

What is the typical consumer in the gaming market?

By Dirk Schunk of Nico-Consulting

Is there a real answer to this question? Probably not. The good thing about gaming is that a lot of people throughout all age, social and professional classes do play games. Therefore you can not identify one typical consumer with its typical characteristics. It is important to differentiate the messaging depending on the product/software that you want to position. As stated in the previous article Nico-Consulting defines three categories of gamers (consumers):

1.)

The Hardcore Gamer is 28 years or older (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.

2.)

The Casual Gamer buys 5-6 games a year, besides complexe games he also plays "light" stuff. He follows closely the trends of the Hardcore Gamers but is much more price sensitive. Represents roughly 15-20% in volume and 15-25% in value of the market.

3.)

The Mass Market Gamer plays very seldom and if he plays he just plays "light" stuff. He is mainly focused on free games and buys games very seldom. The Mass Market Gamer represents roughly 70% in volume and 5-15% in value of the market.

In order to make the above three mentioned consumer/gamer categories to buy products it is necessary to have different products and strategies.

For the hardcore gamer you have to offer the latest and greatest products. He wants to be on the edge of technology. He wants to have the fastest machine and equipment on earth. AND most importantly he is willing to pay the premium for this. This category of consumers usually make their buying decision based on three simple questions:

- 1.) Does it increase my game performance?
- 2.) Does it look cool (mainly if it is external)?
- 3.) What is the price?

It is really in that order. Remarkable is the fact that just the 3rd question is about the price. If these consumers can not afford to buy it now, they save the money to buy it later. So the main task is to make them answer question 1 and 2 with yes.

The casual gamers care about two facts:

- 1.) What is the price?
- 2.) Does it increase my game performance?

The motivation of buying a product is a bit different compared to the hardcore gamers. They care most about the price plus it must increase the game performance. They usually follow the hardcore gamers in buying decisions with a 3-6 months time window (mainly because of pricing).

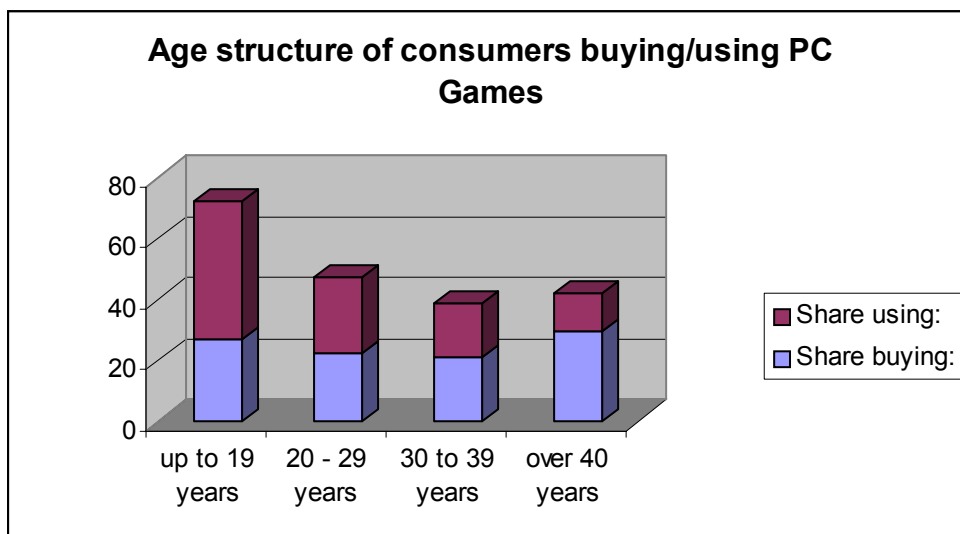
The last group of consumers in this market environment are the Mass Market Gamers. This consumers really just care about one thing:

- 1.) What is the price?

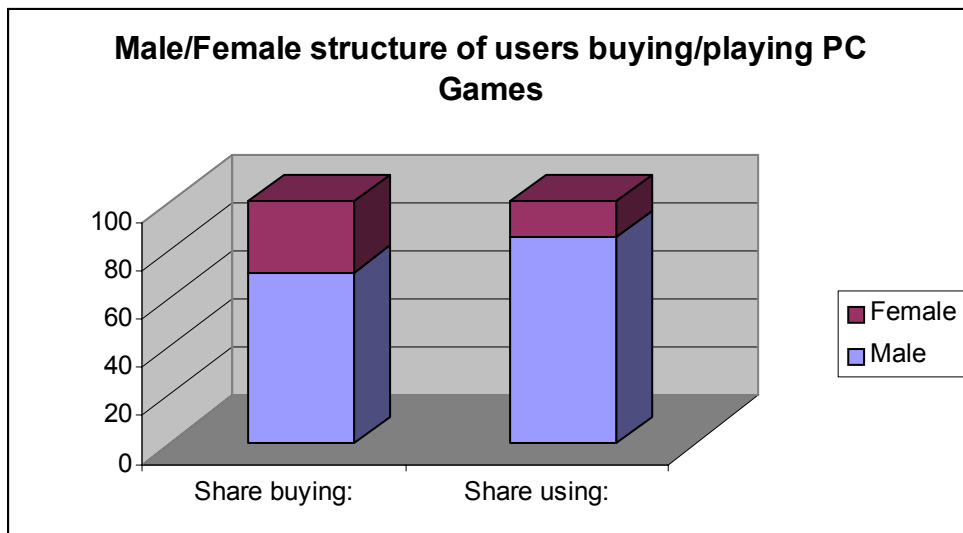
Nothing else matters. They look for budget games, free of charge services and games and for the cheapest equipment they can get. Their main focus is not performance, it is just price. After they have set up the cheapest possible system they look for the cheapest possible software that is running on their systems.

Also important to know is, who is buying and playing games?

According to Nico-Consulting the age and sex structure of the German market (after the U.S. and Japan the third biggest market for Gaming in the world) is as follows:



Source: Nico-Consulting



Source: Nico-Consulting

As you can see the majority of users are still male. But the share of female playing gamers/consumers is starting to grow all over the world (in the U.S. this share has already exceeded 40%!!). This is really a remarkable fact. The whole Gaming community (Clan's, Lan Parties, Online Gaming) etc. was originally invented by male player. While talking to a lot of female players we have tried to figure out why the share of female players is starting to grow. Most of the female gamers we have talked to in Europe where brought into the subject of Gaming because of games like "The Sims", or they where interested why their boy-friend/husband is spending so much time playing games. Today female gamers are not limited to titles such as "The Sims" anymore. They started to play Quake III, CounterStrike, Unreal Tournament 200X, Need for Speed, Warcraft III etc.

In Europe for example a lot of professional female gaming clan's where set up in the last 12-18 months. Meanwhile they are organized in Gaming leagues and also attend the big events such as the male gamers do.

If you take a look at the age structure of Gamers, you can see that the gamers/consumers up to the age of 19 are very crucial for the financial success of a game/product. But the parents are deeply involved in the buying decision. This is the same in Europe and the U.S. The numbers might vary a bit, but under the line the great majority of parents will have an influence in the buying decision for a game. So it is not only the kids you have to convince. If you are offering computer- and/or video games, you have to take into account that you "sell" also to the parents. 96% of parents say they always or sometimes pay attention to the content of the computer or video games their child plays. 81% of parents say they do not purchase games that contain violent content for their kids, while 1 in 5 parents say they do choose to purchase such games for their kids. 89% of the time parents are present when games are purchased, according to game players under the age of 18.

Parents are not only just involved in buying decisions for their kids. They are also potential customers. 60% of parents report that they play interactive games with their kids at least once a month. 44% of all parents do this weekly or daily.

Parents playing games is not just limited to play games with their kids. If we go again back to the chart of the age structure we can see that if we take the group of gamers and consumers at the age of 30 and above, this represents roughly 50% of the buying power and roughly 40% of real gamers. So they buy also games and products for their own gaming purposes. Convincing them that your game/product is good for their kids might link them also for their own gaming purposes to your brand/products. Of course this is also valid vice versa. Once they bought products for their own purposes and they are convinced, it is very likely that they will also buy your products for their kids.

The last subject I do want to point out is that many of the gamers/consumers do use multiple platforms. That means that play on PC (main platform) and one or more Console or vice versa. Estimations from scene insiders are as follows (numbers worldwide):

65-75% of all PC Hardcore Gamers own one or more consoles

45-50% of all PC Casual Gamers own one or more consoles

30-40% of all Hardcore Console Gamers also play on PC

As you can see there is a great potential to drive the business also from that angle. Once you have convinced those customers about the quality of your products they will buy your brand/products also for the multiple platforms they use. According to Nico-Consulting the above shares will further increase in the next 3 years. Main reasons for this are the arrival of the new consoles (Xbox 2, PlayStation3). That will drive more PC Gamers to buy a next generation console in addition to their PC as well as the further development in PC Games (such as Doom3, Half-Life 2) that will drive more and more console Gamers to buy a PC. Also the fact that more and more top titles are released exclusively on PC or Xbox or PlayStationX forces gamers to have more than one platform if they do want to play the latest and greatest titles in time.

Nico-Consulting forecasts the following shares by 2006/7:

75-85% of all PC Hardcore Gamers own one or more consoles

55-65% of all PC Casual Gamers own one or more consoles

50-60% of all Hardcore Console Gamers also play on PC

I hope that this facts gave you a slight insight into the consumer world of the Video- and Computer Gamers. If you want more details watch out for a report that we are planning to launch soon.

For any questions you can contact the author at ds@nico-consulting.de.

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