



Switching on to Business

EXTRA!

Chapter 3

RESEARCHING YOUR MARKET HANDOUT 1

Ireland turning into nation of computer gamers

People are buying and playing more games than ever before, with video gaming fast becoming a mainstream entertainment activity. Over the last six years, the **market** for games has grown by 100% and this trend is set to continue. Media reports suggest that that video games have become part of the fabric of entertainment as **sales** of games consoles or hand-held gaming devices continue to rise every year, not to mention the millions of games being sold every year to play on the consoles.

"It is no longer a kids' market," says industry insider, Roger Bennett, "it is mainly an adult market. The average PlayStation 2 **customer** is in their twenties and there is evidence that more and more women are getting into games."

Market research studies show just how far gaming has come in only a few years. Between 1997 and 2009, spending on games grew much faster than spending on other forms of entertainment like film or music. The games market increased by 200%, compared with a 20% rise in cinema takings and a 10% drop in music sales.

In 2009, more was spent on games than ever before, far greater than that spent on going to the cinema or renting videos or DVDs. Part of this is due to the relative high cost of video games. Best-selling games such as the "Sims" generate more income for the manufacturers than record companies earn from their best-selling albums. "Gaming is a **mass market** entertainment format, comparable to any other," said Mr Bennett.

In 2009, gamers across the world spent €50 billion on their hobby. However, as with all technology products, innovation is the cornerstone of the games industry and the launch of exciting new handheld machines is expected to give the market a huge boost ahead of the next generation of TV-based consoles.

1. Where could an entrepreneur look to gather market research about the computer games industry?
2. Identify the different segments that exist in the computer games market.
3. Design a questionnaire to research the entertainment preferences of the general public. Your questionnaire should reveal what the most popular forms of entertainment are and how much people spend on them.

