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**European Video Games Industry**  
*Strategies, Trends & Opportunities*

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Animation, VFX & Games Market Research

# European Video Games Industry

## OVERVIEW

The rapid advancement of technology has made games available to the masses, and this industry has become one of the fastest growing segments in the global media and entertainment market. We are increasingly seeing more of the games production taking place in a globally distributed mode. Production work is becoming global with tax incentives, regional low labor costs and lower computing costs, which put pressure on companies to reduce costs and set up facilities in tax advantaged or low-cost regions. This is a model which is increasingly being tapped by content producers.

## MARKET SIZE

The size of European video gaming industry was US\$ 19 billion in 2018 and is projected to reach 21.5 billion by 2020.

## STRATEGIES, OPPORTUNITIES, GROWTH FACTORS

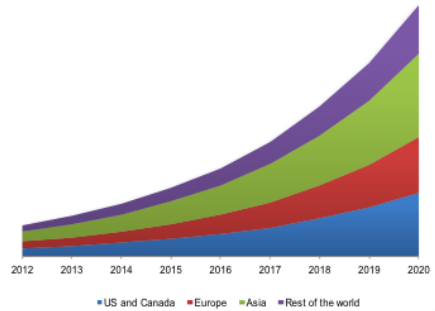
Cloud Gaming services which are growing at an exponential pace would need the right pricing model to both drive adoption and generate sufficient returns for platforms and publishers. The availability of low cost micro-payment systems is allowing users to pay for access or download small quantities of digital content and is the key for online games market to grow. Artificial Intelligence and Machine Learning based techniques are being used for in-game analytics, customer acquisition, retention, cross sell, churn, classify player behavior etc.

Popular eSports tournaments have rich spectator interactions and immersive fan experiences for in-person and online viewers. Micro-segmentation of fans is emerging as eSports leagues and tournament are consolidating various genres, platforms and viewing experiences by careful customer segmentation, targeting and positioning. China has become a leader in eSports and several tournaments are organized throughout the year with millions participating in both online and offline modes.

# European Video Games Industry

- The size of European Video Gaming industry was US\$ 19 billion in 2018 and is projected to reach 21.5 billion by 2020.
- Gaming companies are focusing on Augmented Reality (AR) and Virtual Reality (VR) enabled games
- Cloud Gaming services would need the right pricing model to both drive adoption and generate sufficient returns for platforms and publishers
- The availability of low cost micro-payment systems is allowing users to pay for access or download of small quantities of digital content and is the key online games market to grow
- Artificial Intelligence and Machine Learning based techniques can be used for in-game analytics, customer acquisition, retention, cross sell, churn, classify player behavior, etc.
- The traditional revenue models of video games industry is changing and firms are exploiting competing models that they are using alone or in combination
- In the games industry, both digital and physical distribution channels exist side by side with the share of physical distribution channels expected to shrink in the future

Geographical break-up of Global eSports Industry (US \$ Billion)



Revenue break-down by Game Genres





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