

Games subscriptions and cloud gaming market overview

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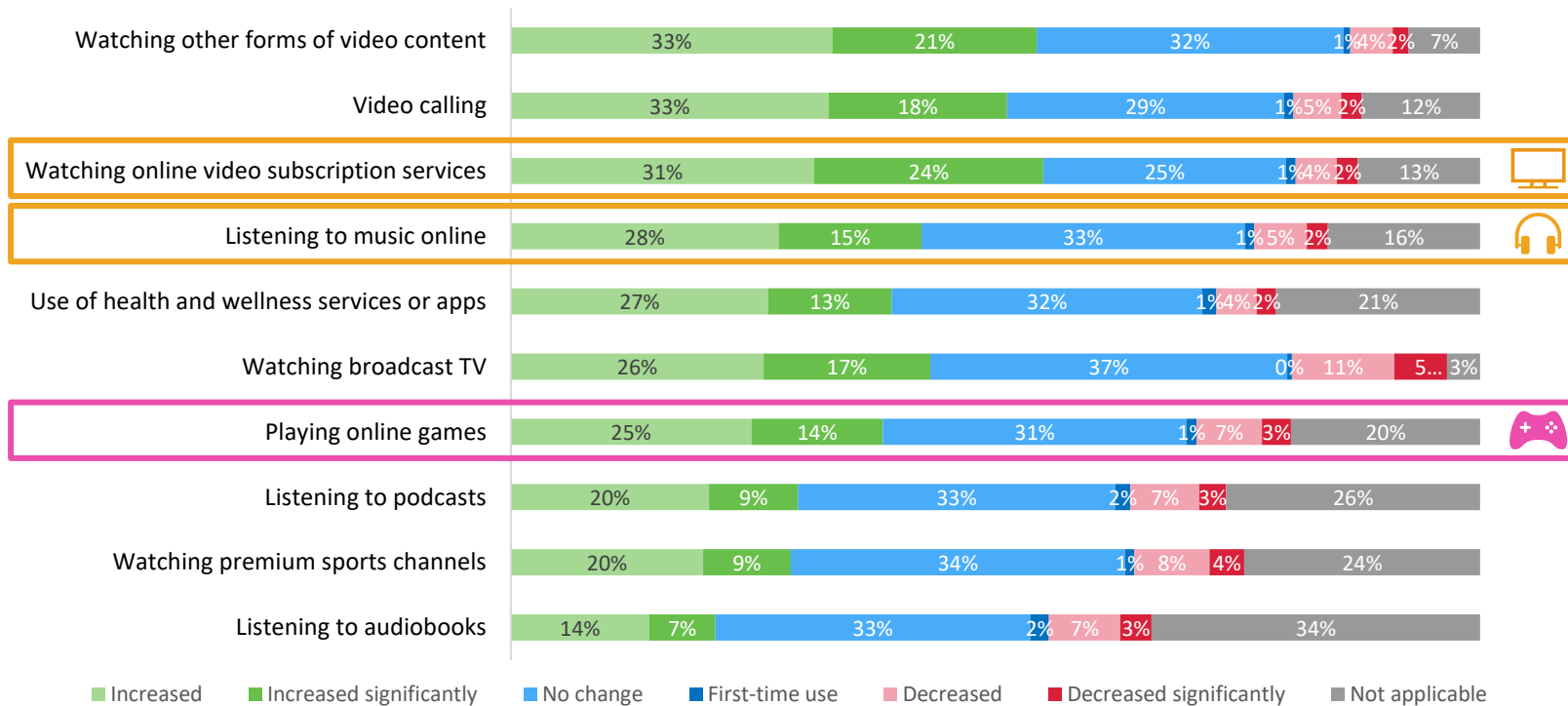
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Consumer research confirms widespread use of gaming, with 80% of households playing online games across 12 countries surveyed

How has your and your household's use of the following changed over the last 12 months?

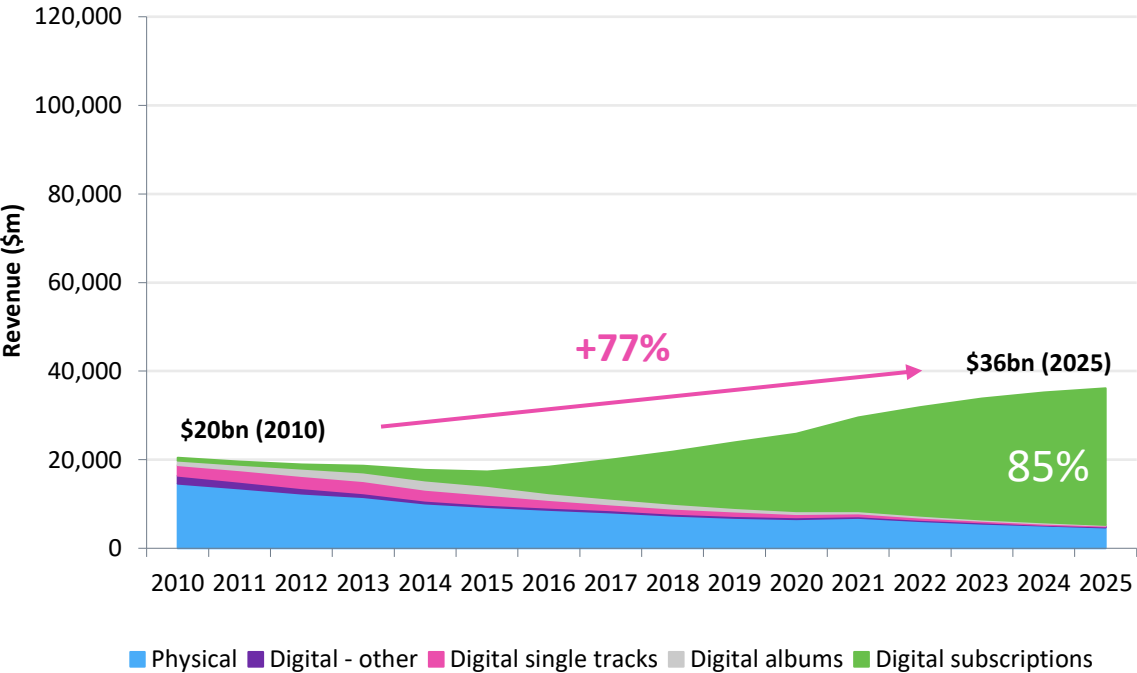


N=13,285 | Survey conducted in October 2021, across 12 countries
 Source: Omdia's Digital Consumer Insights 2021 – 5G, Broadband, & Bundling

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Subscriptions have quickly dominated digital music and OTT video markets

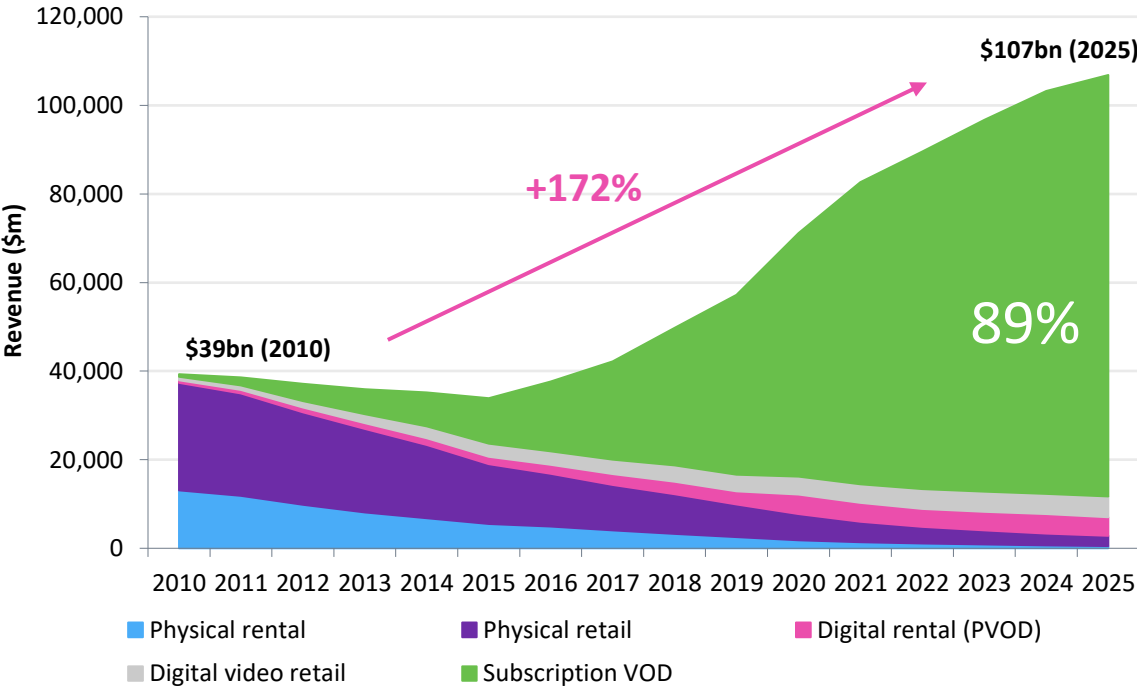
Global recorded-music revenue by type, 2010–26 (\$m)



Source: Omdia Recorded-Music Retail Sales and Industry Forecast: 2021–26

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Global video revenue by type, 2010-2025 (\$m)

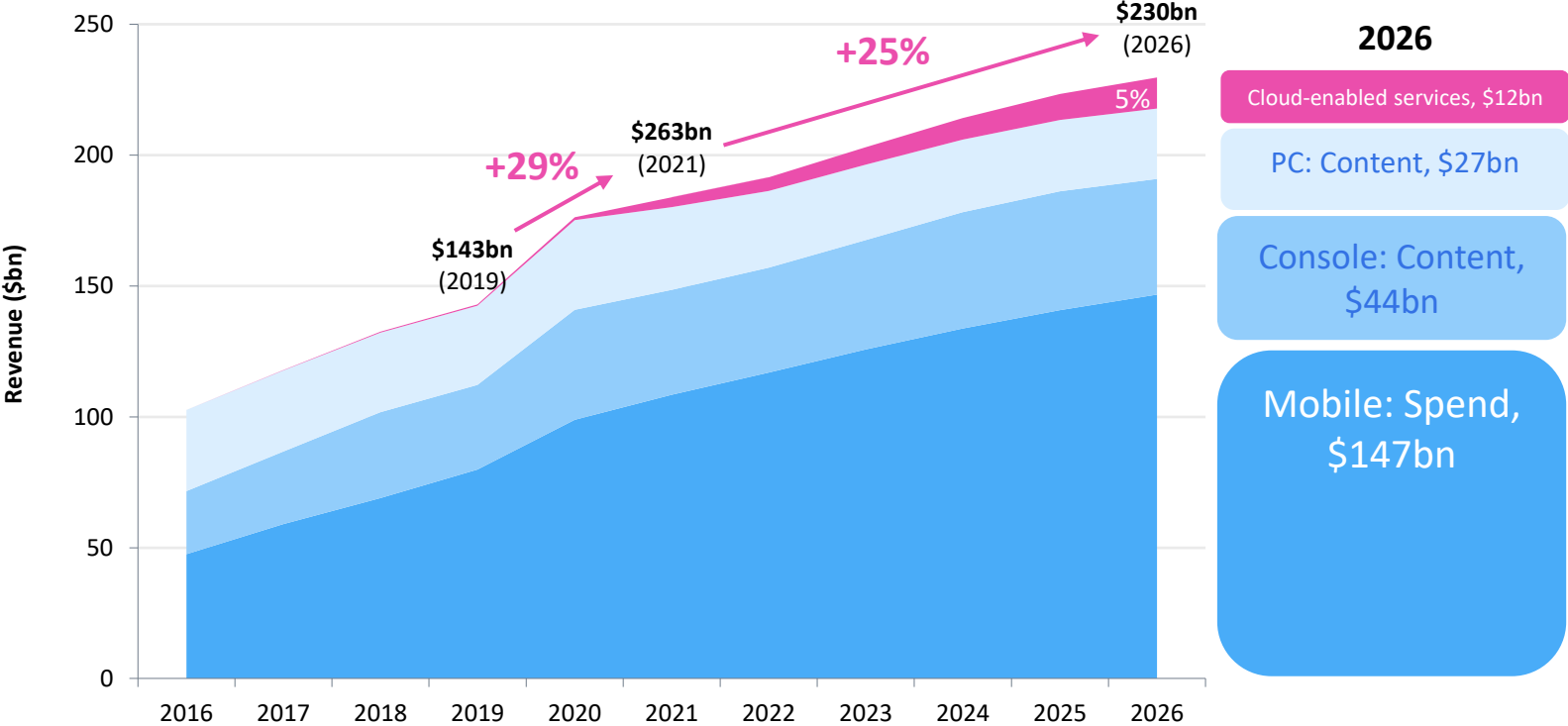


Source: Omdia TV & Online Video Intelligence Database

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But cloud and subscriptions are not expected to dominate the spend on games in the next few years

Total worldwide consumer spend on games content and services, by platform



Game subscriptions: disambiguation

A range of games from multiple developers



A single, continuously updated game



A range of games from a single developer or publisher



Single-game subscriptions where the game is just one part of the offering



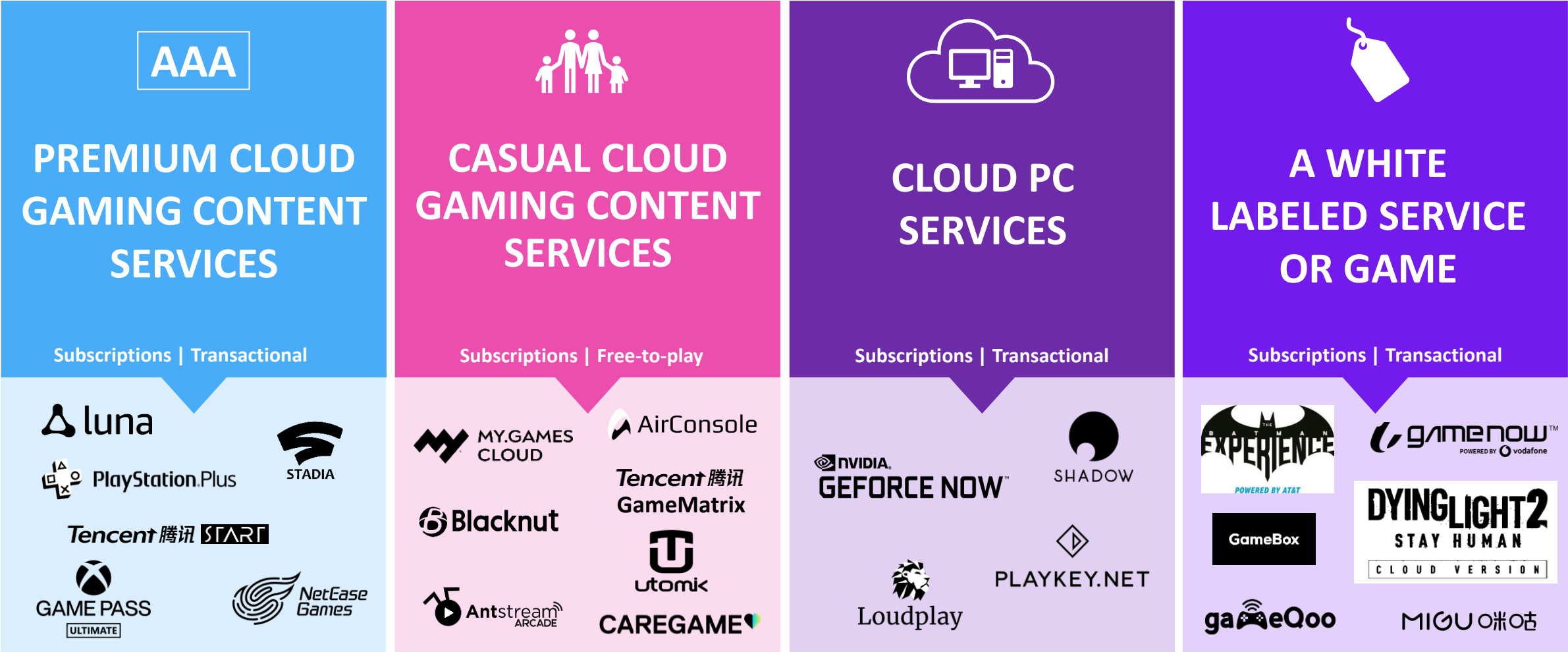
A range of games provided by a telco/ service provider



Services beyond just playing games



Cloud gaming services: disambiguation



Source: Omdia's Cloud Gaming and Subscription Revenue Forecast 2021-26

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Why was the uptake of game subscriptions a lot slower than video or music in 2010's?



**LOW CONSUMER
AWARENESS**



**TECHNICAL
SHORTCOMINGS OF
PLATFORMS**



**LOW GLOBAL
PENETRATION OF
FAST INTERNET
ACCESS**



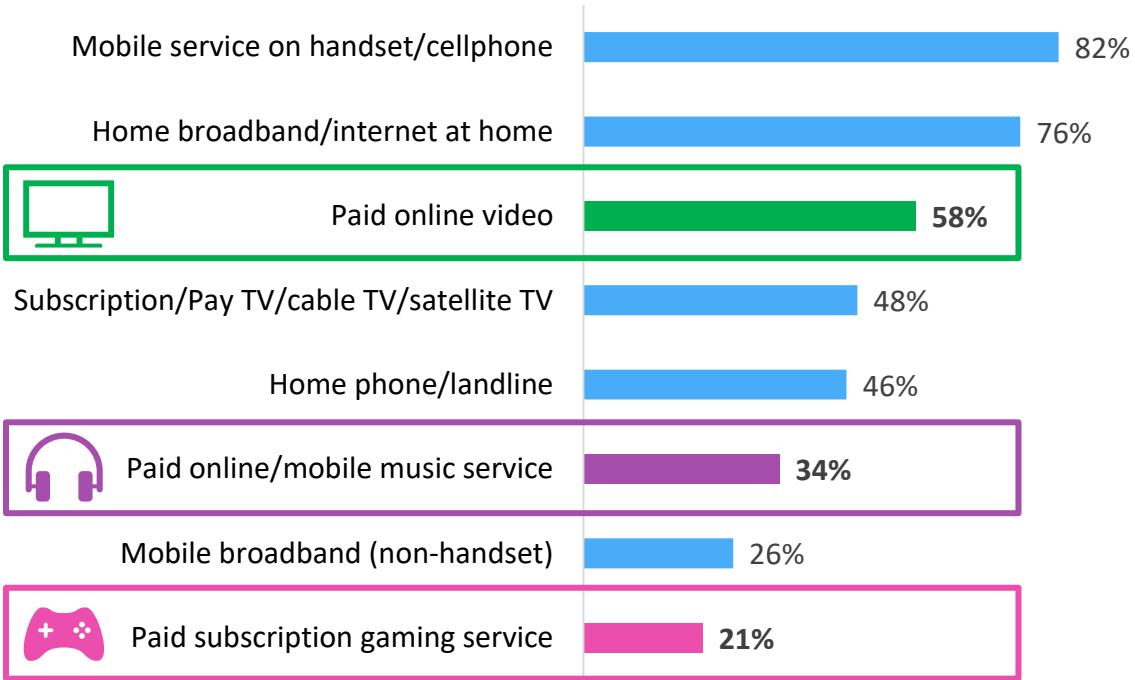
**LIMITED
AVAILABILITY OF
TRIPLE-A TITLES**



**SLOWER EROSION
OF PHYSICAL GAME
MEDIA**

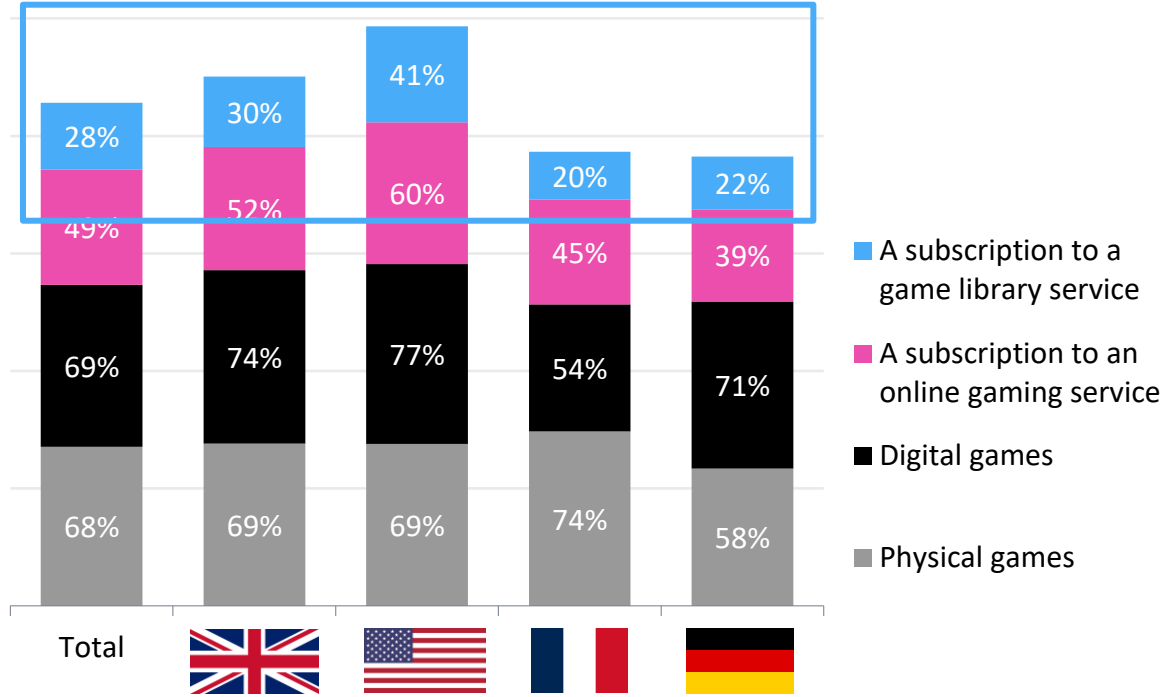
Consumer research confirms growing uptake of game subscription services

Which of these services do consumers use globally?



N=13,285
 Note: Examples given were PlayStation Now, PlayStation Plus, Xbox Game Pass, Xbox Live Gold, EA Play, and Apple Arcade
 Source: Omdia Digital Consumer Insights 2021 (Survey conducted October 2021, across 12 countries)

What have console gamers purchased in the last two years?



N=4,003
 Q: Which of the following have you purchased in the last two years?
 Source: Omdia (Survey conducted in April 2021, across four countries)

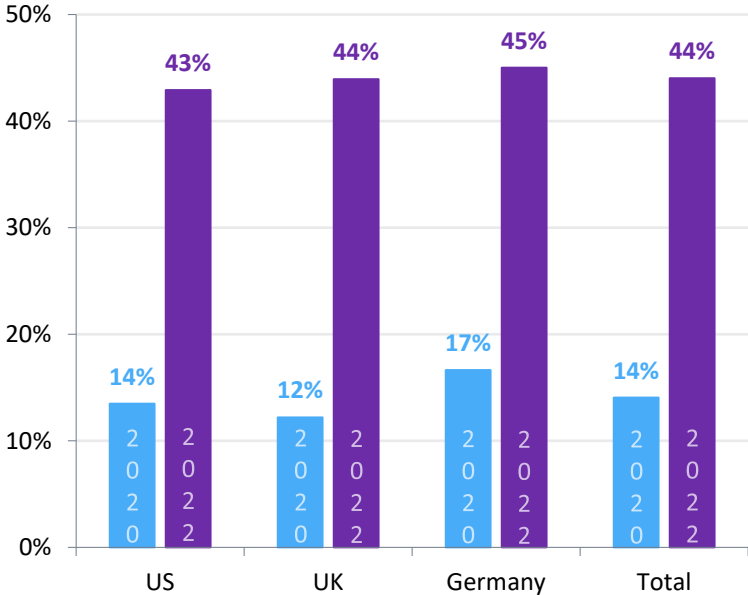
Subscriptions to game library services have surged over the past three years



Note: Official subscriber numbers
Source: Microsoft, Sony, EA

Consumer awareness of cloud gaming has surged over the past two years and these types of services are predicted to grow

Consumer awareness of cloud gaming in US, UK, and Germany



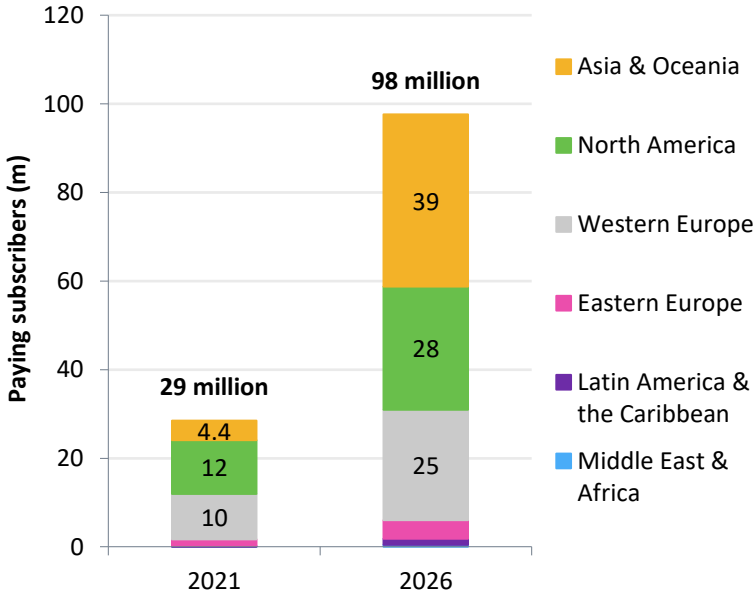
"Cloud gaming services now let you play recent PC/console games on your smartphone or any other device for a monthly fee of about \$/€10-15. You don't need to buy a new console or PC in order to use the service. Were you aware of this?"

N=4,050 (Nov 2020), 3,771 (Apr 2022)

Source: Omdia

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Total paying subscribers to cloud-capable gaming services, global, 2021 and 2026

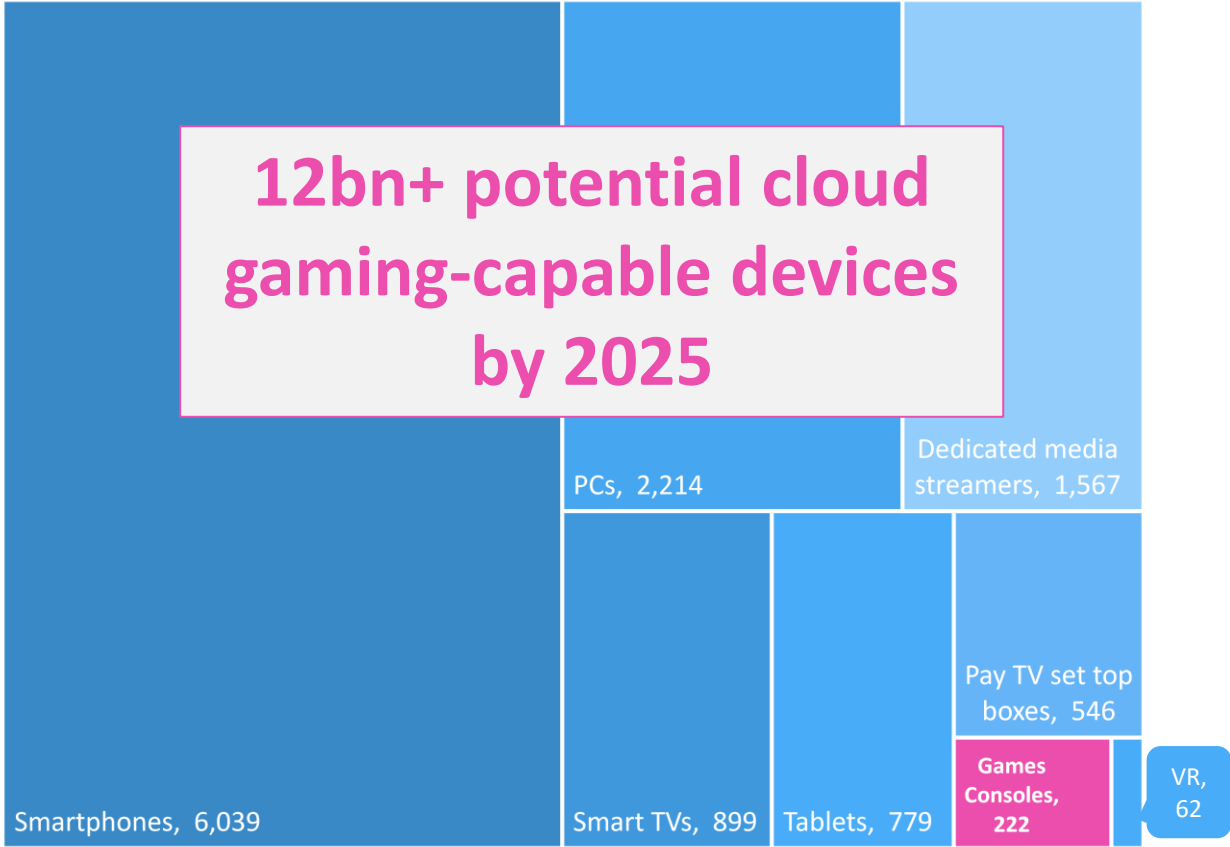


Source: Omdia Cloud Gaming and Subscription Revenue Forecast Report: 2021-26

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Thanks to the large installed base of connected devices and the rapid adoption of 5G, the addressable base for cloud gaming is massive

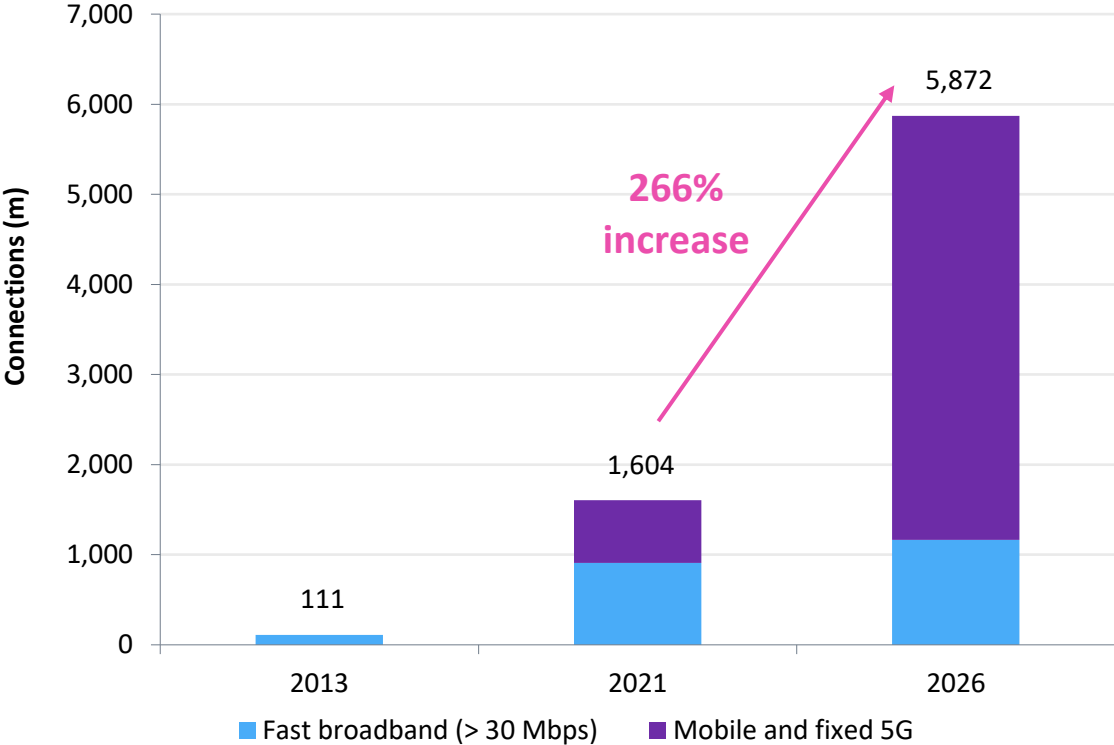
Global installed base of connected consumer devices, 2025, millions



Source: Omdia's Connected Devices Databases - Core Connected Devices

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Fast broadband and 5G connections (m), global



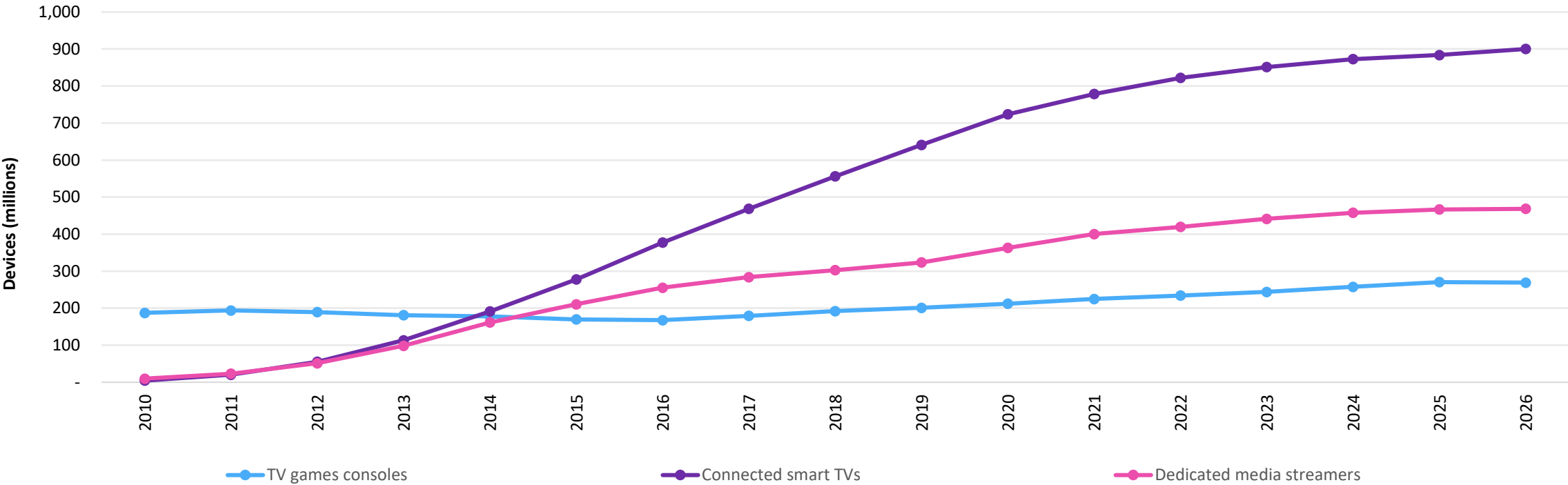
Source: Omdia's Consumer Broadband Subscription and Revenue Forecast: 2021-26
Omdia's 5G Mobile and Fixed Subscription Forecast

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In 2023, smart TVs will become the key battleground for cloud gaming services

Global addressable installed base of selected TV devices, 2010-2026



Source: 2023 Trends to Watch: Consoles, Cloud Gaming, and Subscriptions

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Thank you

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