

Will mobile gaming continue to lead global growth?

Five key reasons why mobile gaming is fueling global growth of the games industry

1. Two screens

From a consumer perspective, smartphones and tablets both have their own right of existence, ensuring that mobile games growth as a whole is fueled by both simultaneously. They are fast becoming the primary screens in the multi-screen environment of consumers.

2. Accessibility

Gaming on mobile screens is pushing time spent on games up dramatically as consumers can play at anytime and anywhere. Ultimately this results in continued growth for the market as a whole.

3. Global reach

As smartphones and tablets penetrate every corner of the world, developers can launch titles into any country they choose. Countries that were previously hard to penetrate are now appearing on the opportunity radar.

4. Free-to-play

Pioneered on PC, free-to-play is the dominant business model for mobile taking over 90% of global revenues. Ultimately this has been the choice of consumers.

5. Hardware innovation

Driven by fierce competition, the pace of innovation related to smartphones and tablets goes unmatched. This continuously provides developers with new opportunities, including the chance to catch up with immersive console or PC games.

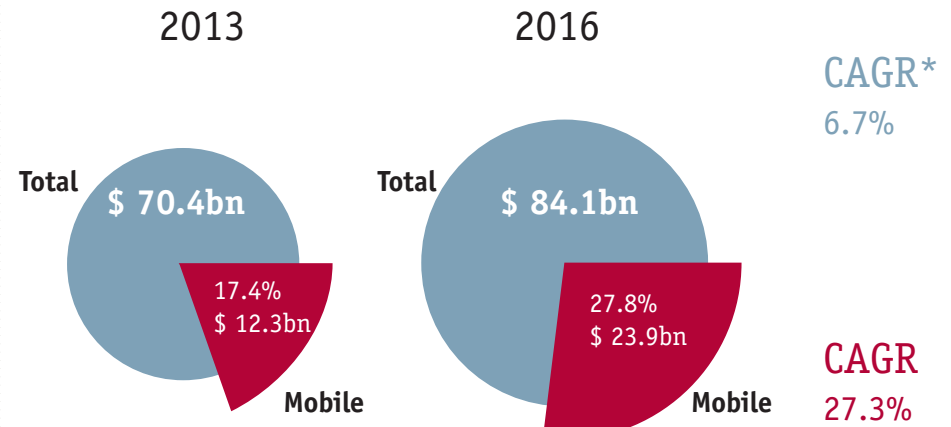


Smartphones and tablet gaming will take 27.8% of the global games market in 2016. Up from 17.4% in 2013

Global Growth

This year, the mobile games segment is on track to generate \$12.3 billion or 17.4% of all global game revenues. By 2016, mobile games are expected to account for 27.8% of revenues, generating \$23.9 billion. The 2012 to 2016 Compound Annual Growth Rate (CAGR) for the mobile games segment (27.3%) is almost four times higher than the industry as a whole (6.7%). This impressive growth is driven mostly by tablet gaming, which boasts the highest CAGR of any platform at 47.6%.

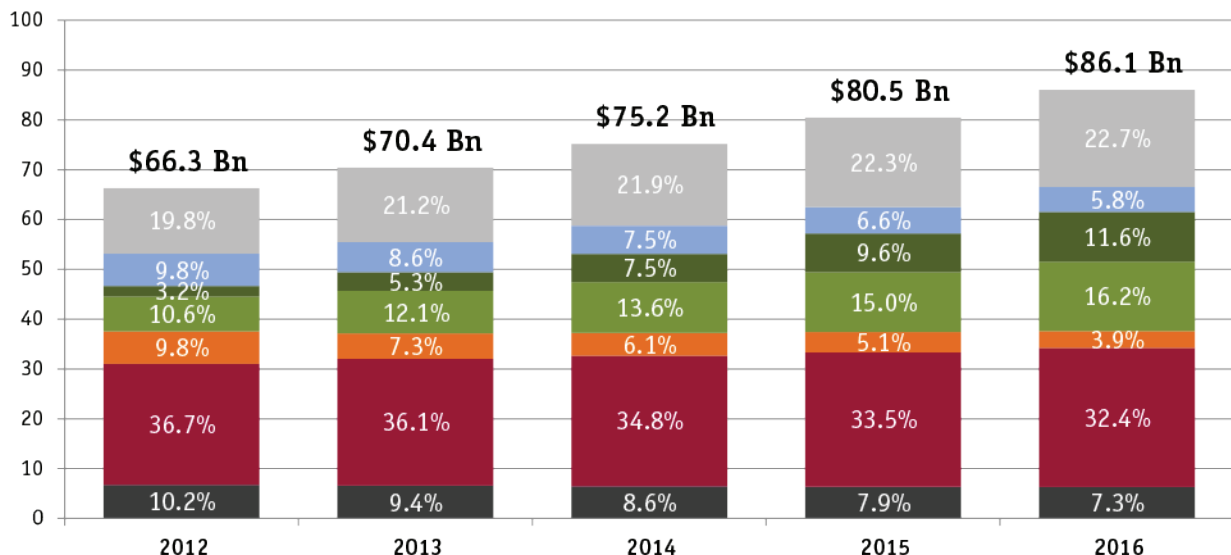
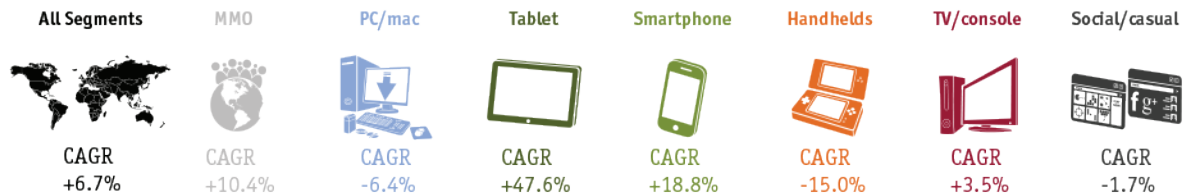
global games market 2013 - 2016 : total & mobile



Source: Newzoo 2013 Global Games Market Report

*Compound Annual Growth Rate

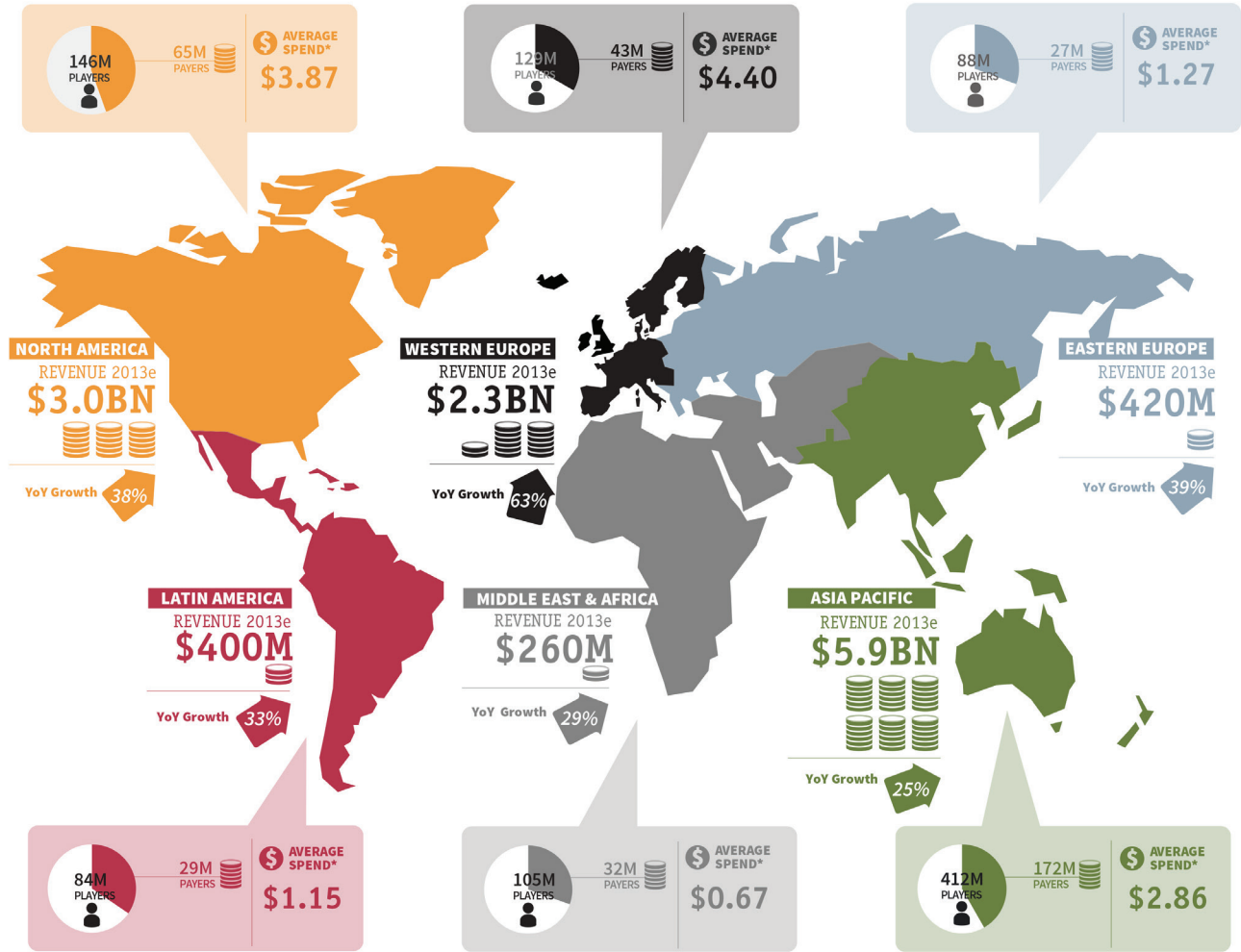
global projections: 2012 - 2016 per segment



Source: Newzoo 2013 Global Games Market Report

Mobile Gaming Per Region

mobile gaming metrics per region : 2013



* per month per paying mobile gamer

Source: AppLift / Newzoo infographic {www.newzoo.com/mobile-games-infographic}

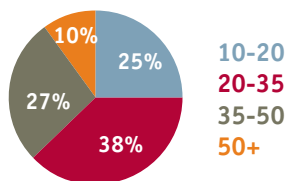
Revenue growth for mobile games is fueled by an increase in the number of players and payers as well as a higher average spend per paying mobile gamer. Already, 378 million consumers worldwide, or 39% of all mobile gamers, spend a monthly average of \$2,7 on or in mobile games. By 2016, these figures will amount to 50% and \$3.07 respectively. With 48% of the global revenue, the Asia-Pacific region is by far the biggest market for mobile games with almost three times as many paying mobile gamers as

the next biggest region, North America. Western & Eastern Europe will continue to grow fastest with Compound Annual Growth (CAGR) rates of over 33%. Within the APAC region, China and South-East Asia boast comparable growth figures. Japan has always been a huge mobile games market, even before the arrival of smartphones and tablets. Average monthly spend per paying mobile gamer is highest in Western Europe with \$4.40.

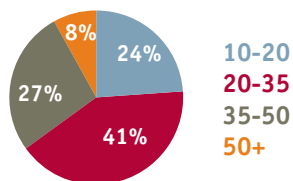
The Players

players split : per gender age and device

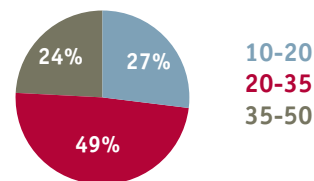
North America
146M



EU
212M



Korea / Japan / China
224M



Source: 2013 Newzoo Data Explorer

YoY Growth of mobile player base in US and EU : mid 2012 vs mid 2013

United States

Age



Growth

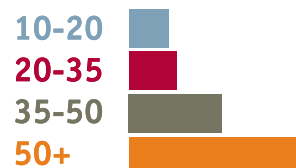
+8%
+23%
+40%
+148%



Total
+24%

Western Europe

Age



Growth

+15%
+18%
+35%
+66%



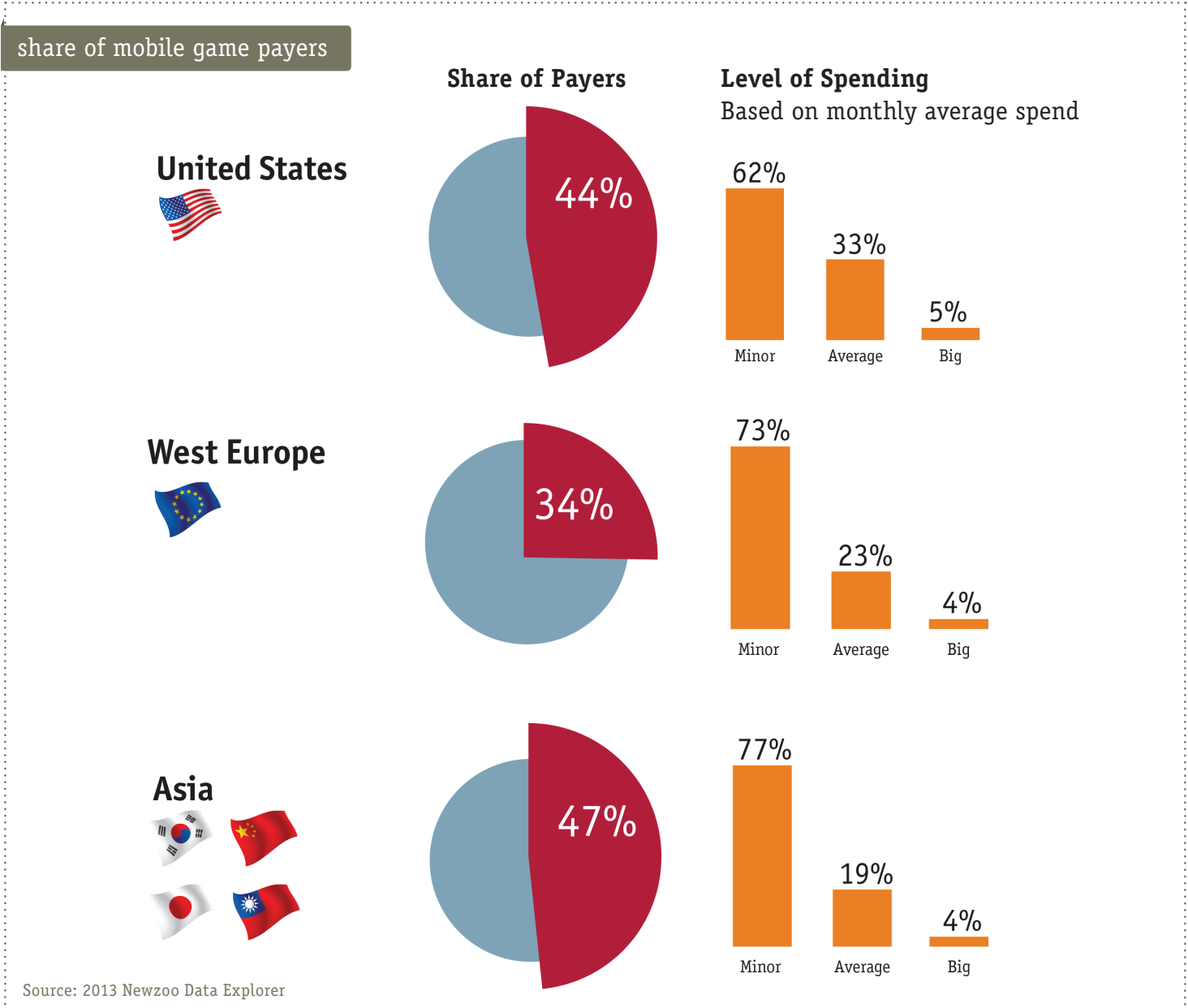
Total
+25%

Source: 2013 Newzoo Data Explorer

The Payers

In the short term, the uptake of mobile gaming is increasing the time spent on games enormously, up to 25% year-on-year in a single country. In the medium to long term, this will push the global games market to new revenue levels. The fastest growing KPI behind the growth of the smartphone and tablet games market is the absolute number of paying gamers.

Asia, as aggregate of China, Japan, Korea and Taiwan, has the highest percentage of mobile players that also pays for games at 47%. Of these payers, 4% are big spenders. This is the same as in Europe, where the share of paying gamers is still lower at 34%. Of US mobile players, 45% pay for and in mobile games and 5% of these are big spenders. The US also has the highest amount of average spenders (33%), followed by Europe (23%). Asia has the highest amount of minor spenders at 77%.



Country Rankings

Below, you can see the top 10 countries for in terms of revenues generated for the iPad, iPhone & Google Play stores. The iOS data is based on a total of 43 countries and the Google Play Store data is based on 34 countries.

In September, the top 2 countries in terms of iPhone game revenues swapped positions. The US reclaimed the top spot pushing Japan back to number 2. China is at third position with the UK and Australia following. Candy Crush Saga was the top performing game in 11 of the top 20 countries.

The top 3 countries in terms of revenues generated from iPad games were the US, China and the UK. In the past 4 months, China has climbed 1 position in the chart, whereas Japan

has made an impressive jump from number 9 in May to number 5 in September.

Candy Crush Saga was also the top performing on the iPad, taking the top spot in 10 of the 20 top countries. Puzzles and Dragons was the top game in Japan.

Asia has a stronger presence in the Google Play chart with Japan and Korea as the top performing countries. The US is number 3 and is followed by Germany. Since May, France has made a gain of one place in the chart while Hong Kong moved up 2 places to number 10. Candy Crush Saga is once again the most popular game, generating the most revenues in 15 of the top 20 countries. Spartan Wars: Empire of Honor was the top game in Russia.

top countries in terms of game revenue per store : September 2013

iPhone AppStore

Rank	Country
1	 United States
2	 Japan
3	 China
4	 United Kingdom
5	 Australia
6	 Canada
7	 Germany
8	 France
9	 Korea
10	 Taiwan

iPad AppStore

Rank	Country
1	 United States
2	 China (+1) *
3	 United Kingdom
4	 Australia
5	 Japan (+4) *
6	 Canada
7	 Russia
8	 Germany
9	 France
10	 Italy

Google Play Store

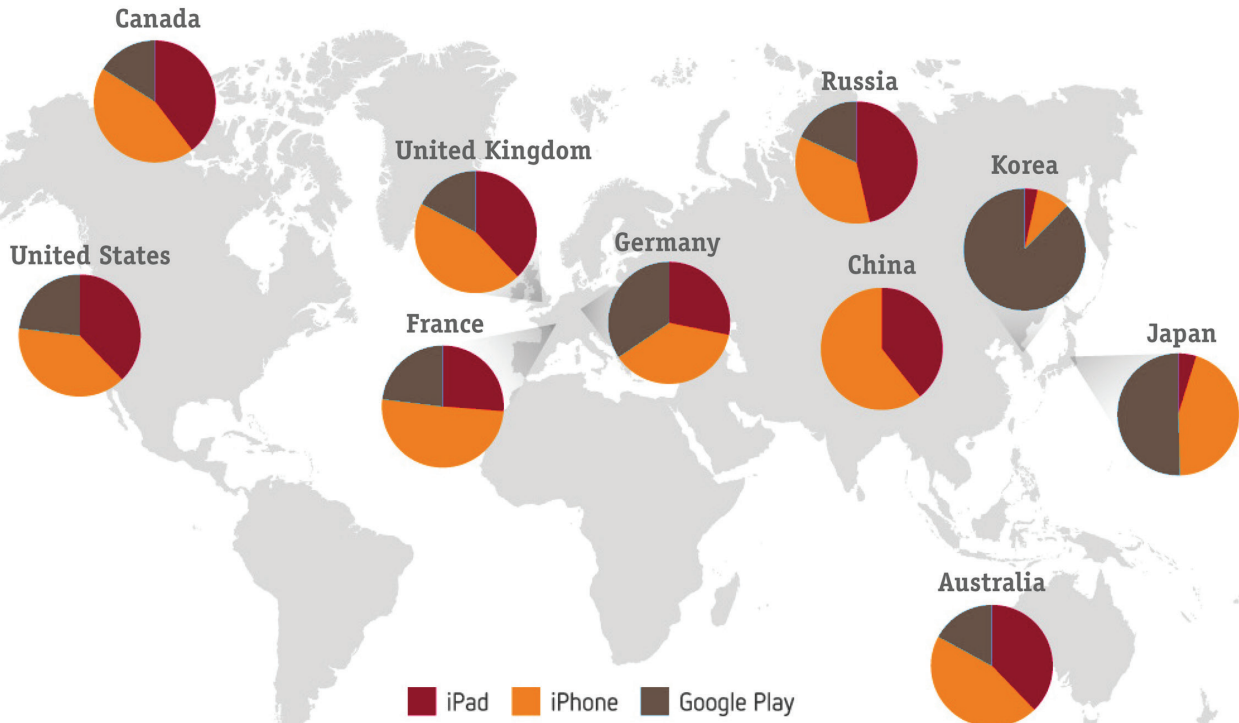
Rank	Country
1	 Japan
2	 Korea
3	 United States
4	 Germany
5	 United Kingdom
6	 France (+1) *
7	 Australia
8	 Canada
9	 Russia
10	 Hong Kong (+2) *

Source: Distimo AppIQ / Newzoo Monthly Rankings

* Rank change since May 2013

App Store Performance

top countries and their revenue split per app store : August 2013

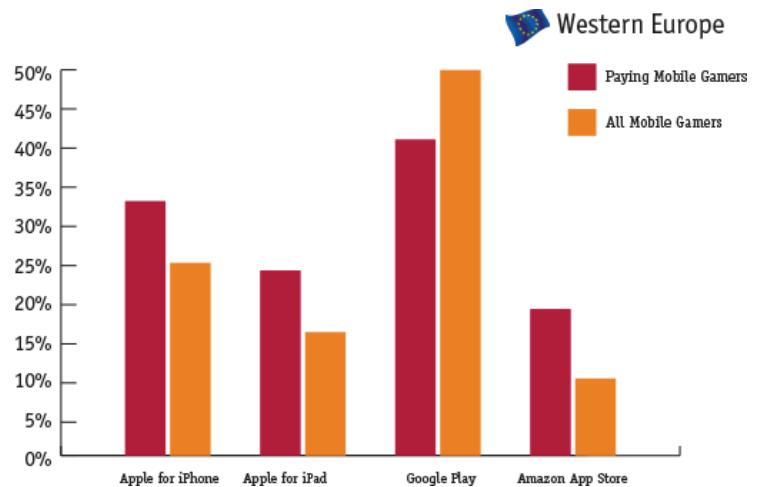


Source: Distimo Top Global Apps August 2013

The graph above shows the relative revenue split per platform. The combined revenue for the iOS platforms (iPhone and iPad) was highest in the US and Japan and lowest in South Korea where Google Play revenues dominated. Google Play also accounted for a relatively large share of revenues in Japan and Germany. China's mobile games market outside of iOS is dominated by local Android stores.

As seen on the right hand side, Google Play has a higher market share in terms of mobile gamers but reach amongst paying mobile gamers is larger for both iOS stores combined. Amazon's launch in Europe seems to be effectively reaching paying gamers.

app stores used to download games



Source: 2013 Newzoo Data Explorer

Franchises & Genres

Candy Crush Saga #Gamers* 62,0 M



- 41% are men
- 45% have a full time job
- 38% have at least 1 child
- 32% play video games with their kids
- 24% class themselves as core
- 78% also play console games
- 21% lists sports as a hobby/interest
- 40% use family/friend recommendations to choose a mobile game

Minecraft #Gamers* 33,4 M





- 67% are men
- 10% are in part time employment
- 33% have at least 1 child
- 32% play video games with their kids
- 41% class themselves as "core"
- 82% also play MMO games
- 8% lists fishing as a hobby/interest
- 30% choose a mobile game because of the graphics or screenshots

Source: 2013 Newzoo Data Explorer

* Aggregate of 18 countries across the globe

top game genres : per app store

Genres	Revenue shares	Genres	Revenue shares	Game titles	
	Arcade & Action		Role Playing	Free Paid	Game of War - Fire Age Order & Chaos Online
	Casual		Strategy	Free Paid	Clash of Clans Plaque Inc.
	Brain & Puzzle		Action	Free Paid	Clash of Clans Infinity Blade III
	Cards & Casino		Simulation	Free Paid	Hay Day Minecraft - Pocket Edition
	Sports Games		Adventure	Free Paid	The Simpsons Tapped Out Minecraft - Pocket Edition

Source: Games: King of the Mobile Eco-system, September 2013

Rise of Core

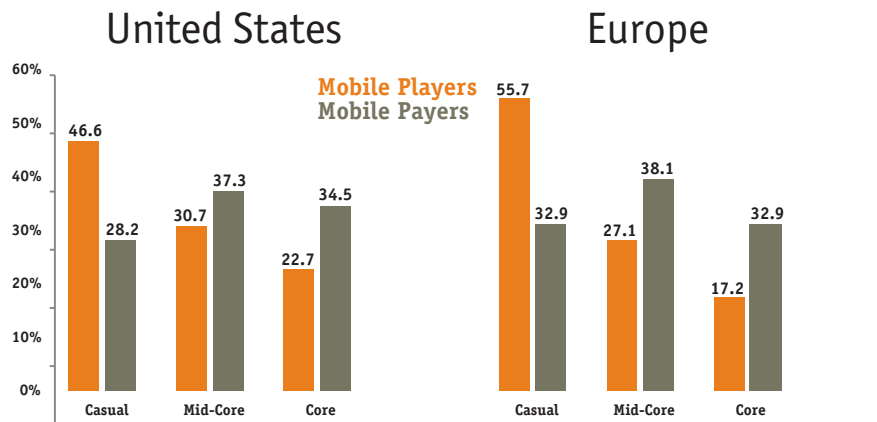
This graph shows how mobile gamers classify themselves when asked to choose from one of the below:

Core: *Gaming is an important part of my life and I spend a large amount of my spare time gaming. I enjoy immersive action-packed games the most, and like to compete with other gamers.*

Mid-Core: *I play games regularly, favoring immersive games. I do not spend great lengths of time gaming and don't spend a large amount of money on it. However if I would have more spare time I would probably spend more time and possibly money on games.*

Casual: *Although I enjoy games, my time spent or interest in them is limited. I mainly play games to pass the time and don't invest a lot of money in them.*

"core", "mid-core" and "casual" gamers



Source: 2013 Newzoo Data Explorer

When zooming in on "core" PC/MMO or console gamers that spend money and play "core" genres, it becomes clear that they are very likely to also play and pay for mobile games with 88% playing and 59% paying for mobile games.

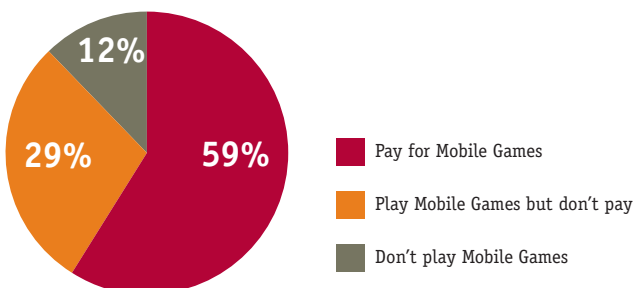
Below, three "core" mobile games are listed. When revenues are divided by the number of downloads for 2013 year-to-date, the figures show that a long-running free-to-play game (Modern War) can reach higher monetization levels than a paid game (Grand Theft Auto: Vice City).

core gamers vs mobile games

Europe

29.6M

Core PC/Console/MMO Gamers



Source: 2013 Newzoo Data Explorer

Game of War - Fire Age (Machine Zone)



Price: Free, iOS, Release: 20 July 2013
 2013 Monthly Revenues: >\$6.5 million
 2013 Monthly Downloads: ~1,100,000

Modern War (Funzio)



Price: Free, iOS, Release: November 2011
 2013 Monthly Revenues: >\$4.5 million
 2013 Monthly Downloads: ~400,000

Grand Theft Auto: Vice City (Rockstar Games)



Price: Paid, iOS, Release: 30 November 2012
 2013 Monthly Revenues: ~\$700,000
 2013 Monthly Downloads: ~150,000

Source: Distimo App IQ / Newzoo

Regional Differences

25% of mobile gamers, play video games with their kids at least once a week



12% of 39 million Brazilian mobile gamers like cars & motorbikes



35% of 17.4 million Turkish mobile gamers consider themselves to be "core" gamers



40% of 11 million Canadian mobile gamers use Twitter



58% of the 9.9 million Polish Mobile gamers are male



39% of the 29.2 million German mobile gamers own a Samsung phone



57% of the 3.1 million paying Australian mobile gamers regularly visit ebay.com.au

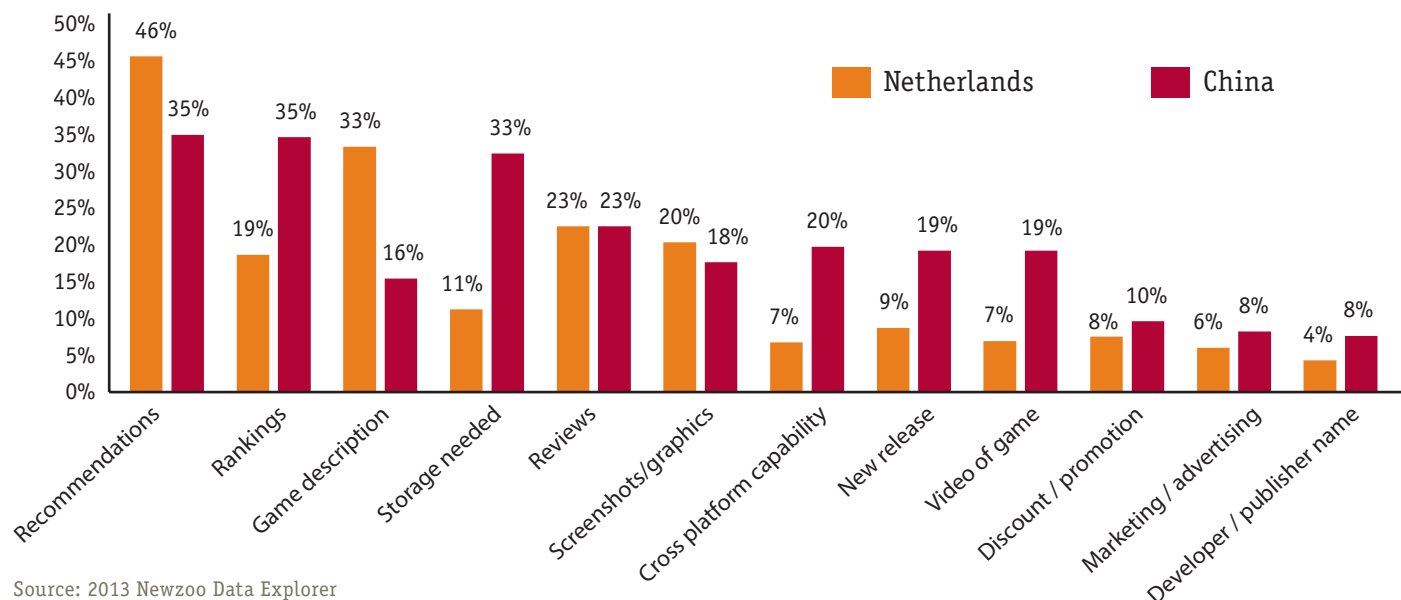


78% of 160 million Chinese mobile gamers also play MMOs



24% of the 16.6 million South Korean mobile gamers like race gamers

Netherlands vs China : reasons for choosing a mobile game



Source: 2013 Newzoo Data Explorer

See you in Amsterdam!

Following five great years in Hamburg, Casual Connect Europe is returning to Amsterdam in 2014. The event will be held at the landmark Beurs van Berlage building in the city centre, walking distance from the train station as well as a variety of entertainment. The event is now open for registration and sponsoring. Please visit the website to ensure you get involved with this event that is anticipated to be nothing less than epic....

<http://europe.casualconnect.org>

For press inquiries, please email
jessica@casualgamesassociation.org

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Casual Connect Europe: Feb 11-13, 2014

Casual Connect Asia in Singapore: May 20 - 22, 2014

Casual Connect USA in San Francisco: July 22 - 24, 2014



Casual Connect Europe Returns to Amsterdam February 11-13 2014

About Newzoo

Newzoo is an international full service market research and consulting firm, focused completely on the games industry. It provides independent market data across all game segments, business models and regions of the world based on a unique combination of primary consumer research, transactional data and financial analysis. Distimo is Newzoo's global app analytics partner. It provides the #1 free app analytics platform for developers as well as daily insight into app performance worldwide through its AppIQ dashboard.

DISTIMO



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