



Industry Analysis

CIMA Strategic Case Study (SCS)

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CONTENTS



1. Purpose of the Industry Analysis



2. Industry Overview



3. Industry Trends



4. Real world examples



Purpose of the Industry Analysis

- You are required to be familiar with the industry but need not be an industry expert.
- Developing a broader understanding of the industry in which the company operates will help you construct sound arguments and prepare for possible developments in the exam.

Industry Overview

Video games have been around for decades, but their popularity has increased in recent years

Tech giants Google, Facebook, and Apple have made plans to enter the gaming industry

Technical innovations, expanding market demographics, and an increase in video game-related merchandise have all contributed to the video game industry's new scope

There are more than 2.7 billion video gamers from all over the world

More than 85% of total video game industry revenue comes from free-to-play games

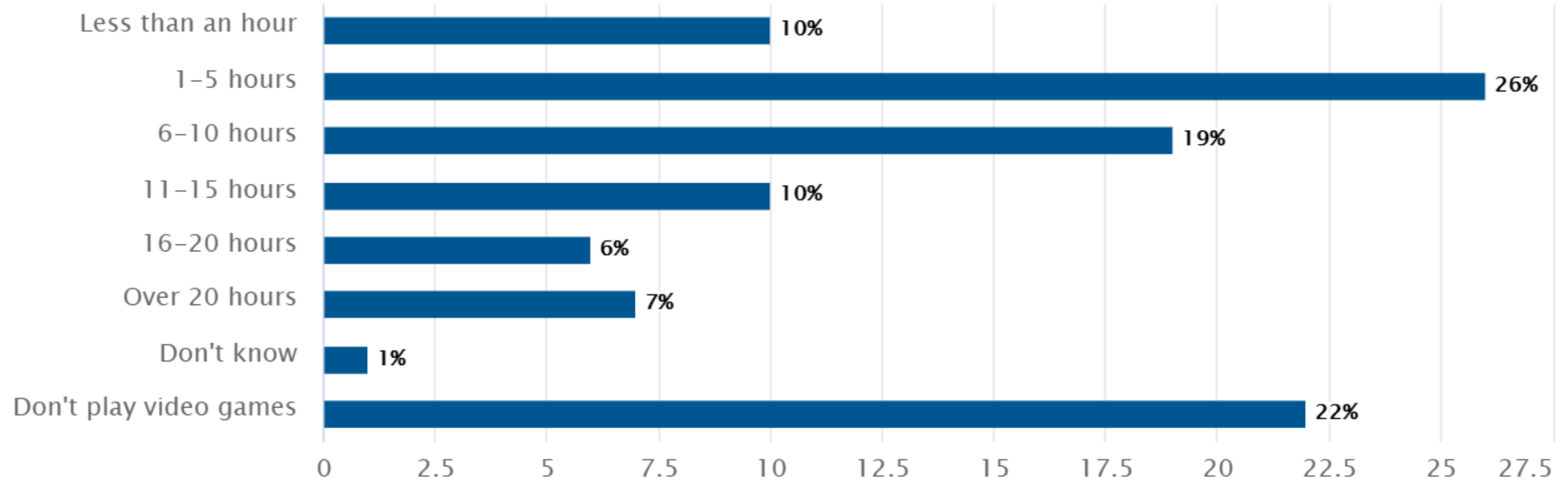
Gaming Market - Growth Rate by Region (2021 - 2026)



How many hours per week do gamers worldwide spend playing video games?



Among 18- to 64-year-old gamers

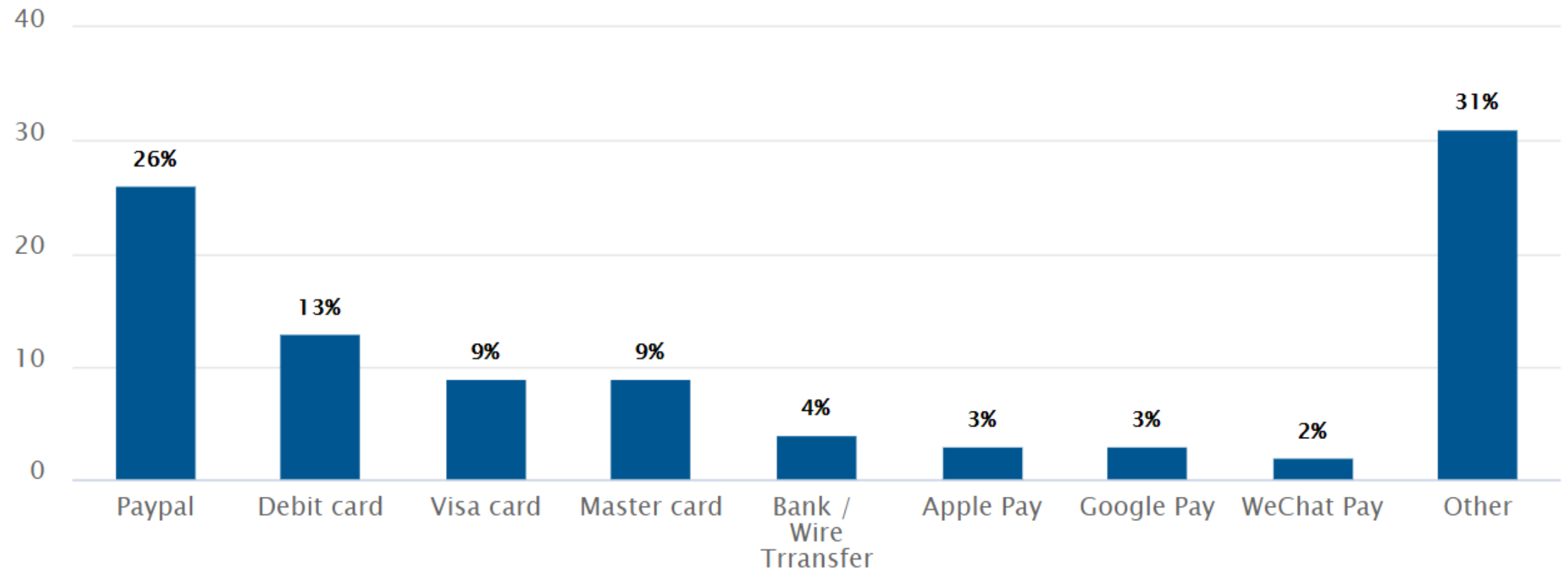


Source: Statista Global Consumer Survey (2020)

Designed by  FinancesOnline



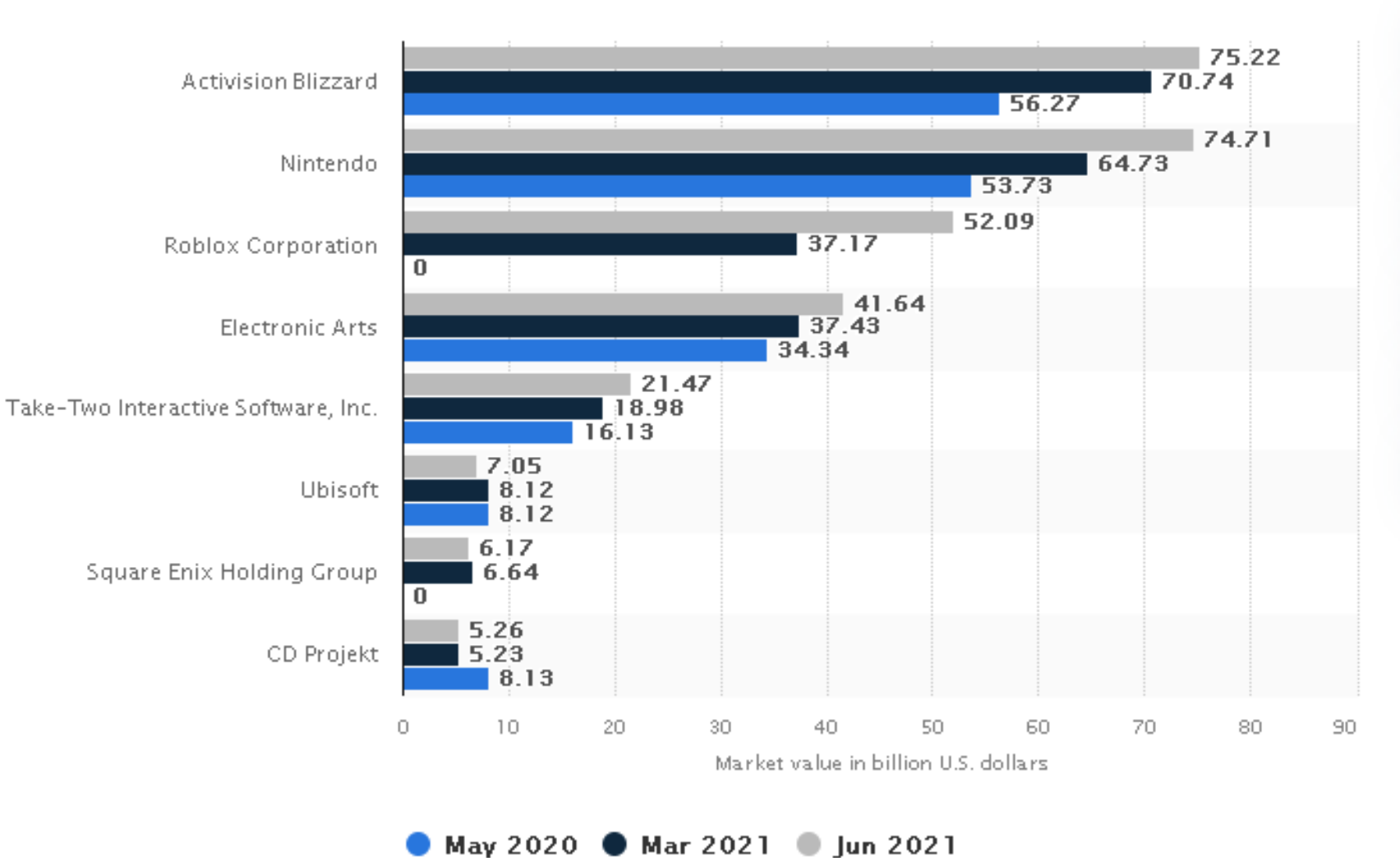
Preferred Payment Methods Used By Gamers Worldwide



Source: SuperData Research, PayPal

Designed by  FinancesOnline

Market capitalization of the largest gaming companies worldwide as of June 2021 *(in USD Billions)*



Industry Trends

- Increased age and gender diversity in games
- Exponential growth and expansion in cloud gaming
- Smartphone gaming is expected to witness significant growth
- 5G is driving the mobile-based VR gaming market
- The Asia Pacific region is anticipated to hold the largest market share in the gaming industry, where countries such as China, Japan, and South Korea show a high potential in market growth.
- High fidelity mobile gaming is on the rise
 - E.g.: Franchise Games
- Revenue share of the global premium PC games market is expected to decline

Real World Examples

Nintendo



- Headquarters: Kyoto, Japan
- Founded in 1889
- History
 - Founded in 1889 as a card game manufacturer
 - Diversified into taxi services in 1970s
 - Established as a video game developer in late 1970s
 - Introduced handheld video games in 1979
- Revenue: USD 15 Billion
- Employees: 6,500+
- Has subsidiaries all over the world
- Products
 - Mario
 - Pokémon
 - The legend of Zelda

Nintendo: Mission Statement



Who we are

Nintendo's mission is to put smiles on the faces of everyone we touch. We do so by creating new surprises for people across the world to enjoy together. We've forged our own path since 1889, when we began making hanafuda playing cards in Kyoto, Japan. Today, we're fortunate to be able to share our characters, ideas and worlds through the medium of video games and the entertainment industry.

Nintendo of America, established in 1980 and based in Redmond, Wash., is a wholly owned subsidiary of Nintendo Co., Ltd. We are committed to delivering best-in-class products and services to our customers and to investing in the well-being of our employees as part of the global Nintendo family.

Source: <https://www.nintendo.com/about/>

- Mission statement is akin to Pixlwizz's





Electronic Arts

- Headquarters: Redwood City, California
- Founded in 1982
- Second largest gaming company in Americas and Europe
- Revenue: USD 5.5 Billion
- Employees: 9,800
- Subsidiaries
 - EA Sports
 - DICE
- Products
 - FIFA
 - NFL
 - UFC



Electronic Arts: Values



CREATIVITY

Striving to bring imagination, original ideas, and excitement to everything we do.



PIONEERING

Acting with the curiosity and courage that it takes to experiment, innovate and lead.



PASSION

We are at our best when we pursue what we love, and have fun doing it.



DETERMINATION

Bringing focus, drive and conviction to our actions. Thriving on the journey, and being motivated to achieve excellence.



LEARNING

Listening, having humility and being open to new ways of thinking. Challenging ourselves to grow and change as a company.



TEAMWORK

Committed to each other, and to the accountability and integrity it takes to be a successful global team.

Source: <https://www.ea.com/about/>

- Value statement is akin to Pixlwizz's

THANK YOU!



www.studyattcs.com

