

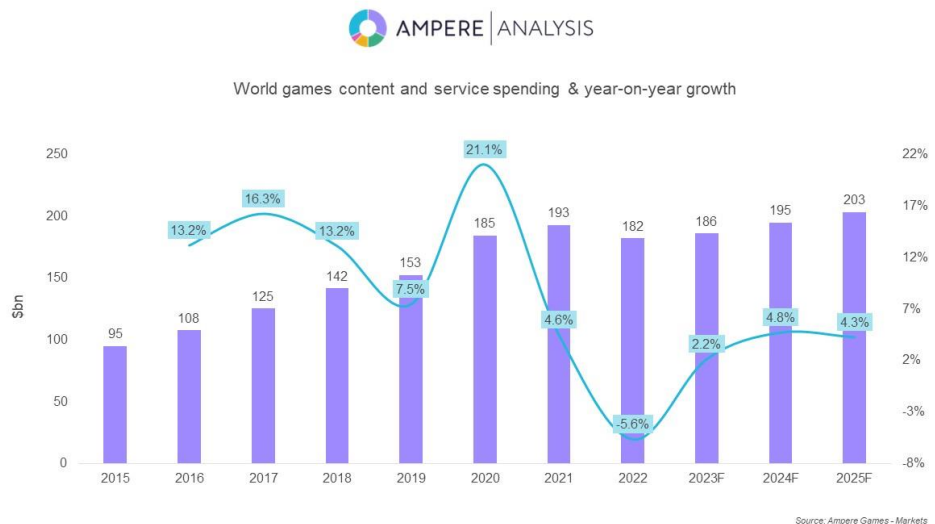
# Games market enters a new era as pandemic years reset growth dynamic

Rise of 26% across 2020 and 2021 propelled the market beyond its original growth trajectory

**London, 16th May 2023:** The latest data from Ampere Analysis shows that in 2022, global spending on games content and services declined by 5.6% to \$182.3bn (-1.3% in constant currency). This represented a strong performance considering it was the first full year in a post-pandemic climate for many territories but also reflected some games market turbulence, which dampened consumption.

Aside from the expected drop in gamer attention, other factors that impacted the market included: an encroaching cost of living crisis across many key territories, challenges caused by app privacy changes in the mobile games market, delays to major new content releases, and limitations on console hardware availability. There were also numerous territory-specific challenges, such as the war in Ukraine which saw many games companies pull out of Russia, plus regulatory hurdles in China, including a stagnant game approvals pipeline and restrictions on gaming time for minors.

Still, the games market in 2022 was far bigger than it was in 2019, as it largely held on to the pandemic boost.



## Growth over the pandemic years has rapidly scaled the market

With a combined sector rise of 26% across 2020 and 2021, the pandemic propelled the industry beyond its original expansion trajectory. As a result, the market is now predicted to enter a period of lower growth. Games content and spending are forecasted to reach \$186bn in 2023, an increase of 2.2% on 2022.

**Louise Shorthouse, Research Manager at Ampere Analysis says:** “There are two key factors underpinning an outlook of smaller growth rates: the huge scale of the market post-pandemic, and the entry into a lower growth era for mobile gaming. Mobile gaming has been the key engine behind sector expansion over the last decade, but historically very high growth rates are unlikely to return in the medium term.”

## 2023 rebound dependent on less predictable mobile games market

Ampere forecasts a return to market growth in 2023 as mature territories such as the US, China, and Western Europe stabilize, and less-established country markets across Latin America, Southeast Asia, the Middle East & Africa continue to expand.

While the console and PC segments are expected to be flat, the projected rebound is reliant on mobile gaming returning to some form and increasing by 3.3%. However, the potential of disruption to user acquisition from future platform privacy changes, plus a broader audience less resilient to changing macroeconomic conditions, means that mobile gaming market performance has become less predictable than in the past.

## In-game monetisation is plateauing; subscription is flourishing

At 70% of the global market, in-game monetisation has rapidly grown to be the dominant monetisation model over the last decade, but Ampere forecasts that its share of consumer spending is plateauing and will not broach 80% within the next five years. Digital premium game sales are holding their own, and subscription service spending is increasing strongly. However, the games sector will not experience the major shift to subscription models experienced in the video and music sectors.

**Louise Shorthouse adds:** “Subscription monetisation will remain less than 10% of the total games market over the next five years, despite significant growth, largely due to the dominance of free-to-play business models and in-game spending.”

## Ends

### Notes to Editors:

Ampere Games – Markets tracks total games market performance and forecasts across device categories, monetisation models, and distribution types, with spotlights on the games subscription and console gaming markets, and coverage of up to 102 markets worldwide.

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### About Ampere Analysis

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in sport, games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks.

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