



Strategy Consultancy, Market Research and Analysis,
Project Management, Trendscouting

Executive Summary Gaming Market

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1 General Numbers Worldwide Gaming Market

While in some respects the Gaming market seems to be reaching its peak in the U.S., the wave is just beginning in Europe and Asia.

According to Jon Peddie Research, over 96.3 million game consoles have shipped. Forrester predicts that, in the United States alone, interactive entertainment console manufacturers and software publishers will generate \$29.4 billion in revenues in 2005.

For the purposes of this report, the segments of the gaming market divided basically by hardcore and casual segments. Nico-consulting defines the hard core gamer as one who spends approximately \$1400 (€1100) per year in hardware. A hard core gamer can be expected to buy 12 or more games per year.

Estimations of insiders of the scene state (numbers worldwide):

Approx. 65% - 75% of hardcore PC gamers own 1 or more consoles

Approx. 45% - 50% of casual PC gamers own 1 or more consoles

Approx. 30% - 40% of hardcore console gamers play games on a PC.

PC Hardcore Gamers: 14 – 18 million

PC Casual Gamers: 32 – 35 million

Console Gamers 2003: 50 – 52 million

Console Gamers 2000: 28 million

Nico-Consulting believes these figures will dramatically increase in the next three years as compelling new products arrive in the market.

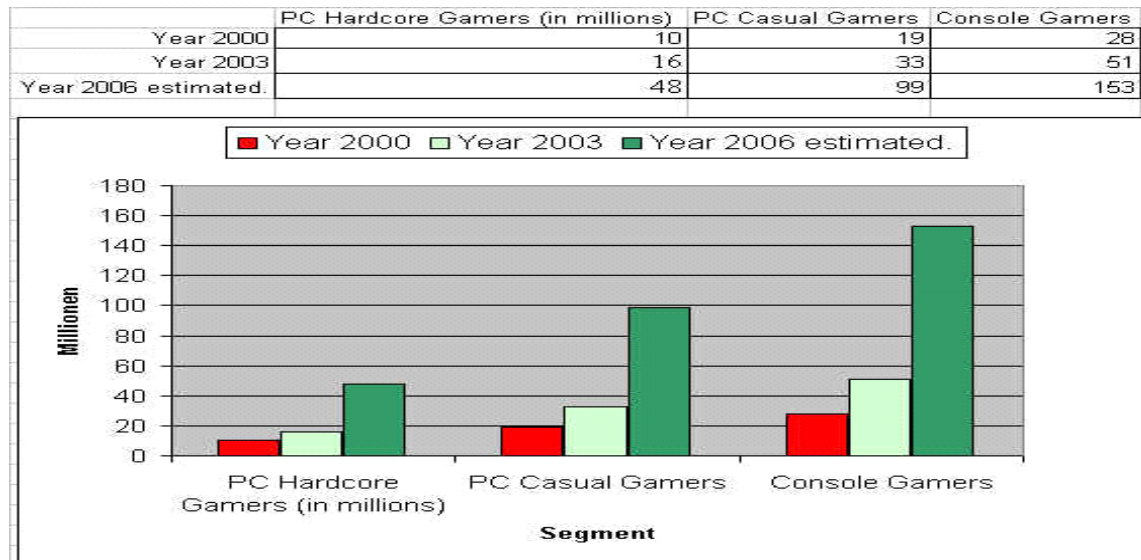


Figure 1: There is considerable growth left in the gaming market Source Nico Consulting

If you divide the video game business in territories North America leads with 41%, followed by 30% for Asia, 26% for Europe and 3% for the rest of the World.

The usual Hardcore Gamer is 28 years old (average), buys 10-12 games a year, plays online, is an early adaptor and is not very price sensitive. The Hardcore Gamers do represent 10-15% in volume and roughly 60-70% in value of the market.

The Casual Gamer buys 5-6 games a year and it's a mix between high-end, complex games and lighter fare. The Casual Gamer follows closely the trends of the Hardcore Gamers but is much more price sensitive. As a result, the Casual Gamer represents roughly 15-20% in volume and 15-25% in value of the market.

The usual Massmarket Gamer plays very seldom and usually plays "light," low cost games. He is mainly focused on free games and buys games very seldom. The Massmarket Gamer represents roughly 70% in volume and 5-15% in value of the market.



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