Console Gaming - US - October 2012

Scope and Themes

"Console gaming is at a crossroads. The first of the next-generation consoles, the Wii U, enters a very different marketplace than the Wii did when it was first introduced. Gamers not only can play console and PC games, they can play games on smartphones, tablets, or social networks. While teen boys and young men are likely to continue to drive sales of consoles and blockbuster games, these other gaming options may steal away the casual gamer. The success of these new consoles is not a foregone conclusion: sales results will depend upon whether they satisfy their core young male audience or are able to appeal to the broader audience."

– Billy Hulkower, Technology Analyst

In this report we answer the key questions:

- **Can console gaming retain casual gamers as customers?**
- **How much longer can the blockbuster franchises thrive?**
- **Can the $60 price point survive?**
- **Will consumers be willing to buy a dedicated gaming device?**
- **Will the next-generation consoles be successful?**

Between 2007 and 2012 unit sales of console hardware (Xbox 360, PlayStation 4, and Nintendo Wii only) are expected to fall 29% to 9.4 million units, after peaking in 2010. Sales have dropped as consumers anticipate the release of next-generation consoles and are loathe to invest in soon-to-be-outdated models. Game sales are expected to grow 87% between 2007 and the end of 2012 on the strength of hit games from Activision, Microsoft, Nintendo, Sony, Ubisoft, and others, but have slowed since 2010. Growth going forward will be hugely determined by the success or failure of the next-generation consoles and, in particular, whether interest from hardcore gamers—young men and teen boys—can offset the potential loss of casual gamers to mobile and social gaming.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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As well as exploring the underlying drivers of growth for this market, this report evaluates the competitive landscape and opportunities, and provides detailed consumer data that profile today's console gamers by age, gender, and other key demographics.

This report covers the U.S. market for console hardware and video game software played on home consoles.

Games played on portable consoles, mobile phones and tablets, PCs, or online are discussed as competing technologies; they are not the main subjects of the report.

Value figures throughout this report are at retail selling prices (rsp) excluding sales tax unless otherwise stated.

For the purposes of this report, Mintel commissioned exclusive consumer research through GMI to explore adults' attitudes and behaviors as they relate to home game consoles and related games. Mintel was responsible for the survey design, data analysis, and reporting.

Fieldwork was conducted in June 2012 among a sample of 2,000 adults aged 18+ with access to the internet.

Mintel selects survey respondents so they are proportionally balanced to the entire U.S. adult population based on the key demographics of gender, age, household income, and region. Mintel also slightly oversamples, relative to the population, respondents who are Hispanic or black to ensure an adequate representation of these groups in our survey results. Please note that Mintel's exclusive surveys are conducted online and in English only. Hispanics who are not online and/or do not speak English are not included in our survey results.

Mintel has also analyzed data from Experian Consumer Research, using the Simmons National Consumer Study (NCS) and the Simmons National Hispanic Consumer Study (NHCS). The NCS/NHCS was carried out January 2011-March 2012 and the results are based on the sample of 12,212 adults aged 18+, with results weighted to represent the U.S. adult population.

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