



Marketing Budget 2017

Analysis

Final Presentation

GamzCo

Goal of the Analysis

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Assumption

The sales for the various geographical regions have stayed the same.

Goal

To look into data to confirm or redefine the marketing plan for 2017.

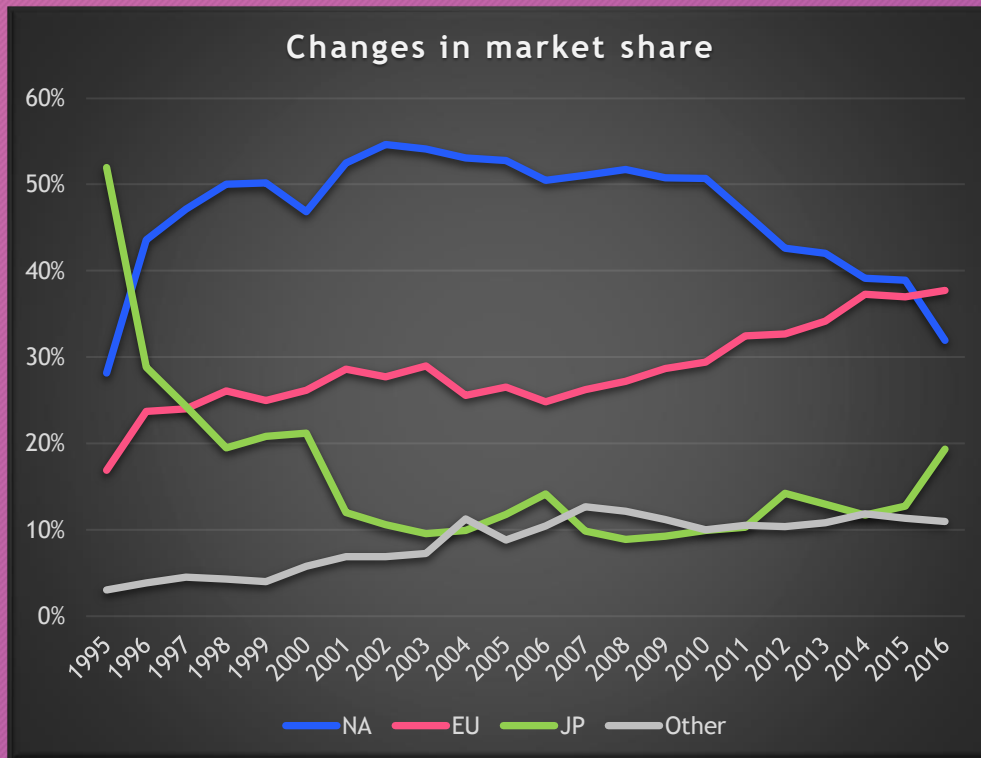


1. Historical data

How has the video game market developed over time?

20 years of video game market

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The North American video game market has not been challenged for almost 20 years until 2016.

In Europe, the sales numbers have been growing slowly but steadily over this period. The continent has expanded its market share value to 38% in 2016.

After Japan's drop in the market share to the level of the Other countries in 2003, both regions have been competing against each other fighting for their shares between 10-15% on average.

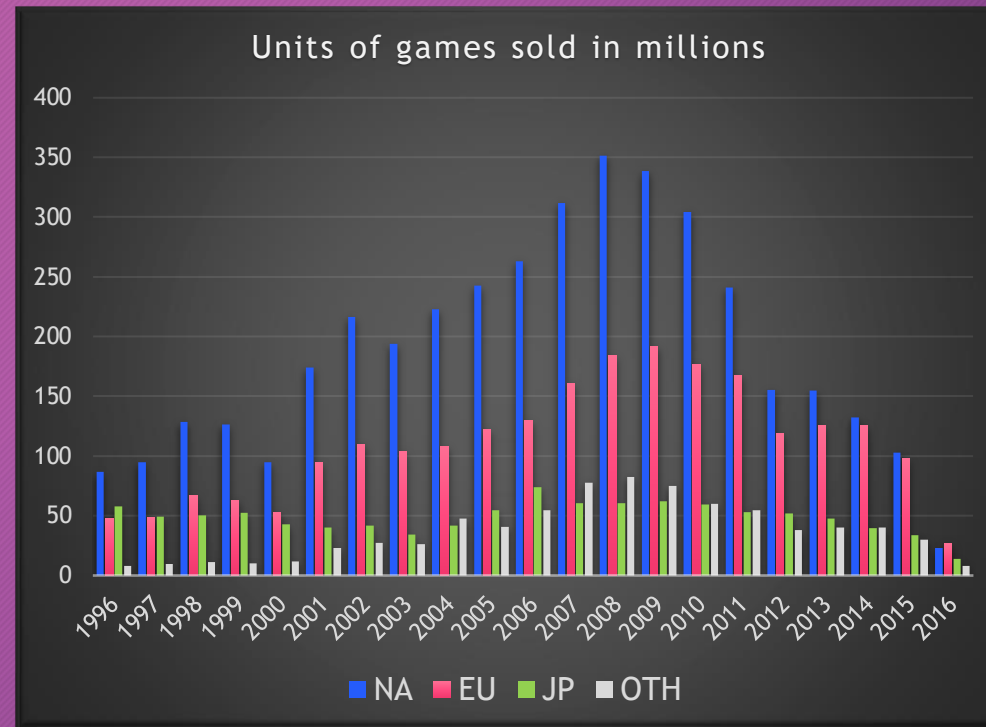
Video games in sales numbers

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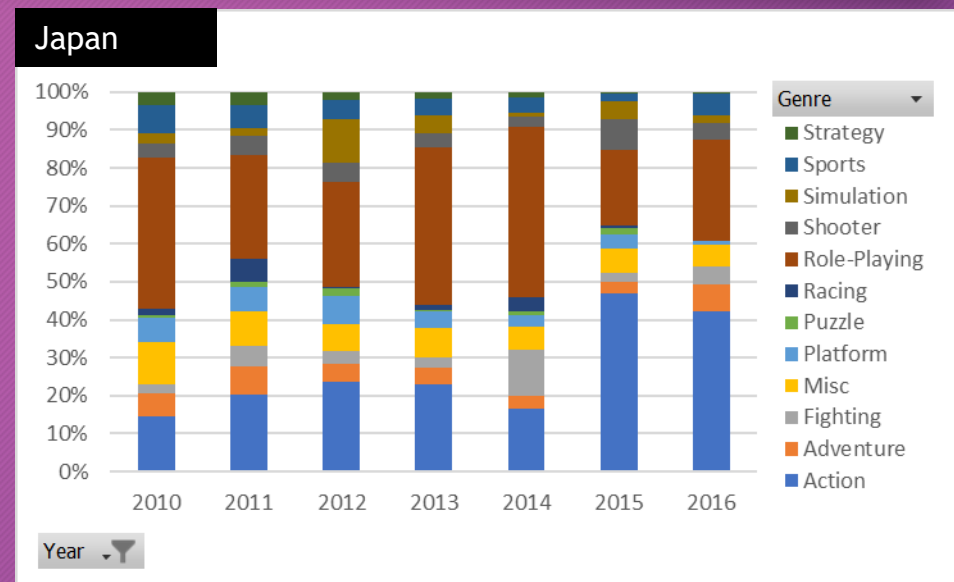
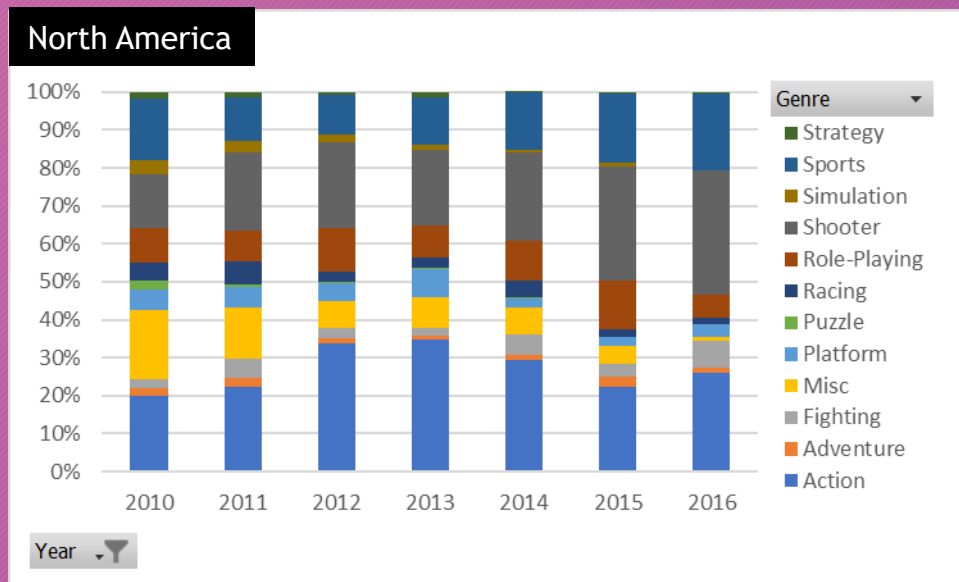
In 2008, the market achieved its highest sales volume topping an impressive 678 million copies sold.

Over the next years, the entire video games market has recorded a significant decline in sales.

In 2016, there have been merely 70 million units sold and the volume of sales has decreased by 90% since 2008.



Genre popularity over time (1)



The genre preferences among customers in North America (left) and Japan (right) have been extremely different over time.

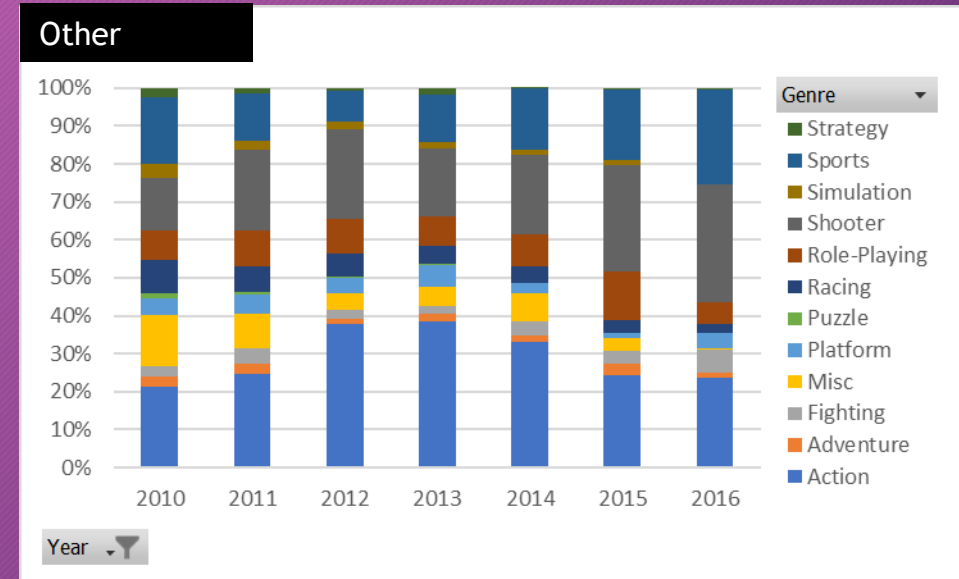
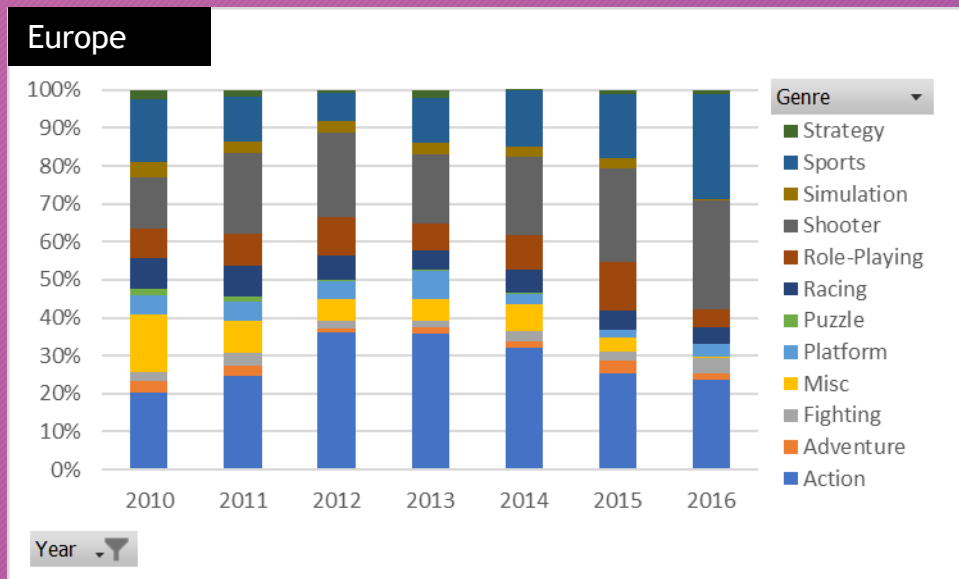
In **North America**, the Action and Sports genres had been competing for the leadership position until the Shooter genre outclassed both of them.

The Japanese players have significantly favored the **Role-Playing** games over other genres. In 2015 and 2016, the genre lost its dominant position in favor of the Action games.

Genre popularity over time (2)

The preferences of players in Europe (left) and Other countries (right) have been developing in a remarkably similar way.

In recent years, customers from both regions have preferred Action, Sports, and Shooter games in a very similar way as in North America. Since 2013, the Action games have started to lose their share in favor of the Shooter and Sports genres.

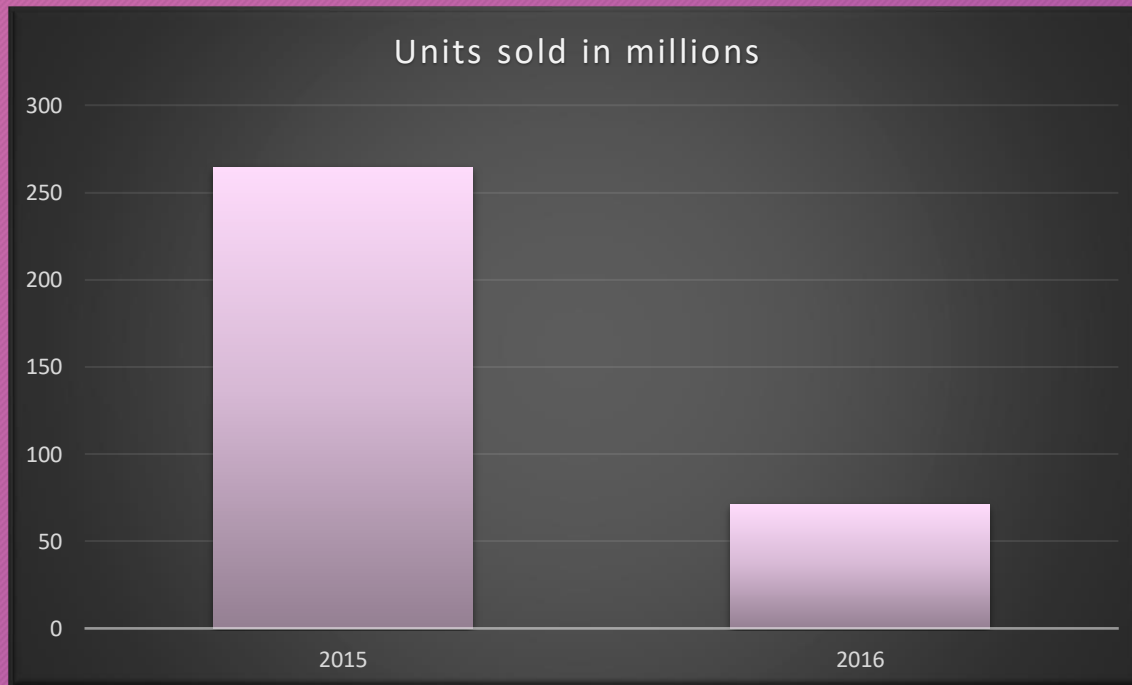


2. Current situation

What has happened in 2016?

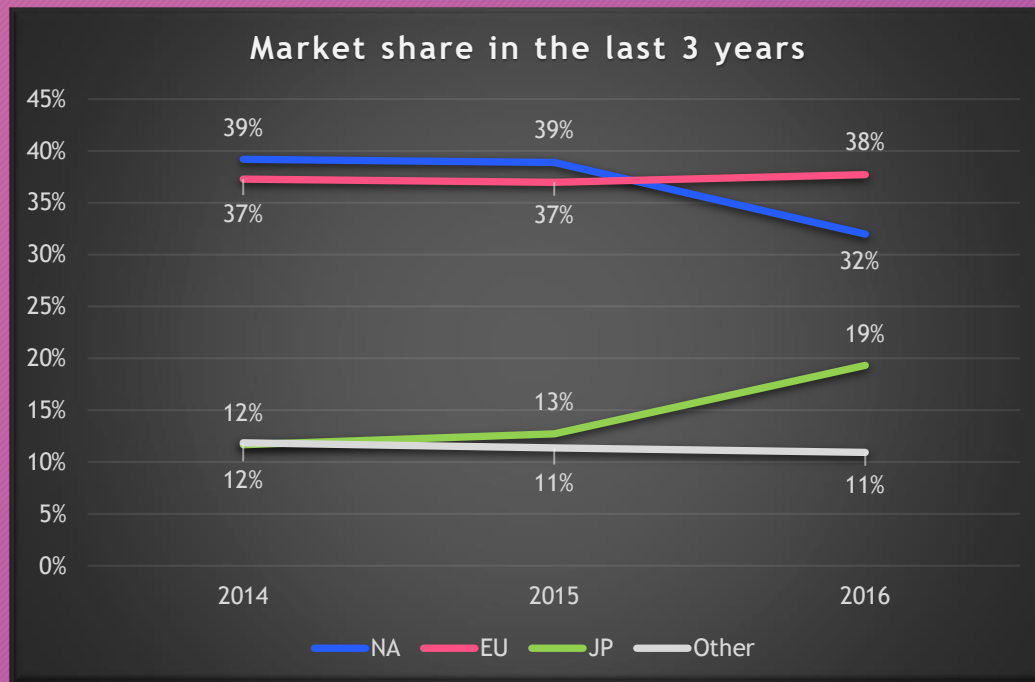
2016 - Sales volume in decline

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Globally, in 2016 the volume of games sold has decreased by 73%.

2016 - The beginning of a change



Over the last 3 years, Europe and the Other countries have maintained almost the same level of their market share.

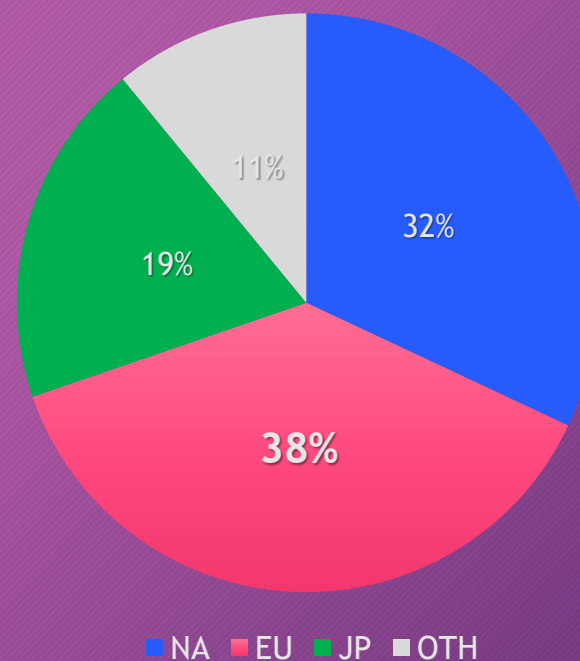
In 2016 changes can be noted in North America and Japan:

- Japan has increased its market share by 6%
- North America has decreased by 7%.

2016 - A new leader

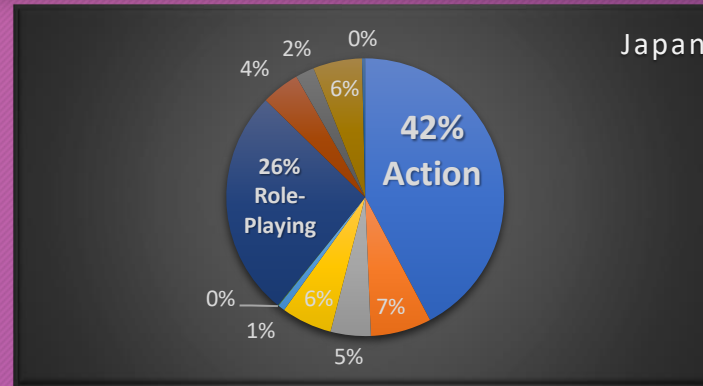
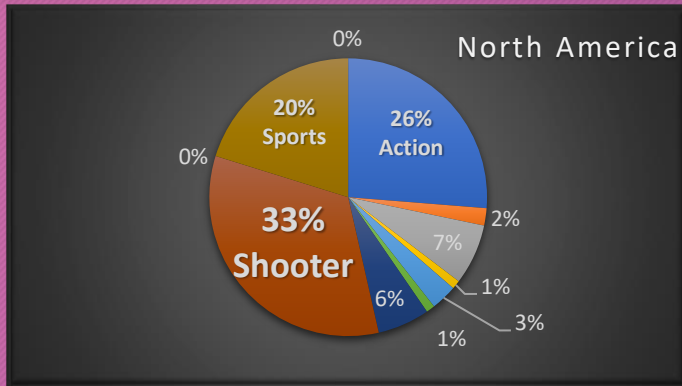
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Europe has become a leader of the market for the first time.



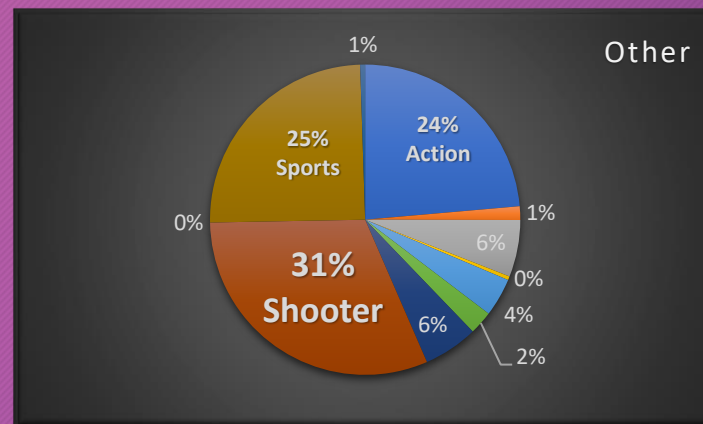
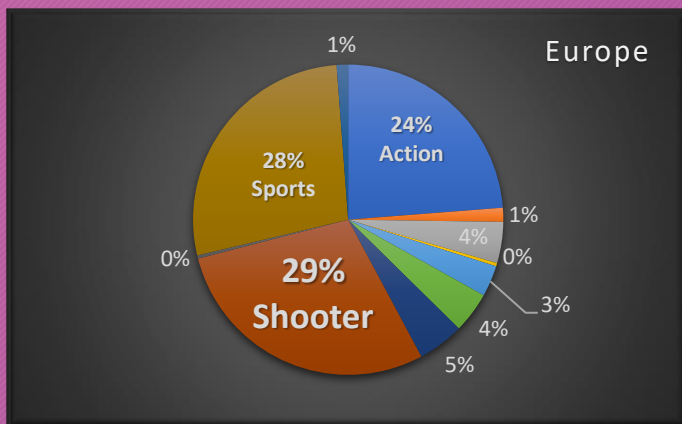
2016 - Genres preferences

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In 2016, the Shooter genre has been most popular in North America, Europe, and Other countries.

In Europe, the Sports and Shooter genres have been approximately at the same level.



In Other countries, a similar situation has taken place with Sports and Action.

In Japan, players have confirmed their unique preferences by purchasing the Action games the most, followed by the Role-Playing genres.

2016 - Most popular games

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FIFA 17 has been the most popular game worldwide with almost 7 million copies sold. Most of the sales have occurred in Europe, followed by other countries.

Game	NA	EU	JP	OTH	Total
FIFA 17	0.50	5.48	0.07	0.85	6.91

In North America, Tom Clancy's The Division has performed the best, followed by Europe.

Game	NA	EU	JP	OTH	Total
Tom Clancy's The Division	2.68	2.37	0.15	0.78	5.99

In Japan, other games have been more popular. The Yokai Watch 3 has sold the most, but cumulatively the series Dragon Quest has sold better.

Japan	Units sold	
Yokai Watch 3	1.27	
Dragon Quest Builders: Revive Alefgard	0.64	
Dragon Quest Heroes II: Twin Kings and the Profecy's End	0.64	1.91
Dragon Quest Monsters Joker 3	0.63	

3. Outlook

How to plan for 2017?

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Summary and recommendations

2016	2017
Sales volume has dropped by 73%.	The marketing department will have to deal with a much smaller budget.
Japan has increased its market share by 6%.	Japan turned out to be a surprise. It looks like the country is back in the game and will need more attention than in the previous years.
North America has lost its share by 7%.	With its total share of 32%, North America will still want to be an important player.
Europe has been developing very steadily over the years and has increased its share by only 1% compared to last year, but the changes in Japan and North America have provided the Old Continent with leadership.	Europe will be satisfied with the same level of marketing attention as in the year before.
No change in market share of Other countries.	Similar attention will be sufficient.
In North America, Europe, and Other countries, the Shooter and Sports genres have strengthened their positions; the Action games have maintained their status quo.	With the total share between 79-91%, the 3 genres are poised to maintain their positions at the expense of other genres.
Japan's favorable Role-Playing games were hit by the Action genre in the last year and have not fully recovered yet.	Due to a long history of the most popular Role-Playing genre and a sudden uptick in Action games, similar attention to both genres is recommended.

Thank you.