

# GameCo Marketing 2017

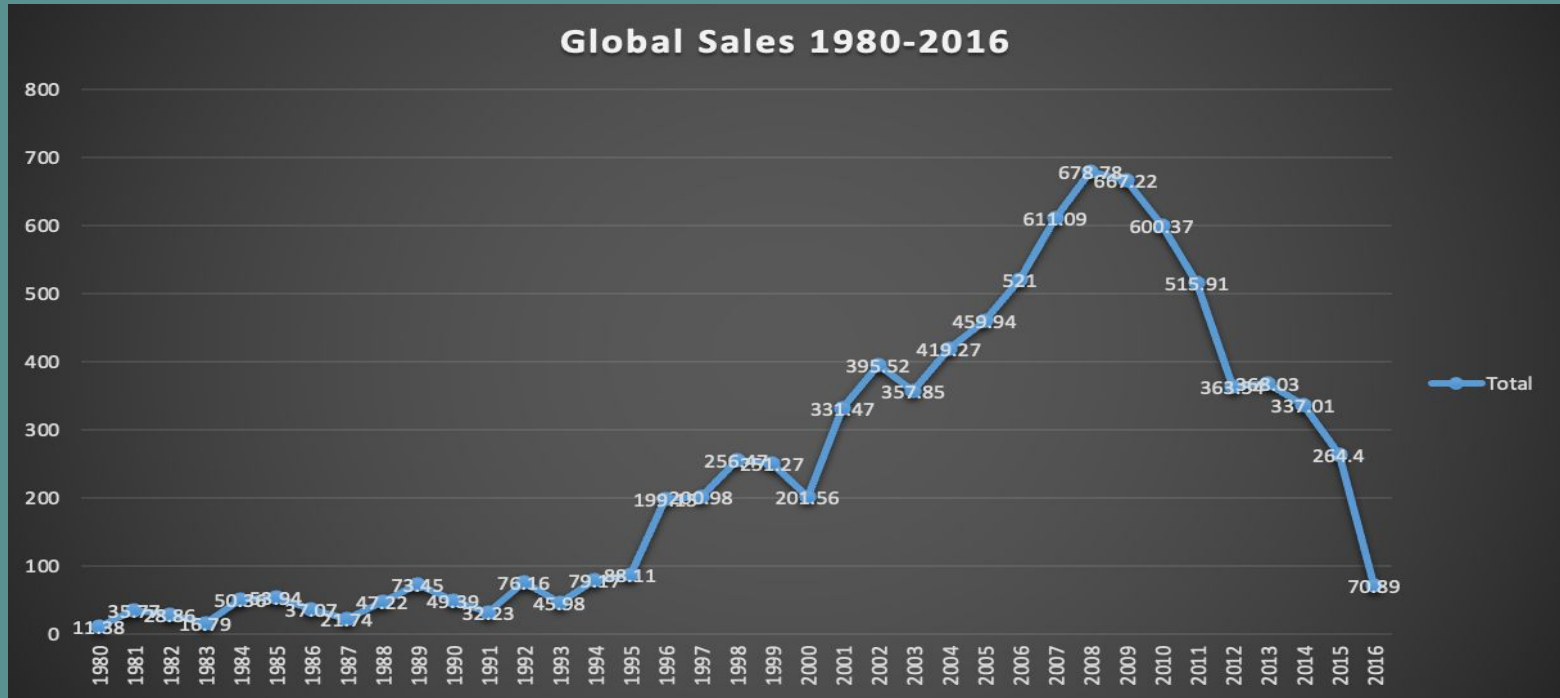
Aaron Manzano



**Gameco's understanding is that**  
*regional video game sales stay*  
*relatively constant through time.*

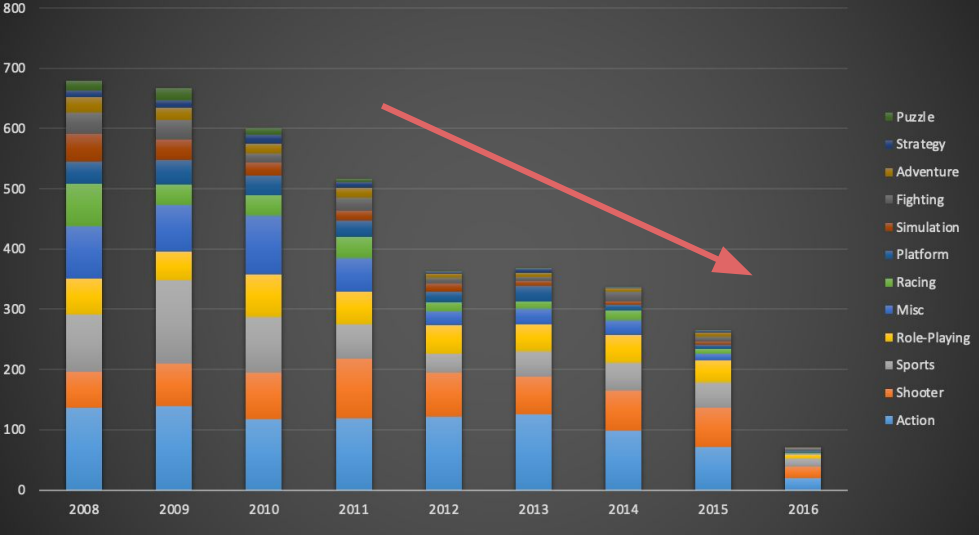
We will explore this assumption through a multivariate analysis of video game sales data from 1980-2016. The analysis will focus on changes in recent market dynamics between regions and aims to inform a successful marketing strategy for North America, Europe, and Japan in 2017.

# An Era of Contraction: '08-'16



Here we see a large runup to a top in Global video game sales in 2008. We have yet to see rising YoY sales numbers since this top, so all of this analysis is in the context of contracting global sales numbers.

(This could be due to the dataset not including online sales, incomplete data, or other reporting problems, but for now the assumption is that nominal global sales for 2016 is below 1995 levels.)

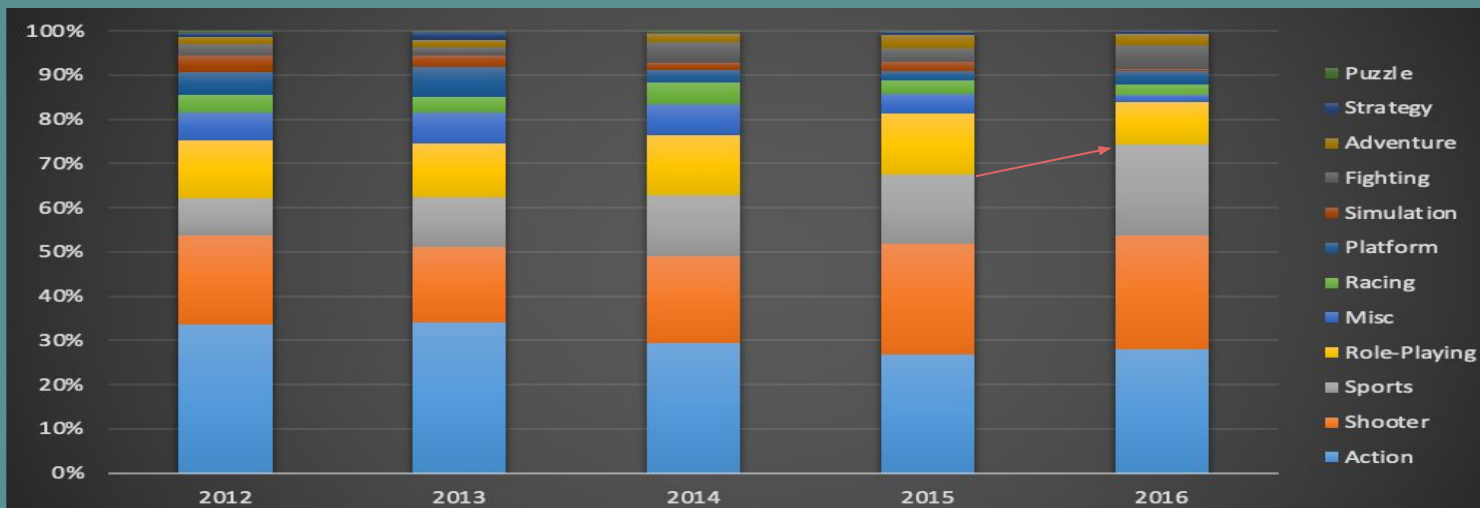


The 2008 top in global sales led to considerable contraction in overall sales, but Action, Shooter, Sports, and Role-Playing still maintain large market share.

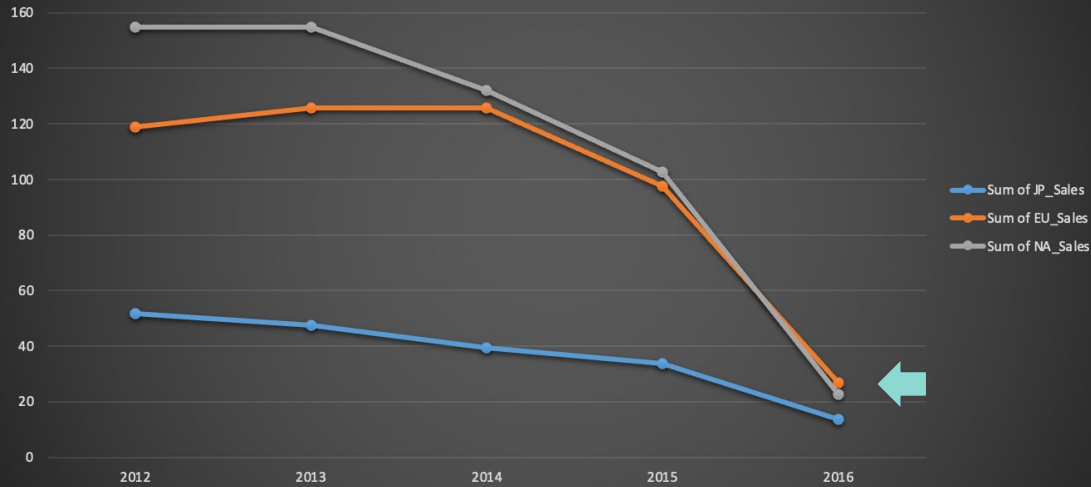
Below is a zoomed in view of 2012-2016, normalized to better see the genre change in market share.

Here we can better see change in Global share of sales.

Noted increases in sports and decreases in role-playing genres globally in 2016.



### 2012-2016 Regional Sales



The decline of Global Sales has only gotten sharper recently, as this chart depicting nominal regional sales suggests.

Here we see a new precedent for regional dominance set in 2016:

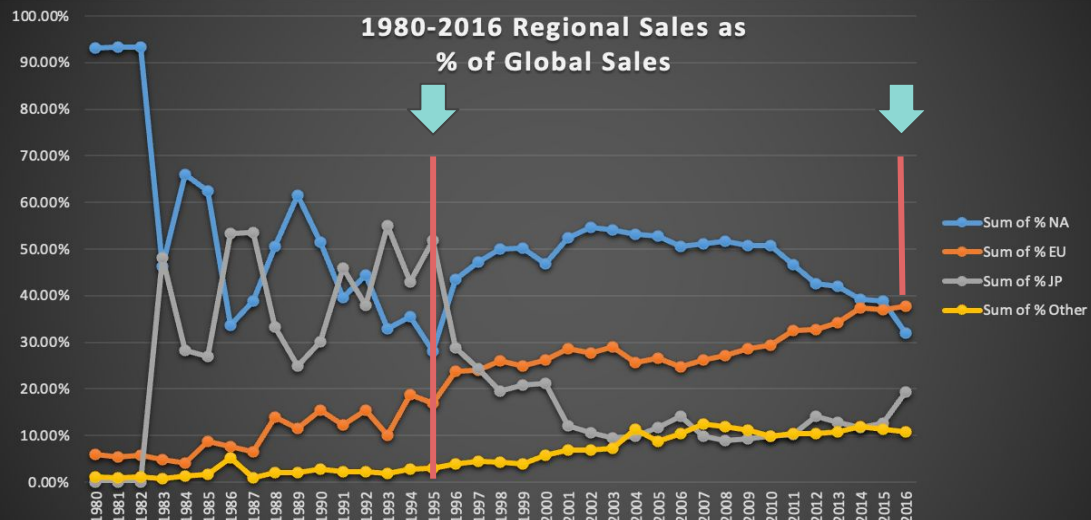
## European sales have eclipsed North American sales for 2016.

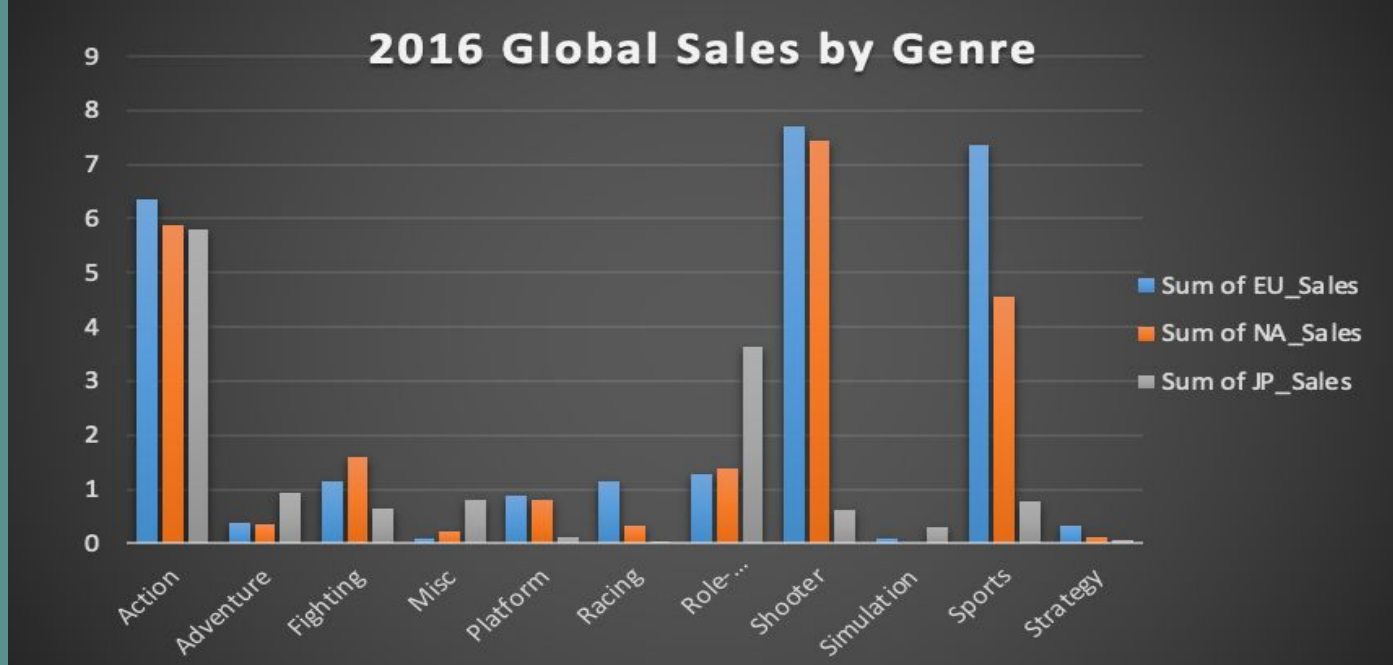
Here we see the European sales surpass the North American sales as a % of Global sales.

We also can see how important this is, as North American sales have been unequivocally dominant since surpassing Japanese sales in 1995:

*It appears that the 20 year reign of North American sales could be over.*

### 1980-2016 Regional Sales as % of Global Sales





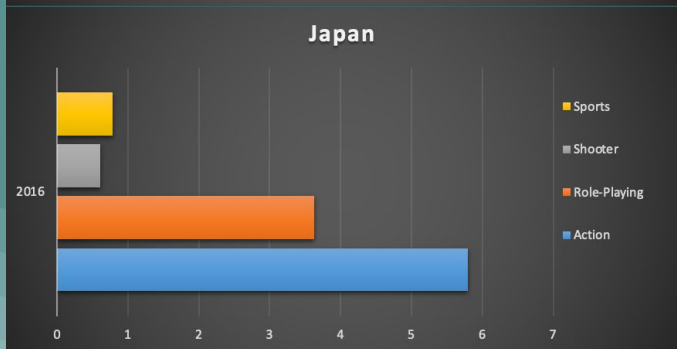
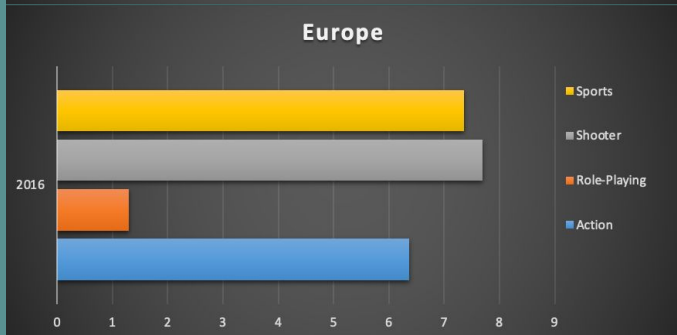
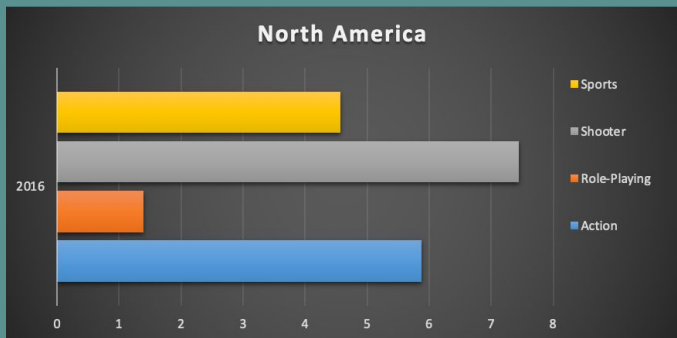
Further breakdown of 2016 sales by genre and region underscores the dominance of the top genres:

1. Action
2. Shooter
3. Sports
4. Role-Playing

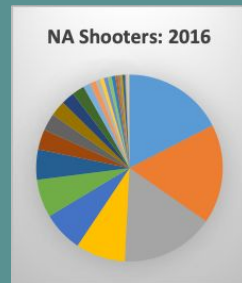
The similarity and differences between regions become clearer: Japan's unique affinity for RPGs and the similarity in Action and Shooter games between EU and NA.

# Breakdown of Sales of Top 4 Genres: 2016

The tastes of Europe and North America are similar, especially juxtaposed with the unique nature of Japan's genre preferences.

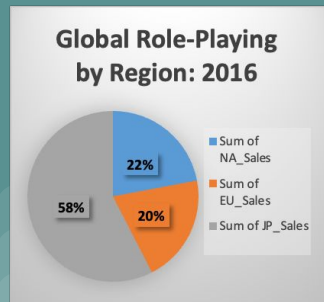


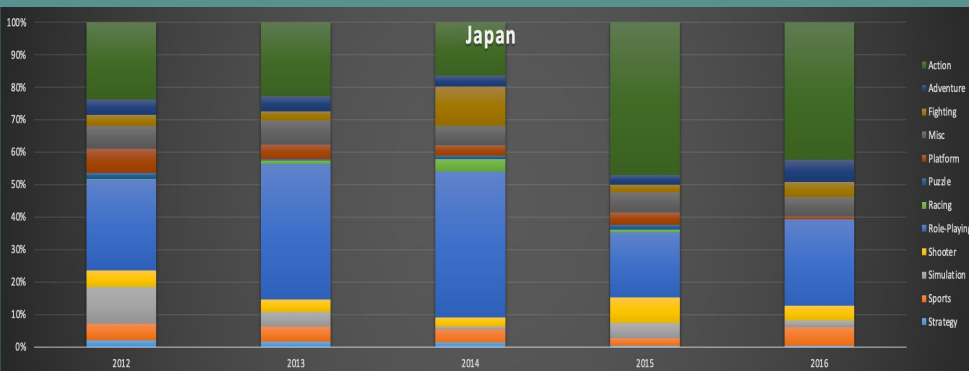
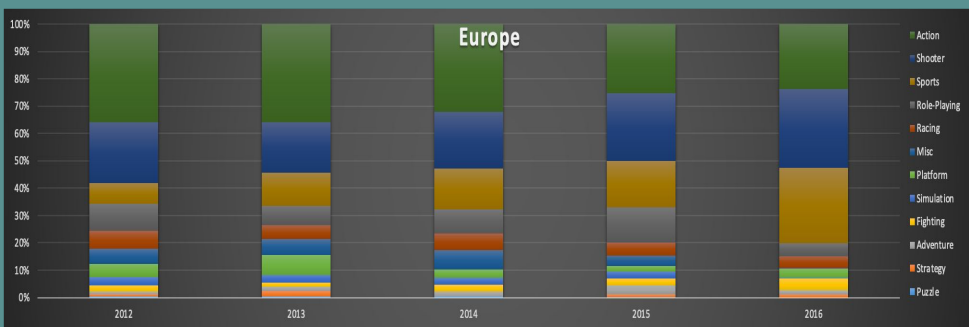
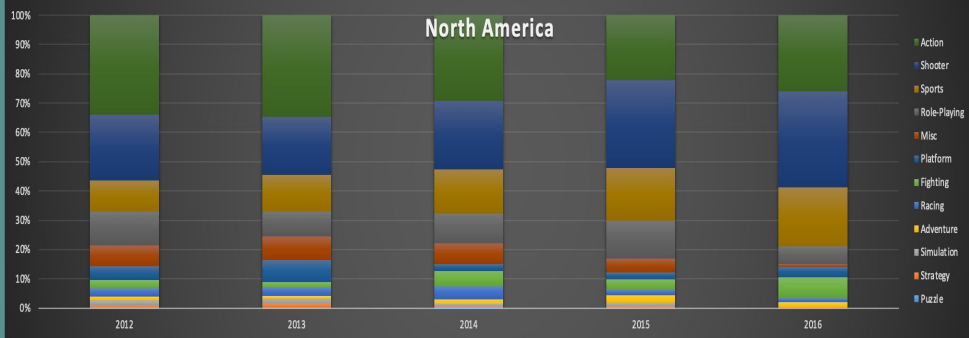
1) North America showed preference for the Shooter genre. Three games, Uncharted 4 and two Tom Clancy titles, accounted for 50% of 2016 Shooter sales:



2) Europe saw a huge bump in Sports in 2016 as FIFA 17 sold 3.75 Million copies. Shooter and Action are also popular in this new Global leader in sales.

3) Japan has a unique makeup in both genre preference and platform preference. Role-playing sells more in Japan than anywhere else.





## Regional Genre Dominance: '12-'16

The bar charts follow the change in the three main markets from '12-'16. Genre sales are measured by percentage of regional sales for that year. As illustrated by the changes in sales, genre success is affected by many variables, indicating that

*Regional sales are not static through time.*

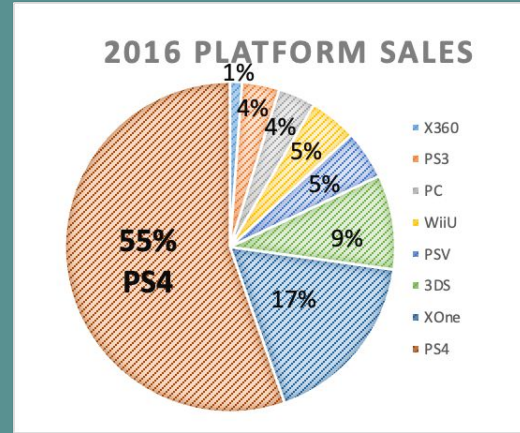
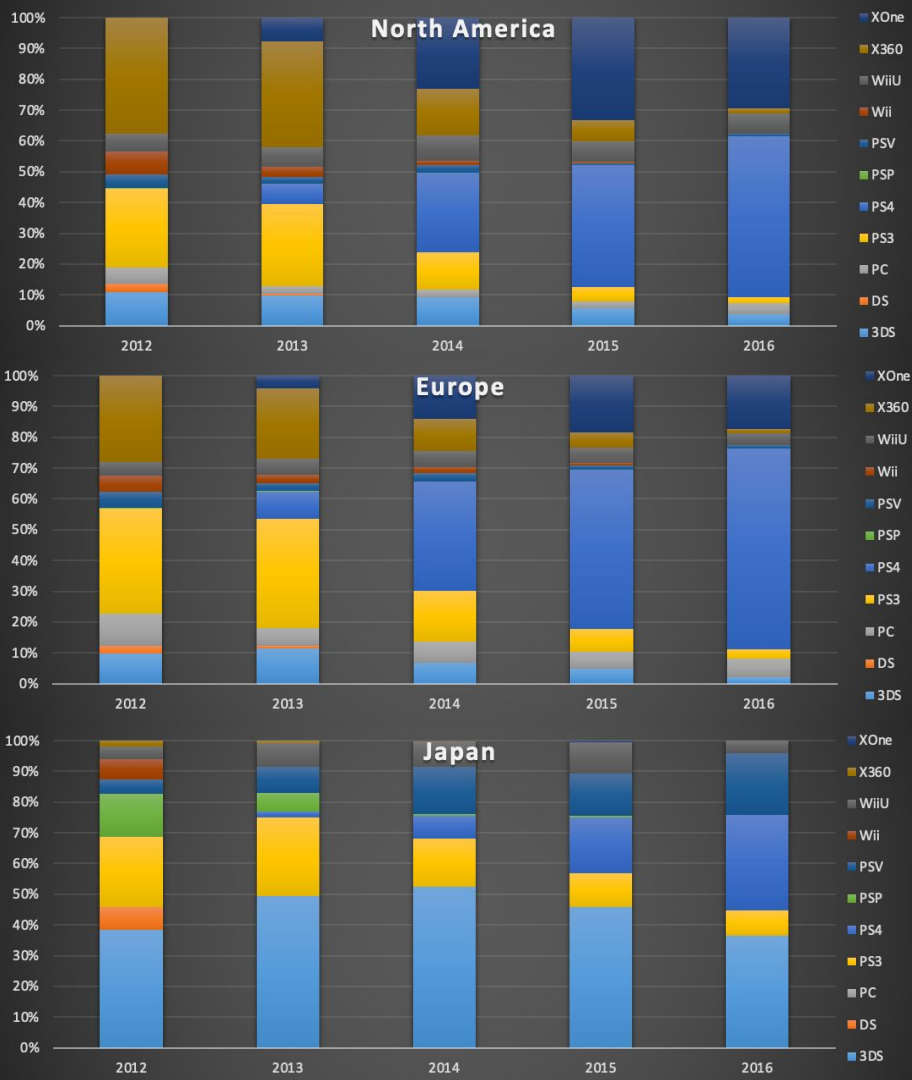
Particularly of note is the change in recent years in each region:

- North America: RPG sales down by 50%, contraction of Action is over and Shooter continue to grow.
- Europe: RPG down similar to NA, but Sports is the clear growth market, up 60% YoY.
- Japan: notably different market character with RPGs making a comeback



# Regional Platform Dominance: '12-'16

Here we see a breakdown of the market share of different platforms. The past few years has cemented the PS4 as a market leader with 55% of global sales in 2016.

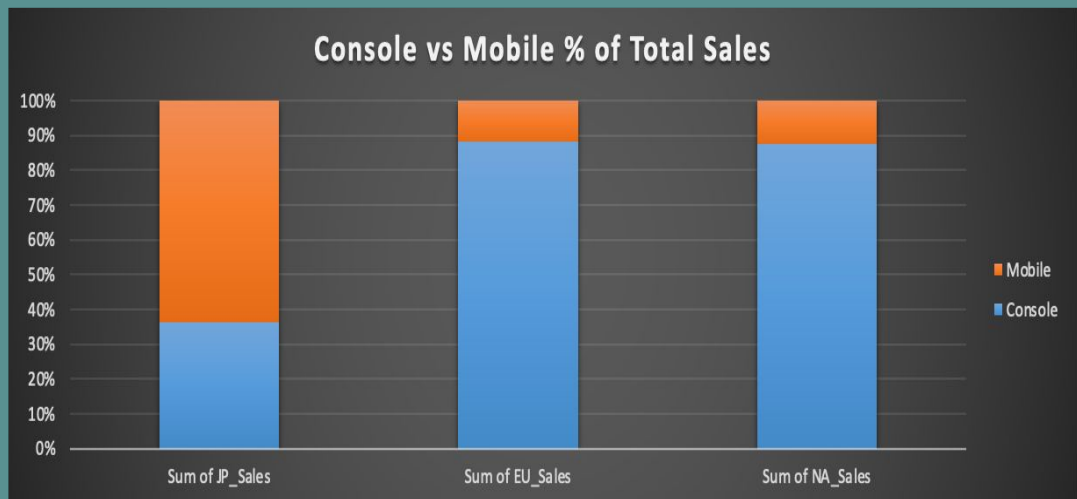
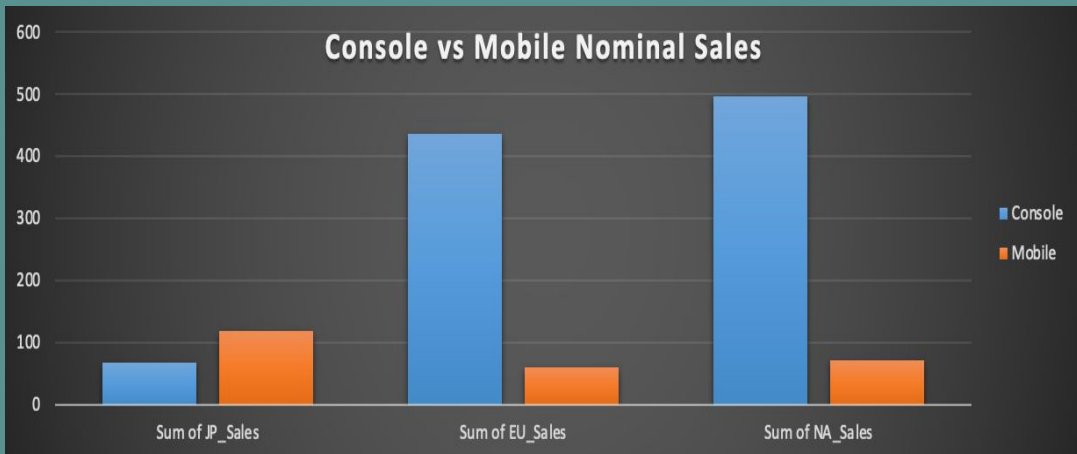


Of note is Japan's unique market makeup with regard to choice of platform. We will explore this more in the next slide.

## Japan's Unique Profile:

Here we see a breakdown of the market share of platforms that are Mobile vs Console.

Japan stands out as having a unique gaming profile and mobile platform sales are actually dominant in the market. This is very contrary to the other large regions and more analysis as to why mobile platforms are so successful is needed.



## Conclusions:

*Trends in video game sales are not static and can vary in many dimensions and substantially.*

From 1995-2015 North America was the dominant customer base. This paradigm may now be over as European game sales have eclipsed North America with extremely successful titles in Sports such as FIFA 17 (3.75M copies).

While the top global genres remain Action, Shooter, Sports, and Role-Playing, the market share of platforms is always evolving as we continue to live in an environment from 2008-present of contracting overall sales.

## Recommendations:

- 1) *Marketing campaigns must rely on analysis of regions' unique character.*
- 2) *Sales campaigns are operating in a contracting environment since '08: competition will be fierce.*

## **North America:**

- PS4 dominant (52% of '16 sales) with XOne a close 2nd (30%)
- Shooters are uniquely dominant, with Action and Sports notably popular

## **Europe:**

- New global leader in sales
- PS4 dominant with no real notable competition
- Sports and Shooters are uniquely dominant, Action is also notable

## **Japan:**

- Mobile Platforms drive over 50% of sales
- RPGs are uniquely dominant, Action is also notable