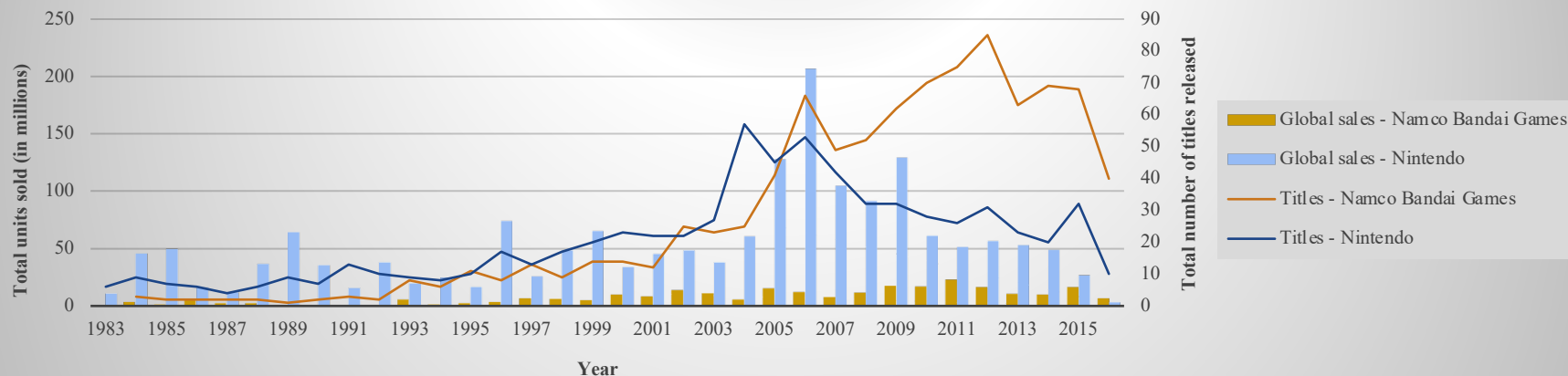
- Nintendo's influence in past decade:
 - **Increase** in Japan
 - **Decrease** in North America
 - **Stable** in Europe



Understanding Market Dynamics: Publishers



Correlation between releases and sales figures for Namco & Nintendo



Correlation between releases and sales in past decade:

- **Namco** experienced an increase in titles released, suggesting a diverse portfolio, but a decline after 2011 may indicate varied success rates.
- **Nintendo**, with consistently high global sales figures, appeared to adopt a strategy of producing fewer titles with higher potential for success.



Insights: Publishers



- Video game market across North America, Europe, and Japan has witnessed distinct trends among publishers.
 - Activision, EA, and Ubisoft emerged as equally dominant players in North America and Europe, while Nintendo and Sony held prominence in Japan.
 - Notably, the Japanese market saw a shift in dominance over time.

The shifting dominance among publishers, especially in Japan, and the varied trends in the number of titles released and regional influence for Namco and Nintendo indicate a dynamic and evolving market. The decline in Nintendo's influence in North America and the significant changes in the global market further highlight the complex and changing nature of video game sales trends.



Revised understanding



Video game sales are characterized by changing consumer preferences, regional variations, and shifting industry trends.





Recommendations



1. Dynamic Budget Allocation:

Allocate resources based on evolving genre preferences.

Example: Prioritize Action and Role-Playing due to consistent growth, while staying adaptable to emerging trends.

2. Region-Specific Strategies:

Tailor marketing to popular genres in each region.

Example: Focus on Shooter and Action in North America, Role-Playing in Japan, and a mix in Europe based on regional preferences.

3. Competitor Collaboration:

Collaborate with dominant publishers in respective regions.

Example: Partner with Activision, EA, and Ubisoft in North America and Europe; Nintendo and Sony in Japan.

4. Global Market Awareness:

Monitor global shifts for strategic adjustments.

Example: Stay informed on changing dominance in Japan's market, adapting marketing strategies accordingly.

5. Innovation and Adaptation:

Embrace industry evolution and explore new genres.

Example: Explore emerging genres and adapt marketing for influential game series like Pokémon and Super Mario Bros.

6. Competitor Analysis:

Keep an eye on competitor strategies for market positioning.

Example: Analyze competitor moves in North America, Europe, and Japan for informed decision-making.



Thank you!