



ESSENTIAL VIDEO GAME NEWS

MARKET
CONSUMPTION
USES

OCTOBER
2016

EDITORIAL

This new issue of Essential Video Game News presents the annual results of GfK's consumer survey for SELL, to better understand the habits of the French population, decode gamer expectations and practices and continue to develop Paris Games Week. This year we were particularly interested in the arrival of virtual reality, the interest of 15-24 year-olds for the video gaming industry and its businesses and also French perception of eSport.

A stage for pop culture as a whole, the 7th edition of Paris Games Week invites you to discover the future of video gaming.

The show is taking over 80,000 square metres of the Paris Exhibition Centre at Porte de Versailles, a 30% increase on last year.

Every year, the show's growth improves and enriches the experience offered to gamers. They will discover technological innovations like virtual reality, new products for the Christmas season and also new games for 2017 presented as exclusive previews by French and European manufacturers, publishers, accessory manufacturers and studios. For the 3rd consecutive year, Game Connection Europe will be held jointly with Paris Games Week. This international event helps nearly 3,000 developers, distributors, publishers and service providers find new partners and customers.

As always, PGW will be an e-arena with this year a hall dedicated to the biggest international eSport competitions, an opportunity to discover the PGW Art Gallery by *ARTtitude*, a unique bookshop and many new operators who are attending for the first time, not forgetting Junior PGW for the younger gamers.

Paris Games Week is also the place where our industry finds its structure. This year we have created PGW Business, a forum for all those who are hoping to work in the industry. Close to the Colleges & Courses area, PGW Business is built around presentations of colleges, talks by video game professionals and specialists and photo exhibitions to present all the businesses which make our industry so rich and exciting...

What if video gaming was designing tomorrow's businesses?

Enjoy the show!

Jean-Claude Ghinozzi
Chairman of SELL



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ESSENTIAL VIDEO GAME NEWS

is produced by the Union of
Video Game Publishers (SELL).

It reflects the market,
consumption and use of the
French video gaming industry.

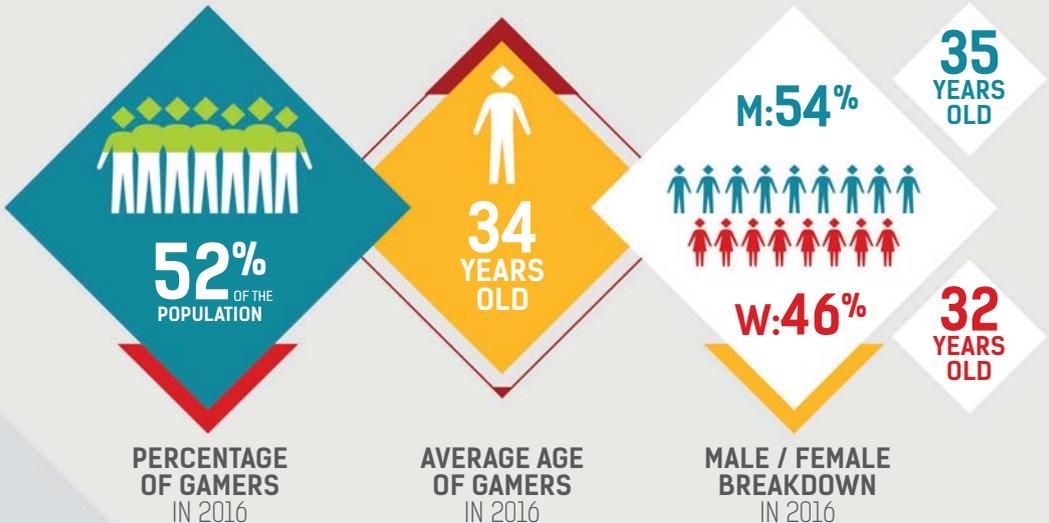


CHAPTER 1

UNDERSTANDING THE VIDEO GAME MARKET

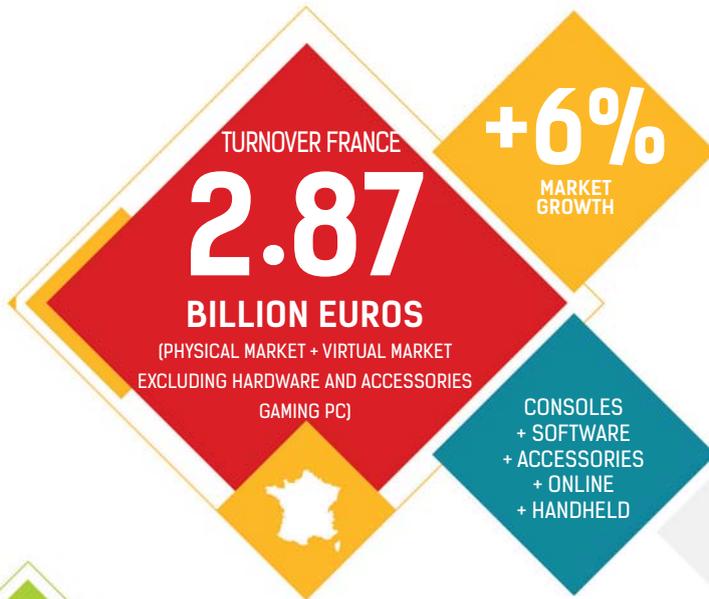
GAMER NUMBERS DOUBLED IN ONLY 10 YEARS!

The history of video gaming in France dates back to the 1980s. The last twenty years have seen the industry and how it is used change dramatically. Today it is the 2nd largest cultural industry behind books. Gaming has slowly become generalised, entering every French home.



In the early 2000s, only 20% of the French population said they played video games, a large proportion being men with an average age of 21. 16 years later and one out of every two French people now say they play video games with almost equal sexual parity and an average age that extends way beyond 30.

2015 MARKET REPORT



**FRANCE IS IN THE TOP 3
EUROPEAN MARKETS**
(with England and Germany)



FIFA 16



**CALL OF DUTY:
BLACK OPS 3**

**2 VIDEO GAMES BROKE THE BARRIER
OF A MILLION UNITS SOLD IN 2015***

FIFA 16: **1.3 million**

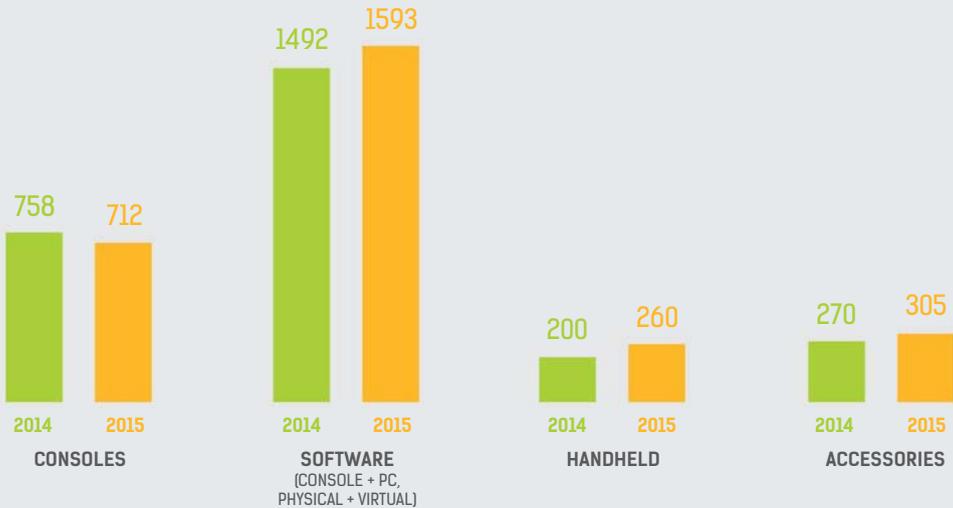
Call Of Duty: Black Ops 3: **1.1 million**

**The 2nd most sold cultural product in
France in 2015 was a video game: fifa 16**

CLOSE-UP: MARKET SEGMENTS 2015

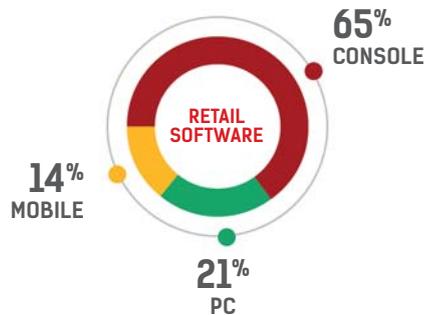
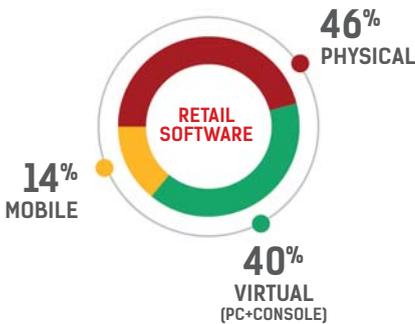
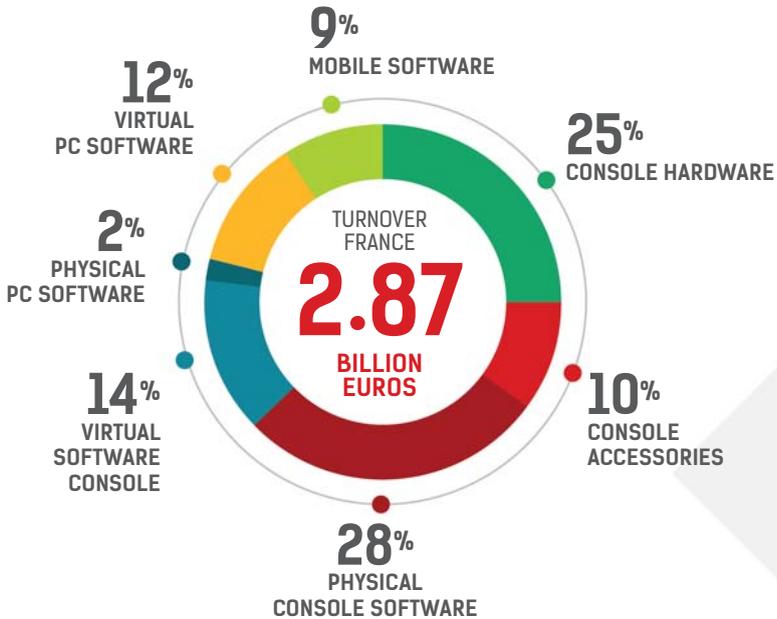
Breakdown of turnover

En millions of Euros



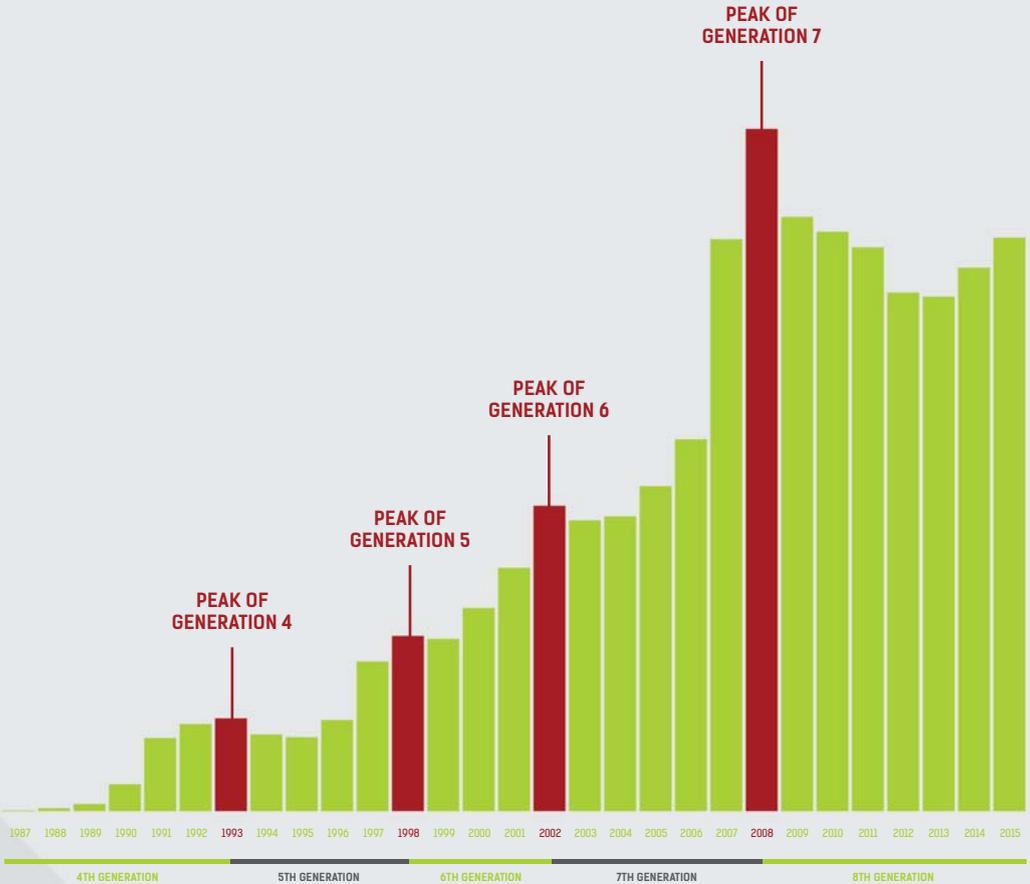
TURNOVER FOR GLOBAL SOFTWARE MARKET
 (CONSOLE + PC + MOBILE,
 PHYSICAL + VIRTUAL)

CLOSE-UP: MARKET SEGMENTS 2015



THE CYCLE OF VIDEO GAMING CONSOLES

Hardware + Software + Accessories



THE VIDEO GAME CONSOLE MARKET OPERATES IN CYCLES.

20 YEARS OF CONSOLES

5TH GENERATION



1993
Amiga CD32



1993
Atari Jaguar



1994
3DO



1995
Sega Saturn



1995
PlayStation



1997
Nintendo 64



1998
Game Boy Color

6TH GENERATION



1999
Sega Dreamcast



2000
PlayStation 2



2001
Game Boy Advance



2002
Xbox

20 YEARS OF CONSOLES



2002
GameCube



2003
Game Boy Advance SP



2003
Nokia N-Gage



2005
Game Boy Micro

7TH GENERATION



2005
Nintendo DS



2005
PSP



2005
Xbox 360



2006
Nintendo Wii



2007
PlayStation 3

20 YEARS OF CONSOLES

8TH GENERATION



2011
Nintendo 3DS



2012
PS Vita



2012
Nintendo Wii U



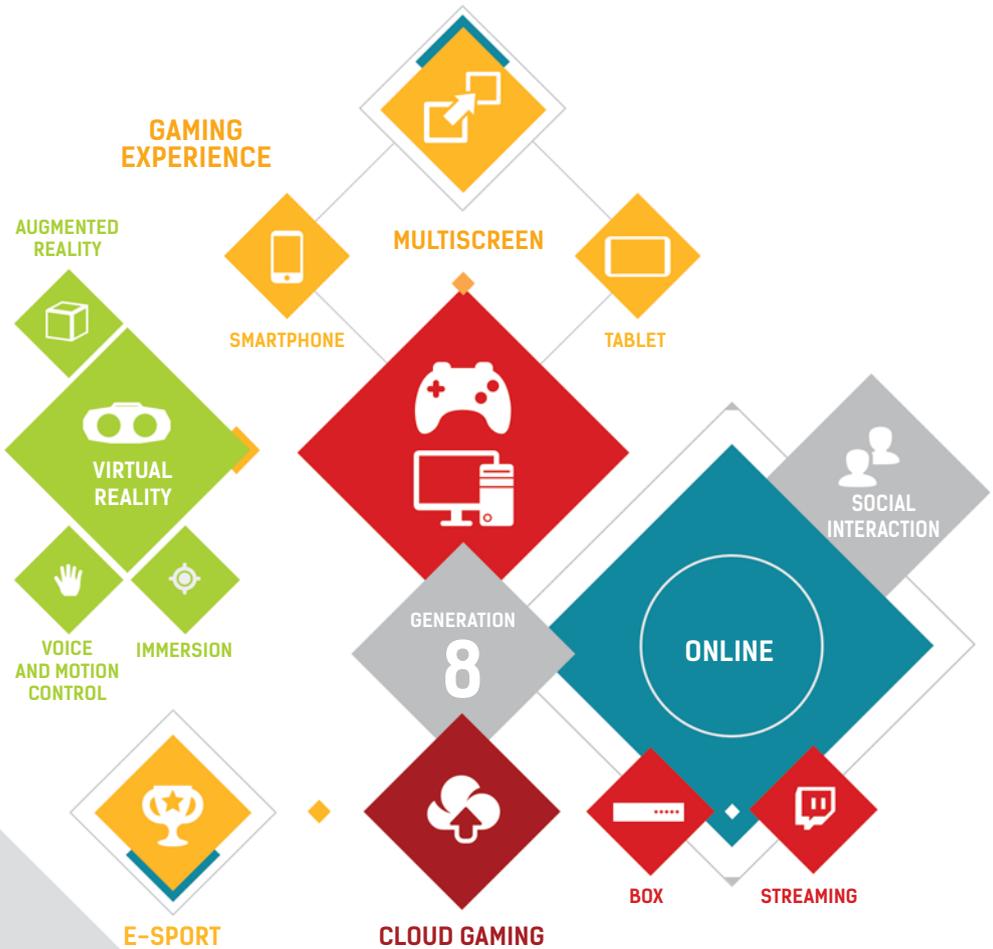
2013
Xbox One



2013
PlayStation 4

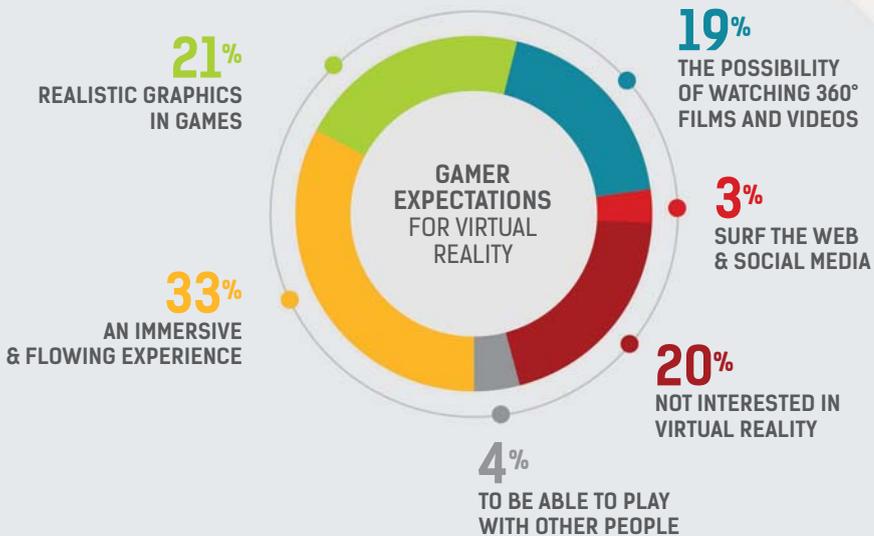
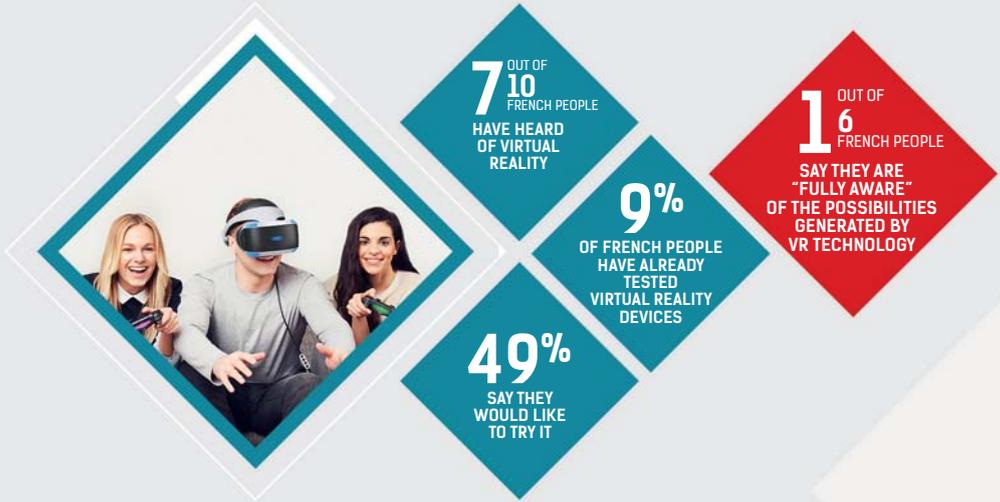
TRENDS AND INNOVATIONS

A market in perpetual change



TRENDS AND INNOVATIONS

Virtual reality focus



Sources: SELL / GFK "French public and Video gaming" survey
Based on 1,002 people aged between 10 and 65 / October 2016

IMPROVING RECOGNITION OF ESPORTS IN FRANCE



SEPTEMBER 2015: SELL proposes an amendment to the framework of the draft Law on the digital republic proposed by Axelle Lemaire and intended to give electronic sports a safe legal framework which can promote growth in the sector. With over 4000 votes in favour, this amendment is at the head of the queue.

JANUARY 2016: During debates in the National Assembly, Prime Minister Manuel Valls launched a parliamentary mission under the auspices of the UDI Deputy Rudy Salles and the PS senator Jérôme Durain, intended to promote the development of video gaming competition in France.

MARCH 2016: Rudy Salles and Jérôme Durain officially submit their interim report to Axelle Lemaire for the Law to be examined by the Senate.

MAY 2016: the Senate officially recognises eSport and professional gamers.

JUNE 2016: A joint Senate / National Assembly meeting is held to finalise the framework of the text of the digital Law.

JULY 2016: The National Assembly adopts the law.

SEPTEMBER 2016: The Senate unanimously approved the law on the Digital Republic.

CREATION OF THE “FRANCE ESPORTS” ASSOCIATION: THE FIRST STEP TOWARDS A FEDERATION OF ESPORT AMATEURS AND PROFESSIONALS



The main historical actors of eSport come together to create “France eSports”, a non-profit association under Law 1901 which was officially launched on 27 April 2016 by Axelle Lemaire at the Ministère de l’Economie. The purpose of the association is to represent the common interests of the economic actors, professionals and amateurs in the sector and to promote its development in a context of professionalism and structuring of the practices used in electronic sports.

The 10 founding members include: Association Futurolan, LDLC Event, ESL, Lyon e-Sport, Malorian, O’Gaming TV, OXENT, SELL, SNJV and Webedia. The Association is chaired by Matthieu Dallon (ESWC) and the General Secretary is Stéphan Euthine (LDLC).



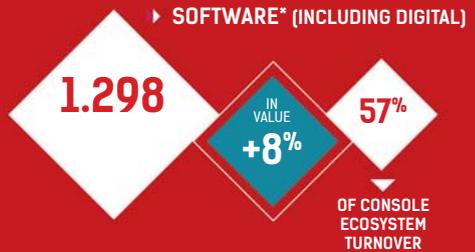
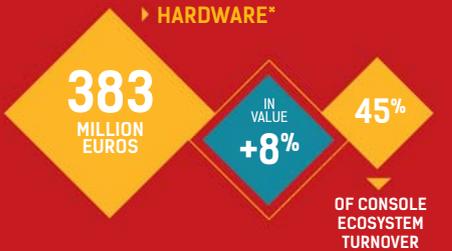
FORECASTS FOR THE FRENCH VIDEO GAME INDUSTRY

End of 2016



MARKET PERSPECTIVES 2016

End of 2016



* PC gaming includes: Software (physical/digital) Hardware (sales of PCs fitted with high-performance graphics cards) Accessories (mouse, keyboard, screen) for PC gaming

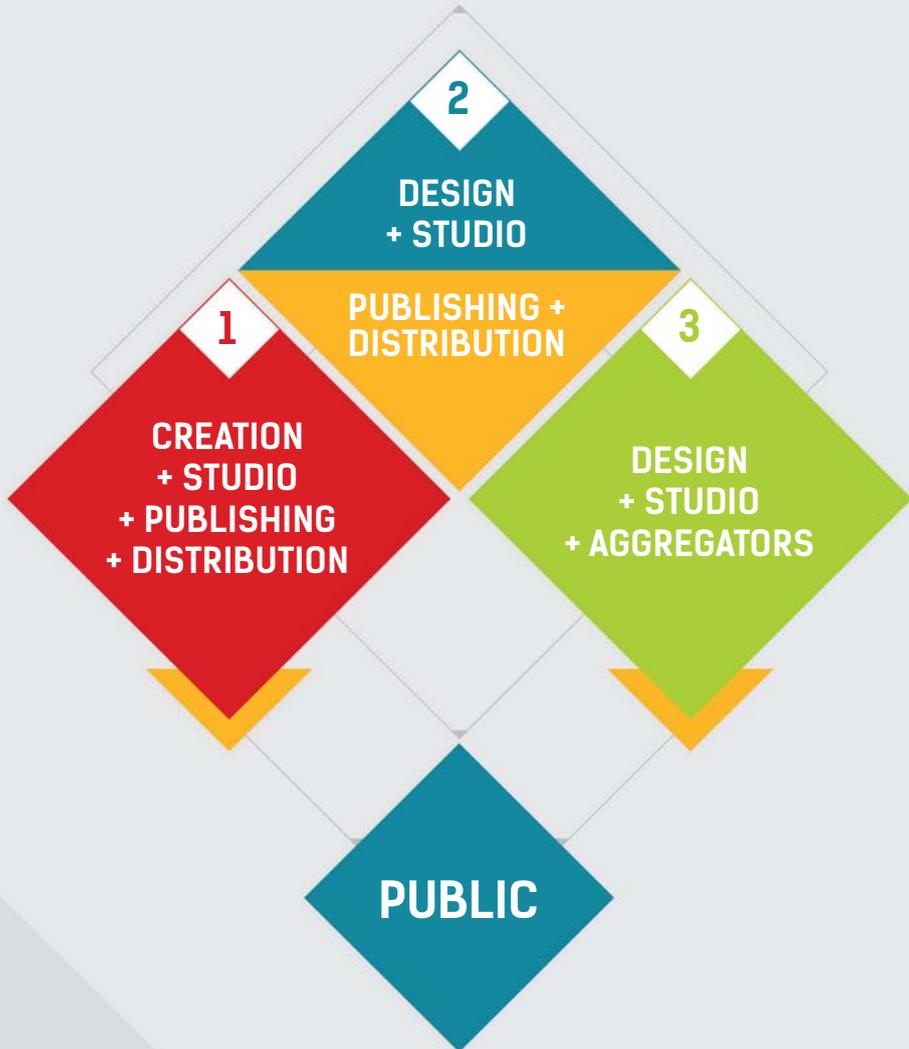
Sources: SELL estimate, using GfK panel data

THE VIDEO GAME ECOSYSTEM

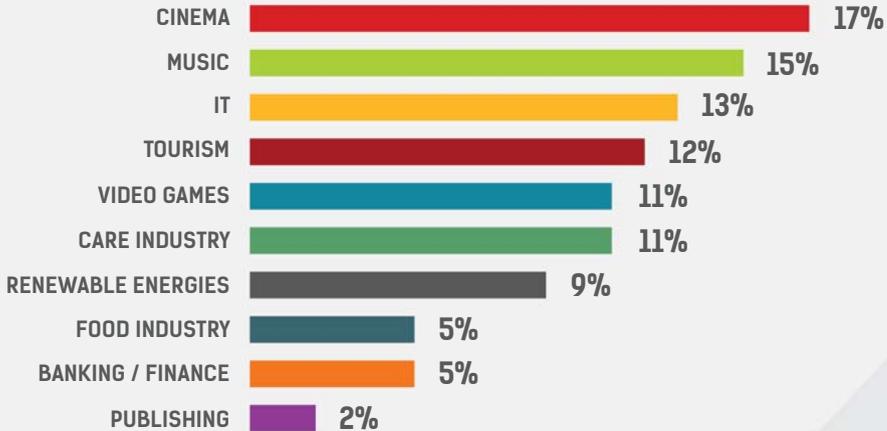


BUSINESS MODELS

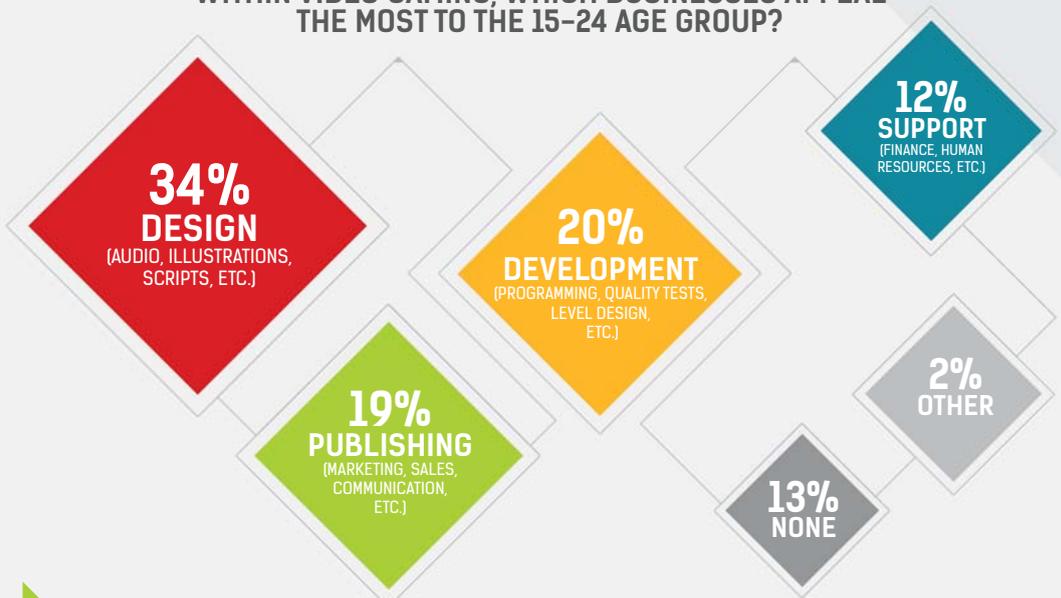
The 3 business models of video gaming



WHICH INDUSTRIES APPEAL THE MOST TO THE 15-24 AGE GROUP?



WITHIN VIDEO GAMING, WHICH BUSINESSES APPEAL THE MOST TO THE 15-24 AGE GROUP?



Sources: SELL / GFK "French public and Video gaming" survey
Based on 1,002 people aged between 10 and 65 / October 2016



CHAPTER 2

PROFILES OF FRENCH GAMERS

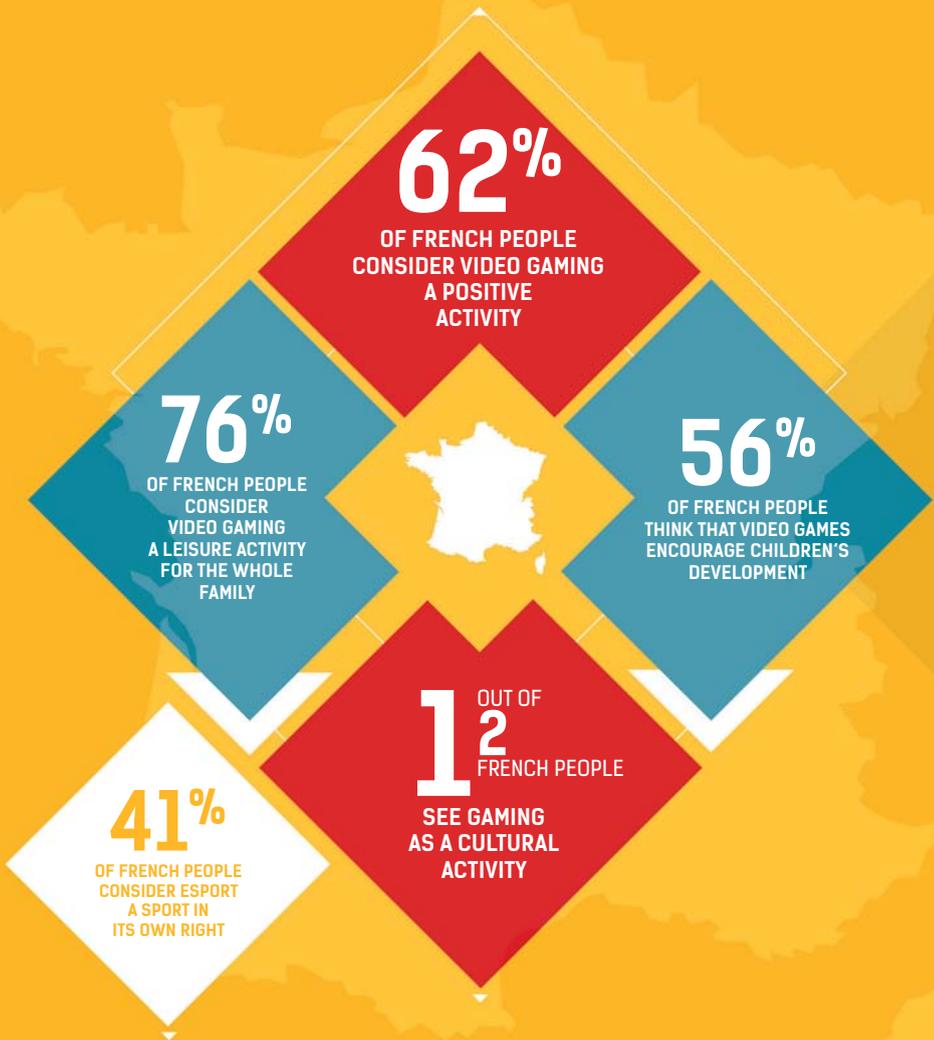


About the SELL "French public and Video gaming" survey

The "French public and Video gaming" survey was carried out by GfK for SELL with the aim of measuring and understanding video game use and purchases in France.

For this survey, a panel of 1,002 people aged 10 to 65 were interviewed in October 2016.

FRENCH PEOPLE AND VIDEO GAMES



FRENCH PEOPLE AND VIDEO GAMES

French people and their habits

FRENCH HABITS (ONE HOUR A WEEK)

28.1^H 

21.4^H 

9.1^H 

7.5^H 

4.3^H 

3.8^H 

3.7^H 

3.5^H 

2.6^H 

1.1^H 

Surf the web
+ 0.2 hours

Watch television
- 3.3 hours

listen to the radio
- 0.7 hours

listen to music
+ 1.4 hours

Watch videos (DVD, BR, VOD,
streaming)
+ 1.1 hours

Read books
- 0.2 hours

Play on the smartphone
& tablet
+ 1.4 hours

Play on the console
& PC
+ 1.5 hours

Read magazines
or newspapers
0 hours

Go to the cinema
+ 0.2 hours

GAMER HABITS (ONE HOUR A WEEK)

 28.3^H

 18.1^H

 8.4^H

 9^H

 5.5^H

 3.6^H

 5.1^H

 5^H

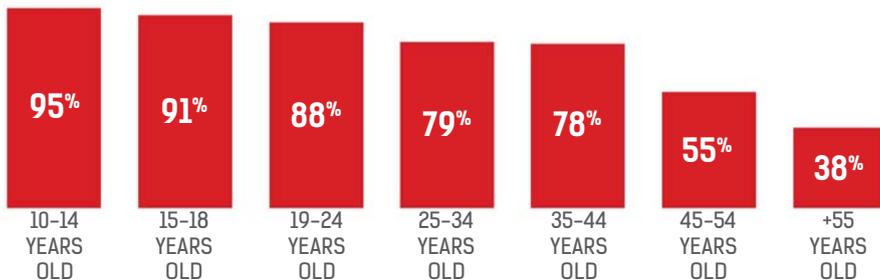
 2.6^H

 1.3^H

VIDEO GAMING: A LEISURE ACTIVITY FOR EVERYONE

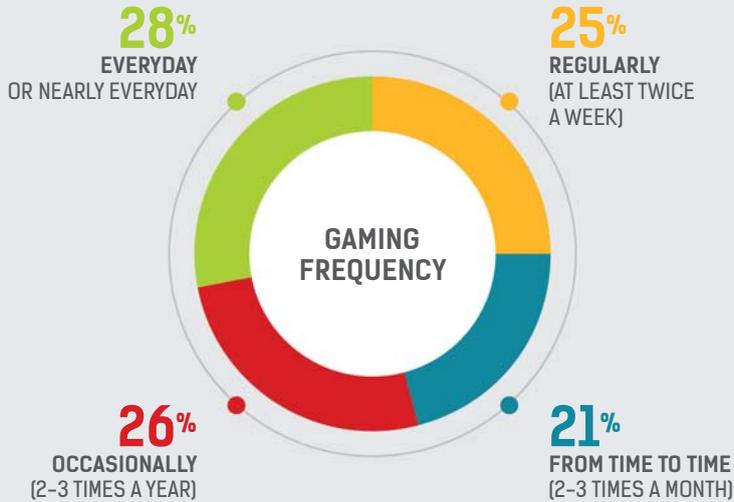


PERCENTAGE OF GAMERS BY AGE GROUP

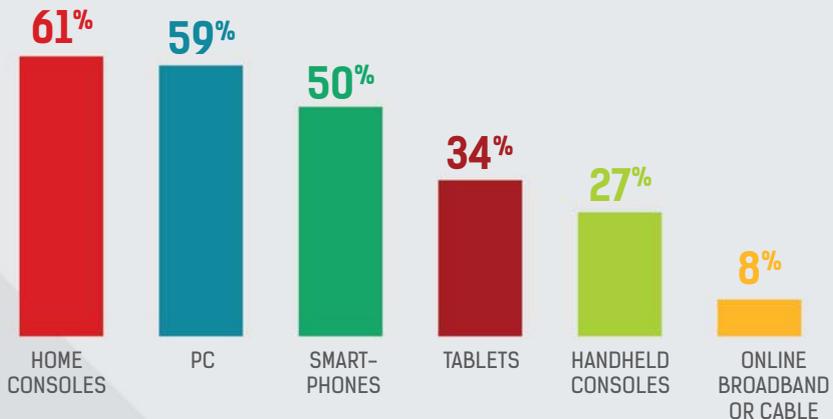


Sources: SELL / GFK "French public and Video gaming" survey
Based on 1,002 people aged between 10 and 65 / October 2016

HOW PEOPLE PLAY

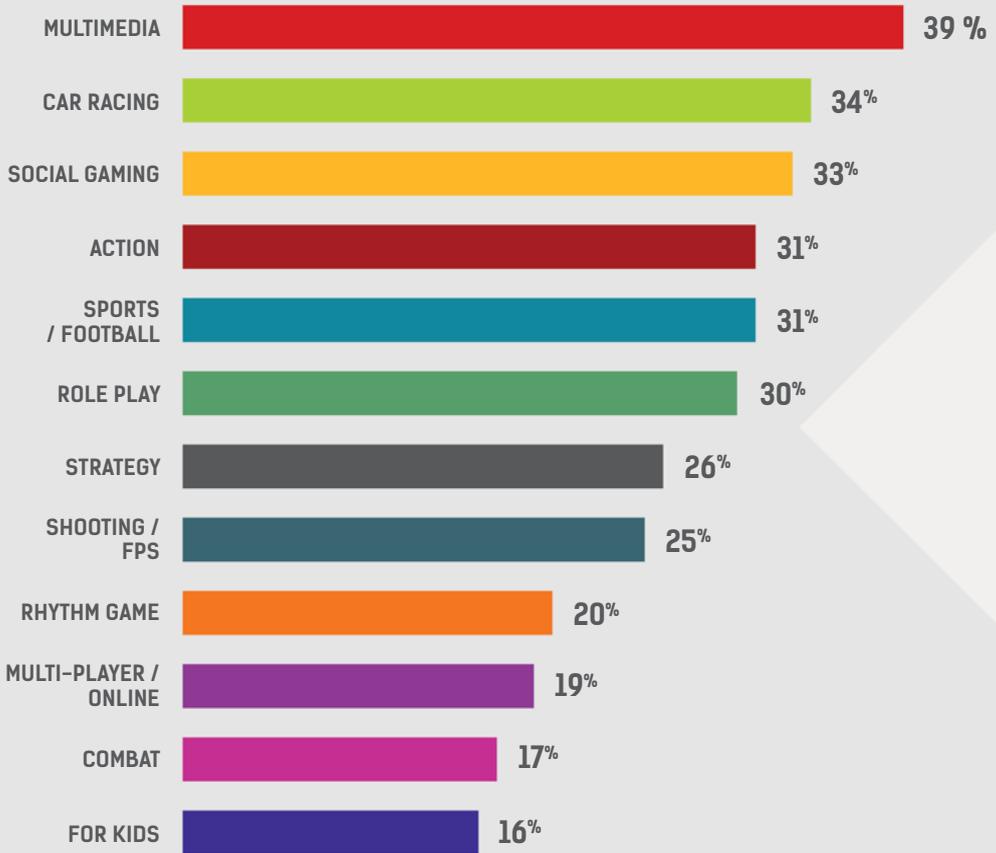


BREAKDOWN OF GAMERS BY PLATFORM



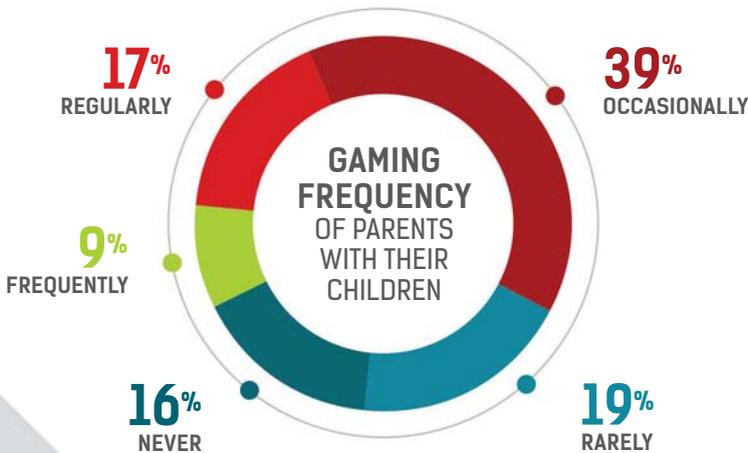
TOP 10 GAME GENRES

Played in 2016



PARENT BEHAVIOUR TOWARDS VIDEO GAMES

WHY DO THEY GAME WITH THEM?



THE ACT OF BUYING AND THE PEGI RATING SYSTEM

WHO BUYS VIDEO GAMES?



ATTITUDE TO THE PEGI RATING SYSTEM





CHAPTER 3

A RESPONSIBLE INDUSTRY

PEGI: PAN EUROPEAN GAME INFORMATION

A responsible industry

Since 17th December 2015, the PEGI system has been accredited by the French Home Secretary. The government has made the age and risk rating system mandatory for the video gaming sector.

Present in
38
countries

CREATED IN
2003

over
25,000
APPROVED GAMES

FEDERATING
1,300
COMPANIES

PEGI Pan
European
Game
Information

The PEGI age rating system (Pan-European Game Information) gives parents throughout Europe the opportunity to make enlightened decisions before purchasing a video game.

Launched in spring 2003, it has replaced a certain number of national age ratings through a unique system that is now used in most European countries. The system enjoys the support of the leading console manufacturers, including Sony, Microsoft and Nintendo, and also interactive game publishers and developers throughout Europe. From this year, it is also applied to all new apps available from Google Play.

The age rating system was created by the ISFE - the Interactive Software Federation of Europe.



WHAT DO THE LABELS MEAN?

The PEGI labels appear on the front and back of the packaging, indicating one of the following age ratings: 3, 7, 12, 16 and 18. They provide a reliable indication of the suitability of the game's content with regard to the protection of minors.

The age rating does not take into account the difficulty of the game or the skills required to play it. The labels below appear on the back of the packaging, indicating the main reasons why a game has a specific age rating.



This game contains bad language.



This game contains violent scenes.



This game contains images which may encourage discrimination.



This game may frighten young children.



This game refers to the use of drugs (including tobacco and alcohol).



This game encourages and/or teaches gambling.



This game shows nudity and/or sexual behaviour or makes sexual references.

PEGI: PAN EUROPEAN GAME INFORMATION

"There is an age for everything. There is a video game for every age."

For 20 years, SELL has been working with gamers and parents on more responsible video gaming practices.

From 2003 and under the impetus of the ISFE (*Interactive Software Federation of Europe*), SELL developed a rating system for video game content: PEGI (*Pan European Game Information*). Managed by an independent organisation, the PEGI system guarantees comprehensible and precise information regardless of how much consumers know about video gaming.

A public interest service recognised by the European Commission in 2007 and by the French government in 2014. A decision which formalised ten years of constructive work to offer gamers clear information. As well as the institution and promotion of the PEGI rating system, since 2008 SELL has been

supporting and contributing to the *PédaGoJeux* collective, responsible for providing better explanations to parents, gamers and educators about video games.

On the initiative of all its members, SELL - the Union of Video Game Publishers - is launching a huge national awareness and information campaign about the standardised PEGI rating system for video games created in 2003 (Pan European Game Information).

Recognised as a general interest venture by the French government's Information Department, this campaign demonstrates the commitment and values of the video game industry, whose first priority remains responsibility and information for consumers and gamers.

TWO FILMS AND A SIMPLE MESSAGE TO RAISE AWARENESS OF PARENTS AND GAMERS TO THE PEGI LABELS.

**AN AMBITIOUS
MEDIA PLAN**
DESIGNED
TO REACH PARENTS
AND GAMERS

€850,000
BUDGET

**4
WEEKS**
ON SCREEN
FROM 5TH OCTOBER
TO 2ND NOVEMBER

**IMPULSE BUY
CAMPAIGN**
ON THE WEB

**SHOWN
IN UGC
& GAUMONT PATHÉ**
CINEMAS

THE PEGI GUIDE



Find it on the SELL website: www.sell.fr
Essential Video Game News – special issue
The PEGI guide

PEDAGOJEUX.FR

The website for information and raising awareness about video games



The PédagoJeux website guides parents and educators through the complex world of video gaming.

On pedagojeux.fr, parents can find all the best practices and keys to understanding how to best support their children in this leisure activity.

Questions about gaming time, sleep, age and game content are major concerns for adults today. PédagoJeux believes it is essential that parents know and understand the PEGI labels so they can select games suitable to their child's age and sensitivity and adapted to their family values.

In the opinion of PédagoJeux, talking to their children about their gaming experiences and gaming together as a family are also essential.



To extend its scope, PédagoJeux has been developing a network of educational mediators since 2014, the PédagoJeux

Ambassadors, for the most part state or charity entities working in the fields of family awareness and information. In 2014, this programme received the "Défenseur des droits" label dedicated to the 25th anniversary of the Convention on the Rights of the Child.



PédagoJeux.fr

In 2015, PédagoJeux focused more specifically on younger gamers and created PédagoJeux Junior, a space with content

dedicated to 6-12 year olds. With Tralalere / Internet Sans Crainte and SELL, two of its founding members, PédagoJeux is involved in the launch of GameCode, a video game design app for 9-14 year-olds. It encourages them to move from consumer to designer and gives them the resources to take a step back from their gaming and view the game itself more critically. With GameCode, children will see behind the scenes of how a video game is made and discover programming, developing their digital knowledge and culture.

PédagoJeux is a collective created in 2008 by people from public bodies, the gaming industry and associations.

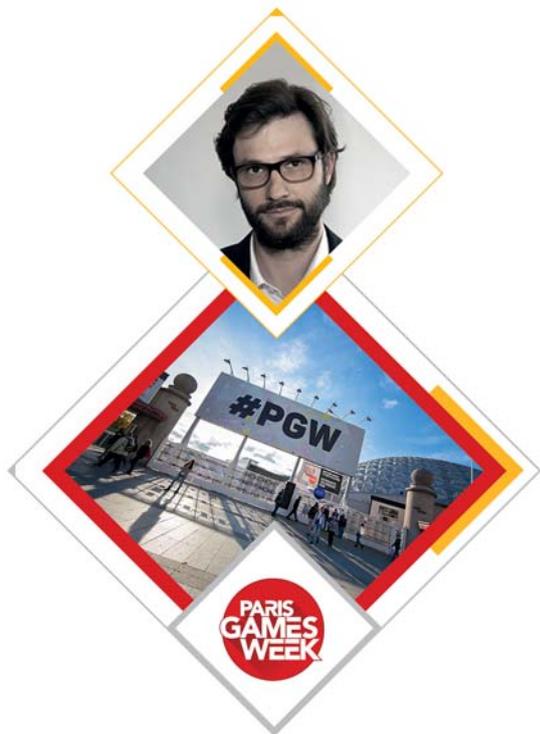
The current active members of the PédagoJeux collective are: the National Union of Family Associations (UNAF), Internet Sans Crainte (Tralalere), the Ministry for Family Affairs, Union of Video Game Publishers (SELL), Bayard Jeunesse and JeuxOnLine. The multi-representational organisation of PédagoJeux ensures a balanced approach to video gaming. Without demonising or venerating gaming, our objective is to present the benefits and advantages of video games and the points of concern.



CHAPTER 4

PARIS GAMES
WEEK

PARIS GAMES WEEK



PARIS GAMES WEEK: A VITALITY WHICH MIRRORS THE SECTOR

Paris Games Week is an industry-organised general public event created in 2010 by SELL and driven by the union's manufacturers and publishers, all focused on the same objective: celebrate video gaming in all its forms and uses and present the industry's new end-of-year products and innovations to the general public.

Since its beginnings, Paris Games Week has enjoyed very strong growth in exhibition space, the number of exhibitors and the number of visitors. With some 80,000 square metres in halls 1, 2.1, 2.2 and 3 at the Porte de Versailles Paris Exhibition Centre, at the end of October the show will open its doors with 30% more space than the 2015 edition, bearing in mind that for the first edition in 2010 it "only" had 14,000 square metres. SELL is offering visitors even more games, innovations and experiences with booths that are ever more spectacular.

The 2016 edition will host nearly 6 times more exhibitors than in 2010 to the delight of its visitors whose numbers increase every year. Total numbers reached 307,000 in 2015 combining paying visitors and guests, exhibitor teams, show teams, the media and professionals attending the show, premiere events and private evening events.

Today, Paris Games Week represents the leading French event on Twitter with over 400,000 followers. In early September, it also launched its presence on Snapchat, highlighting a desire to federate communities around gaming.

This approach is part of SELL's global 360° brand content strategy, to make Paris Games Week the showcase of the video game sector with news and information throughout the year, not just at exhibition time. For the 2015 edition, Paris Games Week enjoyed historic media attention with 13,000 articles in the international press compared with 2,000 in 2014 and 15 hours of air time on French TV and radio.

TWO KEY WORDS: EXPERIENCE & INNOVATION

Beyond the key figures for these last six years, the success is also down to the **presence and involvement of the major players** who shape this industry and help create the event's full magnitude. Today, Paris Games Week represents:

- ◆ **an advertising springboard** for publishers with an ever-richer end-of-year line-up presented at the show and even more exclusive games previews and other events (for example, the international PlayStation conference organised for PGW 2015);
- ◆ **the ideal place for discovering and testing technological innovations** like VR or eSport;
- ◆ **the venue for the biggest eSport competitions** with *ESL (the Electronic Sports League from the very first year)* and *ESWC (the Electronic Sports World Convention) since 2011*. As well as spotlighting eSport during Paris Games Week, SELL works every day alongside the sector's representatives, striving for recognition for eSport. SELL contributed to the creation of the France eSport association;
- ◆ **an event designed for the utmost visitor comfort and experiences** for gamers and their families, with dedicated zones and areas including Paris Games Week Junior, created in 2012;
- ◆ **a genuine forum for the video game industry** covering 180m2 where over 5 days there is a convention with speakers (HR directors, colleges, publishers and more) hosting conferences and round tables on topics and issues which concern and motivate the industry's future professionals.

JEAN-CLAUDE GHINOZZI, SELL PRESIDENT AND PARIS GAMES WEEK ORGANISER, EXPLAINS:

"WE ARE PROUD OF THE SCOPE TAKEN ON BY THE HUGE EVENT PARIS GAMES WEEK HAS BECOME AND WHICH WE HAVE BUILT OVER THE YEARS ALONGSIDE DIFFERENT SECTOR OPERATORS. TODAY WE WANT TO GO EVEN FURTHER AND MAKE PARIS GAMES WEEK A BRAND IN ITS OWN RIGHT, REPRESENTING THE VALUES WHICH HAVE MADE IT A BENCHMARK IN GENERAL PUBLIC SHOWS: SHARING, CREATIVENESS, UNIVERSALITY AND RESPONSIBILITY."

PGW 2016: A STAGE FOR ALL GAMING

Paris Games Week will be the place to preview and test cutting-edge technological innovations and brand new games. At the end of October, visitors will discover all the new products for the Christmas season and releases for 2017 in hardware, software and accessories. This new edition will also showcase the latest innovations in virtual reality. Paris Games Week has always been a hotspot for international competitions and this year it will host many eSport events. Loyal to this great event, studios, colleges and industry professionals will also be joining the fun, celebrating gaming in all its forms and styles.

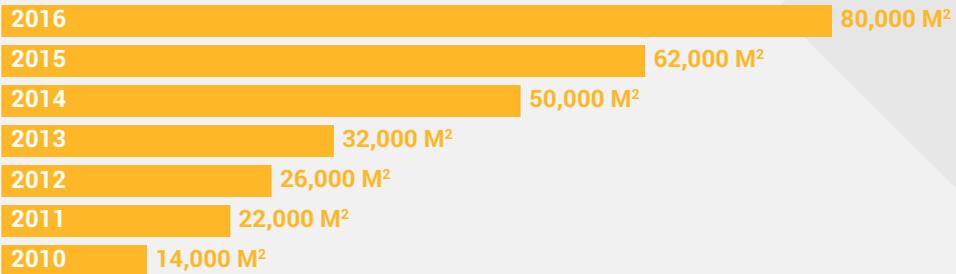
PARIS GAMES WEEK IN FIGURES

Top 5 international video game events Top 5 French trade fairs

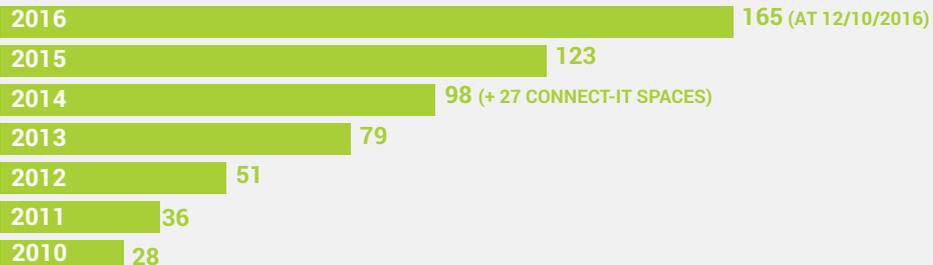
GROWTH IN ATTENDANCE



GROWTH IN SIZE



GROWTH IN NUMBER OF EXHIBITORS





CHAPTER 5

SELL

THE MISSIONS OF SELL

SELL stands for the Syndicat des Editeurs de Logiciels de Loisirs, or the Union of Video Game Publishers.

The Union of Video Game Publishers (SELL) was founded in 1995 by key players on the video game market.

To support the growing video game industry and its accessibility, video game professionals (console manufacturers, game publishers, accessory manufacturers, etc.) needed to speak with the same voice. Following the example of the Interactive Software Federation of Europe (ISFE) which defends the interests of the video gaming sector on a European level, SELL immediately became the primary contact for French public institutions, the media and different associations.

In twenty years, SELL has taken many decisive actions to ensure video gaming is recognised as one of France's favourite leisure activities. This success is not solely down to the quality of games sold by the SELL members.

Aware of their responsibilities to gamers and their friends and families, in 2003 SELL members implemented a simple, complete and independent video game rating system: **PEGI** (*Pan European Game Information*). SELL expressed the industry's desire to be responsible through the PEGI rating system and through an information resource for parents: **PédaGoJeux.fr**

Under the presidency of **Jean-Claude Ghinozzi** (Director of the Retail Sales and Marketing Division for Microsoft France) and **Emmanuel Martin** (SELL General Delegate), this commitment to society became concrete in 2015 with the PEGI system's approval from the French Home Secretary as the rating system for video games in France.

SELL's main objective is to promote video games and gaming with the general public, national and European stakeholders and the authorities.

For this, SELL organises two shows every year, the **IDEF** and **Paris Games Week**, federating the main operators in the video game sector.

The IDEF (Interactive & Digital Entertainment Festival) is a trade fair.

Ever year, all of the video game industry comes together there. Over three days, they present industry buyers with gaming trends and new products and services which will create a buzz for the Christmas season. Furthermore, panels, conferences and round tables introduce and explain new uses and new technologies which will move the video game industry forward, an industry which is enjoying constant growth.

Paris Games Week is a general public show.

Over five days, hundreds of thousands of gamers, their families and friends will play and discover the latest titles, technologies and peripherals for the Christmas season. Even though it is open to all and has events suitable for every audience, Paris Games Week has an area specially designed for younger gamers: Junior PGW. There, children and parents can discover games, accessories and activities specially designed for a younger audience. PGW is also an opportunity to meet some of the colleges offering courses in video gaming and digital design.

Finally, the world's third largest video game show couldn't forget the professionals! Game Connection is a space where industry professionals can meet and discover creations and offers which will hit the headlines in the coming months and years.

SELL also has a vocation to defend the interests of its members and, more generally, all of the video game sector.

This includes software publishers, console manufacturers, accessory manufacturers and also development studios and colleges offering video game courses.



THE BOARD OF DIRECTORS



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Florent Moreau
SQUARE ENIX

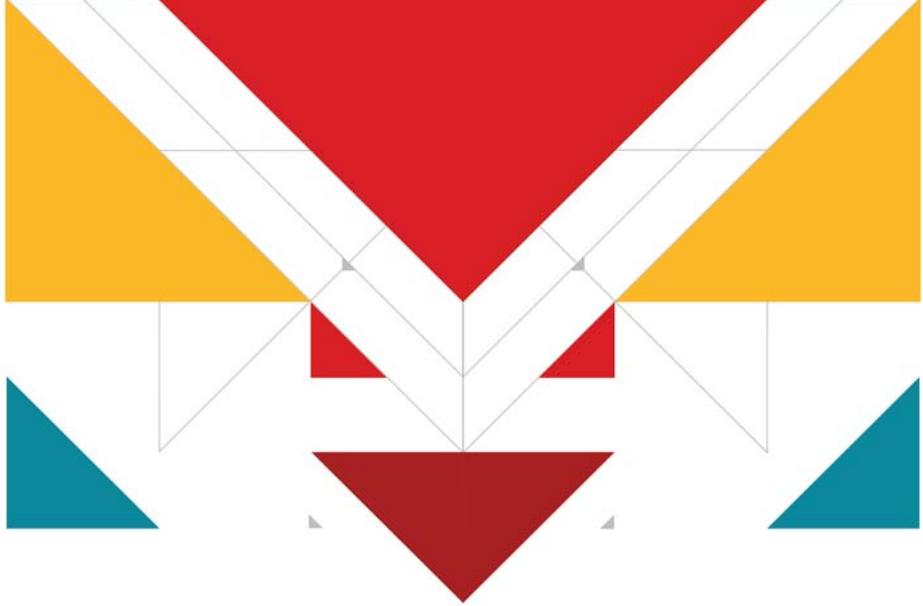
Patrick Bellaiche
& Michel Magne
TAKE-TWO INTERACTIVE

John Parkes
UBISOFT

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